

This document comprises a prospectus (the “Prospectus”) relating to Eutelsat Communications SA (“Eutelsat”) prepared in accordance with the Prospectus Regulation Rules of the Financial Conduct Authority (“FCA”) made under section 73A of the Financial Services Markets Act 2000, as amended (“FSMA”). This Prospectus has been filed with, and approved by, the FCA as competent authority under Regulation (EU) 2017/1129 which forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “UK Prospectus Regulation”) in accordance with section 87A of FSMA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the company that is the subject of this Prospectus nor should such approval be considered as an endorsement of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

Applications will be made to the FCA and the London Stock Exchange for all of the issued and to be issued ordinary shares in the capital of Eutelsat (the “Eutelsat Shares”), including the New Eutelsat Shares, to be admitted to the standard listing segment of the Official List and to trading on the London Stock Exchange’s Main Market for listed securities, respectively (“Admission”). Admission to trading on the Main Market constitutes admission to trading on a UK regulated market. It is expected that, subject to completion of the Combination, Admission will become effective and that dealings in the Eutelsat Shares will commence at 8.00 am (London time) on or around 29 September 2023. **The Combination is subject to satisfaction (or waiver, if permitted) of various Conditions. If the Combination does not proceed, then Admission will not take place.**

Investors are able to settle interests in the Eutelsat Shares through the CREST system. Eutelsat Shares as securities issued by Eutelsat, a non-UK company, cannot be directly held in uncertificated form or transferred electronically in the CREST system. In order for the Eutelsat Shares to be traded on the LSE, CREST depository interests representing the underlying Eutelsat Shares will be issued by CREST Depository Limited (on a one-for-one basis) to persons who wish to hold the Eutelsat Shares in electronic form within the CREST system. Any CDIs issued will be independent securities constituted under English law, which may be held and transferred directly through the CREST system operated by Euroclear UK & International Limited. CDIs have the same ISIN as the underlying Eutelsat Shares and do not require a separate admission to trading on the LSE. Investors should note that it is the CDIs which will be settled through CREST and not the Eutelsat Shares.

Eutelsat Shares are currently listed on Euronext Paris, where they will continue to be listed following Admission. Eutelsat will make an application to Euronext Paris for listing and trading of the New Eutelsat Shares on Euronext Paris. Eutelsat is seeking a secondary listing for all Eutelsat Shares, including the New Eutelsat Shares, on the standard listing segment of the Official List and to trading on the London Stock Exchange’s Main Market for listed securities.

This Prospectus is issued solely in connection with Admission. This Prospectus does not constitute or form part of an offer or invitation to sell or issue, or any solicitation of an offer to purchase or subscribe for, any securities by any person. No offer of Eutelsat Shares is being made in any jurisdiction.

Prospective investors should read this Prospectus and the information incorporated by reference into this Prospectus in its entirety. In particular, your attention is drawn to Part 2 (Risk Factors) of this Prospectus for a discussion of the risks that might affect the value of your shareholding in Eutelsat.

Eutelsat Communications S.A.

(incorporated and registered in France with identification number 481 043 040)



Admission to the standard listing segment of the Official List and to trading on the London Stock Exchange’s Main Market for listed securities of the entire issued share capital of Eutelsat Communications SA

Financial Adviser



Notice to French Investors

This Prospectus is not intended to and does not constitute, represent or form part of and should not be construed as an offer or invitation to exchange or sell, or solicitation of an offer to subscribe for or buy, or an invitation to exchange, purchase or subscribe for, any Eutelsat's securities, any part of Eutelsat's business or assets, or any other interests or the solicitation of any vote or approval in France. This Prospectus should not be construed as a recommendation to any reader of this Prospectus.

This Prospectus has not been approved by the French Financial Markets Authority (*Autorité des marchés financiers*).

In connection with the Combination, Eutelsat filed with the AMF and published an information document in connection with the listing of the New Eutelsat Shares. Investors are urged to carefully read all relevant documents published in connection with the Combination, including the information document, because they will contain important information about the Combination. Copy of the information document as well as other documents are available on Eutelsat's website (at <https://eutelsat.com>).

Notice to US Investors

No offer or solicitation

This Prospectus relates to, and is issued solely in connection with, Admission. This Prospectus is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any securities, or a solicitation of any vote or approval with respect to the Combination or otherwise.

The securities referred to in this Prospectus may not be offered, sold or transferred, directly or indirectly, in, into or from the United States absent registration under the U.S. Securities Act of 1933 or pursuant to an applicable exemption therefrom, or in a transaction not subject to, the registration requirements of the U.S. Securities Act of 1933 and in compliance with the securities laws of any applicable state or other jurisdiction of the United States. This Prospectus shall not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States and may not be distributed, directly or indirectly within the United States. Neither the SEC nor any state securities commission has approved or disapproved of the securities referred to in this Prospectus or passed upon the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

Notice to all investors

This Prospectus has been prepared solely in respect of Admission and is being made publicly available for information purposes only and does not require any action to be taken by holders of Eutelsat Shares. Eutelsat is not offering any Eutelsat Shares nor any other securities in connection with Admission. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, any Eutelsat Shares nor any other securities in any jurisdiction. The Eutelsat Shares will not be generally made available or marketed to the public in the UK or any other jurisdiction in connection with Admission.

Prospective investors should only rely on the information contained in this Prospectus and any documents incorporated herein by reference. No person has been authorised to give any information or make any representations other than those contained in this Prospectus and any document incorporated by reference herein and, if given or made, such information or representation must not be relied upon as having been so authorised. Without prejudice to any legal or regulatory obligation on Eutelsat to publish a supplementary prospectus pursuant to Article 23 of the UK Prospectus Regulation, neither the delivery of this Prospectus nor Admission shall, under any circumstances, create any implication that there has been no change in the business or affairs of Eutelsat, the Eutelsat Group, OneWeb, the OneWeb Group and/or the Combined Group, each taken as a whole since the date of this Prospectus or that the information in it is correct as at any time after the date of this Prospectus. Eutelsat will comply with its obligation to publish supplementary prospectuses and other information containing further updated information as required by law or by a regulatory authority and, in particular, its obligations under the UK Prospectus Regulation, the Prospectus Regulation Rules, the FCA Listing Rules and the Disclosure Guidance and Transparency Rules (as appropriate) but assumes no further obligation to publish additional information.

Rothschild & Cie ("**Rothschild & Co**") is acting exclusively for Eutelsat as financial adviser (and not as sponsor). Rothschild & Co is not acting for any other person in connection with the Admission and will not regard any other person (whether or not a recipient of the Prospectus) as a client with respect to the Admission nor will it be responsible to anyone other than the Eutelsat for providing the protections afforded to its clients or for providing advice in relation to the Admission or any other transaction or arrangement referred to in this Prospectus. Neither Rothschild & Co nor any of its group undertakings or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Rothschild & Co in connection with this Prospectus or any matter referred to herein. Rothschild & Co has not been engaged by Eutelsat as sponsor in connection with the Admission and it will not be responsible to anyone (including Eutelsat) for providing the protections

afforded to its clients for providing advice as sponsor in relation to the Admission.

Apart from the responsibilities and liabilities, if any, which may be imposed on Rothschild & Co under FSMA or any regulatory regime established thereunder to the extent the exclusion of responsibility under the relevant regulatory regime would be illegal, void or unenforceable, neither Rothschild & Co nor any of its subsidiaries, holding companies, branches or affiliates nor any of its directors, officers, employees, agents or advisers, owes or accepts any duty, responsibility or liability whatsoever (whether direct or indirect and whether arising in contract, in tort, under statute or otherwise) to any person in relation to this Prospectus or for any acts or omissions of Eutelsat, or makes any representation or warranty, express or implied as to the contents of this Prospectus, including its accuracy, completeness, verification or sufficiency, or for any other statement made or purported to be made on or by Eutelsat's behalf, or on or by Rothschild & Co's behalf, nothing in this Prospectus should be relied upon as a promise or representation in this respect, whether or not to the past or future. To the fullest extent permitted by law, Rothschild & Co and its subsidiaries, holding companies, branches and affiliates and its directors, officers, employees, agents, or advisers accordingly disclaim all and any responsibility or liability whatsoever (whether direct or indirect and whether arising in tort, contract, under statute or otherwise (save as referred to above)), which they might otherwise have in respect of this Prospectus or any such statement or otherwise.

The distribution of this Prospectus in certain jurisdictions may be restricted by law. No action has been or will be taken by Eutelsat, OneWeb, the Directors, the Proposed Directors or Rothschild & Co to permit possession or distribution of this Prospectus in any jurisdiction where it is believed that this may be unlawful or in contravention of local regulation. Accordingly, copies of this Prospectus and all documents relating to the Combination are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a jurisdiction where to do so would violate the laws in that jurisdiction. Persons into whose possession this Prospectus comes are required by Eutelsat, OneWeb, the Directors, the Proposed Directors and Rothschild & Co to inform themselves about and to observe any such restrictions.

The application for Admission will be made in compliance with Rule 3 of the FCA Listing Rules.

Any failure to comply with these requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the preparation of this Prospectus, Admission and/or the Combination disclaim any responsibility or liability for the violation of such requirements by any person.

This Prospectus has been prepared to comply with requirements of English law, the FCA Listing Rules, the UK Prospectus Regulation, the Prospectus Regulation Rules and the rules of the LSE and information disclosed may not be the same as that which would have been disclosed if this Prospectus had been prepared in accordance with the laws of jurisdictions outside of the United Kingdom.

Application will be made for all of the Eutelsat Shares to be admitted to the standard listing segment of the Official List. A Standard Listing affords investors in Eutelsat a lower level of regulatory protection than that afforded to investors in companies whose securities are admitted to the premium segment of the Official List, which are subject to additional obligations under the FCA Listing Rules.

The FCA does not monitor Eutelsat's compliance with the Chapters of the FCA Listing Rules or the aspects of the DTR which Eutelsat is not subject to as a result of its listing to the standard listing segment of the Official List but has indicated that it intends to comply with on a voluntary basis. The FCA is not authorised to impose sanctions in respect of any failure by Eutelsat to so comply with these voluntary obligations.

Without prejudice to any obligation of Eutelsat to publish a supplementary prospectus pursuant to Article 23 of the UK Prospectus Regulation, section 87G of FSMA or Rule 3.4 of the Prospectus Regulation Rules, the publication of this Prospectus may not be taken to imply that the affairs of the Eutelsat Group, the OneWeb Group and/or the Combined Group at any time subsequent to the date of this Prospectus are not subject to change or that the information in it is correct as of any time after the date of this Prospectus.

Neither Eutelsat nor any of its representatives, is making any representation to any investor in Eutelsat Shares regarding the legality or otherwise of an investment in Eutelsat Shares by such investor under applicable laws. The contents of this Prospectus are not to be construed as legal, business or tax advice. Each investor should consult their own legal adviser, business adviser, financial adviser or tax adviser.

In this Prospectus, references to Eutelsat Shares in the context of the admission to trading on the London Stock Exchange Main Market for listed securities includes references to any CDIs.

Date

7 September 2023

CONTENTS

Part 1 Summary	2
Part 2 Risk Factors.....	9
Part 3 Presentation of Financial and Other Information	38
Part 4 Consequences of a Standard Listing.....	44
Part 5 Expected Timetable of Principal Events.....	46
Part 6 Admission Statistics and Dealing Codes	47
Part 7 Overview of the Combined Group	48
Part 8 Overview of Eutelsat	56
Part 9 Overview of OneWeb.....	76
Part 10 Industry Overview	89
Part 11 Regulatory Overview.....	97
Part 12 Summary of the Combination.....	115
Part 13 Corporate Governance.....	136
Part 14 Historical Financial Information	157
Part 15 Operating and Financial Review of Eutelsat	158
Part 16 Operating and Financial Review of OneWeb.....	179
Part 17 Eutelsat Capitalisation and Indebtedness.....	194
Part 18 Unaudited Pro Forma Financial Information.....	196
Part 19 Profit Forecast	210
Part 20 CREST Depository Interests.....	213
Part 21 Taxation.....	215
Part 22 Additional Information.....	223
Part 23 Definitions and Glossary	251
Part 24 Annexures.....	260
Annexure A – Eutelsat Historical Financial Information.....	A-1
Annexure B – OneWeb Historical Financial Information	B-1
Annexure C – Contribution Auditors Report.....	C-1
Part 25 Directors, Secretary, Registered Office and Advisers	250

Part 1 Summary

Section A - Introduction and warnings

A.1 Introduction

This summary must be read as an introduction to this Prospectus. Any decision to invest in Eutelsat Shares should be based on consideration of this Prospectus as a whole by the investor. By deciding to invest in Eutelsat Shares, an investor could lose all or part of his or her invested capital.

Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate, or inconsistent, when read together with other parts of this Prospectus, or where it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in Eutelsat Shares.

A.2 The name and ISIN of the securities

The securities being admitted to listing on the standard listing segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities are the fully paid ordinary shares in the capital of Eutelsat (the "**Eutelsat Shares**"). At Admission, there will be an estimated 475,178,378 Eutelsat Shares in issue.¹ The ISIN of the Eutelsat Shares is currently and at Admission will be FR0010221234.

A.3 The identity and contact details of the issuer

The issuer is Eutelsat Communications SA. Eutelsat's registered office is 32, boulevard Gallieni, 92130 Issy-les-Moulineaux, France. Eutelsat's telephone number is +33 (0)1 53 98 47 47 and email address is investors@eutelsat-communications.com. The LEI number for Eutelsat is 549300EFWH9UR17YSK05.

A.4 The identity and contact details of the competent authority approving the Prospectus

The head office of the Financial Conduct Authority ("**FCA**") is at 12 Endeavour Square, London E20 1JN, United Kingdom. The telephone number of the FCA is +44 (0)20 7066 1000.

This Prospectus was approved by the FCA on 7 September 2023.

Section B - Key information on the issuer

B.1 Who is the issuer of the securities?

Eutelsat's corporate and trading name is Eutelsat Communications, which is registered with the French *Registre du commerce et des sociétés* in Nanterre (Nanterre Registry of Trade and Businesses) under number 481 043 040.

Eutelsat was incorporated on 15 February 2005 under the laws of France 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. The LEI number for Eutelsat is 549300EFWH9UR17YSK05. Eutelsat was listed on Euronext Paris on 2 December 2005 and will remain listed on Euronext Paris following Admission. Eutelsat operates in conformity with, and is subject to, French law.

1. *Principal activities:*

The Eutelsat Group is a one of the world's leading operators of telecommunications satellites. The Eutelsat Group operates satellites located in geostationary orbit from 139° West to 174° East, providing services to up to 150 countries in Europe, Africa, the Middle East, Asia-Pacific and the Americas. Eutelsat satellites are used for video broadcasting, satellite newsgathering, broadband services, data connectivity, connecting aeroplanes and ships, enabling mission-critical government and NGO communications needs, amongst others, with fully owned and partner teleport ground segments worldwide.

OneWeb is one of only two commercially operating global low Earth orbit ("**LEO**") satellite constellations, enabling high-speed, low latency and affordable connectivity for governments, businesses, and communities. OneWeb's LEO satellites, orbiting at c. 1,200km, are 30 times closer to Earth than geostationary ("**GEO**") satellites, providing an average global two-way latency of 70ms. By utilising its LEO satellite constellation, OneWeb can provide data access to consumers,

¹ Based on number of Eutelsat Shares in issue at the Last Practicable Date and the estimated number of Eutelsat Shares to be issued on Completion, assuming no additional Eutelsat Shares are issued between the Last Practicable Date and Completion and excluding any OneWeb A Ordinary Shares issued upon exercise and conversion of OneWeb Options.

businesses, schools, and other communities in locations that cannot technically or economically be served through terrestrial means.

2. *The Combination:*

The proposed Combination of Eutelsat and OneWeb is a transformational transaction aimed at creating a global leader particularly well positioned to capture the fast-growing satellite connectivity market by offering the first global combined GEO/LEO infrastructure.

Following the execution of the memorandum of understanding between Bharti, the UK Government, SoftBank and Hanwha (together, the “Contributors”) and Eutelsat on 25 July 2022 (“MoU”), Eutelsat and the Contributors entered into a framework agreement (the “Framework Agreement”) on 14 November 2022, setting out the terms and conditions for the combination of Eutelsat and OneWeb.

The Combination is structured as a contribution by each Contributor and certain minority shareholders of their OneWeb A Ordinary Shares in consideration for 103.47 New Eutelsat Shares for every one OneWeb A Ordinary Share (“Exchange Ratio”) (“Consideration Shares”), and a sale by the UK Government and Bharti of their OneWeb Deferred Shares in consideration of €0.01 per OneWeb Deferred Share (“Deferred Shares Consideration”) and together with the Consideration Shares, the “Combination Consideration”). Pursuant to the Exchange Ratio, subject to the satisfaction (or waiver, if permitted) of the conditions to the Combination, at Completion, OneWeb Shareholders (excluding Eutelsat S.A.) will receive approximately 226,252,053 New Eutelsat Shares, representing approximately 47.6% of the Eutelsat share capital post Completion.²

3. *Major Shareholders:*

As at the Last Practicable Date, Eutelsat is aware of the following persons (together with their associates), directly or indirectly, holding interests in 5% or more of the Eutelsat Shares or voting rights as notified to Eutelsat under a crossing threshold notification pursuant to French law and the Eutelsat Articles. The table below also shows what these interests are expected to be immediately following Admission, which will be following the issuance of the New Eutelsat Shares at Completion.

Name	As at the Last Practicable Date		Immediately following Admission	
	Number of Eutelsat Shares	Approximate percentage of issued share capital ¹	Anticipated number of Eutelsat Shares	Anticipated percentage of issued share capital on Admission ²
BPI	64,586,426	25.95%	64,586,426	13.59%
CMA-CGM	25,968,600	10.43%	25,968,600	5.47%
FSP	19,698,210	7.91%	19,698,210	4.15%
Bharti Global	12,974,047	5.21%	12,974,047	2.73%
Lazard Asset Management Asia Pacific	15,664,600	6.29%	15,664,600	3.30%

1. Based on number of Eutelsat Shares in issue as at the Last Practicable Date.

2. Based on the estimated number of Eutelsat Shares in issue at Completion of 475,178,378, which is based on the number of Eutelsat Shares in issue as at the Last Practicable Date and the estimated number of 226,252,053 New Eutelsat Shares to be issued to existing OneWeb Shareholders (excluding Eutelsat S.A.) at Completion, assuming no additional Eutelsat Shares are issued between the Last Practicable Date and Completion and excluding any OneWeb A Ordinary Shares issued upon exercise and conversion of OneWeb Options.

4. *Key managing director:*

Eva Berneke is the CEO of Eutelsat.

5. *Statutory Auditors:*

Eutelsat’s statutory auditors are Ernst & Young et Autres with its registered office at 1/2, place des Saisons, 92400 Courbevoie, Paris-La Défense 1, France, and Mazars with its registered office at 61, rue Henri-Regnault, 92400 Courbevoie, France.

² Based on number of Eutelsat Shares in issue at the Last Practicable Date, excluding any OneWeb A Ordinary Shares issued upon exercise and conversion of OneWeb Options and assumes no additional Eutelsat Shares are issued between the Last Practicable Date and Completion.

B.2 What is the key financial information regarding the issuer?

1. Historical Financial Information – Eutelsat:

The tables below set out summary consolidated historical financial information of the Eutelsat Group as derived without material adjustment from the annual consolidated financial statements of the Eutelsat Group for the years ended 30 June 2021, 30 June 2022 and 30 June 2023 (together, the “**Eutelsat Historical Financial Information**”). This information relates to periods prior to Completion and, as such, does not take into account the Combination.

Summary consolidated income statement (in millions of euros, except per-share data)

	Year ended 30 June (audited)		
	2021	2022	2023
Revenues from operations	1,233.9	1,151.6	1,131.3
Operating income	347.2	424.8	573.5
Financial result	(95.0)	(64.9)	(91.3)
Current income before tax	252.3	359.9	482.2
Portion of net income attributable to the Eutelsat Group	214.1	230.8	314.9
Basic and diluted earnings per share attributable to Eutelsat shareholders	0.930	1.002	1,267

Summary consolidated statement of financial position (in millions of euros)

	As at 30 June (audited)		
	2021	2022	2023
Total non-current assets	6,051.5	6,487.0	6,226.5
Total current assets	1,227.5	1,086.5	1,184.3
Total assets	7,279.0	7,573.6	7,410.8
Total shareholders' equity	2,690.7	2,860.7	3,072.1
Total non-current liabilities	4,185.0	3,674.5	3,626.2
Total current liabilities	403.3	1,038.3	712.5
Total liabilities and shareholders' equity	7,279.0	7,573.6	7,410.8

Summary consolidated cash flow statement (in millions of euros)

	Year ended 30 June (audited)		
	2021	2022	2023
Net cash flows from operating activities	889.0	800.9	734.9
Net cash flows from investing activities	(183.3)	(583.0)	(332.9)
Net cash flow from financing activities	(670.1)	(413.3)	(598.0)
Increase/(decrease) in cash and cash equivalents	29.1	(180.6)	(198.3)
Cash and cash equivalents, beginning of period	832.0	861.1	680.5
Cash and cash equivalents, end of period	861.1	680.5	482.2

There are no qualifications to EY and Mazars' audit reports on the consolidated financial information of the Eutelsat Group for the years ended 30 June 2021, 30 June 2022 and 30 June 2023.

There has been no significant change in the financial performance or financial position of the Eutelsat Group since 30 June 2023, being the end of the last financial period of the Eutelsat Group for which financial statements have been published.

2. Historical Financial Information – OneWeb:

The tables below set out summary consolidated historical financial information of the OneWeb Group as derived without material adjustment from the consolidated financial statements of the OneWeb Group for the period 25 March 2020 to 31 March 2021 and the financial years ended 31 March 2022 and 31 March 2023 (together, the “**OneWeb Historical Financial Information**”).

Summary consolidated income statement

(in millions of dollars (USD))	Period from 25 March	Year ended 31 March	
	2020 to 31 March 2021	(audited)	
	(audited)	2022	2023
Revenues from operations	-	9.6	30.9
Operating profit / (loss)	(58.3)	(425.9)	(319.7)
Profit / (loss) before tax	370.7	(437.8)	(359.1)
Profit / (loss) for the period	370.5	(389.8)	(361.9)

Summary consolidated statement of financial position

<i>(in millions of dollars (USD))</i>	Period from 25 March 2020 to	As at 31 March	
	31 March 2021 (audited)	(audited)	
		2022	2023
Total non-current assets	1,587.0	2,028.2	2,539.3
Total current assets	367.8	1,157.7	492.7
Total assets	1,954.8	3,185.9	3,032.0
Total shareholders' equity	1,603.9	2,793.2	2,436.4
Total non-current liabilities	(130.1)	(284.2)	(377.8)
Total current liabilities	(220.8)	(108.5)	(217.8)
Total liabilities and shareholders' equity	1,954.8	3,185.9	3,032.0

Summary consolidated cash flow statement

<i>(in millions of dollars (USD))</i>	Period from 25 March 2020 to	Year ended 31 March	
	31 March 2021 (audited)	(audited)	
	2021	2022	2023
Net cash flows from operating activities	(267.2)	(325.4)	(52.0)
Net cash flows from investing activities	(426.0)	(663.9)	(631.6)
Net cash flow from financing activities	737.2	1,426.9	428.8
Increase/(decrease) in cash and cash equivalents	44.0	437.6	(254.8)
Cash and cash equivalents, beginning of period	-	44.0	481.2
Effect of exchange rate fluctuations on cash held	-	(0.4)	-
Cash and cash equivalents, end of period	44.0	481.2	226.4

The reports from KPMG on the OneWeb's financial statements for the financial periods ended 31 March 2023 and 31 March 2022 and the period from 25 March 2020 to 31 March 2021 were unqualified.

Other than as disclosed in paragraph 3 of Part 16 (*Operating and Financial Review of OneWeb*) of this Prospectus, there has been no significant change in the financial performance or financial position of the OneWeb Group since 31 March 2023, being the end of the last financial period of the OneWeb Group for which financial statements have been published.

3. *Unaudited Pro Forma Financial Information:*

The unaudited pro forma income statements of the Combined Group have been prepared for the year ended 30 June 2023, on the basis of the audited consolidated income statement of the Eutelsat Group for the year ended 30 June 2023 and the audited consolidated income statement of the OneWeb Group for the year ended 31 March 2023 to illustrate the effect of the Combination as if Completion had occurred on 1 July 2022 (the "**Unaudited Pro Forma Income Statements**").

The unaudited pro forma balance sheet of Combined Group (the "**Unaudited Pro Forma Balance Sheet**") has been prepared on the basis of the audited consolidated balance sheet of the Eutelsat Group as at 30 June 2023 and the audited consolidated balance sheet of the OneWeb Group as at 31 March 2023 to illustrate the effect of the Combination as if Completion had occurred on 30 June 2023.

The Unaudited Pro Forma Income Statements and the Unaudited Pro Forma Balance Sheet (together, the "**Unaudited Pro Forma Financial Information**") have been prepared based on information extracted without material adjustment from: (i) Eutelsat's annual consolidated financial statements for the financial year ended 30 June 2023; and (ii) OneWeb's annual consolidated financial statements for the financial year ended 31 March 2023.

The Unaudited Pro Forma Financial Information has been prepared in accordance with Annex 20 of the UK Prospectus Delegated Regulation.

The Unaudited Pro Forma Financial Information has been presented for illustrative purposes only and because of its nature, addresses a hypothetical situation and is not necessarily indicative of the results of operations or financial position that would have been achieved had the Combination been completed on the dates indicated above, or the future consolidated results of operations or financial position of the Combined Group. The hypothetical financial position or results included in the Unaudited Pro Forma Financial Information may differ from the Combined Group's actual financial position or results.

The unaudited pro forma net income before tax of the Combined Group was €224 million for the year ended 30 June 2023.

B.3 What are the key risks that are specific to the issuer?

1. *Risks relating to the Combined Group's business and operations*

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 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.

The successful deployment of new technologies and services as part of the Combined Group's growth strategy, including OneWeb's LEO second generation ("GEN 2") satellite constellation, is subject to a high degree of development and deployment risk.

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 satellites operated by the Combined Group may experience failures or malfunctions in-orbit.

The Combined Group may not be able to maintain its existing GEO and LEO first generation ("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 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.

2. *Risks relating to changes in the Satellite Telecommunications Market*

The Combined Group is 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.

Technological changes could make the Combined Group's satellite telecommunications system obsolete and/or increase competition intensity.

3. *Risks relating to clients*

The Combined Group is exposed to geopolitical and macroeconomic risks inherent in the international nature of its customer base and business.

4. *Risks relating to regulation, legislation and tax*

The Combined 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.

5. *Risks relating to the Combined Group's finances*

Given its 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.

6. *Risks relating to Completion of the Combination*

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.

Section C - Key information on the securities

C.1 What are the main features of the securities?

1. *Overview of shares*

The securities being admitted to listing on the standard listing segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities are the Eutelsat Shares. At Admission, there will be 475,178,378 Eutelsat Shares in issue of €1 each.³ All Eutelsat Shares are fully paid or credited as fully paid. The ISIN of the Eutelsat

³ Based on number of Eutelsat Shares in issue at the Last Practicable Date, excluding any OneWeb A Ordinary Shares issued upon exercise and conversion of OneWeb Options and assumes no additional Eutelsat Shares are issued between the Last Practicable Date and Completion.

Shares is currently and will be at Admission FR0010221234. Eutelsat's ticker symbol on Admission will be ETL.

Eutelsat Shares, as securities issued by Eutelsat, a non-UK company, cannot be held in uncertificated form or transferred electronically in the CREST system. In order for the Eutelsat Shares to be traded on the London Stock Exchange, CREST depository interests representing the underlying Eutelsat Shares (the "CDIs") will be issued upon request by the CREST Depository to allow the Eutelsat Shares to be dematerialised and to enable persons who hold Eutelsat Shares from Admission to transfer and settle trades of Eutelsat Shares on the LSE within CREST. The Eutelsat Shares will not themselves be admitted to CREST. Any CDIs issued will be independent securities constituted under English law and held and transferred directly through the CREST system. CDIs have the same ISIN as the underlying Eutelsat Shares and do not require a separate admission to trading on the LSE.

Following Admission, the price of the Eutelsat Shares will be quoted on the LSE in EUR.

2. *Share rights*

The Eutelsat Shares are fully paid ordinary shares in the capital of Eutelsat and are freely transferable, subject to compliance with applicable securities laws, and there are no restrictions on transfer imposed by the Eutelsat Articles.

The Eutelsat Shares rank equally for voting purposes, dividends declared and for any distributions on a winding-up. In a shareholders' meeting, each Eutelsat Shareholder has one vote per Eutelsat Share held.

The Eutelsat Shares rank equally in the right to receive a relative proportion of Eutelsat's assets upon dissolution.

3. *Dividend policy*

The Eutelsat dividend policy is set by the Eutelsat Board after analysis, in particular, of the Eutelsat Group's results and financial position. Eutelsat will temporarily suspend its dividend in respect of the results of the financial years 2022-2023, 2023-2024 and 2024-2025.

C.2 Where will the securities be traded?

Eutelsat Shares are currently traded on Euronext Paris. Eutelsat will make an application for listing and trading of the New Eutelsat Shares on the regulated market of Euronext Paris.

In addition, Eutelsat will make applications to the FCA and the LSE for all of the Eutelsat Shares, including the New 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. However, Admission is conditional on Completion. The Combination is subject to satisfaction (or waiver, if permitted) of various Conditions. If the Combination does not proceed, then Admission will not take place.

It is expected that Admission will become effective and that dealings will commence at 8.00am (London time) on or around 29 September 2023.

C.3 What are the key risks that are specific to the securities?

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.

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.

Section D - Key information on the admission to trading on a regulated market

D.1 Under which conditions and timetable can I invest in this security?

Eutelsat will make applications to the FCA and the LSE for all of 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. Admission is conditional on Completion. If the Combination does not proceed, then Admission will not take place. It is expected that Admission will become effective and that dealings in the Eutelsat Shares will commence at 8.00 am (London time) on or around 29 September 2023.

Eutelsat is not offering any New Eutelsat Shares for cash and therefore will not receive any proceeds as a result of the Combination, save for the OneWeb A Ordinary Shares and the OneWeb Deferred Shares which it will acquire as a result of the Combination.

Estimated transaction costs in connection with the Combination are €74.2 million (excluding integration costs and VAT).

No such expenses or any commissions or fees will be charged by Eutelsat to any investors in Eutelsat Shares in connection with the Combination or Admission.

D.2 Why is this Prospectus being produced?

The Prospectus is being produced in connection with Admission of the Eutelsat Shares following Completion. Eutelsat believes that a listing on the LSE, in addition to Eutelsat's Euronext Paris listing, will benefit its new and more geographically diverse shareholder base and will assist in building Eutelsat's profile and provide a greater market for trading in Eutelsat Shares.

This Prospectus and the Combination do not constitute an offer or invitation to any person to subscribe for or purchase any shares in Eutelsat or OneWeb. There are no material conflicts of interest pertaining to Admission.

Part 2 Risk Factors

Any investment in the Eutelsat Shares is subject to a number of risks and uncertainties. Accordingly, prior to investing in the Eutelsat Shares, prospective investors should carefully review and consider the following risk factors and the other information contained in this Prospectus. The occurrence of one or more of the events or circumstances described in these risk factors, alone or in combination with other events or circumstances, may adversely affect the ability to complete or realise the anticipated benefits of the Combination, and/or may have a significant negative impact on the business, cash flows, financial condition, results of operations or prospects of the Combined Group following Completion. This could cause the trading price of the Eutelsat Shares to decline, perhaps significantly. The risks discussed below are not exhaustive and are based on certain assumptions made by Eutelsat and OneWeb which later may prove to be incorrect or incomplete. Investors are encouraged to perform their own investigation with respect to the business, financial condition and prospects of Eutelsat, OneWeb and the Combined Group.

Any investment in, or holding of, the Eutelsat Shares, carries a number of risks. Investors should review this Prospectus carefully and in its entirety (together with any documents incorporated by reference into it) and consult with their professional advisers. Investors should carefully consider the risks and uncertainties described below, together with the risks normally associated with companies of a similar nature to Eutelsat and, in particular, all other information in this Prospectus and the information incorporated into this Prospectus by reference, before making any decision in respect of the Eutelsat Shares.

Investors should note that the risks relating to the Eutelsat Group, the OneWeb Group, Combined Group, the Combination and the Eutelsat Shares summarised in Part 1 (*Summary*) of this Prospectus are the risks that Eutelsat believes to be most essential to an assessment by a prospective investor of whether to consider an investment in the Eutelsat Shares. However, the risk factors described below are not an exhaustive list or explanation of all risks relating to the Combined Group, the Combination and the Eutelsat Shares and should be used as guidance only. Additional risks and uncertainties relating to the Eutelsat Group, the OneWeb Group, Combined Group, the Combination and the Eutelsat Shares that are not currently known to Eutelsat, or which may currently appear to be immaterial, may individually or cumulatively also have a significant negative impact on the Eutelsat Group's, the OneWeb Group's and Combined Group's business, results of operations, financial condition and/or prospects. If such risks were to materialise, the price of the Eutelsat Shares could decline as a consequence and investors could lose all or part of their investment.

1 Risks relating to the Combined Group's business and operations

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 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 1.5 '*Failures or malfunctions in-orbit*' and 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 1.3 '*Development and deployment of OneWeb's*

LEO GEN 1 and 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 1.2 '*Integration risks and realisation of anticipated synergies and other financial benefits*' and paragraph 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 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 1.3 '*Development and deployment of OneWeb's LEO GEN 1 and 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 2.1 '*Competition changes in the satellite telecommunications market*' below);
- the projected satellite market expansion not growing at the anticipated rate (see paragraph 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 4.1 '*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.

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 2.5 'Ability to retain and hire on key employees');
- 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 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.

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, Hughes 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;⁴ (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

⁴ In respect of OneWeb's LEO capabilities, global coverage excludes certain countries such as Russia, China and North Korea.

significant negative impact on the Combined Group's business, results of operations, financial condition and/or prospects.

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 4.5 "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.

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 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.

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 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 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 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.

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 unauthorised 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. 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.

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 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.

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, 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 losses, telecommunication or equipment failures 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.

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 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 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.

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.

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.

2 Risks relating to changes in the Satellite Telecommunications Market

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 that are only 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.

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.

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 a 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.

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. 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.

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.

3 Risks relating to clients

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, and 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 4.1 '*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 have had and continue 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.

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 the disruption of global supply chains that has already been 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, geo-political 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. 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.

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-consumer 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.

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.

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.

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 as at 30 June 2023, consisting of €207.5 million from the Eutelsat Group at 30 June 2023 and €15 million 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 and the change in working capital related to trade receivables and related accounts generated a cash flow of €3 million.

This is made up of the Eutelsat Group's provisions for impairment of receivables (net of reversals) of €21 million 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 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 Risks relating to regulation, legislation and tax

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.

4.2 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 whistleblower 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.

4.3 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 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 will be 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 will only need 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.

4.5 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.

4.6 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 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.

4.7 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 enable 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.

4.8 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.

4.9 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 be significantly impacted 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.

5 Risks relating to the Combined Group’s finances

5.1 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 (consisting of the Eutelsat Group's and the OneWeb Group's consolidated net debt of €2,765.7 million as of 30 June 2023 and \$(110.4) million as of 31 March 2023 respectively), with gross debt of €3,363.8 million (consisting of the Eutelsat Group's and the OneWeb Group's gross debt of €3,247.8 million as of 30 June 2023 and \$116 million as of 31 March 2023 respectively) and cash of €708 million (consisting of the Eutelsat Group's and the OneWeb Group's cash of €482.2 million as of 30 June 2023 and \$226.4 million 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 with maturity dates in June 2024; (ii) €50 million with maturity dates in June 2025; (iii) €800 million with maturity date in October 2025; (iv) €75 million with maturity dates in June 2026; (v) €400 million with maturity date in June 2027; (vi) €600 million with maturity date in July 2027; (vii) €600 million with maturity date in October 2028; and (viii) €200 million with maturity date in December 2028. The main components of each of the Eutelsat Group's and the OneWeb Group's debt are described in Part 14 (*Historical Financial Information*) and Annexure A and B of this Prospectus.

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 5.2 "*Debt rating and fundraising risks*" below. Such a situation could have a significant negative impact on its businesses, results of operations, financial condition and/or prospects.

5.2 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 30 June 2023 and on 27 July 2023, Fitch downgraded Eutelsat's rating to BBB- and has maintained its rating on Rating Watch Negative.

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.

5.3 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, which 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 in 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.

5.4 Interest rate risk

Given the current 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.

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 event 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 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.

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, 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, 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 in Eutelsat's consolidated financial statements, and the fair value of its assets was €123 million.

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 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.

6 Risks relating to Completion of the Combination

6.1 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) certain costs relating to the Combination will still be incurred; (iv) the anticipated cost savings, synergies and other benefits that Eutelsat expects to achieve from the Combination will not be realised; and (v) 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.

6.2 Implications for Eutelsat if the Combination is not implemented

Failure to implement the Combination could have a significant negative impact on 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 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.

6.3 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.

6.4 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 the Last Practicable Date 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 the Last Practicable Date 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.

6.5 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.

6.6 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 subjects 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 restricts 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.

6.7 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. Further information on the French FTT is set out in paragraph 2.3 of Part 21 (*Taxation*) of this Prospectus. Material UK tax considerations are also set out in paragraph 1 of Part 21 (*Taxation*) of this Prospectus.

6.8 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.

7 Risks relating to the ownership of Eutelsat Shares

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 Eutelsat 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 Eutelsat 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.

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.

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.

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.

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.

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.

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.

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.

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 of 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.

Part 3 Presentation of Financial and Other Information

General

This Prospectus comprises a prospectus for the purpose of Article 6 of the UK Prospectus Regulation and is issued in compliance with the FCA Listing Rules. Investors should only rely on the information in this Prospectus. No person has been authorised to give any information or to make any representations in connection with Admission, other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of Eutelsat, OneWeb, the Directors or the Proposed Directors. Eutelsat and OneWeb do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding Eutelsat. Eutelsat or OneWeb makes no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication other than this Prospectus.

Without prejudice to any obligation of Eutelsat to publish a supplementary prospectus pursuant to Article 23 of the UK Prospectus Regulation, FSMA or Rule 3.4 of the Prospectus Regulation Rules, the delivery of this Prospectus shall not under any circumstances create any implication that there has been no change in the business or affairs of the Eutelsat Group, the OneWeb Group and, following Completion, the Combined Group since the date of this Prospectus, or that the information contained herein is correct as of any time subsequent to its date.

The contents of this Prospectus or any subsequent communications from the Eutelsat Group, the OneWeb Group, or, following Completion, the Combined Group or any of their respective affiliates, directors, officers, advisers, employees or agents, are not to be construed as legal, business or tax advice. Each prospective investor should consult with its, his or her own lawyer, financial intermediary or tax adviser for legal, financial or tax advice. In making an investment decision, each investor must rely on its, his or her own examination, analysis and enquiry of Eutelsat, including the merits and risks involved.

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of Eutelsat, OneWeb, the Directors or the Proposed Directors or any of its representatives that any recipient of this Prospectus should purchase Eutelsat Shares. Investors should ensure that they read the whole of this Prospectus carefully and not just rely on key information or information summarised within it. In making an investment decision, prospective investors must rely upon their own examination of Eutelsat, OneWeb, the Combined Group and the Eutelsat Shares including the risks involved.

Presentation of financial information

The financial information presented in this Prospectus includes:

- (i) annual audited consolidated financial statements of the Eutelsat Group for the financial years ended 30 June 2021, 30 June 2022 and 30 June 2023, prepared in accordance with IFRS. Such financial information, being the Eutelsat Historical Financial Information, is referred to in Part 14 (*Historical Financial Information*) and included, with the corresponding reports from the auditors, in Annexure A (*Eutelsat Historical Financial Information*) of this Prospectus;
- (ii) annual audited consolidated financial statements of the OneWeb Group for the period 25 March 2020 to 31 March 2021 and the financial years ended 31 March 2022 and 31 March 2023 (in each case, prepared in accordance with UK IFRS). Such financial information, being the OneWeb Historical Financial Information, is referred to in Part 14 (*Historical Financial Information*) and included, with the corresponding reports from the auditors, in Annexure B (*OneWeb Historical Financial Information*) of this Prospectus; and
- (iii) certain unaudited pro forma financial information of the Combined Group as derived from the annual audited consolidated financial statement of the Eutelsat Group for the year ended 30 June 2023 and the annual audited consolidated financial statement of OneWeb for the financial year ended 31 March 2023 (audited), after making certain pro forma adjustments as detailed in Part 18 (*Unaudited Pro Forma Financial Information*).

For full details of the basis of preparation and significant accounting policies, please refer to the basis of preparation in the Notes to the Eutelsat annual financial statements for each of the years ended 30 June 2021, 30 June 2022 and 30 June 2023 in paragraph 1 of Part 14 and Annexure A (*Eutelsat Historical Financial information*), and in the Notes to the OneWeb financial statements for the period (i) 25 March 2020 to 31 March 2021 and the financial years ended 31 March 2022 and 31 March 2023 in paragraph 2 of Part 14 and Annexure B (*OneWeb Historical Financial Information*) of this Prospectus.

Unless otherwise stated in this Prospectus, financial information referred to in this Prospectus has been extracted without material adjustment from the historical financial information referred to in Part 14 (*Historical Financial Information*) and included at Annexure A (*Eutelsat Historical Financial Information*) and Annexure B (*OneWeb Historical Financial*

Information) of this Prospectus. Unless otherwise indicated, no financial information relating to the Eutelsat Group or the OneWeb Group in this Prospectus has been audited.

Unaudited Pro Forma Financial Information

The Unaudited Pro Forma Financial Information has been prepared on the basis set out in the notes to the Unaudited Pro Forma Financial information contained in Part 18 (*Unaudited Pro Forma Financial Information*) of this Prospectus in a manner consistent with the accounting policies adopted by the Eutelsat Group in preparing its annual audited consolidated financial statements of the financial year ended 30 June 2023, and in accordance with the requirements of Annex 20 of the UK Prospectus Delegated Regulation.

Unaudited non-IFRS financial measures

Certain parts of this Prospectus contain financial measures that have not been prepared in accordance with IFRS, for the Eutelsat Group, or UK IFRS, for the OneWeb Group, and are not recognised measures of financial performance or liquidity under IFRS or UK IFRS (as applicable). In addition to the financial information presented in accordance with IFRS and UK IFRS contained in this Prospectus, certain “key performance indicators” have been included in this Prospectus such as:

- Cash capital expenditure;
- Capital expenditure
- Discretionary Free Cash Flow;
- Reported Discretionary Free Cash Flow;
- Earnings Before Interest, Taxes, Depreciation and Amortisation (“**EBITDA**”);
- Adjusted EBITDA margin;
- Net debt/Adjusted EBITDA ratio;
- Gross debt;
- Net debt;
- Adjusted EBITDA; and
- Cash position,

each as defined in the “key performance indicators” section below.

Eutelsat and OneWeb believe that these non-IFRS measures provide a useful means through which to examine the underlying financial performance of their businesses and supplement measures of their operating performance as they permit investors to examine the underlying performance and financial condition of their businesses with a greater degree of comparability. Eutelsat and OneWeb also consider these metrics in measuring their operating performance and financial condition, and as a basis for their strategic planning and forecasting and monitoring certain aspects of headline operating profit and liquidity.

These measures, however, should not be considered to be an indication of corresponding measures of gross profit, net profit, cash flows or other figures determined in accordance with IFRS or UK IFRS (as applicable). In addition, such measures may not be comparable to similarly titled measures presented by other companies.

Accordingly, undue reliance should not be placed on the non-IFRS financial measures and non-UK IFRS financial measures contained in this Prospectus, and the non-IFRS financial measures and non-UK IFRS financial measures should not be considered in isolation or as a substitute for financial measures computed in accordance with IFRS or UK IFRS (as applicable). Although certain data has been extracted or derived from Eutelsat’s and OneWeb’s consolidated financial statements, this data has not been audited or reviewed by Eutelsat’s or OneWeb’s independent auditors.

Key performance indicators

In this Prospectus, the following key performance indicators are presented:

Financial KPIs and alternative performance indicators

Eutelsat

In addition to the data published in its financial statements, the Eutelsat Group communicates on four non-IFRS alternative performance indicators which it deems relevant for measuring its financial performance:

- “**Cash capital expenditure**” covering 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, and the amount of insurance proceeds (if applicable).
- “**Discretionary Free Cash Flow**” or “**DFCF**” which reflects the ability to generate cash after the payment of interest and taxes. DFCF generally and principally serves the investments to pursue Eutelsat’s strategy, shareholder remuneration and debt reduction.
- “**Reported Discretionary Free Cash Flow**” or “**Reported DFCF**” which is the net cash flow from operating activities less cash capital expenditure as well as interest and other fees paid net of interest received, excluding C-band proceeds, attendant tax and future payments related to the exclusive commercial partnership with OneWeb.
- “**Adjusted Discretionary Free Cash Flow**” or “**Adjusted DFCF**” takes into account the euro/U.S. dollar rate (calculated at the guidance rate, being a EUR/USD rate of 1.00 with respect to FY2022-23) and excludes one-off impacts such as hedging, effects of changes in perimeter when relevant, impacts from C-band proceeds and one-off costs related to specific projects, in particular the COMETE project as well as the Combination for FY 2022-23.
- “**Adjusted EBITDA**” which is the profitability before interest, tax, depreciation and amortisation, and other operating income and expense. It is a frequently used indicator in the FSS sector and more generally the telecom industry for assessing the operating performance of a business alongside statutory financial measures such as operating loss.
- “**Adjusted EBITDA margin**” which is the ratio of Adjusted EBITDA to revenues.
- “**Net debt/Adjusted EBITDA**” is the ratio of net debt to last-twelve months Adjusted EBITDA. 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**” 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), the calculation of which is set out below.

The table below sets out Eutelsat’s Adjusted EBITDA, Adjusted EBITDA Margin and Net debt/Adjusted EBITDA ratio for the financial years ended 30 June 2021, 30 June 2022 and 30 June 2023.

(in millions of euros)	Year ended 30 June		
	2021	2022	2023
Operating income	347.2	424.8	573.5
+ Depreciation and amortisation	507.7	481.7	455.5
- Other operating income and expenses	67.0	(44.9)	(203.5)
Adjusted EBITDA	921.9	861.6	825.5
Revenues	1,233.9	1,151.6	1,131.3
Adjusted EBITDA Margin (as a % of revenues)	74.7%	74.8%	73.0%
Closing net debt ⁽¹⁾	2,655.5	2,814.4	2,765.7
Net debt / Adjusted EBITDA	2.88X	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).

The table below sets out Eutelsat’s Net Debt break down for the financial years ended 30 June 2021, 30 June 2022 and 30 June 2023.

(in millions of euros)	Year ended 30 June		
	2021	2022	2023
Term loan	400.0	400.0	400.0
European Investment Bank term loan	200.0	200.0	200.0
Bonds	2,300.0	2,300.0	2,000.0
Structured debts	221.2	133.0	318.0
“Change” portion of cross-currency swap	(38.7)	41.3	13.6
Lease liabilities	434.0	420.6	316.2
Gross debt	3,516.5	3,494.9	3,247.8
Cash and cash equivalents	(861.1)	(680.5)	(482.2)

Net debt	2,655.5	2,814.4	2,765.6
-----------------	----------------	----------------	----------------

OneWeb

- “**Revenue**” which is derived primarily through the provision of satellite connectivity services and equipment sales of user terminals.
- “**Capital expenditure**” which comprises additions to property, plant and equipment, and intangible assets, including space segment expenditure relating to the development of space component assets (e.g. satellites and associated launch systems).
- “**Cash position**” includes cash balance as at the end of the financial period and subscription receivables.
- “**Operating loss**” is calculated as: (i) revenue; plus (ii) other operating income; plus (iii) share of results of joint venture; less (iv) operating expenses; less (v) impairment charge.
- “**Adjusted EBITDA**” is operating profit/loss excluding depreciation and amortisation, impairment and write-off of property, plant and equipment and intangible assets, other operating income, foreign exchange gains or losses, and excluding the share of results in the OneWeb Group’s equity accounted joint venture.
- “**Gross debt**” represents all liabilities from lease agreements.
- “**Net Debt**” represents all liabilities from lease agreements, less cash and cash equivalents.

The table below sets out the OneWeb Group’s Adjusted EBITDA for the period 25 March 2020 to 31 March 2021 and the financial years ended 31 March 2022 and 31 March 2023.

(in millions of dollars)	Year ended 31 March		Period from 25 March
	2023	2022	2020 to 31 March 2021
Operating loss	(319.7)	(425.9)	(58.3)
Impairment charge	-	229.2	-
Reversal of impairment charge	(5.8)	-	-
Write-off of property, plant and equipment	2.1	4.2	4.7
Depreciation of property, plant and equipment	128.9	2.4	1.2
Depreciation of right of use lease assets	9.4	7.9	1.4
Write-off of intangible assets	-	0.3	-
Amortisation of intangible assets	36.5	0.1	-
Share of result of joint venture	(0.3)	(5.3)	-
Credit received from supplier	(34.2)	-	-
Foreign exchange loss/(gain)	0.9	0.2	(0.4)
Adjusted EBITDA	(182.2)	(186.9)	(51.4)

Operational KPIs

Eutelsat

- “**Operational transponders**” represents the number of transponders on satellites in stable orbit, back-up capacity excluded.
- “**Utilised transponders**” represents the number of transponders utilised on satellites in stable orbit.
- “**Backlog**” represents the future revenues from capacity or service agreements and can include contracts for satellites under procurement. ‘Managed Services’ are not included in the backlog.

OneWeb

- “**Cumulative number of launches**” represents the aggregate number of satellite launches completed by the OneWeb Group in conjunction with their launch providers completed as at the date of the latest financial results.
- “**Cumulative number of satellites launched**” represents the aggregate number of satellites launched as at the date of the latest financial results.
- “**Completed satellite network portals**” represents the aggregate number of SNPs constructed by the OneWeb Group as at the date of the latest financial results.

- “**Number of distribution partners**” represents the total number of distribution partners who have signed distribution partner agreements with the OneWeb Group as at the date of the latest financial results.
- “**Total order book**” represents the future revenues for the OneWeb Group services and can include contracts in future geographic coverage areas, and will be recognised when the services are rendered.

Profit Forecasts

Information in relation to the Profit Forecasts is included in Part 19 (*Profit Forecasts*) of this Prospectus. Other than the Profit Forecasts, no statement in this Prospectus is intended as a profit forecast or estimate and no statement in this Prospectus should be interpreted as a profit forecast or estimate.

Industry and Market Data

This Prospectus contains industry, market and competitive position data that is based on industry publications and studies conducted by third parties as well as Eutelsat’s internal estimates and research. These industry publications and third-party studies generally state that the information they contain has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. While Eutelsat believes that each of these publications and third-party studies is reliable, Eutelsat has not independently verified the market and industry data obtained from these third-party sources. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and uncertainties as the other forward-looking statements contained in this Prospectus and may differ among third-party sources. These forecasts and forward-looking information are subject to uncertainty and risk due to a variety of factors, including those described in the Parts entitled “*Risk Factors*” and in “*Forward-looking statements and forecasts*”. These and other factors could cause results to differ materially from those expressed in each of Eutelsat’s and OneWeb’s forecasts or estimates or those of independent third parties. While Eutelsat believes its internal research is reliable and its selection of industry publications and third-party studies and the description of its market and industry are appropriate, neither such research nor these descriptions have been verified by any independent source.

Third-party information

Eutelsat confirms that all third-party information contained in this Prospectus has been accurately reproduced and, so far as Eutelsat is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where third party information has been used in this Prospectus, the source of such information has also been identified.

Currencies

In this Prospectus, references to “**GBP**” or “**£**” are to the lawful currency of the UK, references to “**Euros**”, “**EUR**” or “**€**” are to the lawful currency of the Eurozone, and references to “**U.S. dollars**”, “**USD**” or “**US\$**” are to the lawful currency of the United States. The functional and presentation currency of Eutelsat and all its subsidiaries is Euros. The functional and presentation currency of OneWeb is U.S. dollars.

Rounding

Percentages and certain amounts in this Prospectus, including financial, statistical and operating information, have been rounded to the nearest thousand whole number or single or two decimal places for ease of presentation. As a result, the figures shown as totals may not be the precise sum of the figures that precede them. In addition, certain percentages and amounts contained in this Prospectus reflect calculations based on the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages or amounts that would be derived if the relevant calculations were based upon the rounded numbers.

Forward-looking statements and forecasts

This Prospectus contains “forward-looking statements” and “forward-looking information” that are based on Eutelsat’s expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Eutelsat Group’s, the OneWeb Group’s and, following Completion, the Combined Group’s business strategy with respect to the projects, plan, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations.

Generally, this forward-looking information can be identified by the use of forward-looking terminology such as “*outlook*”, “*anticipate*”, “*project*”, “*target*”, “*likely*”, “*believe*”, “*estimate*”, “*expect*”, “*intend*”, “*may*”, “*would*”, “*could*”, “*should*”, “*scheduled*”, “*will*”, “*plan*”, “*forecast*”, “*evolve*” and similar expressions. Persons reading this Prospectus are cautioned that such statements are only predictions, and that Eutelsat’s, OneWeb’s and, following Completion, the Combined Group’s actual future results or performance may be materially different.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause Eutelsat's, OneWeb's and, following Completion, the Combined Group's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. These statements speak only as of the date of this Prospectus and do not seek in any way to qualify the working capital statement given by Eutelsat at paragraph 18 of Part 22 (*Additional Information*) of this Prospectus. Actual operational and financial results or events may differ materially from Eutelsat's and/or OneWeb's expectations contained in the forward-looking statements as a result of various factors, many of which are beyond the control of Eutelsat, OneWeb and, following Completion, the Combined Group.

Forward-looking statements involve significant known and unknown risks and uncertainties. Forward-looking statements are based on a number of factors and assumptions which have been used to develop such statements but which may prove to be incorrect. Although Eutelsat believes that the expectations reflected in such forward-looking statements are reasonable, undue reliance should not be placed on forward-looking statements because Eutelsat can give no assurance that such expectations will prove to be correct.

Investors are cautioned that forward-looking statements are not guarantees of future performance. Eutelsat and OneWeb make no representation, warranty or prediction that the results predicted by such forward-looking statements will be achieved and these forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements in this Prospectus speak only as at the date of this Prospectus, reflect the Eutelsat Group's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Eutelsat Group's, the OneWeb Group's and, following Completion, the Combined Group's operations, results of operations, growth strategy and the availability of new credit. Investors should specifically consider the factors identified in this Prospectus that could cause actual results to differ. All of the forward-looking statements made in this Prospectus are qualified by these cautionary statements, and should not be taken to qualify the statement that the working capital of the Combined Group for the present requirements for at least the next 12 months following the date of this Prospectus is sufficient.

Other than set out in Part 19 (*Profit Forecasts*) of this Prospectus, no statement in this Prospectus is intended as a profit forecast or estimate and no statement in this Prospectus should be interpreted to mean that earnings per Eutelsat Share for the most recent, current or future financial years would necessarily match or exceed the historical published earnings per Eutelsat Share.

Subject to the requirements of the UK Prospectus Regulation, the Prospectus Regulation Rules, the DTR and the FCA Listing Rules, or applicable law, Eutelsat explicitly disclaims any intention or obligation or undertaking publicly to release the result of any revisions to any forward-looking statements in this Prospectus that may occur due to any change in the Eutelsat Group's or OneWeb's Group's expectations or to reflect events or circumstances after the date of it.

No incorporation of website

The contents of Eutelsat's and OneWeb's website, any website mentioned in this Prospectus or any website directly or indirectly linked to these websites have not been verified and do not form any part of this Prospectus and investors should not rely on such information.

Interpretation

References to the singular in this Prospectus shall include the plural and vice versa, where the context so requires. References to paragraphs or Parts are to paragraphs or Parts of this Prospectus. All references to time in this Prospectus are to London time unless otherwise stated.

Definitions

A list of defined terms used in this Prospectus is set out in Part 23 (*Definitions and Glossary*) of this Prospectus. Reference to any statute or statutory provision includes a reference to that statute or statutory provision as from time to time amended, extended or re-enacted.

Part 4 Consequences of a Standard Listing

FCA Listing Rules

In addition to Eutelsat's listing on Euronext Paris and compliance with the rules of Euronext applicable to the Euronext Paris regulated market, an application will be made for all of the Eutelsat Shares to be admitted to listing on the standard segment of the Official List pursuant to Chapter 14 of the FCA Listing Rules. A standard listing affords investors in the Company a lower level of regulatory protection than that afforded to investors in companies whose securities are admitted to the premium segment of the Official List, which are subject to additional obligations under the Listing Rules. Chapter 14 of the FCA Listing Rules sets out the requirements for a standard listing and does not require Eutelsat to comply with, among other things, the provisions of Chapters 6 to 13 of the FCA Listing Rules (excluding Listing Principles 1 and 2 as set out in Listing Rule 7.2.1). A company with a standard listing is not currently eligible for inclusion in any of the FTSE indices.

While the Company has a Standard Listing, it will not be required to comply with the provisions of, amongst other things:

- Chapter 6 of the Listing Rules containing additional requirements for the listing of equity securities, which are only applicable for companies with a premium listing;
- Chapter 7 of the Listing Rules, to the extent they refer to the premium listing principles;
- Chapter 8 of the Listing Rules regarding the appointment of, and consultation with, a sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. In particular, the Company is not required to appoint a sponsor in relation to the publication of this Prospectus or Admission;
- Chapter 9 of the Listing Rules containing provisions relating to transactions, including, amongst other things, requirements relating to further issues of shares, the ability to issue shares at a discount in excess of 10% of market value, notifications and contents of financial information;
- Chapter 10 of the Listing Rules regarding significant transactions;
- Chapter 11 of the Listing Rules regarding related party transactions;
- Chapter 12 of the Listing Rules regarding dealings by the Company in its own securities and treasury shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to shareholders.

There are, however, a number of principles and continuing obligations set out in Chapter 1 (*All securities*), Chapter 5 (*Suspending, cancelling and restoring listing and reverse takeovers: All securities*), Chapter 7 (*Listing Principles and Premium Listing Principles*) and Chapter 14 (*Standard Listing (Shares)*), respectively, of the FCA Listing Rules that will be applicable to Eutelsat.

These include requirements as to:

Chapter 7 – Listing Principles

- the taking of reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with these obligations (Listing Rule 7.2.1);
- the dealing with the FCA in an open and co-operative manner (Listing Rule 7.2.1).

Chapter 14 – Continuing Obligations

- the forwarding of the documentation related to the general meetings and other documentation to the FCA for publication through the national storage mechanism, and related notification to a Regulatory Information Service;
- the provision of contact details of appropriate persons nominated to act as a first point of contact with the FCA in relation to compliance with the Listing Rules and the Disclosure Guidance and Transparency Rules;
- the form and content of temporary and definitive documents of title;
- the appointment of a registrar;
- Regulatory Information Service notification obligations in relation to a range of debt and equity capital issues;

compliance with, in particular, Chapters 4, 5 (if applicable) and 6 of the Disclosure Guidance and Transparency Rules; and

- the inclusion of information in their annual report in relation to climate-related financial disclosures consistent with the TCFD Recommendations and Recommended Disclosures set out in the Recommendations of the Task Force on Climate-related Financial Disclosures published in June 2017 and targets on board diversity.

The FCA will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules or those aspects of the Disclosure Guidance and Transparency Rules (including the Market Abuse Regulation) which the Company is either not obliged to comply with or has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company to so comply. However, the FCA would be able to impose sanctions for non-compliance where the statements regarding compliance in this Prospectus are themselves misleading, false, or deceptive.

Disclosure Guidance and Transparency Rules

In addition to the declarations of crossing thresholds required by French regulations and Eutelsat Articles, under Rule 5 of the DTR (Vote Holder and Issuer Notification Rules), a person must notify Eutelsat and the FCA of the percentage of Eutelsat's voting rights he or she holds as a Shareholder (or holds or is deemed to hold through his or her direct or indirect holding of financial instruments) if, as a result of an acquisition or disposal of Eutelsat Shares or financial instruments, or as a result of any event changing the breakdown of voting rights of Eutelsat (for example, a buy-back of Eutelsat Shares by Eutelsat), the percentage of those voting rights in which he or she is interested reaches, exceeds or falls below 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75%.

Notification must be made to Eutelsat and the FCA no later than four trading days after the date upon which the person making the notification: (i) learns of the acquisition or disposal or of the possibility of exercising voting rights, or on which, having regards to the circumstances, should have learned of it, regardless of the date on which the acquisition, disposal or possibility of exercising voting rights takes effect; or (ii) is informed about the event changing the breakdown of voting rights of Eutelsat.

Any person who is in breach of their obligations under Rule 5 of the DTR is liable to a fine and/or public censure by the FCA and the FCA may apply to court to have such person's voting rights suspended.

UK Corporate Governance Code

The UK Corporate Governance Code is maintained by the Financial Reporting Council and applies to companies with a listing on the premium segment of the Official List. Companies with a Standard Listing are not subject to the UK Corporate Governance Code and are subject to less comprehensive standards of disclosure and shareholder rights.

Additional listing requirements

Following Admission, in addition to complying with the requirements of being listed on the standard segment of the Official List, Eutelsat will comply with the requirements of having its listing on the regulated market of Euronext Paris and being a French issuer.

Part 5 Expected Timetable of Principal Events

Execution of the MoU / Announcement of the Combination	25 / 26 July 2022
Execution of the binding Framework Agreement to Implement the Combination	14 November 2022
Publication of the notice of meeting for the Eutelsat Shareholders' Meeting	23 August 2023
French Exemption Document available to Eutelsat Shareholders	7 September 2023
Publication of this Prospectus	7 September 2023
Eutelsat Shareholders' Meeting to approve the Combination	28 September 2023
Completion of the Combination	28 September 2023
Admission and commencement of dealings in Eutelsat Shares on the LSE	8:00am on 29 September 2023

Future dates and times are indicative only and may be subject to change without notice or consultation. The times referred to above are references to the time in London.

Part 6 Admission Statistics and Dealing Codes

Number of New Eutelsat Shares to be issued for each OneWeb Share	103.47	
Number of OneWeb Shares held by Eutelsat S.A. as at the Last Practicable Date	650,000	
Percentage of OneWeb's issued share capital held by Eutelsat as at the Last Practicable Date ⁽¹⁾	22.91%	
Expected number of Eutelsat Shares under performance rights or employee share options outstanding at Admission ⁽²⁾	Up to 134,317 performance shares, not attributable before 2024	
Expected percentage of issued share capital represented by performance rights or employee share options outstanding at Admission	0.03%	
Number of Eutelsat Shares as at the Last Practicable Date	248,926,325	
	Undiluted basis⁽¹⁾	Fully diluted basis⁽²⁾
Number of Eutelsat Shares in issue on Admission ⁽³⁾	475,178,378	479,270,616
Number of New Eutelsat Shares to be issued to OneWeb Shareholders	226,252,053	230,344,291
New Eutelsat Shares as a percentage of the issued share capital of Eutelsat immediately following Admission on an undiluted basis	47.61%	48.06%
Expected market capitalisation of Eutelsat on Admission at a price per share of an illustrative level of €6.0	€2,851,070,268	€2,875,623,696
ISIN	FR0010221234	
LEI	549300EFWH9UR17YSK05	
SEDOL	B0M7KJ7	
Expected tickers on Admission	Euronext Paris: ETL LSE: ETL	

Notes:

1. Excluding any OneWeb A Ordinary Shares issued upon exercise and conversion of OneWeb Options
2. Assuming that all OneWeb Options are exercised and converted into OneWeb A Ordinary Shares and New Eutelsat Shares will be issued in respect of these OneWeb A Ordinary Shares, and no other additional Eutelsat Shares are issued between the Last Practicable Date and Completion.
3. There are currently 356,061 treasury shares included in this amount.

Part 7 Overview of the Combined Group

1 Combination rationale

The proposed Combination of Eutelsat and OneWeb is a transformational transaction aimed at creating a global leader particularly well positioned to capture the fast-growing satellite connectivity market by offering the first global combined GEO/LEO infrastructure.

The proposed Combination is an opportunity which is in the best interests of Eutelsat and its shareholders and the next logical step in deepening the collaboration between Eutelsat and OneWeb. The transaction follows several milestones including an initial investment by Eutelsat in OneWeb in September 2021, a global distribution partner agreement in March 2022 and an exclusive commercial partnership agreement, entered into on 25 July 2022. Following completion of the Combination, Eutelsat and OneWeb will begin working together on the design of OneWeb's future LEO GEN 2 constellation, whilst operating each of Eutelsat Group's and OneWeb's existing fleets, further details of which are set out in paragraph 4 of Part 8 (*Overview of Eutelsat*) and paragraph 6.1 of Part 9 (*Overview of OneWeb*) respectively.

Eutelsat believes there are a number of factors that make the Combination in the best interests of Eutelsat and the Eutelsat Shareholders as a whole, including:

Significant growth potential in satellite connectivity with a market opportunity of approximately \$16 billion in 2030 (source: Euroconsult Satellite Connectivity and Video Market, September 2021)

The satellite connectivity market is expected to undergo a significant period of growth due to a reduction in barriers to adoption, relating to bandwidth, latency, pricing, and terminals.

The rapid technology evolution led by GEO VHTS and LEO and the enterprise-grade products, with latency nearing that of terrestrial technologies, are opening up new and more bandwidth intensive use cases.

More attractive price points for customers are permitted by a step change in production costs, the ease of use of user-terminals and a material improvement in cost per gigabit.

Between 2020 and 2030, the satellite connectivity market is forecast to grow by more than three times in value from \$4.3 billion to approximately \$16 billion (a 14% CAGR) by 2030. The contribution of NGSO is expected to grow 2.5x faster than the overall market, mostly captured by LEO constellations to represent almost 50% of the satellite connectivity market, from approximately \$0.3 billion to approximately \$7.4 billion (a 37% CAGR) by 2030 (source: *Euroconsult Satellite Connectivity and Video Market, September 2021*). Beyond 2030, growth in the satellite connectivity market is expected to remain robust, driven by the continuing expansion of existing applications and technology-driven new use cases.

The significant forecasted growth of the satellite connectivity market is driven by four key verticals, consisting of business-to-business verticals in fixed data/enterprise, government services, mobility and the business-to-customer vertical in broadband. It is anticipated that by 2030 (source: *Euroconsult Satellite Connectivity and Video Market, September 2021*):

- *Fixed Data/enterprise*: will grow with a 10% CAGR to reach approximately \$3.9 billion, driven by network extensions, integration in enterprise networks, growing data usages and need for ubiquitous coverage;
- *Government Service*: will grow with a 13% CAGR to reach approximately \$3.9 billion driven by increases in defence budget, demand for significant bandwidth and need for remote site connections in connection with military, security and civil government applications;
- *Mobility for Land, In-Flight and Maritime Connectivity*: will grow with a 17% CAGR to reach approximately \$3.4 billion driven by the growing number of aircrafts and ships, improvements in equipment and take-up rates and enhanced connectivity services leading to higher usages; and
- *Consumer Broadband*: will grow with a 17% CAGR to reach approximately \$4.4 billion driven by the need for internet access becoming fundamental, leading to long-term growth in individual data usages and universal service obligation pressures to furthering digital access, together with the high cost of terrestrial rollout.

OneWeb: a unique NGSO asset

OneWeb's global LEO constellation represents a uniquely compelling asset to capture the fast-growing NGSO satellite connectivity market. OneWeb is one of only two commercially operating global LEO satellite constellations with secured priority spectrum rights, already experiencing the benefits of its early-mover advantage.

With all of its launches completed and 634 satellites deployed, OneWeb's LEO GEN 1 constellation is already generating revenues above the 50° North latitude and South of 25° latitude (covering 2/3 of the United States in terms of geographic

footprint) and is targeting full global coverage by the end of 2023. The constellation is delivering a high-quality customer experience, with average global two-way latency of 70ms and download speeds of up to 195Mbps. OneWeb is developing user terminals adapted for each market with a suite of fully managed connectivity services.

The OneWeb Group already has over \$900 million in total contracted revenues (of which \$275 million is with the Eutelsat Group) and a risk-weighted pipeline of over \$2.0 billion spread across its four key verticals of fixed data/enterprise, government services, aviation and maritime, underpinned by more than 55 distribution partnerships with major players in each segment and over 150 customer trials underway. OneWeb is also in the process of beginning the development of its LEO GEN 2 satellite constellation which is expected to have up to five times higher capacity than LEO GEN 1, with a longer lifetime of approximately 10 years and enhanced user performance. On a standalone basis, the OneWeb Group generated total revenues of \$30.9 million in FY 2023 (ended 31 March), and are expected to reach €125 – 225 million in FY 2024 (ended 30 June, guidance horizon), €300 – 500 million in FY 2025 (ended 30 June), and to exceed €600 million in FY 2027 (ended 30 June).

Creation of the first integrated GEO/LEO player

The Combination will create the first integrated GEO/LEO player with the highly complementary operations of the Eutelsat Group and the OneWeb Group, and the capability to drive a rapid technology evolution led by GEO VHTS and LEO to gain access to new bandwidth-hungry use cases. In order to capitalise on the market opportunities as the first integrated GEO/LEO player, the Combined Group will put in place a clear roadmap to develop a complementary GEO/LEO service, including a common platform, from hybrid terminals to self-installed terminals and a fully mutualised network creating a one-stop shop solution for customers, providing them with a unique offering and a seamless user experience, culminating in a fully integrated GEO/LEO network with the objective of entering OneWeb's LEO GEN 2 into service by early 2028 (see further figure 1 in paragraph 2 below).

LEO satellite capabilities will expand the addressable market for satellite operators well beyond their current reach. The complementarity of the Eutelsat Group's and the OneWeb Group's resources and assets, including the enhanced capacity and flexibility of the GEO/LEO fleets, is expected to deliver significant benefits to both the Eutelsat Group's existing major legacy customers and future customers in untapped pockets of the satellite connectivity market. A combined GEO/LEO infrastructure will satisfy the growing needs of customers for consistent and reliable connectivity, especially in the business-to-business segment and provide significantly more attractive price for customers, while maintaining profitability as a result of a material improvement in cost per gigabit.

A combined GEO and LEO fleet will expand coverage and provide localised densification to meet peak time and regional demand. The Eutelsat Group's GEO fleet has the ability to focus capacity over high-demand regions while the OneWeb Group's LEO satellites are targeting ubiquitous global coverage by the fourth quarter of 2023. The Eutelsat Group's GEOs' low-cost sellable capacity, with high fill-rates and a long lifetime, is highly complementary to the average global two-way latency of 70ms offered by the OneWeb Group's LEO satellites, which is critical for specific applications and an improved quality of experience for customers. As a result of the Combination, the smarter routing of traffic on hybrid GEO/LEO network will improve responsiveness and quality of experience for the end user, and enhance resilience and availability by minimising disruptions. A hybrid GEO/LEO network will also be more resilient for mission-critical applications as one can act as a back-up when the other is unavailable.

The Combination will also optimise each group's commercial potential, by combining the Eutelsat Group's strong commercial and institutional relationships, recognised technical expertise and global geostationary fleet with the OneWeb Group's ability to address the multiple applications requiring low latency and ubiquity, the global shareholder base of OneWeb and the strong commercial relationships of the OneWeb Group.

Strong value creation with over €1.5 billion of clearly identified synergies to be capitalised by the Combined Group

The Combination will result in the Combined Group having a compelling financial profile and is forecast to generate over €1.5 billion potential incremental value-creation after tax (net of implementation costs), stemming from revenue, capital expenditure and cost synergies, through capturing operational expenditure savings upstream and maximising operating efficiencies at an early stage. Further information on the potential synergies for the Combined Group is set out below in paragraph 3.1 of this Part 7 (*Overview of the Combined Group*) of this Prospectus.

High-growth and robust financial profile of the Combined Group, with double digit revenue and adjusted EBITDA growth

The Combination will provide a platform for both Eutelsat and OneWeb to create value, whilst transforming their respective growth profiles and cash-generation potential. The Combined Group's connectivity business is expected to significantly increase from approximately 40% of total pro forma revenues in 2023 to approximately 70% in 2027, driving revenue and adjusted EBITDA growth.

Based on current forecasts, the revenues and adjusted EBITDA for the Combined Group are forecast to grow over the next decade, with adjusted EBITDA growth outpacing sales growth and with adjusted EBITDA margin levels moving gradually back in line with best-in-class GEO standards. The Combined Group is expected to grow at a double-digit revenue CAGR over the medium to long-term, with the operating vertical revenues expected to reach €1.32-1.42 billion in FY 2023-24 (guidance horizon), €1.55-1.75 billion in FY 2024-25, and c. €2.0 billion in FY 2026-27. Further information on the expected adjusted EBITDA growth is set out in Part 19 (*Profit Forecasts*) of this Prospectus.

Disciplined financial policy focussed on growth and deleveraging

The capital expenditure of the Combined Group after synergies is estimated to be €725 million to €875 million per annum on average over the period FY 2023-24 to FY 2029-30, with a front-end loaded profile. Beyond 2030, capital expenditure is expected to decrease significantly, as the upgrade, replacement and maintenance of the fleet will be gradual rather than generational.

The Eutelsat Group's strong cash flow generation will provide both visibility and funding to develop the OneWeb Group's fleet at lower risk. Combined adjusted EBITDA-capex is expected to return to the positive territory by FY 2024-25 or FY 2025-26, depending on the capital expenditure phasing of OneWeb's LEO GEN 2 satellites.

Eutelsat will suspend its dividend in respect of the results of FY 2022-23, FY 2023-24 and FY 2024-25 with cash flow focused on the deployment of the LEO GEN 2 constellation while maintaining a strong balance sheet.

Leverage stands at c. 4x net debt / adjusted EBITDA pro forma at the end of June 2023 and is expected to be reduced on the back of strong adjusted EBITDA growth, backed by a disciplined financial policy with an objective of leverage of c. 3x in the medium term.

A new balanced ownership and governance

Immediately following Completion and based on available information, the Combined Group will have a balanced ownership structure with a substantial free-float alongside anchor public shareholders and supportive private investors.

Immediately following Completion and based on available information, the Eutelsat Board would be constituted by 15 directors including ten independent directors within the meaning of the Afep-Medef Corporate Governance Code of December 2022 (the "**Reference Code**"). For further details on the Eutelsat Board composition following Completion, see paragraph 2 of Part 13 (*Corporate Governance*) of this Prospectus.

2 Strategies and growth opportunities

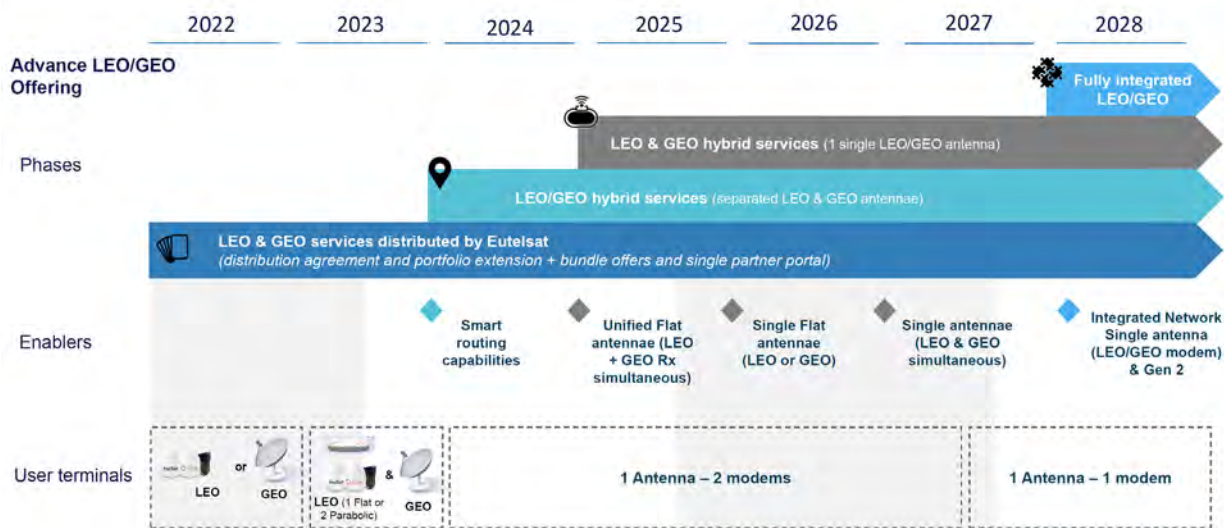
The combination of the OneWeb Group's LEO constellation with the Eutelsat Group's GEO fleet will create a leading infrastructure which will provide best-in-class solutions across a wide range of applications, while paving the way for new revenue opportunities. The Combined Group will implement a clear roadmap for the integration of the Eutelsat Group's and the OneWeb Group's respective in-orbit and on-ground assets, and to optimise the value creation and synergies, thereby maximising shareholder return. The goal is to build a business that is uniquely positioned to capitalise on the satellite connectivity market at an inflexion point by combining GEO and LEO satellites to create a solution that will deliver significant benefits for customers seeking ubiquitous coverage, capacity densification, strong resilience, enhanced availability and low latency.

For more information on the sector in which the Eutelsat Group and the OneWeb Group operate, please refer to Part 10 (*Industry Overview*) of this Prospectus.

Technology Roadmap and development of LEO GEN 2

The Combined Group will first aim to accelerate the commercialisation of the OneWeb Group's LEO GEN 1 fleet as it enters the final stages of its global deployment by leveraging the Eutelsat Group's sales forces, geographical reach and existing customer base, which could address customer needs through bundled services and by developing an optimal combined solution to expand future use-cases. The Combined Group will propose the acceleration of the commercialisation of the OneWeb Group's fleet to be implemented in several stages, initially by building on the OneWeb Group's existing distribution agreements to accelerate up-selling and cross-selling opportunities and offer GEO/LEO packages through a one-stop-shop addressing a range of customer requirements. It will then aim to gradually converge, enabling an integrated offer with automated routing and a single terminal to achieve a seamless and high-performance experience for customers in the key verticals of mobility, government services, enterprise and consumer broadband.

Figure 1: Roadmap to implementing Combined Group strategies



As the Combined Group, OneWeb and Eutelsat will continue to work together on the design and conception of OneWeb’s GEN 2 constellation as part of a broader GEO/LEO structure, which will open new market opportunities once it is launched. As a follow-on constellation to LEO GEN 1, LEO GEN 2 may benefit from the re-use of some existing infrastructure, the know-how developed with LEO GEN 1, and already secured priority filings, while also being designed as part of a broader GEO/LEO structure rather than a standalone entity.

The LEO GEN 2 constellation has compelling economic prospects – it is anticipated that the capital expenditure needed for LEO GEN 2 will be approximately \$1.5 billion to \$1.8 billion lower than the cost of building an equivalent LEO constellation from scratch, as a result of leveraging OneWeb’s existing infrastructure, including the re-use of LEO GEN 1 SNP sites, SAPs and user terminals, leveraging its experience and expertise obtained from the development of LEO GEN 1 constellation which will allow OneWeb to optimise the development and production of LEO GEN 2 satellites and the priority filings already secured by OneWeb. This presents a significant advantage over new LEO entrants. The potential risk of LEO GEN 2 not being able to gain market traction is also de-risked by the existing customer base for LEO GEN 1. Moreover, it is OneWeb’s aim to ensure that the transition from LEO GEN 1 to LEO GEN 2 is expected to be seamless for customers, while also being designed as part of a broader GEO/LEO structure rather than a standalone entity.

The LEO GEN 2 constellation can also offer optimised capital expenditure for the Combined Group through the designing of an integrated GEO/LEO infrastructure, thereby optimising the fleets of both partners. On a stand-alone basis, LEO constellations are able to accommodate high volumes of connectivity demand concentrated in specific geographical areas at the cost of deploying significant capacity on a global scale. GEO satellites fit to complement LEO with targeted capacity over high-demand areas (approximately 70% of the internet traffic coming from video is well suited for GEO as it is mostly forward and not latency-sensitive). A hybrid GEO/LEO network will enable a downscaling of LEO constellation as optimised GEO/LEO combination enables higher fill-rates, resulting in lower long-term capital expenditure even after LEO GEN 2 deployment.



GEO/LEO combined solutions for customers

The GEO/LEO combined solutions for customers are expected to optimise services for current cases, as well as unlock

new usage cases and new revenue streams for the Combined Group in the following sectors:

- **Maritime, oil and gas:** GEO can support demand surges at peak times for large ship cruises and oil and gas platforms while LEO ubiquity and low latency will provide service continuity. Together, the GEO/LEO fleets can support remote industrial sites that require large numbers of connected devices and offer lower latency for latency-sensitive uses, as well as the future of maritime autonomous surface ships;
- **Aviation:** GEO density can provide high throughput around regional hubs and main air routes while LEO ubiquity will provide service continuity. Together, it can support future data-intensive innovations for aerial mobility (such as trajectory-based operations);
- **Mobile backhaul:** combined GEO/LEO will allow for higher link availability and improved resilience as GEOs and LEOs are able to back up one another if the other is unavailable;
- **Government:** combined GEO and LEO will allow for higher link availability and improved resilience, with the need for fast deployment being addressed by the LEO ubiquity, to support future applications for autonomous vehicles which is representing a growing share of military assets as well as offer lower latency for latency-sensitive uses; and
- **Consumer broadband:** service experiences can be optimised with intelligent traffic routing on a hybrid GEO/LEO network, capable of supporting future bandwidth demand for metaverses such as Meta's Horizon Worlds, which is expected to increase by 2030.

Reinforcing environmental, social and corporate governance priorities

The Combined Group will reinforce its priorities in bridging the global digital divide and protecting the environment in space and on earth. The combination of assets, with the OneWeb Group's LEO satellites reaching full global coverage, and know-how will extend the Combined Group's reach and open up new means to address the world's digital white zones. Further, the GEO/LEO fleet optimisation will lead to an increase in efficiency in the number of satellites and launches, optimisation of existing ground and other infrastructures and enhanced coordination of efforts on regulatory aspects of the space environment.

The Combined Group will continue to participate in research and development programmes that use satellite technology to protect civilian populations and endangered species, support humanitarian relief initiatives, and promote science and technology in schools. This includes high-speed internet connectivity to access officially recognised educational content and to transform access to healthcare including connection with online clinics, telemedicine, enhanced patient monitoring and contact with first responders in remote areas. The Eutelsat Group will also remain as a signatory to humanitarian programmes and in collaboration with foundations in supporting educational, scientific, cultural and sustainable development projects.

3 Intentions of the Combined Group

3.1 Potential synergies and value creation

Eutelsat has produced a list of synergy opportunities after having undertaken a review of its business plan, intelligence market reports on the satellite industry and merger models produced by its financial adviser. The Combination is forecast to generate substantial value for the Combined Group, with over €1.5 billion potential incremental value-creation after tax (net of implementation costs) be comprised of:

- average annual recurring revenue synergies, estimated at approximately €150 million per annum by the fourth year post Completion;
- operational expenditure optimisation, anticipated to result in run-rate pre-tax cost synergies of over approximately €80 million per annum by the fifth year post Completion; and
- capital expenditure optimisation, anticipated to result in run-rate pre-tax generating average savings of approximately €80 million per annum from the first year post Completion.

Following Completion, a new organisational structure and operating model for the Combined Group will be implemented. The Combined Group also expects to capture savings by maximising operational efficiencies and capital expenditure savings through the joint design of the LEO GEN 2 constellation as part of a combined GEO/LEO infrastructure.

Eutelsat, having reviewed and analysed the potential cost savings and revenue generation from GEO/LEO combination, as well as taking into account factors Eutelsat can influence, believes that the Combined Group can deliver the anticipated

synergies above. These synergies are expected to arise as a direct result of the Combination and could not be achieved independently of the Combination.

The revenue synergies are expected to be realised principally from:

- the acceleration of commercial ramp-up by leveraging Eutelsat's sales forces, geographical reach and customer base and accelerated time to market for the OneWeb Group's products;
- one-stop-shop experience for customers with the combined offers by bundling GEO and LEO offers, improving ubiquity densities, creating cross selling opportunities and enabling the increase in capacity density;
- integrated new offers with a single hybrid GEO/LEO terminal, unlocking new revenue opportunities by creating a seamless unified offer of connectivity and allowing for flexible service catalogues tailored to each market which is unique in the industry;
- potential upsides in the future shareholding structure of the Combined Group, including the enhancement of the OneWeb Group's position in the European Institutional (Civil and Military) NGSO connectivity markets, as the Combined Group would become the only European LEO constellation operator; and
- unlocking of LEO GEN 2 rationalisation using hybrid GEO/LEO satellite infrastructure requiring fewer total satellites and smaller satellites.

The operational expenditure synergies are expected to be realised principally from the avoidance of costs ramp-up and absence of costs duplication in:

- technical costs, corresponding to the optimisation of operations and engineering (teleports and ground infrastructure rationalisation, consolidation of operation centres, support teams, associated IT systems and marketing spends);
- commercial costs by optimising and pooling together connectivity sales forces (especially government, maritime and aviation), and optimisation of marketing expenses of Eutelsat and OneWeb; and
- general and administrative cost optimisation, without any staff redundancies by avoiding cost ramp-up for development and implementation, and general and administrative functions (such as finance, human resources, legal, central IT, purchasing functions and other related office costs).

The capital expenditure synergies are expected to be realised principally from:

- LEO GEN 2, driven by a hybrid GEO/LEO satellite infrastructure to unlock GEN 2 rationalisation compared to a stand-alone plan, targeted GEO capacity to address regional demand peaks and non-latency-critical traffic while capitalising on lower capital expenditure/gbps of GEO VHTS compared to LEO, hybrid infrastructure requiring fewer total satellites and/or smaller satellites, and enabling higher fill-rates, which together is estimated to represent 20% of the total amount of capital expenditure synergies;
- savings in ground infrastructure capital expenditure related to equipment, antennas and data centres to enable the deployment of a constellation, teleports, baseband, fibres, and convergence of IT systems, is estimated to amount to 20% of the total amount of capital expenditure synergies;
- lower long-term capital expenditure, even after LEO GEN2 deployment through the rationalisation of long-term GEO fleet by focusing on video hotspots and ad hoc complements to LEO capacity, and largely migrating traffic from legacy GEO connectivity assets to LEO (for example, more than five GEO connectivity satellites reaching end of life over 2028 to 2035); and
- improvement of purchasing efficiency linked to larger procurement volumes, applicable to both satellite manufacturing and launch services.

The rationale behind the target capital expenditure savings relates to resizing Eutelsat's GEO fleet investments and considering the cost savings from utilising GEO and LEO on a combined basis.

The assessment and quantification of these potential synergies were largely informed by Eutelsat management's industry experience and based on financial information provided by OneWeb's management.

The identified synergies are made based on assumptions outside of the Combined Group's control or influence, such as that there will be no:

- material unforeseen impact on the underlying operations of either the Eutelsat Group or the OneWeb Group as a

result of the Combination or their ability to continue to conduct their businesses, such as a material change in the combined fleet health status and nominal deployment plan;

- material change to macroeconomic, political, inflationary, regulatory or legal conditions in the markets or regions in which the Eutelsat Group and the OneWeb Group operate that will materially impact on the implementation of the synergy plans or costs to achieve the proposed cost savings;
- material change in current foreign exchange rates or interest rates;
- material change in accounting standards; and
- change in tax legislation or tax rates that could materially impact the ability to achieve any benefits.

Eutelsat has assumed that the cost synergies are substantively within the Combined Group's control, albeit that certain elements are dependent in part on negotiations with third parties which is in part outside of the Combined Group's control.

The above identified revenue and cost savings relate to future actions or circumstances which by their nature involve risks, uncertainties and contingencies. As a consequence, the identified synergies and estimated savings referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated.

No statement in this paragraph 3.1 of this Part 7 (*Overview of the Combined Group*) of this Prospectus should be construed as a profit forecast or interpreted to mean that the Combined Group's earnings in the first full year following Completion of the Combination, or in any subsequent period, would necessarily match or be greater than or be less than those of Eutelsat and/or OneWeb for the relevant preceding financial period or any other period. Further information on profit forecast is set out in Part 19 (*Profit Forecast*) of this Prospectus.

3.2 Integration planning and business continuity

Following Completion, for the purposes of the success of the integration of OneWeb and achievement of the associated synergies, for so long as OneWeb is a member of the Eutelsat Group, the OneWeb CEO will be invited to the meetings of the Eutelsat Board, subject to certain exceptions.

Eutelsat will aim to integrate the Eutelsat Group and the OneWeb Group with low impact in the conduct of the business of the Combined Group in an effective and efficient manner. Please also see paragraph 1.2 of Part 2 (*Risk Factors*) of this Prospectus for further details as to the potential risks relating to the integration and realisation of anticipated synergies and financial benefits.

3.3 Values

The values of the Combined Group will be developed following Completion and are expected to largely reflect Eutelsat's current fundamental values, which are as follows:

- **One team** – this is the backbone around which all other values radiate, it is all about team spirit.
- **Pioneering spirit** – we strive to go the extra mile and encourage innovative approaches.
- **Trust and courage** – we encourage each other to try new approaches and step out of our comfort zones.
- **Recognition** – we share a clear picture of our objectives and celebrate collective and individual achievements.
- **Respect** – we behave honestly and respect our different cultures and backgrounds.
- **Empowerment and accountability** – we take responsibility for our own decisions.
- **Outward focus** – we grow by breaking boundaries and embracing innovation.

4 Competition

Please refer to Part 10 (*Industry Overview*) of this Prospectus for details on the industries in which Eutelsat and OneWeb operate and the competition within their industries.

5 Group structure

The subsidiaries of the Combined Group will comprise all of the subsidiaries of Eutelsat set out in paragraph 8 of Part 8

(*Overview of Eutelsat*) along with all of the subsidiaries of OneWeb set out in paragraph 3 of Part 9 (*Overview of OneWeb*).

6 Substantial holdings

As at the Last Practicable Date, the following table shows the anticipated ownership structure of Eutelsat post Completion, what these interests are expected to be on Admission (including the interests of the Contributors), which will be following the issuance of the New Eutelsat Shares at Completion.

Name	As at the Last Practicable Date		Immediately following Admission	
	Number of Eutelsat Shares	Approximate Percentage of issued share capital ¹	Anticipated number of Eutelsat Shares	Anticipated percentage of issued share capital on Admission ²
BPI	64,586,426	25.95%	64,586,426	13.59%
FSP	19,698,210	7.91%	19,698,210	4.15%
CMA-CGM	25,968,600	10.43%	25,968,600	5.47%
Bharti Global	12,974,047	5.21%	12,974,047	2.73%
Lazard Asset Management Pacific	15,664,600	6.29%	15,664,600	3.30%
Bharti	-	-	87,949,500	18.51%
UK Government	-	-	51,735,000	10.89%
SoftBank	-	-	51,735,000	10.89%
Hanwha	-	-	25,867,500	5.44%
Minority Shareholders	-	-	8,965,053	1.89%
Other Eutelsat shareholders ³	110,034,442	44.20%	110,034,442	23.16%
TOTAL	248,926,325	100%	475,178,378	100%

1. Based on number of Eutelsat Shares in issue as at the Last Practicable Date.
2. Based on the estimated number of Eutelsat Shares in issue at Completion of 475,178,378, which is based on the number of Eutelsat Shares in issue as at the Last Practicable Date and the estimated number of 226,252,053 New Eutelsat Shares to be issued to existing OneWeb Shareholders (excluding Eutelsat S.A.) at Completion, assuming no additional Eutelsat Shares are issued between the Last Practicable Date and Completion and excluding any OneWeb A Ordinary Shares issued upon exercise and conversion of OneWeb Options.
3. Individuals representing less than 5% of the Eutelsat share capital. This category includes treasury shares, a number of Eutelsat other shareholders, including Turksat Satellite Communications and the national telecommunication companies of Bosnia-Herzegovina and Albania.

7 Dividend policy

No payment of Eutelsat dividends will be proposed or decided by the Eutelsat Board for FY 2022-23, FY 2023-24 and FY 2024-2025. Subsequently, the Eutelsat Board may propose (or decide in case of interim dividends) the payment of Eutelsat dividend to the Eutelsat Shareholders after analysis, in particular, of the Combined Group's results and financial position.

Please refer to paragraph 15.2 of Part 8 (*Overview of Eutelsat*) and subheading entitled "Dividend rights and distribution in kind" under paragraph 9 of Part 22 (*Additional Information*) of this Prospectus for more details.

8 Corporate governance

Following Completion, the corporate governance principles of the Combined Group are expected to be the same as the Eutelsat governance principles. The Combined Group will not be subject to the UK Corporate Governance Code, which applies to companies with a listing on the premium segment and not companies with a standard listing. Please refer to Part 13 (*Corporate Governance*) of this Prospectus for more details.

9 Corporate office, trading name and listing venues

It is intended that after Completion the registered office of Eutelsat will remain in France at 32, Boulevard Gallieni, 92130 Issy-les-Moulineaux, France. The executive management and centre of operations of OneWeb, as a subsidiary of Eutelsat, will be in the United Kingdom.

Upon Completion, the Eutelsat Articles provide that the Eutelsat's registered office is and must remain in France.

Following Completion, OneWeb will continue to operate its LEO business trading under its existing name.

Eutelsat Shares are listed on the regulated market of Euronext Paris and Eutelsat will apply for a listing on the LSE.

Part 8 Overview of Eutelsat

1 Overview

Eutelsat is a *société anonyme* (limited company) registered with the French *Registre du commerce et des sociétés* in Nanterre (Nanterre Registry of Trade and Businesses) under number 481 043 040. It is one of the world's leading operators of telecommunications satellites located in geostationary orbit from 139° West to 174° East, providing services to up to 150 countries in Europe, Africa, the Middle East, Asia-Pacific and the Americas. Eutelsat satellites are used for video broadcasting, satellite newsgathering, broadband services, data connectivity, connecting aeroplanes and ships, enabling mission-critical government and NGO communications needs, amongst others, with fully owned and partner teleport ground segments worldwide.

2 History and development of Eutelsat

The activities of Eutelsat S.A. (the main operating subsidiary of Eutelsat) 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 important events in the development of the business are noted below:

- 1977 – Creation of the Eutelsat IGO, which marked the beginning of Europe's satellite communications services industry.
- 1983 – First satellite, EUTELSAT I-F1, was launched, which began the satellite television business with the first transmission of a satellite TV signal on a commercial European satellite. The first analogue channels took advantage of this new opportunity to broadcast to consumers equipped with first-generation reception equipment.
- 1995 – Eutelsat successfully developed the HOTBIRD constellation of high-power satellites at 13° East, which enabled hundreds of television channels to be broadcast to millions of homes via cable networks and direct-to-home antennas.
- 2000 – Launch of the first satellite with electrical propulsion for station-keeping (EUTELSAT 16C). EUTELSAT 36A was taken into space by Maiden Atlas III rocket and Europe's first consumer internet service using satellite for downloads was launched.
- 2002 – HOTBIRD 13A, which was the first satellite with digital onboard multiplexing and switching between Ku and Ka-bands, went into space on the Maiden Atlas V flight.
- 2003 – EUTELSAT 33A satellite was launched with four regional Ku-band beams for high frequency reuse.
- 2004 - Launch of first satellite with Lithium-Ion batteries (EUTELSAT 7A) and Europe's first demonstration HD TV channel in MPEG-2 DVB-S on HOTBIRD.
- February 2005 – Eutelsat was incorporated.
- April 2005 – Eutelsat acquired Eutelsat S.A.
- 2009 – EUTELSAT 36B satellite first carried on-board multiplexing capability to increase uplink service area. FRANSAT was launched and a service operated on Eutelsat's ATLANTIC BIRD 3 satellite gave satellite access in metropolitan France to all French free direct terrestrial television channels.
- 2010 – KA-SAT, Europe's first HTS and the highest capacity commercial satellite ever built, was launched.
- 2012 – FRANSAT (Eutelsat's French direct terrestrial television platform via satellite) launched an integrated satellite receiver and direct terrestrial television module in flat-screen displays.
- 2013 – Eutelsat's SmartLNB for direct-to-home antenna allowed broadcasters to operate linear television and connected TV services directly by satellite. Eutelsat launched the first demonstration UHD channel.
- 2014 – Eutelsat stepped up UHD activity by launching Europe's first demo channel encoded in high efficiency video coding, broadcasting at 50 images per ms with 10-bit colour depth.
- 2015 – The world's first all-electric satellite, EUTELSAT 115 West B, entered into service which was the first of a

new generation of software-controlled satellite developed through a public-private partnership with the ESA and Airbus Defence and Space.

- 2016 – Eutelsat launched SmartBeam (the satellite solution for multiscreen TV delivery to smartphones and tablets) and the Sat.tv (the enhanced electronic program guide) for HOTBIRD viewers.
- 2017 – EUTELSAT 172B satellite went live at 172° East, embarking a new HTS payload for in-flight connectivity for users in a vast region stretching from the West coast of the Americas to Asia, Oceania and across the Pacific.
- 2019 – Eutelsat ordered four nanosatellites to kick off its low-orbit nanosatellite constellation of LEO satellites dedicated to the IoT.
- 2020 – KONNECT, a satellite of 75 Gbps of capacity across a network of 65 spot-beams, was launched and entered into service at the end of the fourth quarter of 2020. The launch had set a new benchmark for flexibility in HTS leading to the optimisation of fill rates and delivering significant resources for broadband services.
- 2021 – QUANTUM, the first full software-defined satellite, was launched and entered into service at the end of the fourth quarter of 2021. Located at 48° East, the satellite’s in-orbit reprogrammable features set a further standard in flexibility that will enable users, notably in the government and mobility markets, to actively define and shape performance and reach due to its software-based design.
- 2022 – Launch of KONNECT VHTS, a very high throughput satellite of 500 Gbps of capacity, built by Thales Alenia Space, which can provide fixed broadband and mobile connectivity across Europe, North Africa and the Middle East. Launch of EUTELSAT 10B, which carries 35 Gbps of HTS Ku-band payload, bringing new inflight and maritime connectivity services. These two satellites are part of Eutelsat’s Telecom Pivot strategy, which aims at rebalancing the Eutelsat Group’s operations towards connectivity services. Launch of EUTELSAT HOTBIRD 13F and EUTELSAT HOTBIRD 13G, two satellites to be placed at Eutelsat’s flagship 13-degree East position.
- 2023 – Entry into service of the EUTELSAT 10B satellite, a major growth driver for the mobile connectivity application. It will provide significant incremental capacity with coverage particularly well suited to maritime and aero activities.

3 Business overview

As of 30 June 2023, the Eutelsat Group has an operating capacity of 36 satellites in geostationary orbit between 139° West and 174° East, which provides coverage for Western Europe, Central Europe, Russia & Central Asia, North Africa, the Middle East and Sub-Saharan Africa, the Americas and a large part of the Asian continent. These orbital positions and associated ground infrastructures cater for Eutelsat’s client base of broadcasters, telecommunications operators and government agencies, served either directly or through distributors. Further details on each operating vertical of video, fixed connectivity, mobile connectivity and government services, please see paragraph 1 of Part 15 (*Operating and Financial Review of Eutelsat*).

The Eutelsat Group’s satellites are capable of offering high-performance solutions for delivering content directly to end users, including populations located in the most isolated regions, through their ubiquitous coverage and high bandwidth availability. The Eutelsat Group’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 and global connection. To further global connectivity and allow users around the world to benefit from the most up-to-date video and connectivity services, the Eutelsat Group 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 Eutelsat Group a next-generation satellite enabling it to offer high-speed broadband access across Europe and Africa.

With the entry into service of the KONNECT VHTS satellite expected in the second half of the 2023 calendar year, the Group’s broadband capacity will be reinforced.

The breakdown of the employees⁵ of the Eutelsat Group by geographical area and the average number of full-time equivalent employees by activity are shown in the following table.

Geographical area	As at 30 June					
	2021		2022		2023	
France	607	52%	618	53%	629	56%
Italy	203	17%	196	17%	214	19%
Mexico	117	10%	127	11%	139	12%

⁵ Including interns and apprentices for the breakdown by geographical area.

	As at 30 June					
Middle East	45	4%	36	3%	31	3%
Others	199	17%	194	17%	101	9%
Total	1,132	100%	1,171	100%	1,114	100%
Activity (full-time equivalent employees)¹	2021		2022		2023	
Operations	511	46%	510	46%	524	51%
Selling, general and administrative	598	54%	602	54%	509	49%
Total	1,109	100%	1,112	100%	1,033	100%

1. Excluding apprentices and trainees.

The Eutelsat Group is a world leader, ranking alongside the major connectivity players in video services, with its core business providing approximately 6,600 television channels in Europe, Middle-East, North Africa and Sub-Saharan Africa of which approximately 2,500 are free-to-air mainly in Europe, the Middle-East and Africa.

For a breakdown of Eutelsat's revenues by applications in video, fixed connectivity, mobile connectivity and government services for the financial years ended 30 June 2021, 2022 and 2023 (including details on the changes Eutelsat has made to the way it presents its revenue breakdown going forward from the financial year ended 30 June 2023), please see paragraph 1 of Part 15 (*Operating and Financial Review of Eutelsat*).

3.1 Satellite and communications control

The majority of the Eutelsat Group's fleet is operated from control centres at the Eutelsat Group's head office in Issy-les-Moulineaux and at the Rambouillet teleport, which the Eutelsat Group acquired from France Telecom 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 Eutelsat Group's specifications.

The Eutelsat 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).

Satélites Mexicanos S.A. de C.V. is a subsidiary of Eutelsat that trades under the name Eutelsat Americas. Eutelsat Americas provides capacity for various social connectivity programmes in Mexico and Colombia, such as providing connectivity services in schools, hospital and libraries in rural communities.

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 Eutelsat Group's control centres located in Iztapalapa, Mexico City (Mexico) and in Hermosillo (Mexico). These centres have the same functions as the centres located in France and their activities are also certified ISO 9001 and ISO 27001. One additional satellite under the responsibility of Eutelsat Americas (EUTELSAT 65 WEST A) is operated and monitored via specific facilities installed near Sao Paulo, 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 the Eutelsat Group centres.

Activities of the Satellite Control Centre

On 30 June 2023, the Eutelsat Group managed the in-orbit satellites it owned. EXPRESS AT1, EXPRESS AT2, EXPRESS AM6 (on which the Eutelsat Group operates certain transponders under the name EUTELSAT 53A) and AMU-1 (on which the Eutelsat Group operates certain transponders under the name EUTELSAT 36C) are controlled by the RSCC, a Russian satellite operator. ASTRA 2E, ASTRA 2F and ASTRA 2G (on which certain transponders are operated by the Eutelsat Group respectively under the names EUTELSAT 28E, EUTELSAT 28F and EUTELSAT 28G) are controlled by SES S.A. (a Luxembourg satellite telecommunications network provider).

Daily operations on the satellites, including the configuration of payloads and management of electrical power and propulsion systems, are controlled (through the telemetry, command and ranging station network) from the Satellite Control Centre.

The French satellite control centre is connected to a telemetry, command and ranging station network to communicate with the satellites. The Rambouillet teleport contains the largest number of telemetry, command and ranging stations. The Rambouillet teleport may also be used for in-orbit positioning of new satellites joining the Eutelsat Group's fleet. Some launch and early orbit phase 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 launch and early orbit phase.

Telemetry, command and ranging stations in Iztapalapa, Mexico City and Hermosillo in Mexico are under the responsibility of Eutelsat Americas. For satellites controlled from Mexico, positioning operations were performed by the satellite manufacturer (Boeing and Loral). A telemetry, command and ranging station is also located at the Cagliari site of Eutelsat Skylogic in Italy.

The Eutelsat Group has entered into long-term service agreements with a number of operators who provide capacity at their transmission/reception earth stations as well as cover the operation and maintenance of any of the Eutelsat Group's equipment installed at their sites. Under these contracts, the Eutelsat Group has extended control and supervision rights. These services are currently provided from telemetry, command and ranging 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, telemetry, command and ranging stations are located on the same sites as the control centres in Iztapalapa and Hermosillo.

Activities of the Communications Control Centres

Payload and capacity control is carried out by the Eutelsat Group for all satellites and transponders whose capacity is marketed by the Eutelsat Group, including satellites owned by other companies. All video managed services and terrestrial delivery network that Eutelsat Group operates are also controlled from the same centres, while for connectivity managed services there is a specific site in Italy under the responsibility of Skylogic (subsidiary of the Eutelsat Group). The Eutelsat Group has a set of facilities at its Issy-les-Moulineaux, Rambouillet, Cagliari, Iztapalapa, Torino and Hermosillo sites. At each site, the Eutelsat Group has installed the equipment needed to monitor the quality of services provided to its customers.

In addition to these facilities, the Eutelsat Group has service contracts with teleport operators of 18 sites worldwide for the hosting of equipment installed by the Eutelsat Group and performance of first level payload and capacity control services by the site operators, selected according to the geographical coverage of the satellites to provide monitoring facilities or complement the managed service network for both video and connectivity. There are sites in: Brazil, Argentina and Chile for South America, Miami for North America, Germany for North Eastern Europe, Cyprus for the Eastern Mediterranean and Middle-East regions, Russia, South Africa for Sub-Saharan Africa, Singapore for the Far East, Cameroon for Western Africa, Kenya for Eastern Africa, United Arab Emirates for North Africa, Afghanistan and the Arabian peninsula, Mauritius, La Reunion and Mayotte for the Indian Ocean, Sardinia for Western Mediterranean and North Africa, Japan for North Pacific Ocean and the East of Asia, Hawaii and Adelaide for Pacific coverage and New Caledonia for South Pacific Ocean.

In addition to this infrastructure, Eutelsat also operates 21 other sites in France, Mexico and Italy, 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 centres worldwide for operating the whole fleet. The control centres are in permanent connection by different means with a secured and redundant connection.

4 Assets

4.1 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	EMEA	30 Ku/12 C/5 Ka	May 2014	2032
EUTELSAT 7B	7° East	EMEA	53 Ku/3 Ka	May 2013	2039
EUTELSAT 7C	7° East	EMEA	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	EMEA	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

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 HOTBIRD 13G	13° East	Europe, North Africa, Middle-East	72 Ku	November 2022	>2038
EUTELSAT 16A	16° East	EMEA, Indian Ocean	53 Ku/3 Ka	October 2011	2027
EUTELSAT 21B	21.5° East	EMEA	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	EMEA	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
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 12 WG	12.5° West	Europe	-	December 2008	Inclined orbit
EUTELSAT 139 WEST A	139°	Americas	-	March 2004	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 to the nearest whole number.
2. Every year, the Eutelsat Group reviews the estimated operational life of the satellites in-orbit.
3. During FY 2019-20, 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 Eutelsat 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 fleets.

4.2 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

2. Owned by RSCC. This capacity corresponds to that operated by Eutelsat.
3. In January 2014, in the framework of a settlement of the dispute with SES S.A concerning the 28.5° East orbital position, the Eutelsat Group contracted long-term satellite capacity on the SES S.A satellite fleet at this orbital position. The number of transponders indicated is the number of transponders leased by Eutelsat on SES S.A fleet.

4.3 Nominal Deployment programme as of 30 June 2023

Eutelsat's current nominal deployment programme for future launches

The following table sets out the Eutelsat Group's future planned launches of GEO satellites. EUTELSAT 36D is intended to assume all the main legacy missions of EUTELSAT 36B in broadcast and government services, with enhancements to coverage areas and performance. It will also carry ultra-high frequency payload dedicated to government services. Flexsat is a flexible satellite capable of seamless reconfiguration and instant in-orbit adjustment to offer an optimum level of customer service and maximising the effective use of satellite resources. Flexsat will expand the Eutelsat Group's in-orbit asset and provide more than 100 Gbps of incremental capacity over the Americas to support the surging connectivity market.

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	Video Government	Africa, Russia, Europe	70 Ku Ultra-high frequency payload	Ultra-high frequency payload

Satellite	Orbital position	Estimated entry into service (calendar year)	Main applications	Main geographic coverage	Physical Transponders/ Spot beams	Of which expansion
FLEXSAT AMERICAS	-	2026 (delivery)	Connectivity	Americas	>100 Gbps	>100 Gbps

5 Intellectual property

5.1 Patent

As at 30 June 2023, 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).

5.2 Trademarks

As at 30 June 2023, Eutelsat S.A. owns 28 trademarks.

5.3 Licences and authorisations

On 25 November 2020, the French Minister of Space confirmed that the Eutelsat Group's authorisation licence for the control of space devices in relation to the in-orbit control operations of satellites will be in effect until the end of life of the satellites concerned, or, where applicable, until the Eutelsat Group'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, for any new satellite to be launched within the framework of this licence, the Eutelsat Group will have to provide 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 technical authorisations and licences delivered by the Ministry of Economy, Finance and Recovery under the FSOA are managed by the *Centre national d'études spatiales* ("CNES"), to which the Eutelsat Group will also have to send regular declarations to prove the ability of satellites covered by the licence in performing service withdrawal manoeuvres. The Eutelsat 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.

The Eutelsat Group also obtained authorisations to operate the following satellites which were not covered by the licence as they were separately acquired by Eutelsat or were built by other manufacturers:

- EUTELSAT 65 WEST A on 29 February 2016;
- EUTELSAT 172B on 29 February 2016;
- EUTELSAT 117 WEST B (limited to some non-recurring operations) on 8 June 2017;
- EUTELSAT 7C on 30 April 2019;
- EUTELSAT 5 WEST B on 19 September 2019; and
- EUTELSAT QUANTUM on 30 April 2020.

In addition, on 4 December 2019, the Eutelsat Group obtained the licence to operate satellites that are or will be based on a Thalès Alenia Space platform which will support the delivery of high-speed broadband across Europe and incremental capacity over the Americas to support the surging connectivity market, as is the case for KONNECT VHTS, EUTELSAT 10B and Flexsat.

Any satellite launches undertaken by the Eutelsat Group from France or abroad remain subject to a case-by-case authorisation regime. On 23 December 2010, the Eutelsat 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. This licence is in effect until 30 November 2030.

Launch authorisations have been obtained for all satellites launched since 2011, excluding satellites acquired during their life or for which the launch contract has been signed by a foreign subsidiary (and therefore not falling under the FSOA). To date, the Eutelsat Group has obtained authorisations to launch EUTELSAT 7 WEST A, EUTELSAT 16A, EUTELSAT 21B, EUTELSAT 70B, EUTELSAT 3D, EUTELSAT 3B, EUTELSAT 9B, EUTELSAT 8 WEST B, EUTELSAT 7C, EUTELSAT 5 WEST B, KONNECT, and EUTELSAT QUANTUM, KONNECT VHTS, EUTELSAT 10B,

HOTBIRD 13F, HOTBIRD 13G, ELO 3 et ELO 4.

Within the framework of its authorisations to proceed with satellite launches, one month before the launch, the Eutelsat 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. The Eutelsat Group also utilises other launch service providers such as Space Exploration Technologies Corps and Blue Origin.

The Eutelsat Group also filed licensing applications to act as a network and earth station operator in Germany, Austria, Canada, Ivory Coast, Spain, the United States, France, Greece, Ireland, Italy, Mexico, Poland, Portugal, Democratic Republic of Congo, the United Kingdom and Switzerland. The Eutelsat Group obtained a network operator licence and two general authorisations to provide interactive satellite services in Italy.

5.4 Authorisation to operate frequency assignments

The Eutelsat Group may directly hold the corresponding rights to frequency assignments, or these frequency assignments may be operated by the Eutelsat Group under agreements entered into with entities having the right to use these assignments.

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.

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 *Instituto Federal de Telecomunicaciones* (“IFT”), the telecommunications regulator responsible for, among other things, most day-to-day regulation of satellite communications services in Mexico.

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. 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.

The EUTELSAT 172B satellite is operated at 172° East under a combination of frequency assignments granted by the US and the French authorities, and operating its assignments under US regulations and authority.

The Eutelsat Group also operates satellites with frequency assignments granted by authorities other than France or Mexico on an increasing number of orbital positions.

The EUTELSAT 174A satellite is operated at the 174° East, under frequency assignments notified under Cyprus’s administration, and the satellite operates these assignments under the authority and regulations of Cyprus.

The EUTELSAT 36C satellite is operated at 36° East under Russian frequency assignments granted by the Russian authority and held directly by RSCC.

Frequency assignments are granted by the Brazilian authority for the EUTELSAT 65 WEST A satellite operated at 65° West. They were obtained, together with associated authorisations, in an auction process in Brazil and granted to the Eutelsat 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. The Eutelsat Group also obtained rights on further assignments for additional frequencies and/or coverage.

The EUTELSAT 117 WEST B is operated at 117° West under frequency assignments granted by the authority of Papua New Guinea and held by Eutelsat.

5.5 Landing rights

Prior to becoming a part of the Eutelsat Group, 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, the US governmental agency responsible for regulating satellite communications, to access the US market with respect to EUTELSAT 115 WEST A, EUTELSAT 113 WEST A, EUTELSAT 115 WEST B, EUTELSAT 117 WEST A, and 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 Eutelsat 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 EUTELSAT 3 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 Eutelsat 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.

5.6 US Permitted Space Station List

Currently eight of the Eutelsat Group's satellites are entered on the Permitted Space Station List, which permits non-US satellite operators to request access to the US market using non-US satellites for the provision of both international and domestic broadcasting, video and mobile connectivity services for the aeronautical, maritime, oil & gas, telecom operators government agencies, as well as news, sports and entertainment broadcasters. While there are no expiry dates to the satellites' inclusion on the Permitted Space Station List, this list will be updated when the US Market Access licences and authorisations are issued or amended, or when the FCC is notified of satellite deorbit.

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

6 Research and development

GEO-enabled connectivity applications via selected investments

Given the strong demand in connectivity activities (fixed data, government services, mobile connectivity and IoTs), the Eutelsat 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 Eutelsat Group will pursue the optimisation of its existing assets in these applications. In particular:

- During the FY 2019-20, Eutelsat has ordered the EUTELSAT 10B satellite 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 a strong demand for Ku-band mobility services in this geographical area;
- EUTELSAT QUANTUM, which entered into service in November 2021, is a first-generation software-based reconfigurable satellite, bringing a differentiated value proposition. 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;
- EUTELSAT KONNECT VHTS satellite, although mainly dedicated to fixed broadband, will also provide from the second half of the 2023 calendar year Ka-band capacity over Europe adequate to deliver a very high-speed broadband experience and notably meet the needs of the mobile connectivity and government services markets; and
- In December 2022, the Eutelsat Group announced it had selected Thales Alenia Space to build a new 'Flexible Software-Defined' satellite. This new generation of high-throughput and software-defined satellite which allows flexibility and instant re-configurability to adapt to changing missions, will reinforce Eutelsat's in-orbit assets to serve surging demand for connectivity in the Americas.
- Eutelsat is exploring the possibility of a further development in the IoT market in particular with the low-orbit nanosatellite constellation project. This constellation relies on nanosatellites at reduced costs (around €1 million 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 test, with five satellites, of which four 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 tens of satellites.

7 Eutelsat Directors and main shareholders

Eutelsat Directors

See paragraph 2.1 of Part 13 (*Corporate Governance*) of this Prospectus for more information on the Eutelsat Board composition post-Completion.

As at the Last Practicable Date, Eva Berneke is CEO of Eutelsat.

As at the Last Practicable Date, the Eutelsat's Board of Directors is composed of the following Eutelsat Directors (each of their correspondence address being 32, Boulevard Gallieni, 92130 Issy-les-Moulineaux):

Director	Position	Committees	Term of office
Dominique d'Hinnin	Chairman and independent* Eutelsat Director	Chairman of the Nomination and Governance Committee Chairman of the Ad Hoc Committee Chairman of the Compensation Committee Member of the Audit, Risk and Compliance Committee Member of the Corporate Social Responsibility Committee	Eutelsat annual general meeting having resolved on the 2024-2025 Eutelsat annual statements
Eva Berneke	Eutelsat Director and CEO	N/A	Eutelsat annual general meeting having resolved on the 2023-2024 Eutelsat annual statements
Bpifrance Investissement (represented by Paul-François Fournier)	Eutelsat Director	Member of the Nomination and Governance Committee	Eutelsat annual general meeting having resolved on the 2024-2025 Eutelsat annual statements
BPI (represented by Samuel Dalens)	Eutelsat Director	Member of the Corporate Social Responsibility Committee Member of the Compensation Committee Member of the Ad Hoc Committee	Eutelsat annual general meeting having resolved on the 2025-2026 Eutelsat annual statements
CMA-CGM (represented by Michel Sirat)	Independent* Eutelsat Director	Member of the Audit, Risk and Compliance Committee	Eutelsat annual general meeting having resolved on the 2025-2026 Eutelsat annual statements
FSP (represented by Agnès Audier)	Independent* Eutelsat Director	Chairman of the Corporate Social Responsibility Committee Member of the Audit, Risk and Compliance Committee Member of the Compensation Committee Member of the Ad Hoc Committee	Eutelsat annual general meeting having resolved on the 2023-2024 Eutelsat annual statements
Esther Gaide	Independent* Eutelsat Director	Chairman of the Audit, Risk and Compliance Committee Member of the Ad Hoc Committee	Eutelsat annual general meeting having resolved on the 2024-2025 Eutelsat annual statements
Cynthia Gordon	Independent* Eutelsat Director	Member of the Nomination and Governance Committee Member of the Corporate Social Responsibility Committee	Eutelsat annual general meeting having resolved on the 2022-2023 Eutelsat annual statements
Florence Parly	Independent* Eutelsat Director	Member of the Compensation Committee Member of the Nomination and Governance Committee	Eutelsat annual general meeting having resolved on the 2024-2025 Eutelsat annual statements
Fleur Pellerin	Independent* Eutelsat Director	Member of the Nomination and Governance Committee Member of the Corporate Social Responsibility Committee	Eutelsat annual general meeting having resolved on the 2025-2026 Eutelsat annual statements

*according to the Reference Code

Eutelsat main shareholders

As of the Last Practicable Date, the Eutelsat main shareholders are as follow:

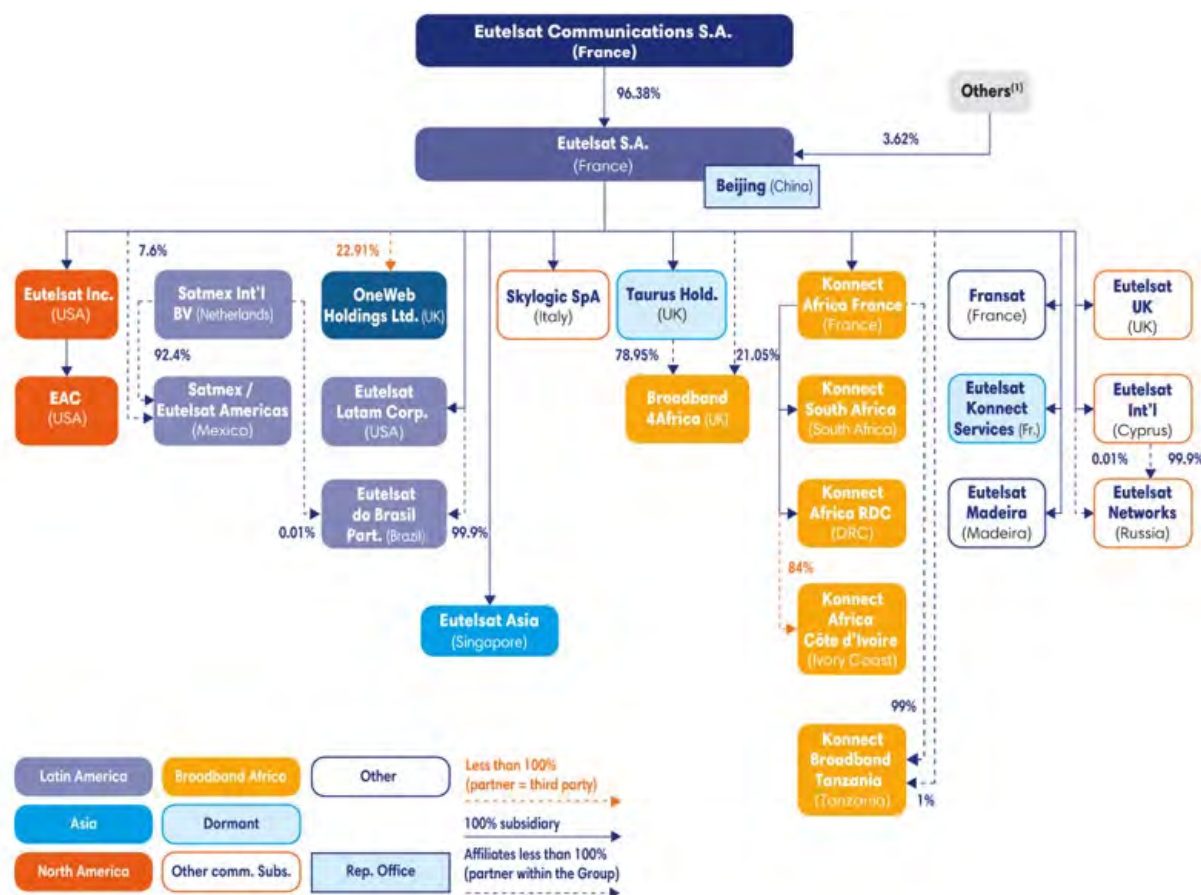
Eutelsat shareholders	Eutelsat Shares and theoretical voting rights ¹	Approximate percentage of issued share capital ²
BPI	64,586,426	25.95%
CMA-CGM	25,968,600	10.43%
FSP	19,698,210	7.91%
Lazard Asset Management Asia Pacific	15,664,600	6.29%
Bharti Global	12,974,047	5.21%

Eutelsat shareholders	Eutelsat Shares and theoretical voting rights ¹	Approximate percentage of issued share capital ²
Other Eutelsat shareholders (individually representing less than 5% of the Eutelsat's share capital, including treasury shares)	110,034,442	44.20%
Total	248,926,325	100.00 %

- The total number of voting rights attached to the existing shares, including those attached to treasury shares which cannot be exercised in general meetings.
- Based on number of Eutelsat Shares in issue as at the Last Practicable Date.

8 Corporate structure

As of 30 June 2023, Eutelsat directly or indirectly owns 46 subsidiaries or equity interests. Eutelsat is a holding company, which has no operating activity of its own, other than its direct holding in Eutelsat S.A. The organisational chart below is a simplified organisational chart of the Eutelsat Group as of the Last Practicable Date.



Please see paragraph 2 of Part 22 (*Additional Information*) for a list of Eutelsat's subsidiaries within the scope of the Eutelsat Group consolidation of financial statements.

9 Strategies and growth opportunities

9.1 Overview

The main committed investments relate to future satellites including ground network necessary for their operation. The Eutelsat Group expects that its financing requirements for committed investments will be met by its available liquidity in the DFCF generated in excess of dividend payments and potential recourse to bank or bond markets. Eutelsat has implemented a two-step strategy: (i) maximise the revenue generation of its businesses by adapting its operational and financial objectives; and (ii) return to growth by optimising value creation and capturing the longer-term potential in connectivity.

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

- maximise cash generation of Eutelsat's heritage businesses in order to fund the transition toward high growth verticals whilst keeping a sound financial situation; and

- 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 Eutelsat Group will rely on:
 - geostationary-enabled in fixed broadband with EUTELSAT KONNECT and KONNECT VHTS satellites as well as in other applications through selected investments such as EUTELSAT 10B; and
 - low-orbit-enabled through the Combination.

The Eutelsat Group will work to generate synergies between Eutelsat’s GEO and OneWeb’s LEO assets, see paragraph 3.1 of Part 7 (*Overview of the Combined Group*) for further information.

9.2 Maximising free cash flow generation

The maximisation of DFCF generation is achieved through a set of financial and operational measures in the Eutelsat Group’s businesses, particularly in video, which is the main driver of the Eutelsat Group’s cash flow generation.

Financial measures are structured around four areas:

- Optimising capital expenditure and capital expenditure savings without impacting the current deployment plan and associated future revenues. 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 and HOTBIRD 13G. Capital expenditure reduction can also be contributed by capitalising on industry-wide efficiency improvements and the strict monitoring of ground capital expenditure. The average annual investment budget has been reduced to a maximum of €400 million per year (cash capital expenditures amount €270.6 million, €279.5 million and €342 million for the financial years ended 30 June 2023, 2022 and 2021 respectively).
- Reducing the cost of debt by the refinancing of bond issues. For example, the refinance of bond issues that were maturing in March 2017, January 2019 and January 2020, generated savings at run rate of approximately €30 million, €24 million and €10 million per year before tax respectively. This area remains dependent of the macroeconomic environment, notably for the level of interest rates.
- Controlling operating costs by implementing cost-saving plans. For example, the ‘LEAP 1’ cost-savings plan generated €32 million in annualised savings in FY 2018-19, and the ‘LEAP 2’ cost-savings plan led to a further €24 million in savings in FY 2021-22.
- Reducing tax burden following the change in French tax territoriality treatment which resulted in a reduction of the order of €70 million in the annual tax.

Further, in order to maximise cash and accelerate deleveraging, Eutelsat streamlined its portfolio of assets with the disposal of several assets since 2016 (Hispasat, WIns/DHI, EUTELSAT 25B, EBI) for a total consideration of more than €750 million at an average EBITDA multiple around eight times.

Adaptation of strategy in core video business

The Eutelsat 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 and reorganising indirect distribution in specific cases. For example, the partial renewal of its contract with the distributor Nilesat in the Middle East in October 2021 resulted in the Eutelsat Group directly marketing most of its capacity at the 7/8° West position, relying in particular on Noorsat, a distributor acquired in 2018;
- stimulating HD and UHD 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; and
- developing a new set of services to strengthen relationships with customers while generating additional revenue opportunities. During FY 2021-22, Eutelsat launched Sat.tv, its enhanced electronic programme guide 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, the Eutelsat Group will continue to pursue growth opportunities in emerging countries by:

- leveraging its existing in-orbit resources: for example in FY 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; and
- 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.

These measures allowed the Eutelsat Group to ensure a high level of free cash flow despite the erosion of revenues experienced by the Eutelsat Group in recent years. As a result, since FY 2018-19, the Eutelsat Group has generated a cumulative DFCF of €2.3 billion, consisting of a cumulative total of €408 million for FY 2018-19, €474 million for FY 2019-20, €467 million for FY 2020-21 (which included €86 million of EUTELSAT 5 WEST B insurance proceeds), €443 million for FY 2021-22 and €462 million for FY 2022-23.

9.3 Returning to growth by seizing long-term opportunities in connectivity

Eutelsat's return to growth is based on long-term opportunities in connectivity such as fixed connectivity, government services, mobile connectivity or IoTs. This "Telecom pivot" aims to serve the long-term needs of telecom operators and growing data needs.

GEO-enabled in fixed broadband via in particular EUTELSAT KONNECT and KONNECT VHTS

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

The ramp-up of the EUTELSAT KONNECT satellite, which entered into service in FY2020-21 to provide significant resources to serve the broadband markets in Europe and Africa, continued in FY 2021-22 with four of the main European markets (France, Italy, Switzerland, Spain) covered by wholesale or distribution agreements with major operators (being Orange, Telecom Italia, Swisscom and Hispasat respectively).

The Eutelsat Group has made major progress in implementing its European fixed broadband strategy with, principally, wholesale agreements with telecom operators, which is Eutelsat's preferred approach as it provides better profitability and visibility. It currently has wholesale agreements with Orange, Swisscom, Hispasat and Telecom Italia, with potential agreements with other operators still under discussion.

A second satellite, KONNECT VHTS, whose main application will also be fixed broadband, will mark a major milestone and a real change of scale for connectivity. This satellite, which was launched in early September 2022, has a total capacity of approximately 500 Gbps covering Europe and is scheduled for entry into service in the second half of calendar year 2023. It 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 Eutelsat Group is also present in other areas:

- in Africa using the KONNECT satellite, which will eventually be fully redeployed in Africa, and where capacity marketing efforts are focused in the following directions:
 - distribution agreements with service providers, such as the agreements with Coolink in Nigeria, Paratus and Vox in South Africa, and with telecom operators such as Telone in Zimbabwe;
 - digital inclusion programmes supported by governments, such as the agreement with Schoolap in the Democratic Republic of Congo providing connection to several thousand 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 Democratic Republic of Congo and Côte d'Ivoire; and
 - Wi-Fi hotspots to provide high-speed internet access at public places such as hospitals, schools, universities and shops;
- in Russia with a Ka-band HTS payload on the EUTELSAT 36C satellite launched in autumn 2016, which is based particularly on a partnership agreement with the Russian pay-TV operator Tricolor TV; and

- in Latin America, where the Ka-band payload on the EUTELSAT 65 WEST A satellite is largely leased to the Echostar group.

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

Through the Combination, the Eutelsat Group will benefit from a compelling entry point to the considerable LEO constellation opportunity in connectivity applications, in particular in fixed data, government services and mobility, in addition to a strong commercial potential for “win-win” co-operation resulting from the complementarity of resources and assets.

With all of its satellites now launched, and the network targeting to reach global coverage by the end of 2023 calendar year, the OneWeb constellation can benefit from the valuable ITU-backed priority spectrum rights and will operate 634 LEO satellites offering low latency. This first generation of satellites will offer global coverage and deliver 1.4 Terabits per second (Tbps) of capacity addressing the government, fixed connectivity and mobility markets. A second-generation constellation will be launched and will provide significant enhancements in terms of capacity, flexibility and economics.

9.4 New assets

The Eutelsat Group will keep optimising the resources of its GEOs by developing managed services to deliver a service in Mbps to its customers. The Eutelsat Group launched Eutelsat ADVANCE, an innovative portfolio of managed connectivity services combining Ka and Ku-band for an end-to-end global service. It addresses demand for connectivity services with extended reach, as business processes increasingly migrate to the cloud.

The Eutelsat Group has selected Thales Alenia Space to build FLEXSAT AMERICAS, a new generation of highly flexible, software-defined satellites. 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 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.

The Eutelsat Group will also pursue opportunities for hosted payloads in government services, such as the ‘European Geostationary Navigation Overlay System’ payloads on EUTELSAT 5 WEST B and on EUTELSAT HOTBIRD 13G (both in service), as well as the ultra-high frequency payload on EUTELSAT 36D.

The Eutelsat Group will also continue to look for commercial opportunities coming from the relocation of satellites operating in inclined orbit.

See paragraph 2 of Part 7 (*Overview of the Combined Group*) for more information on the opportunities that may be capitalised by the Combination and its impact on Eutelsat’s and the Combined Group’s strategies and growth opportunities.

10 Corporate social responsibility

The values set out in Eutelsat’s code of ethics govern management and business conduct. In addition, Eutelsat upholds the principles of the UN Global Compact and has published its first communication on progress report in 2019. See paragraph 3.5 of Part 13 (*Corporate Governance*) for more information on Eutelsat’s commitment to CSR.

Eutelsat uses the following operational key performance indicators, which covers the period from 1 January to 31 December:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Percentage of employees having been trained in anti-corruption risk	92	100	100
Number of employees trained on GDPR	-	148	19
Percentage of suppliers adhering to its Code of Ethics	100	100	-
Number of free-to-air channels broadcast on the satellite fleet	2,480	2,380	2,300
Number of de-orbited and passivated satellites having reached end-of-life by 15 June 2020	114	-	-
Number of satellites repositioned in geostationary orbit as of 15 June 2021	24	23	22
Scope 1 & 2 GHG emissions	6,230	6,634	-
Scope 3 GHG emissions	95,033	99,584	-
Percentage of employees trained	72.1	39	100
% of women in the Eutelsat Group	33.1	33.7	33.8
Number of nationalities in the Eutelsat Group	47	47	49
Rate of absenteeism (Eutelsat S.A.)	3.89	1.87	4.12
Frequency rate of occupational accidents (Eutelsat S.A.)	1.01	1.43	4.72

11 Relations with stakeholders

The Eutelsat Group maintains a regular dialogue with its stakeholders to obtain information and garner various points of view that will help its decision-making process.

The Eutelsat 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. The Eutelsat Group's societal commitment vis-à-vis its external stakeholders includes its participation in research and development programmes that use satellite technology to protect citizens, support for humanitarian relief initiatives and digital development, promotion of science and technology in schools, as well as supporting EUTELSAT IGO.

11.1 Technology partnerships that help protect civilian populations

Eutelsat S.A. has signed technology partnerships with players from the space and the IoT sectors to help develop innovative satellite resources to protect civilian populations and endangered species. The EUTELSAT 9B satellite, in operational since November 2016, hosts EDRS-A, the first payload of the European data relay system rolled out by the ESA and Airbus Defence and Space. It has contributed to a significant improvement in the response time required to conduct a wide range of operations such as monitoring natural disasters, emergency operations and coastal and maritime patrol operations due to accelerated data flows between LEOs and their ground stations.

11.2 Commitment to humanitarian programmes

Eutelsat S.A. is an original signatory of the UN Crisis Connectivity Charter, integrated with the work of the World Food Programme. This charter aims to provide governments and NGOs with resilient connectivity within 24 hours 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. All assistance under the UN Crisis Connectivity Charter is provided free of charge.

Eutelsat S.A. provided satellite equipment and in-orbit resources on its EUTELSAT KONNECT satellite in support of the World Food Programme's disaster relief coordination efforts following the Batsirai cyclone which hit Madagascar in February 2022.

Eutelsat S.A. is also a member of the Emergency Telecommunications Cluster, a global network of organisations that work together to provide shared communications services in humanitarian emergencies.

On 13 December 2022, Eutelsat announced the inking of a multi-year sponsorship deal with the ONG Télécoms Sans Frontières, following 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 Eutelsat Group assists the NGO to strengthen its capacity in order to rise the communications challenges associated with emergency aid.

11.3 Development of European Geostationary Navigation Overlay Service GEO-4

Eutelsat S.A. has signed a contract with the EU Space Programme Agency covering 15 years of service provision for the development, integration and operation of its next-generation European Geostationary Navigation Overlay Service GEO-4 on the future Eutelsat HOTBIRD 13G satellite.

The European Geostationary Navigation Overlay Service 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, and increases the positioning accuracy for other land-based applications, notably precision farming, geomatics, and civil engineering.

11.4 EUTELSAT IGO maintains a constant dialogue with the space community

Eutelsat S.A. maintains relations with EUTELSAT IGO on environmental and social responsibility issues.

EUTELSAT IGO has permanent observer status with the UN Committee on the Peaceful Uses of Outer Space and participates in the meetings of the committee and its two subcommittees, the scientific and technical subcommittee and the legal subcommittee.

11.5 Helping bridge the 'digital divide'

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 lacks access to fixed network infrastructure, especially in rural zones.

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 all more pronounced in 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 flexible than the previous generation. The Eutelsat Group is 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 per 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.

The launch of the EUTELSAT KONNECT VHTS satellite in September 2022 marked a further step towards closing the digital divide in Europe. The entry into service of EUTELSAT KONNECT VHTS expected in the second half of the 2023 calendar year will allow the entirety of the EUTELSAT KONNECT satellite's broadband resources to be allocated to coverage of the African continent, and 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, northern Africa and the Middle East region, with speeds reaching up to 200 Mbps.

Currently, the EUTELSAT KONNECT satellite offers broadband coverage to around 40 countries in Sub-Saharan Africa, including those with the largest populations such as the Democratic Republic of Congo, Nigeria and South Africa. 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.

11.6 Commitment to inclusive broadcasting

The Eutelsat Group promotes access to free-to-air television for all households in France and around the world.

As of 30 June 2023, the Eutelsat Group was broadcasting approximately 6,600 TV channels including 2,500 free-to-air channels (amounting to approximately 30% of all channels broadcast as of that date) to over one billion viewers, mainly in Europe, Russia, the Middle-East and Africa, accessible without subscription on its satellites. The Eutelsat Group'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 of over 1,900 channels broadcast in around 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.

In France, the EUTELSAT 5 WEST B satellite launched in October 2019 enables its subsidiary FRANSAT's platform to distribute 26 free direct terrestrial television channels on a subscription-free basis. It is designed in particular for households with little or no terrestrial reception.

11.7 Impact on regional development and employment

The Eutelsat Group's teleports participate most directly and actively in local economic activity given it physically operates in the 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. Eutelsat 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 functioning of the teleport are purchased from a local company in Rambouillet; and
- local farmers by making land around the Paris-Rambouillet teleport available for organic farming.

Similarly, the Eutelsat 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.

11.8 Human rights

The Eutelsat Group is committed to respecting human rights in the countries where the Eutelsat Group operates, in particular the Universal Declaration of Human Rights, the International Labour Organisation's fundamental conventions and the UN Guiding Principles for Business and Human Rights.

As part of its general terms and conditions of sale, the Eutelsat Group 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.

11.9 Media freedom

The Eutelsat Group is regularly confronted with complex situations in which the fundamental principles of freedom of information, independence and media pluralism are often contravened, often by foreign countries, to impose forms of information regulation informed by values that are different from those prevailing in Europe.

The rules applying to the media are currently very different between Member States of the EU. Eutelsat is in favour of increased convergence for the decisions taken by Member States, for example, 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.

11.10 Combatting intentional interference

The Eutelsat Group constantly monitors incidents of intentional interference, identifying their origins (if possible) and the channels affected. Eutelsat uses the 'Carrier ID' system, an embedded code containing information, which allows satellite operators to quickly and easily identify the source of the transmission causing interference. Eutelsat is also 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 ITU and Article 15 of the Radio Regulations. ANFR systematically files complaints with the ITU authorities against countries in which the jamming operations originate, which Eutelsat had requested ANFR to file on several occasions.

The Eutelsat Group follows up on issues regarding the protection of intellectual property rights, in particular the broadcasting of content by "pirate" channels. The Eutelsat Group is 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, 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.

12 Environment

12.1 Global Environmental Policy

The Eutelsat 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; and
- **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.

During FY 2023, Eutelsat undertook a more detailed assessment of the environmental policy to define key commitments to drive and guide the Eutelsat 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, will be submitted for the Science Based Targets initiative approval during 2024.

12.2 Impacts of Eutelsat's operations on space environment

The Eutelsat Group'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 +/-200km). 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 FSOA and the international regulations.

In 2005, the Eutelsat Group 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.

The Space Debris Mitigation 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 FSOA. The Eutelsat Group'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 Eutelsat and the Space Debris Mitigation Plan is updated on a regular basis to incorporate the new standards.

The Eutelsat Group applied internal policies and re-orbited and passivated 24 satellites as of 30 June 2023 that have reached end-of-life, with a 96% success rate. All 24 satellites have been re-orbited in compliance with international guidelines and the FSOA in a way that prevents them from re-entering the protected zone (+/-200 km from geostationary orbit) in the long term over 100 years. The Eutelsat Group has also placed 114 satellites (as of 30 June 2023) 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, the Eutelsat Group 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 the Eutelsat Group for many years makes it 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.

Compliance with the FSOA

The FSOA underscores the need for a responsible approach to fleet management and establishes a regulatory framework within which the Eutelsat Group operates in collaboration with the French Ministry of Higher Education, Research and Innovation and the CNES to meet its obligations regarding in-orbit control of space objects.

As part of discussions with the CNES with a view to obtaining authorisations, the Eutelsat Group 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. The Eutelsat Group also demonstrates that it has sufficient resources to conduct re-orbiting operations and provides a probability calculation for their successful completion. The Eutelsat Group 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.

Sharing the Eutelsat Group's policy and practices

The proliferation of space debris has become a major issue for space operators and the Eutelsat Group is committed to pursuing the implementation of its responsible fleet management policy in close cooperation with satellite manufacturers and launchers.

The Eutelsat Group is involved in events and workshops organised throughout Europe on space debris management. More specifically, the Eutelsat 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 the ESA and other relevant international institutions.

The Eutelsat Group 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, the Eutelsat Group is planning to join the working group on space traffic management within the European Cooperation for Space Standardisation, the only forum

in Europe where such matters are addressed from a technical perspective.

The Eutelsat Group was one of the founder 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 the Eutelsat Group 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 the Eutelsat Group'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.

Eutelsat also became a full member of the Global Satellite Operators Association. 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.

The Eutelsat Group's integration of the environmental aspects linked to space is a key element in the success of its operations and of its long-term strategy, supported by more than 40 years' experience at the service of telecommunications. Environmental protection and the maintenance of a clean and uncongested space is also an integral part of the four major principles that underlie the Eutelsat Group's corporate social responsibility policy.

Partnering with responsible satellite manufacturers

The Eutelsat Group is currently procuring satellites from two of the world's major satellite manufacturers: Airbus Defence and Space S.A.S. (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.

13 Health and safety

13.1 Overview

With the exception of the teleports and onsite installations, the Eutelsat Group's activities are largely carried out in office buildings. As a result, most employees are not exposed to any specific health and safety risks.

13.2 Electromagnetic waves

The subject of exposure to electromagnetic waves is also part of the environmental risks for the Eutelsat Group. To protect the Eutelsat Group's teleport employees in France, Italy, Mexico and Portugal from potential undesirable exposure to electromagnetic waves, the Eutelsat Group will take various precautions such as:

- carrying out periodic tests measuring radiation and its impact at the Paris-Rambouillet teleport. The Eutelsat Group conducted tests most recently in 2019;
- testing all antennas at the Paris-Rambouillet teleport in accordance with the 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 Earth Station Verification and Assistance 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. The Eutelsat Group will establish standards to ensure compliance with national and the Radio Regulations;
- strictly controlling access to potential high-risk exposure installations (such as a limited number of ground-level antennas) through the use of fence or ground signage. Employees who need to work within the perimeter are required to carry a dosimeter;
- in France, a *Document d'évaluation des risques* is prepared annually which identifies the risks faced by the Eutelsat Group and outline actions to reduce or eliminate them. For example, employees are required to work wear an electromagnetic wave detector near the antennas. 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 Eutelsat; and

- in Italy, risks analysis is conducted through the *Documento di Valutazione del Rischio*, which, amongst other things, evaluates worker's exposure to electromagnetic fields. These evaluations are periodically repeated or conducted when there are modification of the sources.

14 Governance

Please see Part 13 (*Corporate Governance*) of this Prospectus for more information on Eutelsat's corporate governance policies.

15 Financial information

15.1 Eutelsat Historical Financial Information

Please refer to Annexure A (*Eutelsat Historical Financial Information*) of this Prospectus which contains the audited consolidated financial statements of the Eutelsat Group as derived from the annual consolidated financial statements of the Eutelsat Group for the financial years ended 30 June 2021, 30 June 2022 and 30 June 2023 (in each case, prepared in accordance with IFRS as issued by the International Accounting Standards Board).

15.2 Dividends

The Eutelsat dividend policy is set by the Eutelsat Board after analysis, in particular, of the Eutelsat Group's results and financial position.

Starting in the financial year ended 30 June 2020, Eutelsat undertook the distribution of an amount of:

- €0.89 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;
- €0.93 per share subtracted from the distributable profit and retained earnings in respect of the financial year ended 30 June 2021.
- €0.93 per share subtracted from the distributable profit and retained earnings in respect of the financial year ended 30 June 2022. An option given to the Eutelsat Shareholders to receive the entire dividend, either in cash or in new shares of Eutelsat, was approved by Eutelsat Shareholders at its annual general meeting on 10 November 2022. On 16 December 2022, a total of 18,381,330 Eutelsat Shares were subsequently issued for a total of €133,632,269.10. In addition, the amount of dividends paid in cash was €80.6 million.

It should be noted that in the context of the Combination, no dividend distribution by Eutelsat will be proposed or approved by the Eutelsat Board in respect of the financial years 2022-23, 2023-24 and 2024-2025.

16 Employee engagement and wellbeing

Eutelsat has established an ethical charter in 2018 which underlines amongst other things the Eutelsat Group's commitments to its clients, partners and employees. At the end of 2022, Eutelsat 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 Eutelsat 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 themes. During FY23, 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 Eutelsat 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 the Eutelsat Group and department levels.

17 Insurance

The Eutelsat Group has insurances in place that are customary in the space sector covering different phases of a satellite's

life span. In particular, the Eutelsat Group has a “Launch plus One Year after Entry into Service” insurance, covering the launching of Eutelsat’s GEO satellites, including any in-orbit acceptance testing and in-orbit life of the satellite for one year after launch. The Eutelsat Group also has an in-orbit life insurance policy for the majority of its existing fleet in stable orbit, covering partial losses and/or deemed total losses of the insured satellites. Those policies are entered into subject to certain conditions and exclusions.

Other customary insurance policies held by the Eutelsat Group include: (i) in-orbit third party liability insurance covering civil responsibility for spacecraft and potential damage caused to third parties by the Eutelsat Group in its capacity as a satellite operator; (ii) third party liability insurance covering its corporate officers, the Eutelsat Directors and senior managers, as well as the senior managers of its subsidiaries, in the performance of their duties; and (iii) standard insurance policies covering: (a) all risks of damage or loss for on-ground telecommunications equipment; (b) various assistance for its employees and visitors; and (c) employees’ travel.

18 Eutelsat Group financing structure

The Eutelsat Group’s liquidity needs and financial resources are set out in the Eutelsat Historical Financial Information for the full financial years ended 30 June 2023, 2022 and 2021 in Part 15 (*Operating and Financial Review of Eutelsat*) and Annexure A (*Eutelsat Historical Financial Information*) of this Prospectus. As of 30 June 2023, the Eutelsat Group was in compliance with all the banking covenants under its credit facilities.

Part 9 Overview of OneWeb

1 Business Overview of OneWeb

OneWeb is one of only two commercially operating global LEO satellite constellations, enabling high-speed, low latency and affordable connectivity for governments, businesses, and communities.

OneWeb's LEO satellites, orbiting at c. 1,200km, are 30 times closer to Earth than GEOs, providing an average global two-way latency of 70ms. By utilising its LEO satellite constellation, OneWeb can provide data access to consumers, businesses, schools, and other communities in locations that cannot technically or economically be served through terrestrial means.

As at the Last Practicable Date, OneWeb has successfully completed 19 launches and has in orbit 634 satellites for its LEO GEN 1 satellite constellation. These LEO GEN 1 satellites will provide global coverage and enable OneWeb to deliver connectivity to end users through relationships with its distribution partners.⁶

OneWeb is in the process of beginning the development and design of its LEO GEN 2 satellite constellation which is expected to have 5x higher capacity than its LEO GEN 1 satellites, with an anticipated longer lifetime of approximately 10 years and enhanced user performance.

OneWeb has two main offices, its headquarters in London, the United Kingdom, and an office in Virginia, the United States. OneWeb's 50:50 joint venture with Airbus also has a satellite manufacturing facility in Florida, the United States, which manufactures OneWeb's LEO GEN 1 satellites. OneWeb is intending to construct and operate SNPs in 44 locations to support its first-generation LEO satellite constellation. To date, OneWeb has completed construction of over 22 of these SNPs.

For the financial year ended 31 March 2023, the OneWeb Group generated total revenues of \$30.9 million (an increase of 221.9% from \$9.6 million for the same period in 2022) and a net loss of \$361.9 million (compared to a net loss of \$389.8 million for the same period in 2022) with total assets of \$3,032.0 million as at 31 March 2023 (compared to total assets of \$3,185.9 million as at 31 March 2022).

2 History and development of OneWeb

OneWeb began its operations in February 2012, with the launch of its first six satellites in February 2019 and a further 68 satellites in February and March 2020. In March 2020, OWG and a number of entities it owned, including OWC, an intermediate holding company of OneWeb, filed for Chapter 11 bankruptcy protection in the United States as a result of the financial impact of the COVID-19 pandemic. On 20 November 2020, OneWeb announced that such entities emerged from Chapter 11 bankruptcy protection in the United States following a USD \$1 billion equity investment by the UK Government (through the UK Secretary of State for Business, Energy and Industrial Strategy) and Bharti Global.

In April 2021, OneWeb secured additional funding from SoftBank and EchoStar Operating LLC (for USD\$229.0 million and USD\$50 million respectively), bringing OneWeb's total funding to USD \$1.4 billion. Eutelsat also announced its subscription for an equity stake of 24% in OneWeb in April 2021 for USD\$550 million, which was fully paid in cash in September 2021 bringing OneWeb's total funding to \$1.9 billion.

In June 2021, OneWeb secured further equity investment following the exercise of a call option by Bharti, bringing OneWeb's total funding to USD \$2.4 billion.

In August 2021, OneWeb announced a USD \$300 million equity investment by Hanwha, bringing OneWeb's total funding to USD \$2.7 billion.

In September 2021, OneWeb completed the acquisition of OWT, a provider of managed satellite communications and professional services on a classified basis to the United States government.

In November 2021, OneWeb launched its first commercial network services to locations above 50° North.

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. OneWeb postponed, for the foreseeable future, the launch as well as five further launches due to take place from Baikonur and pivoted its launch operations to the United

⁶ In respect of OneWeb's LEO capabilities, global coverage excludes certain countries such as Russia, China and North Korea.

States and India.

In April 2022, OneWeb entered into a satellite launch programme agreement with New Space India the commercial arm of the Indian Space Research Organisation. In October 2022, OneWeb recommenced its launch programme following the successful deployment of 36 satellites by New Space India.

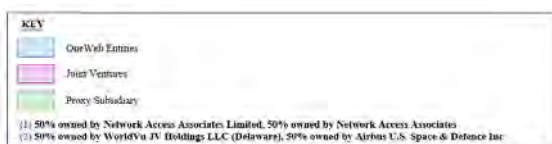
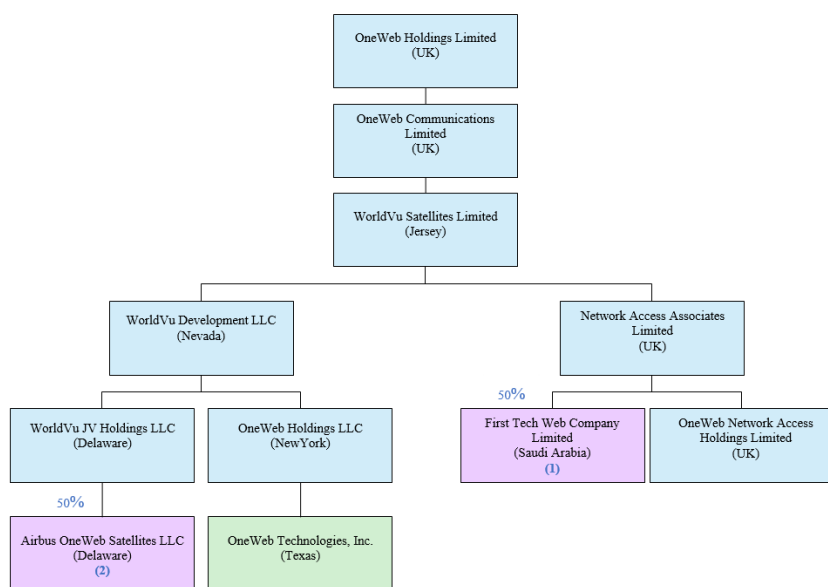
In July 2022, Eutelsat and OneWeb major shareholders signed a MoU with a view of combining Eutelsat and OneWeb in an all-share transaction and subsequently signed a Framework Agreement on 14 November 2022 which was approved by Eutelsat’s Board of Directors, following the issuance by the employee representative bodies of their opinion on the proposed combination. The Combination is expected to complete on 28 September 2023, subject to the satisfaction (or waiver, where applicable) of the Conditions set out in paragraph 5 of Part 12 (*Summary of the Combination*) of this Prospectus.

In March 2023, OneWeb confirmed the successful deployment of 40 further satellites launched by SpaceX in Cape Canaveral, Florida on 9 March 2023 and 36 satellites launched by NewSpace India on 26 March 2023. This followed the resumption of the business’s satellite deployments with New Space India in October 2022, and SpaceX in December 2022 and January 2023.

In 20 May 2023, OneWeb confirmed the successful deployment of 16 further satellites launched by SpaceX at the Vandenberg Space Force Base in California. The launch marked OneWeb’s fourth successful launch with SpaceX and the 19th launch by OneWeb, bringing its total constellation to 634 satellites.

3 OneWeb corporate entities

A summary of the OneWeb Group’s organisational structure is as follows:



NOTES
 - All entities are 100% owned unless indicated otherwise
 - Percentages are rounded to one decimal place

As at the Last Practicable Date, the principal subsidiaries and associated undertakings of OneWeb are set out in the table below:

Name	Principal activity	Registered agent address	Country of incorporation
OneWeb Holdings Limited	Holding Company	West Works Building, 195 Wood Lane, London, United Kingdom, W12 7FQ	United Kingdom
OneWeb Communications Ltd	Holding Company	West Works Building, 195 Wood Lane, London United Kingdom, W12 7FQ	United Kingdom
WorldVu Development LLC	Operating Company	701 S. Carson St., Suite 200, Carson City, NV 89701, United States	United States

Name	Principal activity	Registered agent address	Country of incorporation
OneWeb Communications Canada Ltd	Operating Company	Crease Harman LLP, 800-1070 Douglas Street, Victoria, BC, V8W 2C4	Canada
Network Access Associates Limited	Operating Company	West Works Building, 195 Wood Lane, London United Kingdom, W12 7FQ	United Kingdom
OneWeb Ltd.	Holding Company	Level 1, IFC1, Esplanade, JE2 3BX, Jersey	Jersey
OneWeb Ltd (Malta)	Operating Company	SmartCity Malta, SCM 01, TMF Group (Malta) 401. Ricasoli, Kalkara, SCM 1001, Malta	Malta
OneWeb Network Access Holdings Ltd. (UK)	Holding Company	West Works Building, 195 Wood Lane, London United Kingdom, W12 7FQ	United Kingdom
OneWeb Holdings LLC	Holding Company	50 Main Street, Suite 1000, White Plains, NY 10606, USA	United States
OneWeb Technologies, Inc ¹	Operating Company	11140 Aerospace Avenue, Houston, Texas, 77034	United States
WorldVu JV Holdings LLC	Holding Company	c/o Business Filings Incorporated, 108 West 13th St, Wilmington DE 19801, United States	United States
Airbus OneWeb Satellites LLC*	Satellite Design and Development	CT Corporation System, 1200 South Pine Island Road, Plantation, FL 33324	United States
Airbus OneWeb Satellites North America LLC*	Satellite Design and Development	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801	United States
Airbus OneWeb Satellites SAS*	Satellite Design and Development	B612, 3 rue Tarfaya, 31400 Toulouse, France	France
Airbus OneWeb Satellites Florida LLC*	Satellite Design and Development	CT Corporation System, 1200 South Pine Island Road, Plantation, Florida 33324	United States
OneWeb Communications S.a.r.l	Operating Company	51 Avenue J.F. Kennedy, L-1855, Luxembourg	Luxembourg
OneWeb Asia PTE. Ltd.	Operating Company	38 Beach Road, #29-11 South Beach Tower, Singapore, 189767, Singapore	Singapore
OneWeb S.r.l.	Operating Company	Corso Vercelli 40, 20145, Milan, Italy	Italy
OneWeb Norway AS	Operating Company	Postboks 2334, 3003 Drammen, Norway	Norway
OneWeb S.A	Operating Company	Tucumán 1, Piso 4, Buenos Aires, C1049AAA, Argentina	Argentina
First Tech Web Company Limited*	Operating Company	Laysen Valley Building No. 13, Office No. 19 Intersection King Khalid with Oruba Road	Saudi Arabia
WorldVu, Unipessoal Lda	Operating Company	Rua Latino Coelho, n.º 13, 13-A, 13-B, 3.º andar, freguesia de Avenidas Novas, 1050-132 Lisboa, Portugal	Portugal
OneWeb ApS	Operating Company	C/O Nuna Advokater Aps, Qullilerfik 2, 6., Nuuk, 3900, Greenland	Greenland
WorldVu, Australia Pty Ltd	Operating Company	TMF Corporate Services (AUST) PTY LTD, Level 16, 201 Elizabeth Street, Sydney NSW 2000, Australia	Australia
OneWeb G.K.	Operating Company	c/o DLA Piper Tokyo Partnership, Meiji Seimei Kan 7F, 1-1, Marunouchi 2-chome, Chiyoda-ku Tokyo, Japan	Japan
OneWeb Capacidade Satelital Ltda	Operating Company	Avenida Nove de Julho, 3228, sala 604, Ed. First Office Flat, Jardim Paulista, City of São Paulo, State of São Paulo, 01406-000, Brazil	Brazil
WorldVu Satellites Limited	Holding Company	Level 1, IFC1, Esplanade, JE2 3BX, Jersey	Jersey
WorldVu Mexico S.de R.L. de C.V	Operating Company	Av. Obrero Mundial 644, Piso 2 Oficina 202, Atenor Salas, Benito Juarez, Ciudad de Mexico, Mexico, 03010	Mexico
OneWeb Chile SpA	Operating Company	Luz 2959-22, Las Condes, Santiago, Chile	Chile
OneWeb Senegal SARL	Operating Company	Immeuble Lat Dior en face grande mosque de Dakar, Dakar, 3E ÉTAGE, Senegal	Senegal
OneWeb Costa Rica Limitada	Operating Company	c/o Zurcher Odio & Raven, Plaza Roble Corporate Center, Los Balcones Building, fourth floor, San José, Costa Rica	Costa Rica
WorldVu South Africa (Pty) Ltd.	Operating Company	TMF Building 2 Conference Lane, Bridgewater One Block 1, Bridgeway Precinct Century City, Western Cape, 7446, South Africa	South Africa
One Web Angola – Servicos de Telecomunicacoes (SU), LDA	Operating Company	Edificio Kilamba, 20º andar Avenida 4 de Fevereiro Marginal de Luanda, Angola	Angola
OneWeb (Mauritius) Limited	Operating Company	Lislet Geoffroy Street, BCMS Corporate Services Ltd, 2 nd Floor Chancery House, Port Louis, Mauritius	Mauritius

Name	Principal activity	Registered agent address	Country of incorporation
OneWeb Colombia Limited S.A.S.	Operating Company	Cra. 11 No. 79-35 9th floor, Bogotá D.C	Columbia
OneWeb Ghana Ltd	Operating Company	No. 6, Airport Residential, Liberation Road, Accra, Accra Metro, Ghana	Ghana
OneWeb France SAS	Operating Company	95 rue La Boetie, 75008, Paris, France	France
PT OneWeb Communications Indonesia	Operating Company	Indonesia Stock Exchange Building, Tower 1, 27th Floor, Jl. Jend. Sudirman Kav. 52-53, Jakarta 12190	Indonesia
OneWeb Kazakhstan Ltd	Operating Company	Building 55/22, Mangilik El Avenue, Nur-Sultan	Kazakhstan
OneWeb (Bulgaria) EOOD	Operating Company	2a Saborna Street, 4th Floor, Sofia, 1000, Bulgaria	Bulgaria
OneWeb Sweden AB	Operating Company	Baker & McKenzie Advokatbyrå KB, Box 180, 101 23, Stockholm	Sweden
OneWeb Turkey İletişim Hizmetleri A.Ş.	Operating Company	Maslak Mah.Aos 55.SK.42 Maslak B Blok Sitesi No:4/542 Sariyer, Turkey	Turkey

* Note: Joint venture 50% owned by the OneWeb Group as of 31 March 2023.

4 Strategy

OneWeb operates a business-to-business model which aims to deliver a global communications network through multiple delivery channels including global telecom providers, maritime, aviation and mobile distributors. OneWeb's strategy is designed with a customer-centric focus, aiming to deliver a global communications network to their customers whilst minimising barriers to entry, sales, and growth.

4.1 OneWeb's strategy

OneWeb's aim is to provide high-speed, low latency and affordable connectivity across the globe to remove the barriers to connectivity holding back economies and communities. OneWeb operates a business-to-business model, working with governments, regulators and distribution partners, to develop and deliver its global roll out of its LEO GEN 1 satellite constellation and provide connectivity to its end-user customers.

Delivering of services

OneWeb's global communications network is delivered to its end-user customers through distribution partners. OneWeb builds relationships with strategic distribution partners in each of its key markets, providing them with access to OneWeb's connectivity solutions which they distribute through their existing network infrastructures and product portfolios, allowing OneWeb to reach a greater number of end users. The use of distribution partners in a greater number of geographies, and in locations that cannot technically or economically be served through territorial means allows for a wider scope of use of the OneWeb network. Further details of OneWeb's distribution partners are set out in paragraphs 6.3 below.

OneWeb further develops relationships and supports distribution partners through joint venture arrangements in key markets such as with NEOM T&D, which supports the supply of high-speed satellite connectivity to the new city of NEOM, Saudi Arabia, as well as in the wider Middle East, and neighbouring East African countries.

Additionally, in order to win business in the United States, OneWeb can contract via its proxy subsidiary, OWT, which allows OneWeb to service the complex needs of the defence markets in the United States, as well as other relevant business in the United States. For the purposes of US classified information and to carry-on business with US defence/military customers, OneWeb and OWT has entered into a proxy agreement.

Utilising OneWeb's distribution partners, joint ventures and proxy subsidiaries allows OneWeb to support its customers in targeting a wide range of end users, including fixed and mobile users, and across a range of geographies, building on existing platforms and products from distribution and joint venture partners.

Markets

OneWeb's strategy focuses on the delivery of connectivity solutions to end users globally.

OneWeb is actively pursuing the provision of internet connectivity in the development of new markets and the ability to target other end-users, including targeting end-users who access internet connectivity on mobile terminals such as on-board aircraft, maritime vessels and land vehicles.

Operations

The delivery of OneWeb’s commercial strategy is organised into three key lines:

- **Commercial development:** this is focused on commercial development, including its market research, products and pricing, revenue forecasts, business development and bid management.
- **Products and platforms:** this includes space connectivity plans, services and user terminals, space data services and the use of alternative business models.
- **Channel operators:** this is divided into sales operations, onboarding and project management, service management and support, reporting and sales training.

Space and networks

The development of the underlying satellite infrastructure to deliver and deploy OneWeb’s LEO network, including the LEO GEN 1 and LEO GEN 2 satellite designs, their subsequent launch and delivery of connectivity through its SNPs and user terminals is key to the successful delivery of OneWeb’s strategy.

The delivery of OneWeb’s space network is divided into two key areas, the delivery of its existing LEO GEN 1 satellite network and innovation in space.

Further details of OneWeb’s LEO GEN 1 and LEO GEN 2 satellites and OneWeb’s ground infrastructure are set out in paragraphs 6.1 and 6.2 of this Part 9 (*Overview of OneWeb*) below.

Stakeholders

The successful development and delivery of OneWeb’s strategy is supported by its stakeholders:

- **Employees:** OneWeb’s success is built on the commitment and resilience of its workforce and OneWeb is committed to regular employee engagement.
- **Shareholders:** OneWeb’s key shareholders, including Bharti, Eutelsat, the UK Government, Hanwha and SoftBank, offer industry and sector expertise, providing valuable contributions to OneWeb’s strategy. OneWeb’s shareholders have direct influence on strategic decision making and hold various seats on the OneWeb board.
- **Regulators:** OneWeb operates in a highly regulated environment and is required to comply with a wide range of international regulations. OneWeb keeps abreast of the evolving regulatory environment and maintains dialogue with industry regulators including, amongst others, the Federal Communications Commission, Ofcom, the Civil Aviation Authority, UK Space Agency, European Space Agency, the ITU and local jurisdictional regulators.
- **Suppliers:** OneWeb’s suppliers are essential to the successful delivery and deployment of the network, relying on its suppliers to meet the needs of both its distribution partners and the end user.
- **Distribution Partners:** OneWeb recognises that the quality of its network and capacity offering to its distribution partners is integral to its credibility as a service provider and for the quality of the end user experience. A collaborative approach to innovation and use of OneWeb’s network, and the reliability of its service, is fundamental to the success for distribution partners, their end users and OneWeb’s overall business model.
- **Communities:** OneWeb seeks to remove barriers to connectivity that still cause a digital divide around the globe.

Operational key performance indicators

The OneWeb Group uses the following operational key performance indicators:

	Year ended 31 March		Period from 25 March 2020 to 31 March 2021
	2023	2022	
Cumulative number of launches	18	13	5
Cumulative number of satellites launched	620	428	146
Completed satellite network portals	22	9	4
Number of distribution partners	53	37	1
Total order book (in \$ millions) ⁽¹⁾	864	323	nil

⁽¹⁾ This includes Eutelsat S.A.’s total take-or-pay commitments, which as at 31 March 2023 were \$275 million.

4.2 Combined Group’s strategy

Details on the Combined Group’s strategy is set out in paragraph 2 of Part 7 (*Overview of the Combined Group*) of this

Prospectus.

5 Competitive landscape

The satellite communications sector is expected to grow substantially over the next five years primarily due to the introduction of new LEO constellations (such as Amazon Kuiper and Telesat Lightspeed) and the expansion of existing LEO constellations (Starlink and OneWeb), expansion of MEO constellations (O3B mPower) and increase in GEO satellites (such as Viasat 3 and Jupiter 3).

All of these factors combined will increase the amount of satellite communication capacity in the global market from ~15.9 Tbps in 2022 to ~90.7 Tbps by 2027. This unprecedented increase in supply and entry of new LEO players could potentially lead to reduction in prices and costs, launch of new terminals and services, and increased competitive pressure on all players in the industry (including OneWeb).

6 Operations and technology

6.1 LEO satellites

LEO GEN 1 satellites

OneWeb's first satellite constellation is made up of its LEO GEN 1 satellites. The LEO GEN 1 satellite constellation comprises over 600 satellites providing an average global two-way latency of 70ms, download speeds of up to 195 Mbps and upload speeds of up to 32 Mbps. As at the Last Practicable Date, OneWeb has successfully completed 19 launches and has in orbit 634 satellites for its LEO GEN 1 satellite constellation. These LEO GEN 1 satellites will provide global coverage and enable OneWeb to deliver connectivity to end users through relationships with its distribution partners. The fully deployed LEO GEN 1 constellation will provide up to 1.4 Tbps of sellable capacity, with 84% capacity over land.

OneWeb's LEO GEN 1 satellites are small, weighing approximately 148kg, and use electric propulsion to raise and maintain their ~1,200km orbits following launch. Each satellite connects to the antennas on user terminals and SNPs on Earth which are transmitting data in real-time to the broader satellite communication network, using higher look angles than other constellations which lead to lower blockages.

OneWeb's LEO GEN 1 satellites use HTS technology delivering up to 7 Gbps per satellite and use a robust 4G core network developed with telecom industry leaders, including Qualcomm and Hughes. With a satellite failure rate of less than 1%, OneWeb's LEO GEN 1 satellites have one of the lowest satellite failure rates in the space communications industry.

A summary timeline of the launch and total number of OneWeb's LEO GEN 1 satellites are included below:

#	Date	Launch site	Launch Vehicle	Launch agency	# of satellites
1	27 February 2019	Guiana Space Center, French Guiana, France	Soyuz ST-B	Arianespace	6
2	7 February 2020	Baikonur Cosmodrome, Kyzylorda, Kazakhstan	Soyuz 2.1b	Arianespace	34
3	21 March 2020	Baikonur Cosmodrome, Kyzylorda, Kazakhstan	Soyuz 2.1b	Arianespace	34
4	18 December 2020	Vostochny Cosmodrome, Amur Oblast, Russia	Soyuz 2.1b	Arianespace	36
5	25 March 2021	Vostochny Cosmodrome, Amur Oblast, Russia	Soyuz 2.1b	Arianespace	36
6	25 April 2021	Vostochny Cosmodrome, Amur Oblast, Russia	Soyuz 2.1b	Arianespace	36
7	28 May 2021	Vostochny Cosmodrome, Amur Oblast, Russia	Soyuz 2.1b	Arianespace	36
8	1 July 2021	Vostochny Cosmodrome, Amur Oblast, Russia	Soyuz 2.1b	Arianespace	36
9	22 August 2021	Baikonur Cosmodrome, Kyzylorda, Kazakhstan	Soyuz 2.1b	Arianespace	34
10	14 September 2021	Baikonur Cosmodrome, Kyzylorda, Kazakhstan	Soyuz 2.1b	Arianespace	34
11	14 October 2021	Vostochny Cosmodrome, Amur Oblast, Russia	Soyuz 2.1b	Arianespace	36
12	27 December 2021	Baikonur Cosmodrome, Kyzylorda, Kazakhstan	Soyuz 2.1b	Arianespace	36
13	10 February 2022	Guiana Space Center, French Guiana, France	Soyuz ST-B	Arianespace	34
14	22 October 2022 ⁽¹⁾	Satish Dhawan, Andhra Pradesh, India	LVM 3	New Space India Limited	36
15	8 December 2022	Cape Canaveral, Florida, United States	Falcon 9 Block 5	Space-X	40
16	10 January 2023	Cape Canaveral, United States	Falcon 9 Block 5	Space-X	40
17	9 March 2023	Cape Canaveral, United States	Falcon 9 Block 5	Space-X	40
18	26 March 2023	Satish Dhawan, Andhra Pradesh, India	LVM 3	New Space India	36
19	20 May 2023	Vandenberg Space Force Base in California	Falcon 9	SpaceX	16

Notes:

(1) In March 2022, OneWeb postponed, for the foreseeable future, six launches due to take place from Baikonur as a result of the geo-political tensions following Russia's invasion of Ukraine. This resulted in a delay in OneWeb achieving global coverage of its LEO GEN 1 satellites as planned and required OneWeb to identify alternative launch providers for the remainder of its satellite launches.

LEO GEN 2 satellites

OneWeb is in the process of scoping and designing its LEO GEN 2 constellation to replace its existing LEO GEN 1 satellite constellation. LEO GEN 2 satellites are expected to have up to five times higher capacity than LEO GEN 1, with a longer lifetime of approximately 10 years and higher user performance. The launch of the first LEO GEN 2 satellites is expected to coincide with the decommissioning of the LEO GEN 1 satellites in 2027 or 2028.

OneWeb believes its LEO satellite constellation provides a complementary capability to GEO constellations with the ability to be integrated into legacy and interconnected networks. The development of the LEO GEN 2 satellites will leverage some of the existing LEO GEN 1 on-ground infrastructure, know-how and skill sets and as a result it is anticipated that the capital expenditure needed for LEO GEN 2 will be approximately \$1.5 billion to \$1.8 billion lower than the cost of building an equivalent LEO constellation from scratch.

For more information on the cash capital expenditures of the Combined Group, please refer to paragraph 1 of Part 7 (*Overview of the Combined Group*) of the Prospectus and, in particular, especially the paragraph entitled “*Disciplined financial policy focussed on growth and deleveraging*”.

6.2 Ground infrastructure

OneWeb’s ground infrastructure comprises user terminals and Earth stations to support its operations (TT&C stations and SNPs).

OneWeb’s TT&C stations and SNPs provide a fixed point of interface with OneWeb’s LEO satellites, whereas user terminals interact with OneWeb’s LEO satellites as the LEO satellites move into the user terminal’s coverage area.

TT&C stations

OneWeb’s TT&C stations provide communications during pre-launch, transfer orbit and on-station operations for its satellites, as well as during spacecraft emergencies. TT&C stations are located in Inuvik, Canada and Svalbard, Norway.

The TT&C stations operate on the border of OneWeb’s Ka-band frequency allocations in the communication uplink and downlink frequency ranges, approximately 27.5 GHz and 19.7 GHz, during all phases of the mission. OneWeb’s satellite payloads are carefully controlled through dedicated channels in portions of Ka-band.

Satellite Network Portals (SNP)

OneWeb’s SNPs provide access to the internet for OneWeb’s LEO satellite constellation, operating at 3.3 GHz in OneWeb’s Ka-band frequency allocations. OneWeb has completed construction of SNPs in over 22 locations, including Australia, Brazil, Japan, South Africa, Chile, Portugal, Italy, Costa Rica, Ghana and the United States. The TT&C stations in Canada and Norway also operate as an SNP.

OneWeb’s SNPs are equipped with multiple antennas to track a number of visible OneWeb satellites down to a much lower elevation angle. The SNP sites employ multiple active tracking antennas, each typically 2.4 to 3.5 meters in reflector diameter.

OneWeb’s ground network contains the elements required to facilitate satellite access, network resource management of radio link resources, mobility and handover of user terminals between beams and various ground networks. In addition to the SNP sites, the ground network includes a global network of PoPs which connects OneWeb’s network to the internet and are placed at key peering points. The OneWeb WAN also provides transport between all the OneWeb connected sites and supports a secure connection between all of OneWeb’s PoPs and ground network sites. OneWeb leverages terrestrial and global subsea or submarine fibre networks for the underlying connectivity.

User terminals

OneWeb’s user terminals provide end users with high-speed internet connectivity from OneWeb’s LEO satellites, operating at 2.5 GHz in OneWeb’s Ku-band frequency allocations. OneWeb has the highest priority position for the Ku-band for service links and strong priority position for its Ka-band for global gateways.

OneWeb is developing a portfolio of user terminals to support the requirements of its clients, each with varying requirements for government, carrier and enterprise, aviation, maritime and land mobility end users. As at the Last Practicable Date, there are three models of user terminals in use with more than 10 additional models in progress being developed during the financial year ending 31 March 2024. Due to intermittent delays in the development of certain flat-panel user terminals, which could impact the availability date for certain user terminals, the timing assumptions within OneWeb’s latest revenue forecast have been adjusted. Further information on the impact of OneWeb’s adjusted revenue

forecast on the 2023 Combined Group Profit Forecast is set out in Part 19 (*Profit Forecasts*) of this Prospectus. OneWeb's latest revenue forecast does not impact its overall plans with regards to delivering user terminals to support the requirements of its end-users.

OneWeb's user terminals are capable of providing continuous service which includes handovers between active satellites by employing an electronically steerable beam which allows for instantaneous switching between active satellites using a single fixed antenna aperture. The user terminals can be attached to fixed and transportable ground-based terminals, as well as mobile terminals on board aircraft, maritime vessels and land vehicles.

The versatility of the user terminals being developed by OneWeb will allow OneWeb to cater across different markets to meet specific uses, including varying capabilities, form factors, specifications, volumes and price points. OneWeb has partnered with Intellian, Kymeta, Hughes and Inster in relation to the manufacture of user terminals for land and maritime end users, and Stellar Blu and Satcom Direct for the manufacture of user terminals for aviation end users. These are delivered directly to the relevant distribution partners or to regional warehouses in live-network areas to support quick deployment following customer orders.

In March 2023, OneWeb announced that it had entered into an equipment supply agreement with Kymeta, a world-leading flat panel antenna manufacturer, for the sale of Kymeta terminals to OneWeb's distribution partners. Kymeta will supply OneWeb with its Hawk U8 flat panel terminal for use in both land and maritime mobility solutions. The Kymeta Hawk U8 flat panel terminal has recently been trialled by international search and rescue operators to demonstrate their connectivity in remote and unconnected places, including Aldo Kane's summit of Snowdon.

6.3 Distribution partners

Summary

OneWeb works with its distribution partners to provide high speed, low latency LEO connectivity across four key verticals: governments, carrier and enterprise telecommunication companies, and large-scale enterprise business users in the aviation and maritime industry. OneWeb is also assessing potential expansion opportunities into its land mobility offering.

As at the Last Practicable Date, OneWeb has signed more than 55 distribution partner agreements and received total committed orders of more than \$900 million (of which \$275 million is derived from a Take or Pay arrangement with Eutelsat S.A.), including a prepaid sale of \$170.6 million from NEOM T&D to NAA as at 31 March 2023. With over 150 customer trials in progress and USD \$4.5 billion of Capex deployed to date, these distribution partner and joint venture arrangements are expected to generate an estimated total risk-weighted pipeline in excess of USD \$2.0 billion.

OneWeb aims to provide its distribution partners with access to connectivity solutions that make better use of existing network infrastructures and product portfolios which benefits a greater number of end users. Quarterly independent transactional-based NPS surveys also help enable OneWeb to monitor and support continually improving service delivery for its partners.

OneWeb offers its services to distribution partners utilising two different compensation arrangements, a series of service packages based on the customer vertical segments (i.e., commercial aviation, commercial fixed, etc.) for which OneWeb charges a monthly recurring charge, or "take-or-pays" whereby the distribution partners commit to ordering services of a pre-determined dollar value and pre-pay at a discount for OneWeb services which are delivered through the applicable service package. OneWeb also has arrangements with distribution partners under committed rate arrangements.

OneWeb's distribution partner programme initiatives also includes Proof-of-Concept demos, which can be hosted on site, online and on tour, technical assistance, relationship management, customer hyper care and access to OneWeb's support team, training on sales and hardware, installations, order process and digital products, multimedia sales support, playbooks and collateral, customer lead generation, digital and advertising campaigns, and subject matter expertise.

Governments

OneWeb's intention is to provide extensive satellite access and expansive terrestrial capacity to deliver reliable and interoperable solutions for governmental departments and agencies globally, including the armed forces, peacekeeping, emergency responders, and intelligence and security agencies.

OWT, a proxy subsidiary of OneWeb, regulated by the Defense Counterintelligence and Security Agency in the United States allows OneWeb to service the complex needs of the defence markets in the United States to meet new challenges for security and connectivity requirements. OWT is subject to foreign ownership and proxy agreements, which enables OneWeb to work with the United States government's classified information through its independent governance structure and separate management team.

Carrier and enterprise

OneWeb provides flexible, scalable and reliable connectivity plans for its global carrier and enterprise distribution partners, including AT&T, Airtel and BT, to provide faster and larger data-led communications to end users. Provision of services to carrier and enterprise end users includes immediate access to data for critical decisions, cloud connectivity, real-time analytics, IoT applications and implementation of fully redundant LEO networks to assure continuity of operations during critical business and emergency situations.

OneWeb's broadband capabilities and collaboration with its carrier and enterprise distribution partners allows it to expand their 3G, 4G and 5G networks to reach underserved or unconnected communities. OneWeb's cloud-based digital products and services are developed with the aim to be easily integrated with existing operations and business support systems, making it easy to buy, deploy and manage.

OneWeb's distribution partners also allow for an expansion of OneWeb's services into greater geographical locations. In June 2021, OneWeb signed its first distribution partnerships with BT to explore the provision of improved digital communication to hard-to-reach areas in the UK. It also entered into an agreement with PDI to provide telecoms for schools, health clinics and tribal organizations in Alaska, and Alaska Communications who provide access to OneWeb's internet connectivity to its customer in rural regions of Alaska and rely on OneWeb's infrastructure for critical middle mile connections. In December 2021, OneWeb signed a distribution partnership agreement with Hughes Communications India to provide services to the fast-growing Indian market.

OneWeb has entered into take or pay agreements with certain providers. This includes a multi-year agreement with Galaxy Broadband Communications Inc. in order to provide connectivity solutions across Canada including mine sites and remote communities such as the northern territory of Nunavut.

Aviation

OneWeb is developing its capabilities and entering into agreements with distribution partners to provide high-speed connectivity across the aviation industry for commercial airlines, business jet operators, smaller general aviation and special operations aircraft.

OneWeb has partnered with Stellar Blu, Intelsat and Satcom Direct to develop cost-effective in-flight user terminals that are significantly lighter and smaller than existing aviation antennas and suitable for all aircraft types. Each user terminal will be provisioned for resilient, secure, two-way communications at speed and on the move, with both dedicated LEO operations and hybrid GEO/LEO connectivity capabilities.

OneWeb's satellite connectivity enables operators of all sizes to connect their passengers, crew and aircraft. OneWeb's airborne connectivity will ensure high throughput capacity per aircraft and low inflight latency globally, including over the Earth's polar regions. In February 2023, OneWeb, in partnership with Intelsat, completed a trial of a hybrid GEO/LEO inflight connectivity solution through an electronically steered array antenna. Intelsat's electronically steered array antenna, built in conjunction with Stellar Blu and OneWeb, is the only commercially available product in the aviation industry that has been proven to operate on both OneWeb's LEO satellites and GEO satellites.

Maritime

OneWeb intends to provide reliable connectivity to allow vessel owners and operators to stay connected throughout their operations, in collaboration with its distribution partners Marlink, Tampnet and Speedcast. OneWeb's mission is to improve modern maritime operations and integrate shore processes and port procedures with operations at sea, in real-time, using a single network.

OneWeb's maritime solutions integrate with existing subsea fibre, microwave, and LTE networks and its services support the technology and real-time data access needed to tackle decarbonisation, increase profitability, enhance crew welfare, and support critical decision-making.

6.4 Real estate

OneWeb has two SOCs and one GNOC, located at OneWeb's headquarters in the United Kingdom and the United States. OneWeb's SOCs are responsible for the control of ground elements and management of payloads in real-time, the tracking of individual satellites as well as predicting any potential interference from other spacecraft.

OneWeb also has a satellite manufacturing facility in Florida which was built in collaboration with Airbus DS Satnet LLC through its 50:50 joint venture entity, AOS. AOS focuses on the design, manufacture, assembly, integration, testing and delivery of OneWeb's LEO GEN 1 satellites. AOS's 105,500 square foot production facility has two production lines capable of producing two satellites a day, reducing costs and production times, and was the first facility to employ

industrial-scale mass production techniques for satellites. OneWeb also makes use of warehouse facilities to support its global operations and deployment opportunities, including in the USA, Canada, South Korea, and the Netherlands.

7 Intellectual property, patents, trademarks and domain names

Protection of OneWeb’s intellectual property is a key part of its long-term success and execution of its strategy. OneWeb is proactive in protecting its intellectual property rights and has filed and been granted patents in relation to its LEO GEN 1 constellation in key jurisdictions, such as Canada, Europe and the United States. OneWeb also maintains registration and protection over the “OneWeb” trademark in over 100 jurisdictions. OneWeb maintains various patent rights relating to the design of its LEO GEN 1 satellites and user terminals.

8 Priority spectrum rights

OneWeb’s access to spectrum and orbital rights is regulated by the ITU. 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 priority spectrum position indefinitely, which puts the burden on other LEO operators to coordinate with or work around OneWeb to avoid inference.

OneWeb has access to approximately 6 GHz of spectrum that enables the delivery of high-speed, low latency connectivity. This spectrum is comprised of the Ka-band (3.3 GHz) for communication between SNPs, which connects the OneWeb system to the internet and its LEO satellites, and the Ku band (2.5 GHz) which is used for communication between the satellites and the user terminals to deliver internet connectivity to end users.

9 Security and cyber resilience

OneWeb incorporates security into its system design, engineering activities and cyber resilience to ensure secure connectivity from any user terminal to the internet or partner network. This includes OneWeb’s spectrum access, service links, SNPs and data centres.

OneWeb’s satellite design includes security at the physical and virtual layers, including satellite handovers, use of frequency and beam hopping every few seconds, 3GPP standards-based encryption, data security at rest and in motion, customer master data and transaction data security, traffic containment and landing in the source country. OneWeb is committed to ensuring appropriate security is in place across all layers of the OneWeb network and that inside the network, all terrestrial links are encrypted.

OneWeb recognises the importance of ensuring compliance with legislative and regulatory regimes and its risk frameworks in order to meet its strategic objectives and build trust in its services, including its compliance with relevant national security agreements and jurisdictional security law requirements. Further detail is set out in paragraph 1.7 in Part 2 (*Risk factors*) of this Prospectus.

10 Environment, social and governance factors

OneWeb recognises the importance of ESG factors to its stakeholders and the alignment of these ESG factors with its corporate strategy, risk management and long-term business growth. OneWeb is in the process of formalising its ESG strategy. Since 2022, OneWeb has been engaging with its key internal and external stakeholders to discuss the material ESG-related issues. These issues will include, but are not limited to, minimising trace in space, cyber security bridging the digital divide and the impact of climate change and the environment.

Environment and responsible space

OneWeb recognises that its sustainability initiatives apply equally to its space and ground operations and that it has a responsibility to operate and follow sustainable business practices. OneWeb is committed to using its position as a global leader in commercial space to advance the principles of responsible space and sustainable earth practices.

OneWeb monitors its annual carbon emissions and in addition to its legal requirements for disclosure on emissions, is considering assessing and reporting on its emissions associated with non-UK operations and third-party emissions as part of OneWeb’s ongoing commitment to monitoring its carbon footprint. In order to improve its energy efficiency in its ground operations, OneWeb transitioned its energy supply for its London headquarters to 100% renewable energy resources.

OneWeb has taken several steps to monitor its ESG impact in collaboration with other members of the space industry and ensure that it leaves no trace of its operations in space. OneWeb is actively participating in the world’s first Space Sustainability Rating, created by the Massachusetts Institute of Technology and the World Economic Forum to quantify

how responsible space practices can be measured, which demonstrates OneWeb's commitment to supporting the improvement of ESG-related issues in space.

In addition, in October 2022, Maurizio Vanotti, OneWeb's VP for Global New Markets, joined the board of directors of the Earth & Space Sustainability Initiative to develop the first-ever industry-led kitemark dedicated to responsible space practices.

Responsible Space is the term OneWeb uses to describe practices that drive sustainability within the space industry and space environment. OneWeb's Responsible Space initiative is centred around six macro elements, which it believes are key to sustainable space practices. These include:

- **Space situational awareness:** OneWeb believes that the risks associated with space situational awareness should be evaluated on a system-wide basis, acknowledging space is a shared resource and satellite operators should ensure that constellations do not overlap in altitude.
- **Space traffic management:** OneWeb is focused on ensuring they have oversight and control over their satellite constellations to minimise satellite collision and ensure compliance with global regulation. OneWeb works in collaboration with LeoLabs for space traffic management and situational awareness, receiving real-time, streaming data feeds on the locations of other satellites and space debris to ensure that OneWeb's constellations are deployed in a sustainable and collaborative manner.
- **Assisted disposal and removal:** LEO satellites can be disposed of in several ways, including by lowering their operational orbit to allow them to re-enter the Earth's atmosphere and burn up. OneWeb has introduced an assisted disposal and removal initiative to reduce the risk of space debris as a result of its operations and to stay abreast of any regulatory developments on the number of satellites operated by any single business. OneWeb is working with various groups to determine the best approach to space debris, including Astroscale, a technological partner, on the Sunrise Project with the European Space Agency and the UK Space Agency on issues on assisted disposal, removal and associated de-orbit and retrieval missions. Every OneWeb satellite is designed to be de-orbited and OneWeb is committed to not contributing to space debris.
- **Radio astronomy:** OneWeb coordinates with other spectrum users to ensure its LEO GEN 1 satellites accommodate the radio astronomy community. OneWeb is also in discussions with the National Science Foundation, which commits to projecting radio astronomy sites to find mutually acceptable and creative solutions to effectively use the spectrum resources available.
- **Brightness:** As part of OneWeb's ongoing commitment to reduce its environmental impact, it is considering ways to reduce the brightness of its satellites and their impact on observatories' fields of view. OneWeb commissioned an observation campaign to study the brightness of satellites in the night sky, measuring OneWeb's light pollution footprint. These observation campaigns have been used to prepare a brightness model which is intended to reduce the brightness in the design of OneWeb's LEO GEN 2 satellites.
- **Carbon footprint:** OneWeb monitors the impact of its operations on the environment and its carbon footprint.

10.1 Communities

OneWeb works with governments and distribution partners to increase access to individuals who are unable to access reliable terrestrial infrastructure due to limited roads and fibre networks.

In 2022, OneWeb's distribution partner PDI launched high-speed, low-latency connectivity services to Akiak Native Village, which lies 380 miles due west of Anchorage and is one of 229 Alaskan native villages dotted across some of the most remote corners of Alaska.

OneWeb has also secured permission for a ground station on St Helena, a remote British Overseas Territory in the South Atlantic. The ground station on St Helena will enable Tristan's citizens to connect with the global fibre network via compact and self-adjusting antennas. Access to high-speed connectivity with low latency will support and enhance the existing public services on St Helena, including inter-island classrooms in schools and more storm-resilient communications systems.

10.2 Board of OneWeb Directors, employees and main shareholders of OneWeb

Directors

As at the Last Practicable Date, the breakdown of the OneWeb Directors is shown in the table below. The business address for each of the OneWeb Directors is West Works Building, 195 Wood Lane, London, England, W12 7FQ.

Director	Position
Sunil Bharti Mittal	Executive Chairman
Neil Masterson	Chief Executive Officer
Shravin Bharti Mittal	Non-Executive Director
Akhil Gupta	Non-Executive Director
Pascal Homsy	Non-Executive Director
Eva Berneke	Non-Executive Director
Michel Combes	Non-Executive Director
Hugo Robson	Non-Executive Director
Robert Woodward	Non-Executive Director
Elena Ciallie	Non-Executive Director
Jean-Hubert Lenotte	Non-Executive Director
Dong Wan Yoo	Non-Executive Director
Dominique Cerutti	Independent Non-executive Director

The terms of office of the directors of OneWeb are indefinite, with the exception of Sunil Bharti Mittal, Executive Chairman, whose current term of office runs for three years from 1 January 2021, and Dominique Cerutti, independent Non-Executive Director, whose current term of office runs for three years from 22 July 2022.

Employees

As at 31 March 2023, OneWeb employed 559 employees worldwide, compared to 411 employees as at 31 March 2022. The breakdown of OneWeb's employees by geographical area and activity is shown in the tables below.⁷

Geographical area	As at 31 March					
	2023		2022		2021	
United Kingdom ⁸	387	69%	342	68%	146	56%
France	10	2%	5	1%	4	2%
North America ⁹	140	25%	140	28%	101	39%
Middle East	5	1%	3	1%	2	1%
Others	15	3%	11	2%	6	2%
Total	557		501		259	
Activity	2023		2022		2021	
Operations.....	398	71%	312	76%	178	78%
Commercial.....	71	13%	24	6%	10	4%
Corporate Functions.....	90	16%	75	18%	41	18%
Total	559		411		229	

⁷ The number of employees by geographical area shows the total amount as at the year end date, and the number of employees by activity is reported as an average throughout the financial year.

⁸ Figures also include employees working remotely.

⁹ Figures also include employees working remotely.

OneWeb main shareholders

As at the Last Practicable Date, the main shareholders of OneWeb are shown in the below table.

OneWeb shareholders	OneWeb A Ordinary Shares	OneWeb B Ordinary Share ¹⁰	OneWeb Deferred Shares	Shareholding on a undiluted basis ¹¹	OneWeb Options over OneWeb A Ordinary Shares	Shareholding on a fully diluted basis ¹²
Bharti	850,000	-	2	29.96%	-	29.55%
Eutelsat S.A.	650,000	-	-	22.91%	-	22.60%
UK Government	500,000	1	2	17.63%	-	17.38%
SoftBank	500,000	-	-	17.63%	-	17.38%
Hanwha	250,000	-	-	8.81%	-	8.69%
Other OneWeb shareholders (individually representing less than 5% of OneWeb's share capital)	86,644	-	-	3.05%	-	3.01%
OneWeb Optionholders	-	-	-	0%	39,550	1.38%
Total	2,836,644	1	4	100%	39,550	100%

10.3 Employee engagement and wellbeing

OneWeb recognises the importance of actively engaging with its employees and values employee feedback.

In April 2023, OneWeb launched a pulse survey to check on how OneWeb is doing in focus areas and overall employee experience. The analysis highlighted a downward trend in OneWeb's workload and wellbeing scores. Using these insights OneWeb launched a series of focused efforts including adaptability workshops, wellbeing programs (Bike2Work, resilience training for shift employees, wellbeing challenges and bite-size webinars) and resourcing plans for critical areas.

Health, safety, and wellbeing is also a key priority for OneWeb's operations. Wellbeing is integral to OneWeb's coaching and management support programmes, with access to external wellbeing resources such as MindGym and Headspace available for employees. OneWeb has also moved its operational employees onto a shift-based model, which regulates working hours to safeguard its people and support their wellbeing.

11 Insurance

OneWeb has insurance coverage in place, which is customary for its industry, including general liability insurance, product liability insurance and loss of property insurance. This includes a multi-launch insurance programme for an aggregated insurance value of more than \$1 billion.

OneWeb has "launch vehicle flight only" insurance, which protects a satellite from launch up to the separation of the satellite from the launch vehicle. As part of the CAA licence requirement, OneWeb has third party in-orbit liability insurance that provides coverage from launch until de-orbit. OneWeb also has property cargo insurance that covers its equipment and its transport to SNP and PoP sites globally.

¹⁰ Upon Completion, the rights of the UK Government attached to the holding of the OneWeb B Ordinary Share are described in paragraph 9.5 of Part 12 (*Summary of the Combination*)

¹¹ Based on the total of OneWeb A Ordinary Shares, OneWeb B Ordinary Share and OneWeb Deferred Shares, rounded to two decimals.

¹² After the exercise of all of the OneWeb Options held by some employees of the OneWeb Group giving right to a maximum of 39,550 OneWeb A Ordinary Shares (i.e. 1.38% of the share capital of OneWeb on a fully diluted basis).

Part 10 Industry Overview

1 Industry structure and key characteristics

1.1 Definition of GEO and NGSO satellites, key differences and complementarities

GEO satellites have historically been the reference orbit for satellite communications. Positioned in orbit approximately 36,000 kilometres from the Earth in the equatorial plane, these satellites are particularly well-suited to transmit signals to an unlimited number of fixed terrestrial antennae that are permanently directed towards the respective satellite. GEO satellites are considered one of the most efficient and cost-effective means of communication as they are capable of transmitting across a large service area. GEO satellites are suitable for: (i) television broadcasting; (ii) linking together a group of sites spread out over vast geographical areas, such as private business networks or retail outlets; (iii) extending mobile telephone networks and internet access to areas where terrestrial networks provide little or no coverage; and (iv) establishing or restoring communications networks in emergency situations.

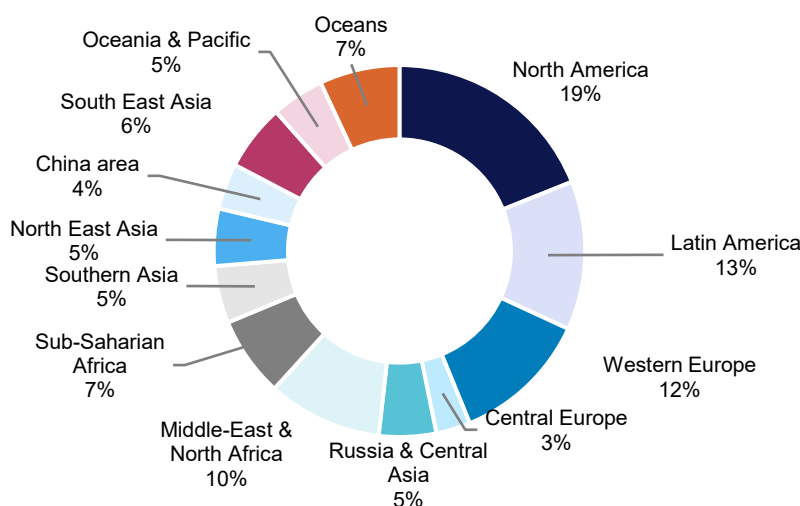
NGSO satellites operate at a significantly lower altitude compared to GEO and are constantly revolving around the Earth along their own orbits, completing several revolutions around the Earth every day. NGSO encompasses both LEO constellations, which typically orbit at 500-1,500 km and were historically used for Earth observation and low data rate communication purposes, and MEO constellations, which are currently only commercialised by SES's O3B constellation and typically orbit at 2,000-20,000 km and were mostly used in the past for global navigation systems. LEO constellations consist of a large number of satellites (from a few dozen to several thousands), which are standardised and smaller in size, therefore having a lower unit cost to build. The lower orbit and large fleet size confer certain advantages to LEO constellations, predominantly global ubiquitous coverage and lower latencies, making them well positioned to meet growing global connectivity needs and standards.

Given complementary advantages, GEO and LEO orbits can be combined to enhance the quality of service and expand the potential use cases for customers.

1.2 GEO industry structure

According to Euroconsult, the GEO sector generated global revenue of \$10.1 billion in 2021.

Breakdown by region of revenue for GEO:

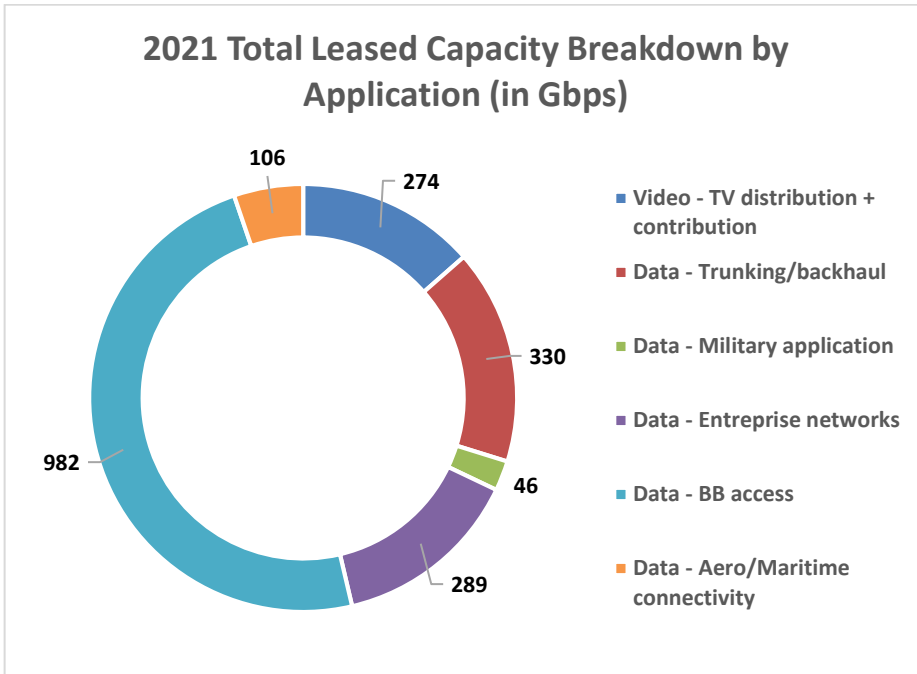


Source: Euroconsult, 2021 Edition, based on total FSS operators wholesale revenues

Broadcast is the largest segment of the GEO satellite market, accounting for approximately \$4.5 billion worldwide, equivalent to approximately 45% of the total market revenues. Despite the current scale of the broadcasting business in the satellite capacity market, it is forecasted to continue declining over the coming years due to contractions in demand in mature markets (such as Europe and North America), notwithstanding that there are pockets of opportunity in emerging markets. Other historical activities, notably professional video from geostationary assets, have also seen a decline in revenues for several years.

At the same time, emerging opportunities in connectivity activities, including fixed broadband, fixed data, government services and mobile connectivity, offer significant growth potential for satellite operators in the medium and long-term.

Some of these opportunities come from heritage activities reinvigorated by technological evolution and innovation.



Source: Euroconsult 2021

Visibility into growth in the GEO market is underpinned by several factors:

- Efficient and cost-effective for broadcasting content over large geographical areas;
- Significant barriers to entry due to a complex international regulatory framework and the high level of investment and technical expertise required;
- Customer preference, notably in the video broadcasting business, for securing capacity contracts on a long-term basis; and
- High switching costs, therefore encouraging long-term partnerships, especially in the broadcasting business.

The three largest operators, Intelsat, SES and Eutelsat, combined hold more than 50% market share in the GEO sector. Other smaller operators typically only service select regional areas.

► Operators' global market share (based on revenues)



Source: Euroconsult, 2021 edition.

Despite being a mature market, there have also been innovations in GEO technology. Created predominantly for connectivity applications, HTS and subsequently VHTS expect to deliver significantly higher throughput than traditional GEO satellites by allowing continued reuse of the same spectrum, enabling a lower cost per megabit to provide the service and therefore a lower price of capacity to the customer. HTS capacity dedicated to connectivity is expected to increase threefold between 2020 and 2025 (Source: Euroconsult, 2021).

1.3 NGSO industry structure

Legacy NGSO constellations have historically transmitted over the L and S bands and have been limited to narrowband use cases. More recently, the focus has shifted to the Ku and Ka frequency bands to meet demand for higher throughput use cases. LEO constellations today aim to ultimately address a wide range of connectivity uses including fixed broadband, mobility, fixed data and government services.

Over the last decade, the cost to access space has decreased substantially, allowing operators to launch thousands of small satellites at a more economical cost. Launch-related risks are mitigated as larger fleets of satellites are placed into orbit with each rocket launch. With the inclusion of spare satellites and the accessibility of launching replacement satellites, potential malfunctions of one or a few small satellites are offset and will not impair the functionality of the broader constellation. However, the commercialisation of LEO constellations will also require more frequent refresh cycles given shorter satellite lifespans compared to GEO, therefore requiring significantly higher capital expenditure investments to deploy a continuous, functioning LEO constellation.

Several LEO constellation projects are emerging at different stages of development, as illustrated below:

Main new constellation	Starlink	OneWeb	Kuiper	Lightspeed
Main investors	SpaceX	Eutelsat, Bharti, UK, SoftBank, Hanwha	Amazon	Telesat
Satellites Planned	4,408 (Gen1) 7,500 (Gen2)	634	3,236	198
Satellites in Orbit To-Date (Active)	3,470 as of 17/03/2003	618 launched as of 27/03/2023	0	0
% completed	79% of Gen1 as of 17/03/2003	100% by the time of publication	0%	0%
Commercial Service Start	2022	2022	2025 (estimated)	2026 (estimated)

Source: Company data, Wall Street Research, Space Intel, Space News, Via Satellite.

The launch of several LEO constellations presents a unique disruptive period in the satellite sector. The four primary LEO players, Starlink, OneWeb, Kuiper and Lightspeed, are developing large broadband LEO constellations with different strategic positioning, technology and industrial approaches. Starlink and Kuiper are mainly focused on servicing the consumer broadband market, while OneWeb and Lightspeed are targeting the business-to-business and business-to-government markets. Production, deployment and commercialisation of OneWeb's and Starlink's constellations are currently ongoing, while Lightspeed and Kuiper have not finalised their industrial setup. As at the date of this Prospectus, OneWeb and Starlink are the only two LEO constellations in service.

The only commercially available MEO constellation is SES's O3B constellation as of 2023. The main advantage of MEO satellites over LEO is the lower number of satellites required to provide global coverage, due to their higher altitude (8,000 km on an equatorial plane for O3B). SES's first-generation O3B system operates with 20 satellites in MEO, and 11 satellites are currently planned for the second-generation system, O3B mPOWER.

The main disadvantages of MEO over LEO are the higher latency (>200 ms), coverage limited to latitudes of +/- 45° with equatorial planes only, and the comparatively higher cost of customer-premise equipment.

The NGSO satellite market (including LEO and MEO) is expected to grow from c. \$0.3bn in 2020 to c. \$7.4bn in 2030, which represents a ten-year CAGR of 37%, significantly higher than that of the broader satellite connectivity market. NGSO is estimated to grow 2.5 times faster than the overall satellite connectivity market and is expected to account for approximately 50% of the market in 2030. NGSO satellites are expected to provide significant satellite capacity, up to 35Tbps by 2025 (Source: Euroconsult, 2021).

2 Market trends and outlook

2.1 Video broadcasting (relevant to GEO only)

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 technology continues to be a distribution method that enables free-to-air or pay-TV platforms to cost-effectively reach the largest audience with best-in-class image quality, especially when there are more than hundreds of thousands of simultaneous viewers. Moreover, larger television screens call for improvements in image quality, notably the development of HD and UHD, which require additional bandwidth.

Overall, the broadcast market benefits from two structural trends:

- Expected increase in the number of homes equipped with a satellite terminal; between 2021 and 2026, it is expected

to increase by more than 9 million units in Eutelsat’s largest broadcast markets (such as EMEA), representing a market share in terms of TV reception expected to stand at around 36%, stable over the same period, according to Digital TV Research;

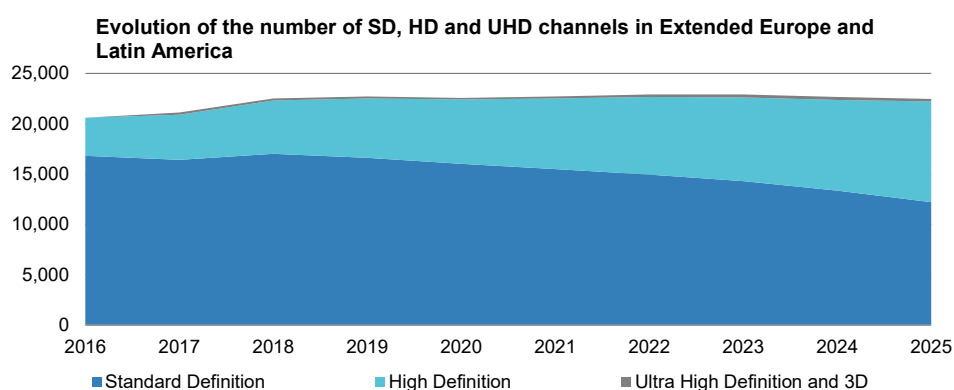
- The number of channels broadcast by satellite worldwide remains at a very high level, exceeding 42,000 channels in 2022.

Overall, the broadcast market is expected to experience an average annual value contraction in the low-to-mid single digits in the coming years. However, market dynamics differ between developed and emerging countries.

In developed countries:

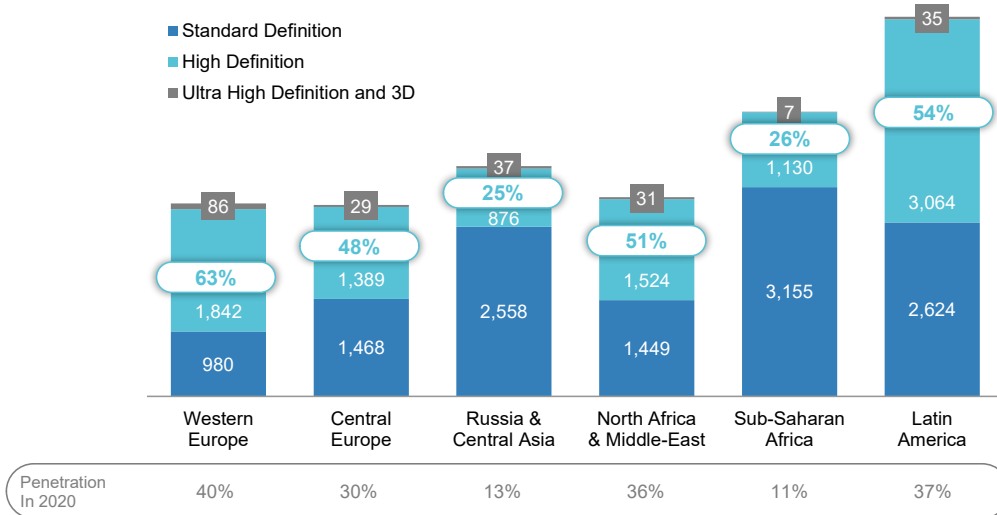
- the market is mature, particularly in Europe where trends should be broadly stable to slightly down, with HD and UHD ramp-up partly offsetting improvement of compression and encoding format, as well as the end of certain simulcast channels. In North America, the decline in channels is more pronounced;
- demand for satellite capacity has increased due to the proliferation of HD-compatible equipment and therefore HD channels. The HD penetration rate on Eutelsat satellites has risen from 30% to 31% in FY 2021-22. The global number of HD channels is expected to 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 (*Source: Euroconsult, 2021*);
- at the same time, 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 modulation standard and the adoption of the MPEG-4 and HEVC compression formats 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, the Eutelsat Group is more advanced on compression (76% of channels are already in MPEG-4 or HEVC) than on HD penetration (penetration rate of 30%); future HD ramp-up should therefore be more significant than future compression gains. In addition, it should be noted that the generalisation of a new compression format is a long-term phenomenon insofar as it requires compatible equipment (television or box) at the end user’s premises;
- UHD technology is developing and suitable equipment gradually widespread. It is currently almost three times as bandwidth-hungry as HD when factoring in the efficiency gains brought by the new HEVC compression format, which creates opportunities for demand growth; and
- 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.

In emerging countries, demand is still well oriented in terms of volumes. Between 2020 and 2025, demand for capacity (Gbps) for broadcast is expected to grow by 2% per year in Latin America, the Middle-East and North Africa, as well as in Russia and Central Asia, and by 5% annually in Sub-Saharan Africa (*Source: Euroconsult, 2021*). The key factor driving this growth is the increase in the number of channels being broadcasted, which has increased by 10% between 2018 and 2023. The potential for further growth is noticeable since 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 in 2020 (*Source: Euroconsult, 2021*). For example, in Sub-Saharan Africa, HD penetration stands at 11% compared to 40% in Western Europe. HD penetration is forecasted to grow in these regions, which will have an additional positive effect on demand.



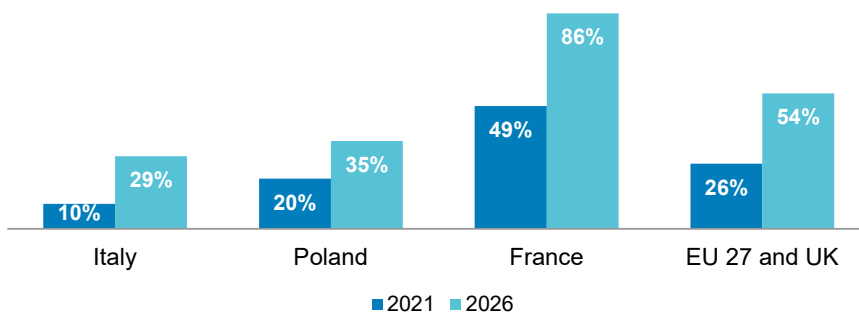
Source: Euroconsult, 2021 edition

HD penetration by subregion in 2025



Source: Euroconsult, 2021 edition

% FTTH/B Subscriptions (out of total households)



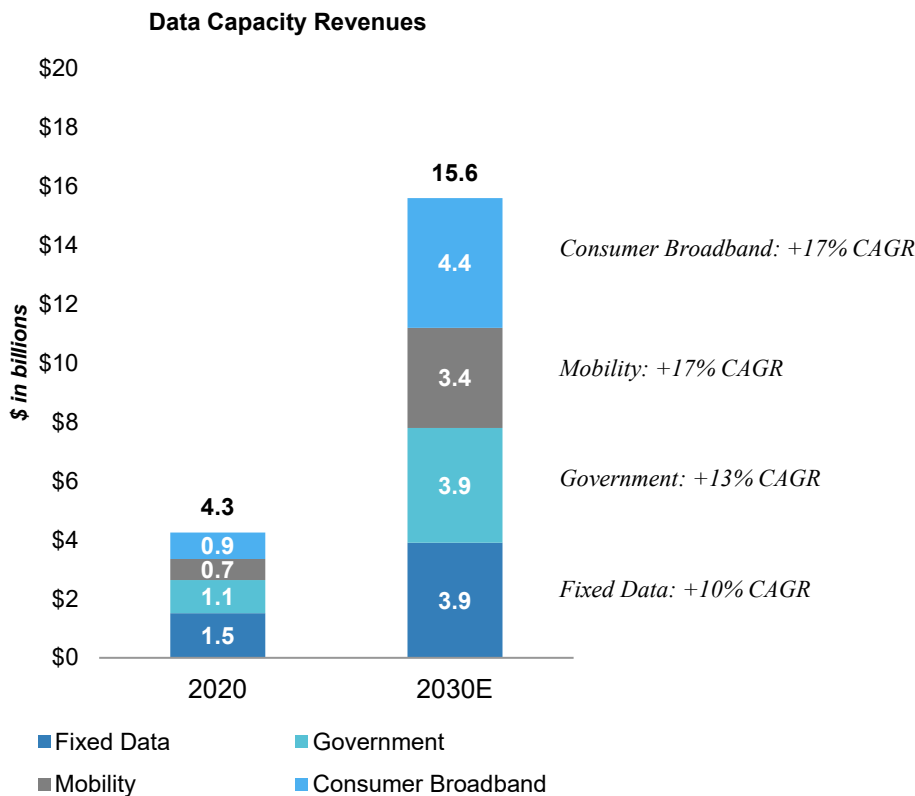
Source: Idate FTTH forecast for Europe, Market forecast 2021-2026, FTTH Virtual Conference 2021

2.2 Connectivity (relevant to both GEO and NGSO)

Demand for satellite capacity for telecommunications services is estimated to grow from \$4.3 billion in 2020 to \$15.6 billion in 2030 (Source: Euroconsult, 2021).

There are multiple drivers of demand for data connectivity in the post-pandemic era. While some markets have been halted by the pandemic and COVID-19 related lockdowns, consumer broadband in rural and remote areas has seen accelerated demand for high quality, high-speed internet access due to at-home work and education requirements. Post-pandemic demand continues to remain high as a result of the continued shift to work from home and of the entry in service of LEO constellations, providing incremental capacity over world regions where GEO broadband capacity was saturated. In-flight and maritime connectivity are also expected to grow quickly in the mobility sectors as aircrafts and ships are quickly returning to service, and improved equipment and enhanced service lead to higher usage. Government and military entities are seeing strong structural drivers contributing to the uptick in demand, including increased defence budgets, new satellite connectivity applications, and growing bandwidth needs. These drivers have produced considerable growth and data usage on the ground. Satellite operators have a significant role to play given the global coverage and technological advantages.

The below chart illustrates the projected growth in overall satellite communication services revenue and billable capacity over the next several years.



Source: Euroconsult 2021 Edition

The market for connectivity applications represents a long-term growth opportunity for the satellite industry, and is forecast to grow at a 14% CAGR from 2020 to 2030 (Source: Euroconsult, 2021). The four key verticals expected to fuel this growth include: (i) fixed data; (ii) government services; (iii) mobility; and (iv) consumer broadband.

While a significant part of the growth in this market is expected to be captured by NGSO satellites (~60% of growth), GEO satellites will continue to play a major role in these segments given their characteristics, particularly in terms of throughput and the installed base of terminals and antennas.

Fixed data

Fixed data applications continue to be driven by global network extension and integration into enterprise networks to meet growing data usages and ubiquitous coverage needs. The fixed data market includes corporate networks, mobile backhauling and trunking.

In many rural and suburban areas (particularly emerging countries), VSAT business networks are required due to insufficient terrestrial options. More than 2 million VSAT terminals are in operation globally, primarily across the oil and gas, banking and retail industries. Cloud connectivity is expected to continue to rise for corporate networks, increasing the number of sites and consumption per site. Overall, demand for fixed data applications is expected to grow in volume due to: (i) network extension; (ii) seamless integration in enterprise networks; (iii) growing data usages; and (iv) ubiquitous coverage need. While fixed data from geostationary assets has declined in recent years, NGSO satellites are best positioned to capture most of the long-term growth in this application. The entry of service of NGSO constellations will also enable new use cases, such as collaborative, Software-as-a-Service tools (Microsoft Teams, Zoom, Google Meet etc.), which often require a latency lower than 200ms, thus further boosting the consumption per site.

By a smaller proportion, the development of IoT in various applications such as transport, logistics, agriculture, and intelligent environments also represents a long-term growth opportunity and a new market for satellite operators as to complement other infrastructure.

The market for backhauling involves the transmission of information between base stations that connect directly to mobile terminals, such as mobile telephones, and their various network aggregation points. Satellite, in addition to fibre optic and microwave, allows for the transmission of information between these points. In many areas, particularly in emerging countries, satellite technology remains the optimal solution (including Latin America, Africa and Southern Asia, contributing to >50% of demand) (Source: Euroconsult, 2021). Long-term growth will be fuelled by: (i) the increasing number of sites; (ii) the increasing consumption by site for each technology (2G/3G/4G/5G); and (iii) the evolution in the

technology mix among connected sites (e.g., it is estimated that by 2030, ~35% of connected sites will not yet be upgraded to 4G/5G, creating potential to increase capacity per site by approximately ten times) (*Source: Euroconsult, 2021*). LEO satellites are well positioned to capture this opportunity due to their lower latency characteristics, given that several of these applications are latency-sensitive.

The fixed data market is projected to represent approximately \$3.9 billion by 2030, representing a 10-year CAGR of 10% (*Source: Euroconsult, 2021*).

Government services

Demand in the government sector is being driven by: (i) increasing defence budgets, notably in the context of shifting geopolitical dynamics; (ii) growing bandwidth needs of both military and civil government end-users; (iii) new strategies of Ministries of Defence worldwide, favouring distributed network architectures instead of centralized command, thus multiplying the number of connected sites, and (iv) multiplication of remote sites connection.

While GEO satellites will continue to play a key role in this segment given the large existing installed base of terminals and the launch of innovative services, NGSO constellations are expected to further broaden the market and progressively capture most of the growth in the market given their ubiquitous coverage characteristics and ability to centralize and further secure satellite communications through inter-satellite links.

The government market is projected to represent approximately \$3.9 billion in 2030, representing a 10-year CAGR of 13% (*Source: Euroconsult, 2021*).

Mobility

In the mobility market, the installed base of satellite communications users will continue to expand as aviation and maritime fleet operators' progress in connectivity offerings.

Despite the impact of the COVID-19 pandemic, the volume of demand for in-flight and maritime connectivity is expected to increase in the middle and long-term due to:

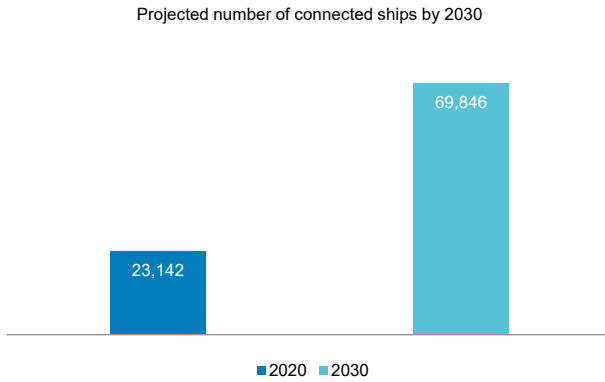
- the resumption of the rise in the number of aircrafts and ships returning to service;
- the increasing penetration of connectivity solutions within global fleets;
- improved equipment and take-up rates among passengers, and the rise of more bandwidth-intensive uses, leading to higher usage rates per aircraft and ship (including through the propensity of airlines and cruise operators to offer this new service as a way of creating additional value and differentiating themselves from competitors); and
- the proliferation of flat panel antennas, reducing indirect costs (weight and maintenance).

Maritime sub-segments, such as merchant ships, yachts, fishing, ferries and oil & gas are experiencing the same market dynamics and return to growth.

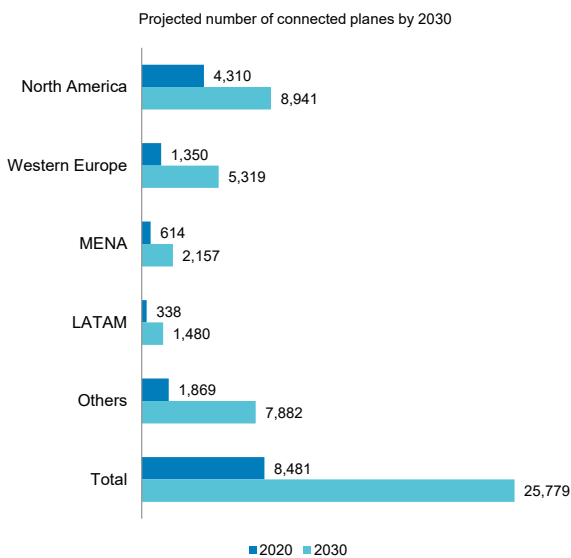
The development of HTS satellite capacity and subsequently VHTS capacity, giving access to larger capacities at a lower cost and offering a very-high speed experience to passengers, is expected to unlock the increased use of the service by users. Additionally, the ubiquitous coverage of LEO, low-latency and natural fit between mobile satellite systems and moving antennas is anticipated to result in a strong penetration of this segment by NGSO constellations.

The mobility market is projected to represent approximately \$3.4 billion in 2030, representing a 10-year CAGR of 17% (*Source: Euroconsult, 2021*).

Beyond this horizon, demand will be driven by the emergence of new use cases that will further fuel growth, e.g.: (i) data-intensive trajectory-based operations capable of collecting the exact position of airplanes at any instant to optimise airspace management and single pilot operations; and (ii) maritime autonomous surface ships.



Source: Euroconsult 2021



Source: Euroconsult 2021

Consumer Broadband

Consumer broadband continues to be driven by demand for global internet access. The number of homes equipped with a satellite terminal connected to the internet has risen by 27% in 5 years, reaching 3 million households worldwide.

The projected long-term growth in individual data usage and the high cost of terrestrial roll-out allows for high growth potential. Although adoption is largely confined to American and European markets so far, rapid expansion into new regions (notably Africa) is expected in the years ahead.

The development of the market for consumer broadband is supported by the following factors:

- satellites are one of the only competitive ways for rural and remote homes to access the internet, therefore presenting a significant addressable market for the satellite industry. In Europe, it is estimated that 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, despite government and telecom operator investment programs. The deployment of terrestrial networks in most emerging countries is lagging behind mature countries, therefore the addressable market in those countries (such as Africa) is even more significant; and
- the emergence of HTS 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 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 above.

The consumer broadband market is projected to represent approximately \$4.4 billion in 2030, representing a 10-year CAGR of 17% (Source: Euroconsult, 2021).

Part 11 Regulatory Overview

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 Combined 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;
- regulations governing the deployment and operation of telecommunications networks, the supply of telecommunications services and the operation of radio frequency facilities on the ground;
- regulations governing content;
- regulations governing space operations;
- control requirements relating to exports (regulations governing the activities of the Eutelsat Group's suppliers); and
- other requirements applicable to the Combined Group.

1 Regulations governing frequency assignments

Frequency assignments are currently distributed between several different radio-communications services.

In any radio-communication, 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 radio-communications services as much as possible that the 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 Radio Regulations.

The World Radiocommunication Conference is held every four years to agree on amendments to the Radio Regulations and their appendices, with next one taking place from 20 November to 15 December 2023 in the United Arab Emirates.

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 IGO, which is the case of the assignments the Eutelsat Group inherited from the IGO when the Transformation to privatise Eutelsat 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 radio-communications using GSO 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 radio-communications 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 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 FSS.

NGSO systems are also subject to coordination with other non-geostationary satellite orbit systems in the majority of the

frequency bands that the Combined Group uses. With respect to coexistence between GSO and NGSO systems, there are three regimes applicable:

- unless otherwise specified, NGSO systems are subject to not causing unacceptable interference to GSO systems;
- in Ku-band and the majority of Ka-band frequencies, as well in Q/V band frequencies, NGSO systems are subject to meeting certain limits to protect geostationary systems; and
- in a portion of Ka-band frequencies, NGSO systems and GSO systems are subject to a first-come, first-served coordination process.

Under the above scenarios, 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. The ITU Radiocommunication Bureau then publishes this information in circulars sent out periodically to the authorities of all ITU Member States. ANFR is the authority in France. Ofcom is the authority in the United Kingdom.

General scheme (for both GSO and NGSO systems)

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 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 use. If the assignments have not been brought into use when this time limit expires, the Request for Coordination is deemed to have never existed. 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. There are, however, provisions in the Radio Regulations enabling an extension in the period of validity for assignments in operation.

In practice, systems with lower ITU priority must reach coordination agreements with those with higher ITU priority. In these situations, the Combined Group seeks to coordinate protection of and constraints on its system commiserate with its priority. However, there are also domestic regulations that are layered on top of the international coordination regime. For example, in the United States, the FCC establishes equal priority for NGSO systems that are in the same process round (group of NGSO applications in given frequency band(s) that applied as of an FCC established deadline). Thus, while the Combined Group has ITU priority over SpaceX ITU filings, on US territory, SpaceX and the Combined Group have equal status and must share spectrum as equals. In other countries, such as Brazil, the regulator requires that any system seeking market access complete coordination with Brazilian ITU filings, regardless of ITU priority. Some countries, including Brazil, have also created a separate priority system based on when applications are filed to serve its country. In this case, the Combined Group has lower priority than SpaceX for service with respect to service over Brazil. Nonetheless, in many of these cases, all NGSO operators are expected to coordinate with each other in good faith and to find solutions to operate together. If coordination difficulties are faced, the Combined Group may seek assistance from the regulator.

GSO limits scheme (for NGSO systems)

In the Ku frequencies used by the Combined Group’s first generation NGSO system, as well as all of the Ka band frequencies except 18.8-19.3 and 28.6-29.1 GHz, equivalent power flux density limits (EPFD limits) in Article 22 of the ITU Radio Regulations apply to protect GSO systems. The Radiocommunication Bureau determines compliance with the GSO limits and publishes favourable findings in the case where the limits are met. The Radiocommunication Bureau uses a software tool based on the functional description given in Recommendation ITU-R S.1503. The Combined Group seeks changes to this functional description to improve modelling of its NGSO system, and to ensure appropriate protection of

its GSO systems. Changes to Recommendation ITU-R S.1503 could positively or negatively affect the Combined Group's satellite systems.

In the Q/V band frequencies (roughly FSS allocations between 37.5 and 51.4 GHz), an alternate regime is in place for NGSO systems to protect GSO systems. These frequencies will likely be used by future generations of the Combined Group's NGSO system. In these frequency bands, NGSO systems must meet certain criteria spelled out in Nos. 22.5L and 22.5M of Article 22 of the Radio Regulations against a set of GSO reference links. The Radiocommunication Bureau will again determine compliance with these limits and publish favourable findings in cases where these limits are met.

Special BSS and FSS schemes

With these two special systems, the international community adopted *a priori* plans at the ITU's World Radiocommunication Conferences. 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 system, 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 whose rights 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.

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. 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.

Frequency assignments granted by France

Frequency assignments used by the Combined Group in its business activities, both present and future, involve joint responsibility. For all these frequency assignments, the Member States collectively discharged their joint obligations under the Radio Regulations which was designated by them to act in their name and on their behalf.

The ANFR is the French authority responsible for ensuring that France complies with its obligations under the Radio Regulations and applying the international rules governing the coordination of frequency assignments on behalf of all the Member States.

France is the main authority required by the Eutelsat 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 Eutelsat Group’s international expansion, new assignments were also requested through other authorities.

French regulation relating to frequency assignment 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 RB 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 in the 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); and
- 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, such as ARCOM, the ARCEP and the French Ministry of Defence, amongst others.

This authorisation is granted on condition that the entity requesting the capacity provides proof of its ability to control the emissions of all radio frequency 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 sets this amount at €20,000. Authorisation can be refused, for example “for the protection of public order, defence or public safety”.

1.2 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 Federal Telecommunications and Broadcasting 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 a concession granted by the Mexico Transportation and Communications Ministry; (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, amongst others, 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 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 licence 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 fixed satellite service, DTH fixed satellite service and broadcast satellite services. The Mexican government has liberalised its regulatory environment to allow non-Mexican satellite companies to provide satellite services in Mexico.

1.3 Frequency assignments granted by the United Kingdom

Ofcom has statutory duties under the Communications Act 2003 (“**2003 Act**”) and the Wireless Telegraphy Act 2006 (“**2006 Act**”) to regulate the provision of electronic communications networks and services and the use of the electromagnetic spectrum. More specifically, these duties include:

- to further the interests of citizens in relation to communications matters (section 3(1)(a) of the 2003 Act);
- to further the interests of consumers in relevant markets (section 3(1)(b) of the 2003 Act);
- the duty to promote competition in relevant markets (sections 3(1)(b) and 4(3) of the 2003 Act and section 3(2)(d) of the 2006 Act);
- the requirement to secure the optimal use for wireless telegraphy of the electromagnetic spectrum, and the efficient management of that spectrum (section 3(2)(a) of the 2003 Act and section 3(2)(a) of the 2006 Act);
- the requirement to ensure that its regulatory activities are transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed (section 3(3)(a) of the 2003 Act); and
- the duty to consider the desirability of encouraging investment and innovation in relevant markets (sections 3(4)(d) of the 2003 Act and section 3(2)(c) of the 2006 Act).

Ofcom is also required to comply with directions from the Secretary of State in respect of relevant international obligations. Pursuant to a direction from the Secretary of State under section 22 of the 2003 Act, Ofcom represents the UK Government in the ITU and acts as the UK notifying administration under ITU procedures in relation to international management of the radio spectrum and orbit resources.

Ofcom’s Procedures for the Management of Satellite Filings, dated 14 March 2019, sets out the process for submitting filings to the ITU on behalf of commercial entities. These procedures include application requirements, fees and due diligence obligations to demonstrate progress towards implementing the planned satellite system.

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 Combined 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 Combined Group will only need 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 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.

2.1 Regulations in France

The ARCEP is the French authority responsible for ensuring that operators comply with the obligations contained in the applicable legislation and regulation.

Operations 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; and
- internet neutrality, which consists of ensuring open internet access.

In France, the services provided by electronic communications operators are 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 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 €5 million.

Access to frequencies

The use of radio frequencies by radio frequency earth stations is covered by authorisations issued by ARCEP. 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.

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.

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 Combined Group’s services.

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 Combined 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 Combined Group and the service provider may require end-user clients to obtain the Combined 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 Combined Group's services through the State entity.

Landing rights (authorization to use spectrum and orbit resources for satellite communication)

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 these countries, the Combined Group must obtain authorisation to provide (i) downlink services from the satellite to the Earth station terminals located in these countries ("landing rights") or (ii) uplink services from the Earth station terminals to the satellite.

Access to the satellites from the US

The FCC is the US 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 US licensed to operate with US satellites are able to access that non-US 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 Eutelsat Group's satellites. Earth station operators in the US must therefore still apply for FCC authorisation to transmit to or receive from the Combined Group's satellites in certain frequency bands despite these satellites being on the FCC's Permitted Space Station List.

The FCC licenses NGSO systems through processing rounds. When an application is filed for an NGSO system, the FCC issues a public notice initiating a processing round, inviting other systems interested in operating in the same frequency bands to apply by a certain deadline. NGSO systems in the same processing round must protect each other according to a defined criteria in the FCC's rules or reach coordination agreements on how their systems will operate compatibly. NGSO systems in a later processing round must protect systems in earlier processing rounds. There are regulatory fees associated with US market access.

2.3 EU regulations

Current regulatory framework

Directive (EU) 2018-1972 of the European Parliament and of the Council of 11 December 2018, which establishes 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) and the 'Framework' Directive (2002/21/EC));
- a Directive (2009/136/EC) which amended two existing directives (the 'Universal Service' Directive (2002/22/EC) and the 'Privacy and Electronic Communications' Directive (2002/58/EC)); and
- Regulation (EC) No. 1211/2009 establishing the Body of European Regulators for Electronic Communications (BEREC).

3 Regulations governing content

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;
- Directive 2007/65/EC of 11 December 2007 known as “Audiovisual media services” (the “AVMS Directive”), applicable throughout the European Union since 19 December 2009 and transposed into French law by the law of 5 March 2009 relating to audiovisual communication and the new public television service. This had the effect of extending the scope of the provisions of the “Television without frontiers” Directive to on demand audiovisual media services request; and
- Directive 2018/1808 of 14 November 2018, which extended its scope to new audiovisual media services such as video exchange platforms, social networks and live streaming.

In accordance with this regulation, each EU Member State must ensure that programs transmitted by TV broadcasters under its jurisdiction comply with laws applicable to broadcasts intended for the target audience.

Regulation of channels established in an EU Member State

If the television channel is established in an EU Member State, such channel is automatically subject to the competent regulatory authority of that Member State. Under the regulations of most of the EU Member States, producers of television programs 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 not established in an EU Member State

In the case of channels that, by definition, are established in a non-EU country, and are broadcast through satellite to all or part of the EU, the AVMS Directive provides for the determination of an EU Member State to regulate these channels on behalf of the other Member States.

Since the AVMS 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 (being the first criterion) or, failing this, the one with authority over which the satellite capacity is used (being the second criterion).

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, whereby the Member State where the uplink is used first keeps jurisdiction, even if the same signal is also uplinked later, and for other packages, from another Member State. Accordingly, the uplink prevails in determining which Member State has jurisdiction.

On 3 November 2009, during its 31st meeting, the Commission proposed an improvement to the anteriority criterion of the uplink, whereby if the oldest uplink concerns a satellite whose footprint is not focused on Europe, but a more recent uplink 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 the EU, the Member State having jurisdiction is the one where the uplink targets the satellite offering the best coverage of Europe (being the ‘footprint’ criterion); and
- 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 (being the ‘anteriority’ criterion).

The Directive was transposed in France by the Law of 5 March 2009. The application of these criteria results in the submission to ARCOM regulation and French law of French satellite channels, certain channels broadcast in Europe, and those established outside the EU and using a French uplink. Since 2009, most of the non-European channels broadcast by the Eutelsat Group in Europe use an uplink coming from an EU country which is now covered by other European regulators for those channels. The ARCOM is no longer 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 for determining the competence of the regulator in the case of non-European channels under the Directive 2007/65/EC of 11 December 2007 AVMS Directive remained unchanged. The new Directive was transposed into French law on 21 December 2020 by ordinance. In this continuity, five implementing decrees published on 30 December 2021 made it possible to complete the transposition into domestic law.

Consequences of Brexit: the specific case of British television channels

Under Article 43-7 of the Law no. 86-1067 of September 30, 1986, television services within the jurisdiction of another EU Member State or a party to the Agreement on the European Economic Area, as well as television services under the jurisdiction of another State that is Party to the ECTT, may be broadcast in France through satellite or cable without prior authorisation.

As the United Kingdom, like France, is party to the ECTT, the same rule applies to television services established in the UK within the meaning of Article 5 of the ECTT, and in accordance with the provisions of Article 4 of the ECTT which provides that the parties will guarantee freedom of reception and not restrict the retransmission on their territories of programme services which comply with the terms of the ECTT.

The United Kingdom ensures freedom of reception on its territory of television services within the jurisdiction of other States that are parties to the ECTT, including EU Member States that are party to the ECTT such as France. Television services from non-ECTT States must complete the formalities required by Ofcom for their reception in the UK.

Some EU Member States and the European Economic Area member states have not signed or ratified the ECTT. In these States, a television service established in the UK is not eligible for free reception under Article 4 of the ECTT, and it is solely in light of the AVMS Directive and the domestic laws in force in each of these States that the legal position is examined.

Accordingly, each of these States may consider that this service originating in the United Kingdom, which is a third State, is assumed to fall within the jurisdiction of an EU Member State by virtue of Article 2(4) of the AVMS Directive (provisions which are transposed in France in Article 43(4) of the Law of 30 September 1986), if the service uses an uplink to a satellite located in a Member State or, alternatively, if it uses satellite capacity belonging to a Member State.

Consequently, this television service may fall within the French jurisdiction by virtue of the location of its satellite uplink in France or its broadcasting in Europe through the Eutelsat satellite capacity.

Under France's legal system applicable to non-European television services within French jurisdiction, such services may be broadcast by satellite and by cable without prior clearance. However, they must comply with the Law of 30 September 1986 and are subject to control by ARCOM.

3.2 French legislation on audiovisual communication

The Law no. 86-1067 of 30 September 1986 on freedom of communication, as amended, includes measures transposing the provisions of the AVMS Directive.

In accordance with the provisions of the Law no. 86-1067 of 30 September 1986, the French television channels transmitted by the Eutelsat Group are subject to an agreement with ARCOM, while extra-community channels under the jurisdiction of France and those under another Member State of the European Union, member of the EEA or signatory of the CETT are exempt from this prior control since the Law no. 2006-64 of 23 January 2006 pertaining to the fight against terrorism. Nevertheless, like French channels, they remain subject to French law and all restrictions on content imposed by the Law no. 86-1067 of 30 September 1986, 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 Eutelsat Group is not a provider of television programmes. However, it is subject to certain obligations under the Law of 30 September 1986 no. 2006-64, such as being required to under:

- Article 19, provide the ARCOM with all information needed to identify the producers of the channels it broadcasts; and

- Article 33-1-III, inform channel producers of the regime applicable to them, including the restrictions on the freedom of communication discussed above. 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, such as the ability to serve a notice directly on Eutelsat S.A. to comply with its legal obligations. The ARCOM can also serve a notice on Eutelsat S.A., 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 and offences 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 Eutelsat S.A. 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 under Articles 42-1 and 42-2.

The ARCOM can also ensure compliance with a notice, for example, by applying to the Conseil d'État for an interim order requiring Eutelsat S.A. to fulfil its legal obligations. However, this method has rarely been used as it is more cumbersome than the service of a notice and direct penalties. Failure to comply with a notice from ARCOM opens up the possibility for the authority to take further action under article 42-1 of the Law no. 86-1067 of 30 September 1986. Such action includes financial sanctions such as imposing a fine of up to 3% of annual revenues and 5% in the event of a further violation of the same obligation. However, it should be noted that most of the additional measures that ARCOM can take relate to licensed broadcasters, not infrastructure providers such as a satellite operator, and typically include a suspension or a reduction of the license.

The Eutelsat Group has never been in a situation where it could not implement ARCOM's decision. Eutelsat and ARCOM have a long-standing practice of media regulation and ARCOM understands the difficulty a satellite operator may face in trying to enforce decisions applying to non-EU channels, which often involves third-party distributors. It is unlikely that Eutelsat would be served a fine if it would demonstrate good faith and resolute enforcement efforts.

These specific powers, which enable ARCOM's authority over the satellite operator, are not expressly provided for in the Directive. The latter does, however, allow Member States to take such measures. On 14 December 2022, ARCOM issued a formal notice to Eutelsat S.A. to stop broadcasting three Russian channels whose content was identified as encouraging racial hatred (these channels were included in an EU sanction decision two days later, see below "*Application of international sanctions*").

However, it should be noted that there are limits to the implementation of these measures, as it may be difficult to stop transmitting an uplink signal on a given repeater if the distributor customer or the channel itself does not stop broadcasting the program concerned. This would involve taking this repeater out of service, even if it is also broadcasting other authorised television channels (for example, a 36 MHz repeater can broadcast around ten television channels in digital mode). In addition, unlike terrestrial networks, it is technically impossible, for example, due to satellite technology itself, to broadcast certain channels only in certain EU countries or in any geographical region. Further, national regulators are not in a position to reach channels broadcast through the internet through their measures; the content that has been sanctioned for being broadcast through satellite and cable may still be available via IPTV.

Better European coordination would remedy these limitations. This is one of the objectives set out in the draft European Regulation, entitled "the European Media Freedom Act (EMFA)" drawn up in 2021 by the European Commission and published on 16 September 2022, which should supplement the provisions of the Directive. The EMFA suggests the idea, which is new to audiovisual regulation, of media services established outside the EU which "harm or present a serious risk of harm to public security and defence", the application of which could have significant consequences on the business of the Eutelsat Group. Its development will therefore have to be closely monitored.

Application of international sanctions

Finally, in addition to the application of decisions taken by the competent regulatory authorities on certain channels carried on its satellites, Eutelsat S.A. may also be required to request the removal of a program as part of sanctions adopted by the EU and/or the UN Security Council against certain Member States if the channel involved is listed among the organisations sanctioned.

Since the invasion of Ukraine by Russia on 24 February 2022, the European Union has issued numerous sanctions against Russian television channels. As of 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, International TV Centre) as well as new channels (NTV/NTV-Mir, Rossiya 1, Pervyi Kanal and REN TV) from broadcasting content through EU operators. These restrictive measures are directly applicable in all Member States without the need for any action by national regulators. Eutelsat S.A. implemented these broadcasting bans in a timely manner.

Concurrently, Eutelsat S.A. is making regular representations to its distribution partners around the world to ensure that the provisions of Article 2(f) of EU Regulation 2014/833 on the prohibition of broadcasting of certain Russian channels are fully respected.

EU sanctions have also frozen assets of Russian media groups (VGTRK, NMG, ANO-TV Novosti and even the Russian Army). The impact of these measures on the TV broadcasting activities of channels that may belong to these groups is currently being analysed in conjunction with the French national sanctions authority.

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 6,600 channels around the world, the Eutelsat Group systematically applies the decisions of the competent authorities and regulators. On the other hand, the Eutelsat Group refrains from overstepping its powers and jurisdiction by making any decision of its own in relation to the content it carries.

3.3 Digital Services Act (DSA)

The Digital Services Act seeks to regulate internet content (for example, online hatred, child pornography and terrorism) as well as illegal (counterfeit or dangerous) products sold online. This new European regulation seeks, in particular, to harmonise existing national legislation in the Member States in this area and goes by the 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.

4 French regulations governing space operations

The French Law No. 2008-518 governing space operations (“**LOS**”) was published in France’s legal gazette, *Journal officiel*, on 4 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 Eutelsat 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 with were published by decree on 31 May 2011, and the system has thus been in force since 10 December 2010.

4.1 Principles set out in the law

The 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 GEO 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 and €70 million 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 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.

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; and
- a recently introduced part on the characteristics of the mission's payload, to ensure that the operation is not likely to compromise national defence interests.

These technical regulations were published by order on 31 May 2011.

It also establishes a number of requirements linked to the limitation of debris in space, in the form of information on the probability of accidental disintegration, end-of-life passivation, the probability of having the energy resources necessary for end-of-life manoeuvres, etc.

These technical regulations provide for transitional provisions and a best efforts for the entry into force of the various requirements, in order to take account of current satellite design and to give manufacturers the time they need to apply the new requirements to future satellites. These provisions have been fully applicable since 1 January 2021.

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.

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 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 Forces 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 for ratification of the said ordinance. The latter aims to improve and complete the existing legal framework relating to space operations carried out in the interest of national defence, as well as to guarantee the preservation of national defence interests when space operations and activities subject to authorisation are conducted.

This Ordinance was issued on the basis of Article 44 of 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.

This Ordinance creates a regime for requisitioning space goods and services that is strictly proportionate to the needs of safeguarding national defence interests. It also modifies the authorization procedure to ensure that national defence interests are taken into account. As of 1 January 2023, the opinion of the Minister of the Armed Forces will be sought by the Minister for Space before deciding on authorization applications. The precise content of the authorization is now defined by a joint order of the Minister for Space and the Minister of the Armed Forces dated 23 February 2022.

In parallel, the LOS and its implementing text are currently undergoing a more complete review of the applicable legal and regulatory framework.

Discussions and work 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.

4.3 United Kingdom regulations governing space operations

UK space operations are governed by two pieces of primary legislation:

- The UK Outer Space Act 1986 (OSA); and
- Space Industry Act 2018 (SIA)

Specifically, the OSA regulates: the procurement of the overseas launch of a space object by a UK entity, and the operation of a satellite in orbit from an overseas facility by a UK entity. The SIA regulates all space activities carried out within the UK, including the operation of a satellite in orbit.

The SIA provides for the regulation and licensing of space activities and sub-orbital activities (collectively referred to as “spaceflight activities”) and any associated activities, including the operation of spaceports, mission management facilities and range control functions in the United Kingdom.

The Space Industry Regulations 2021 are made under the powers in the SIA and regulation 3 of the Space Industry Regulations delegates the licensing and related functions under the SIA to the regulator – the Civil Aviation Authority (CAA).

Licensing

The UK Civil Aviation Authority (CAA) is the UK’s space regulator and issues all orbital operator licences that authorise a person or organisation to procure the launch of a space object into orbit, operate a space object in orbit or conduct other activity in outer space. The CAA carries out its regulatory functions on behalf of the Secretary of State for Business, Energy and Industrial Strategy.

The Regulator’s Licensing Rules came into force on 29 July 2021 and support the regulator’s power relating to the granting and renewal of operator, spaceport and range control licences under the SIA. The Rules establish the form and content of a licence application, information to be provided in connection with an application, the procedure for rectifying procedural irregularities, time limits for doing anything required to be done in connection with an application and the procedure for extending any period so prescribed.

The ‘Seven Tests’ for assessing a licence application are derived from S.8 and S.9 of the SIA. They include: Safety S.9; National Security S.8(2)(a); International Obligations S. 8(2)(b); National Interest S.8(2)(c); Financial and Technical Resources S.8(3)(a); Fit and Proper Person(s) S.8(3)(b); and Environmental S.11. S.2(1) provides that Safety takes priority over the other tests.

An orbital operator licence is required for each satellite that is launched and operated by a UK entity. This licence authorises the licensee to carry out licensed activities in relation to the satellite subject to the conditions contained with the licence. The licence is valid for a launch of the satellite within one year of the issuance of the licence. Once the satellite is in-orbit, the licence is valid until the end of life of the satellite.

When a UK entity procures an overseas launch of a satellite that will be operated in the UK, a ‘bundled licence’ is issued, referring to the OSA to authorise the procurement of an overseas launch by a UK entity, and referring to the SIA to authorise the operation of the satellite from the UK.

An orbital operator licensee must adhere to the following conditions (amongst others):

- conduct licensed activities in accordance with best practice in the space industry and in compliance with the laws of the UK and international law;
- have sole and direct control of, and unrestricted rights of access to, a UK Satellite Operation Centre for the purpose of operating the satellite;
- obtain approval from the Secretary of State before physically disposing of the satellite or deorbiting the satellite; transfer the licensed activity of the operation of the Satellite to any other person in the United Kingdom or elsewhere, or use for the purpose of secure command and control a Satellite Network Portal site, other than one which has been approved;
- insure itself for the level of cover agreed by the Secretary of State against all liabilities that may arise in respect of injury, damage or loss suffered by third parties in the United Kingdom or elsewhere as a result of the licensed activities; and
- provide the Secretary of State with regular monthly notifications of the status of each satellite, as well as ad hoc notifications for serious anomalies or significant changes to agreed operations.

In June 2022, the UK Government announced plans for a review of the UK’s regulatory framework for orbital activities. This will take place during 2023, with the aim of maintaining a regulatory framework that incentivises sustainable behaviour, investment and growth, enabling innovations in Active Debris Removal, In-Orbit Servicing and Manufacturing and sustainable development. The UK Space Agency will also undertake a review of UK space policy relating to large constellations.

US regulations governing space operations

The FCC establishes requirements for management of the creation of orbital debris, including for systems which have sought US market access.

The FCC first adopted comprehensive rules on orbital debris mitigation in 2004, which included a series of disclosure requirements designed to ensure that operators were taking into consideration orbital debris mitigation when planning and designing their spacecraft and systems. The FCC developed its orbital debris mitigation rules pursuant to its responsibility under the Communications Act, concluding that debris and related mitigation issues are relevant in determining whether the public interest would be served by authorization of any particular satellite system, or by any particular practice or operating procedure of satellite systems. The FCC’s rules are two-fold, with application stage information requirements to predict certain aspects of a system’s expected orbital debris mitigation performance, and hard requirements that must be met regarding post-mission disposal.

In 2018, the FCC initiated a rulemaking to propose changes designed to improve and clarify its orbital debris rules based on experience gained in the satellite licensing process and on improvements in mitigation guidelines and practices, and to address the various market developments related to “new space” – the new NGSO systems with large numbers of satellites and the proliferation of companies pursuing relatively inexpensive small satellites.

In 2020, the FCC adopted a Report and Order in this proceeding (2020 Orbital Debris Report and Order) as well as a Further Notice of Proposed Rulemaking (FNPRM). Key aspects of the revised rules are outlined below:

The revised rules increase the specificity of the FCC’s existing rules by adding numerical values to several existing application stage information requirements. The values now included in the rules track those specified in the revised U.S. Government Orbital Debris Mitigation Standard Practices (ODMSP):

- The large object collision risk must be less than 0.001 (1 in 1,000) over the satellite orbital lifetime.
- The risk of small object (< 10 cm in diameter) collisions that would prevent post-mission disposal must be less than 0.01 (1 in 100).

- The probability of successful post-mission disposal of a given space station must be no less than 0.9.
- The re-entry casualty risk must be no greater than 0.0001 (1 in 10,000).

The revised rules require that applicants certify that upon receipt of a space situational awareness conjunction warning, the operator will review and take all possible steps to assess the collision risk and mitigate the collision risk if necessary.

There are also new rules that require that applications include statements related to protecting inhabitable spacecraft, manoeuvrability, trackability (LEO space stations greater than 10 cm are presumed trackable) and identification, and information sharing for space situational awareness.

Some other specific disclosures are addressed in the rule updates that are relevant to smaller subsets of satellite operations, including use of deployment devices, release of liquids that may persist in space, and proximity operations.

The FNPRM invited additional comment on the following topics that could lead to additional rules applicable to the Combined Group:

- Orbital debris mitigation measures related to the probability of accidental explosions (propose to implement into FCC rules the ODMSP metric of 0.001);
- Approaches to addressing collision risk and casualty risk for satellite constellations on a system-wide basis vs. per satellite approach;
- Requiring manoeuvrability for space stations located above a certain altitude in the low earth orbit region (e.g., 400 km), and/or other possible limits on post-mission orbital lifetime;
- Adoption of an indemnification requirement, similar to one used in some other countries;
- A surety bond tied to successful post-mission disposal.

A later report and order adopted in 2022 reduced the FCC's requirement for post-mission disposal orbital lifetime of a satellite from 25 to five years.

While technically the above requirements do not apply to systems requesting US market access, like the NGSO system of the Combined Group, in practice the FCC typically asks questions during the licensing process for extensive information on orbital debris mitigation of systems seeking US market access. The Combined Group should thus assume the above rules are equally applicable to the Combined Group.

5 US export control requirements

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 US 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-US 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 US nationality is regulated by the Office of Defence Trade Controls under the International Traffic in Arms Regulations of the US Department of State and/or by the US Department of Commerce.

Since the Combined Group and its service providers, distributors, suppliers and sub-contractors using US technologies (including for communications) export US components for the construction of the Combined Group's satellites and provide launch services outside the US, 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 US. Further detail is set out in paragraph 4.8 in Part 2 (*Risk factors*) of this Prospectus.

6 Other regulations applicable to the Eutelsat Group

Eutelsat S.A.'s activities were originally carried out by an intergovernmental organisation, the IGO. The IGO was founded by certain countries in Western Europe in 1977 to develop and operate a telecommunications satellite system for trans-European telecommunications purposes.

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.

6.2 Current relationship between Eutelsat S.A. and EUTELSAT IGO

The relationship between Eutelsat S.A. and EUTELSAT IGO is governed by the Arrangement that came into force on 2 July 2001 and was amended for the last time on 1 July 2021. The Arrangement has been concluded for an indefinite duration. 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 the Eutelsat Articles 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 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 RB 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 its capacity as observer (“*Censeur*”), 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.

6.3 Relationship between Eutelsat and EUTELSAT IGO

Under the Letter-Agreement, Eutelsat undertook:

- to give EUTELSAT IGO's executive secretary a seat as observer on the Eutelsat Board from the date of Eutelsat's initial public offering;
- 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 which might affect Eutelsat S.A.'s compliance with the Basic Principles and to communicate to him 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 Eutelsat Articles, 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, or those that Eutelsat 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 were also given in Eutelsat S.A.'s direct interest;
- to maintain a level of consolidated the Eutelsat 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 Censeur of the Eutelsat Board is the executive secretary of the IGO, and can only be exercised by that person. The executive Secretary of IGO is the legal representative and head of mission of IGO. He is appointed by the assembly of parties to whom he is accountable.

The Censeur is to be called and may attend any Eutelsat Board meeting and express their views on any item in the agenda but shall not take part in the vote of any decisions. The Censeur shall have the same information and the same documentation as the Eutelsat Directors for the preparation of the Eutelsat Board meetings and such information and documentation shall be sent concurrently to the Eutelsat Directors and the Censeur.

The conflicts of interest provisions of the Eutelsat Internal Rules which apply to the Eutelsat Directors also apply to the Censeur.

The role, position, remuneration and right to information of the observer, as well as the right to supply information to the parties to the Amended Convention and the settlement of any disputes relating to such supply of information, are specified in the Letter-Agreement.

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 Amended 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 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 Eutelsat Group.

In the event of assignment of Eutelsat S.A. shares by Eutelsat, the latter shall inform the proposed transferee of the content of the Letter-Agreement, it being understood that Eutelsat shall remain bound, in any event, by its undertakings until the expiry of the Letter-Agreement.

The Letter-Agreement also contains a mechanism for settling disputes by arbitration.

Part 12 Summary of the Combination

This part sets out a summary of the key information in respect of the Combination. Admission is conditional on Completion. The Combination is subject to satisfaction or waiver (if permitted) of various Conditions including Eutelsat Shareholder Approval. If the Combination does not proceed, then Admission will not take place.

1 Background

On 26 July 2022, Eutelsat and OneWeb announced that Eutelsat and the Contributors entered into a MoU which contained binding commitments amongst the parties to assist Eutelsat to complete its mandatory consultation process with the Eutelsat S.A. works council (*Comité social et économique*) (the “**French Works Council Condition**”). The MoU also set out the terms and conditions on which the Contributors agree to commit to transfer their OneWeb A Ordinary Shares to Eutelsat and provided Eutelsat with the right to require the Contributors to sign the Framework Agreement following satisfaction of the French Works Council Condition and the Eutelsat Board’s decision to proceed with the Combination subject to the terms and conditions of the Framework Agreement.

The MoU also contained binding commitments amongst the parties, including among others, progressing the necessary regulatory clearances required to the extent permitted by law and cooperating in the preparation of the public documents (including this Prospectus) to consummate the Combination.

On 11 October 2022, the French Works Council Condition was satisfied.

On 14 November 2022, following satisfaction of the French Works Council Condition and the Eutelsat Board’s decision to proceed with the Combination, subject to the terms and conditions of the Framework Agreement, the parties to the MoU entered into the Framework Agreement pursuant to which among others, each Contributor agreed to: (i) contribute all of its OneWeb A Ordinary Shares to the benefit of Eutelsat through a contribution subject to the French legal regime for contribution in kind (*apport en nature*) provided by article L. 225-147 of the French *Code de commerce*; and (ii) with respect to the UK Government and Bharti only, sell their OneWeb Deferred Shares held in consideration for €0.01 per OneWeb Deferred Share.

In addition to the Framework Agreement, Eutelsat and each of Airbus Netherlands B.V., Banco Azteca, S.A., Institución De Banca Múltiple, Echostar Operating L.L.C., Qualcomm Technologies, Inc. and Rwanda Social Security Board (together the “**Minority Shareholders**”) entered into minority shareholders contribution and purchase agreement dated 17 August 2023, pursuant to which, each of the Minority Shareholders have agreed to contribute all of its OneWeb A Ordinary Shares in consideration for Consideration Shares (the “**Minority Shareholders Contribution Agreement**”).

2 Overview of the Combination

The Combination is structured as an acquisition by Eutelsat of the OneWeb Shares in exchange for New Eutelsat Shares.

The Combination is structured, within the meaning of article L. 225-147 of the French Commercial Code, as a contribution by each Contributor and the Minority Shareholders of their OneWeb A Ordinary Shares in consideration for the Exchange Ratio of 103.47 New Eutelsat Shares for every one OneWeb A Ordinary Share, and a sale by the UK Government and Bharti of their OneWeb Deferred Shares for the Deferred Shares Consideration.

OneWeb Options over 39,550 OneWeb A Ordinary Shares which have been granted under the OneWeb Executive Share Option Scheme 2021 with an exercise price of US\$1,000 per OneWeb A Ordinary Share are currently outstanding. Pursuant to the Framework Agreement and certain further arrangements between Eutelsat and OneWeb, it was agreed that the terms and conditions of the OneWeb Options would be amended so that:

- the OneWeb Options held by current OneWeb employees vest in full and become 100% exercisable immediately prior to (and conditional) on Completion and during certain windows for a period ending on 10 October 2024 thereafter;
- the exercise price per OneWeb A Ordinary Share for current OneWeb employees is adjusted to €871 so that it translates to €8.418 for each New Eutelsat Share received on exercise;
- OneWeb Options will be exercised on a “net-settled” basis, whereby the number of OneWeb A Ordinary Shares a OneWeb employee receives on exercise shall be reduced by such number of OneWeb A Ordinary Shares as have an aggregate value equal to the aggregate exercise price payable in respect of such OneWeb Option;
- OneWeb Shares issued on exercise of the OneWeb Options immediately prior to Completion will be automatically exchanged for New Eutelsat Shares in accordance with the Exchange Ratio and pursuant to the Contribution Agreement;

- OneWeb Shares issued on exercise of any OneWeb Options that are exercised in the period following Completion ending on 10 October 2024 will be exchanged for New Eutelsat Shares pursuant to a contribution agreement by applying the same principles as above (or, in certain circumstances, at Eutelsat’s discretion, settled in existing Eutelsat Shares, applying the same principles as above, or settled in cash);
- any Eutelsat Shares received on the exercise of a OneWeb Option at or within 180 days of Completion will be subject to a retention arrangement up to 180 days following Completion under which such Eutelsat Shares may not be transferred or disposed of other than to satisfy any tax liabilities arising in connection with the exercise of the OneWeb Options. If a holder of OneWeb Options resigns or is dismissed for gross misconduct before the end of the 180 days period following Completion, s/he forfeits 75% (50% after January 1, 2024) of these Eutelsat Shares for nil consideration. The retention arrangement applies equally to any cash payments or rights to receive Eutelsat Shares; and
- retention arrangements will not apply in respect of OneWeb Options exercised more than 180 days following Completion. OneWeb Options will cease to be exercisable in connection with the Combination after 10 October 2024 but shall not lapse at that time. If OneWeb Options are not exercised in connection with the Combination, the amended terms and conditions summarised above will not apply. Any such unexercised OneWeb Option would become capable of exercise in four equal tranches over the period 2026 to 2029, subject to continuing employment. The terms and conditions of the unexercised OneWeb Options will be amended to take account of the Combination so that they may be settled via a cash payment at the election of OneWeb, provided that the optionholders shall be entitled to receive the same pre-tax value that they would have received had they exercised their OneWeb Option, paid the exercise price and acquired OneWeb A Ordinary Shares.

The amendments to the terms of OneWeb Options also apply to OneWeb Options held by former OneWeb employees, save that 100% vesting shall not apply to their OneWeb Options (and instead they shall only be exercisable to the extent they have already vested) and the original exercise price of \$1,000 per OneWeb A Ordinary Share shall continue to apply to their OneWeb Options, rather than being adjusted to €871 per OneWeb A Ordinary Share.

If the OneWeb Options are exercised in full and all of the resulting OneWeb A Ordinary Shares are contributed to Eutelsat, this would result in the issue of 4,092,238 New Eutelsat Shares. As the OneWeb Options are expected to be “net-settled”, the number of One Web A Ordinary Shares that will be contributed to Eutelsat and the number of New Eutelsat Shares that will be issued should be lower than 4,092,238 and will depend on the Eutelsat Share price at the time of any such net-settlement.

On Completion, Eutelsat will own 100% of OneWeb (other than the OneWeb B Ordinary Share held by the UK Government and the 650,000 OneWeb A Ordinary Shares held by Eutelsat S.A). OneWeb Shareholders will receive approximately 226,252,053 New Eutelsat Shares representing approximately 47.6% of the enlarged share capital based on the Eutelsat Share capital following Admission.¹³

Immediately post Completion, the Combined Group will be owned approximately 52.4% by Existing Eutelsat Shareholders.¹⁴ The Combination is subject to satisfaction (or waiver, if permitted) of various Conditions including Eutelsat Shareholder Approval and regulatory and other approvals as detailed in paragraph 5 of this Part 12 (*Summary of the Combination*) of this Prospectus.

If all of the Conditions are satisfied (or waiver, if permitted), including Eutelsat Shareholder Approval, then:

- 100% of the issued share capital of OneWeb Holdings Limited (excluding the OneWeb B Ordinary Share and the OneWeb A Ordinary Shares held by Eutelsat S.A.), and any OneWeb A Ordinary Shares issued to holders of OneWeb Options, will be transferred to Eutelsat;
- the Contributors and Minority Shareholders will receive 103.47 New Eutelsat Shares for each OneWeb A Ordinary Share they hold;
- the UK Government and Bharti will receive €0.01 per OneWeb Deferred Share they hold; and
- the UK Government will retain its OneWeb B Ordinary Share and remain as a shareholder of OneWeb, subject to

¹³ Based on number of Eutelsat Shares in issue at the Last Practicable Date, excluding any OneWeb A Ordinary Shares issued upon exercise and conversion of OneWeb Options and assumes no additional Eutelsat Shares are issued between the Last Practicable Date and Completion.

¹⁴ Based on number of Eutelsat Shares in issue at the Last Practicable Date excluding any OneWeb A Ordinary Shares issued upon exercise and conversion of OneWeb Options and assumes no additional Eutelsat Shares are issued between the Last Practicable Date and Completion.

the OneWeb Shareholder Agreement.

BPI and FSP who are Eutelsat Shareholders and who have undertaken to vote in favour of the Eutelsat Shareholder Resolutions at Eutelsat Shareholder Meeting, subject to usual conditions. CMA CGM, a shareholder of Eutelsat holding, to Eutelsat's knowledge, 10.43% of the share capital of Eutelsat as at the Last Practicable Date, is also supporting the Combination. This support which has not translated into a voting undertaking agreement by CMA CGM in connection with the Combination was confirmed in CMA CGM's declaration of intent for the next six months with respect to Eutelsat, published on 21 December 2022 in connection with the increase of its shareholding in Eutelsat. CMA CGM who was appointed as Eutelsat's director on 10 November 2022, will remain so following Completion.

3 Parties to the Combination

3.1 Eutelsat

Founded in 1977, Eutelsat is one of the world's leading satellite operators. With a global fleet of satellites and associated ground infrastructure, Eutelsat enables clients across video, data, government, fixed and mobile broadband markets to communicate effectively to their customers, irrespective of their location. Around 7,000 television channels operated by leading media groups are broadcast by Eutelsat to one billion viewers equipped for DTH reception or connected to terrestrial networks. Committed to promoting all facets of sustainable development across its business activities, Eutelsat leverages its in-orbit resources to help bridge the digital divide while maintaining a safe and uncluttered space environment. As an attractive and socially responsible employer, Eutelsat employs approximately 1,200 people from 50 countries who are dedicated to delivering the highest quality of service.

Eutelsat is listed on the Euronext Paris Stock Exchange (ticker: ETL).

Further information on Eutelsat is set out in Part 8 (*Overview of Eutelsat*) of this Prospectus.

3.2 OneWeb

OneWeb is a global communications network powered from space, headquartered in London, enabling connectivity for governments, businesses, and communities. It is implementing a constellation of LEO satellites with a network of global SNPs and a range of user terminals to provide an affordable, fast, high-speed and low-latency communications service, connected to the IoT future and a pathway to 5G.

Further information on OneWeb is set out in Part 9 (*Overview of OneWeb*) of this Prospectus.

4 Combination Consideration

If the Combination is implemented, Eutelsat will acquire 100% of the issued share capital of OneWeb (excluding the OneWeb B Ordinary Share of the UK Government and the 650,000 OneWeb A Ordinary Shares held by Eutelsat S.A.) in exchange for:

- the Consideration Shares; and
- the Deferred Shares Consideration.

As the UK Government will retain its OneWeb B Ordinary Share post-Completion of the Combination, a shareholders' agreement will be entered into with effect from the Completion Date subject to Completion between OneWeb, the UK Government, Eutelsat and Eutelsat S.A. with respect to the governance of OneWeb post-Completion. See below paragraph 9.4 of this Part 12 (*Summary of the Combination*) for more details on the OneWeb Shareholder Agreement.

Further information regarding the Framework Agreement is set out in paragraph 9.2 of this Part 12 (*Summary of the Combination*) of this Prospectus.

5 Conditions to the Combination

Under the Framework Agreement, Completion is conditional on the satisfaction (or, where permitted, waiver) of the following conditions, by 30 September 2023:

- **Eutelsat Antitrust Conditions:** (i) expiration or termination of any required waiting period under the HSR Act; (ii) either confirmation that the UK Competition and Markets Authority has no further questions on a briefing paper submitted by Eutelsat or their clearing of the transaction following investigation of the Combination; and (iii) obtaining of antitrust clearances in relation to the Combination from the relevant authorities in South Africa, Saudi Arabia and the EU (the latter only in the event the Combination is referred to the European Commission pursuant to Article 22 of Council Regulation (EC) No 139/2004);

- **Eutelsat and Contributors FDI Conditions:** (i) receipt of written confirmation by CFIUS of the completion of review (and, if applicable, investigation process) and determination that there are no unresolved national security concerns with respect to the Combination; (ii) approval from, confirmation that such approvals are not required from, or the expiration of any waiting period with respect to a foreign direct investment notification to, the relevant authorities in Australia and Italy; and (iii) the expiration of any waiting period in respect of notification to the US Directorate of Defense Trade Controls;
- **Eutelsat FDI Conditions:** the UK Secretary of State approving the Combination under the National Investment and Security Act 2021;
- **Contributor FDI Conditions:** obtaining of foreign direct investment approvals or confirmation that such approvals are not required from the relevant authorities in France, Germany, Spain and Poland;
- **FCC and IFT Condition:** satisfaction or waiver of all necessary authorisations, consents, orders, approvals, expirations of waiting period or exemptions required to be granted or made by the US Federal Communications Commission in connection with US market access grants and other FCC authorisations having been granted or made and remaining in full force and effect, and approval of the Combination from the Mexican Federal Telecommunications Institute;
- **Residual Antitrust and FDI Condition:** the expiry of any waiting period or the obtaining of any other antitrust or foreign direct investment filing identified and agreed by Eutelsat and the Contributors' competition counsel;
- **Residual Telecoms Regulatory Condition:** the obtaining of any other telecoms regulatory approval or filings identified and agreed by Eutelsat and the Contributors' competition counsel;
- **Valuation Condition:** delivery by Mr. Olivier Péronnet from Finexsi, as court-appointed contribution auditor in relation to the Combination of its reports: (i) confirming that the value used for the OneWeb A Ordinary Shares is at least equal to the nominal value (*valeur nominale*) of the New Eutelsat Shares increased by the issuance premium (*prime d'apport*) and is therefore not over-valued, in accordance with article L. 225-147 of the French Code de commerce; and (ii) whereby it confirm the fairness of the Exchange Ratio;
- **Eutelsat Public Document Condition:** the filing with the AMF of the French information document to be published by Eutelsat in connection with the listing on Euronext Paris of the New Eutelsat Shares, and made available to the public in accordance with French law requirements (including the recommendations of the AMF) and the relevant prospectus rules; and
- **Eutelsat Shareholder Approval Condition:** Eutelsat having obtained the Eutelsat Shareholder Approval.

As at the date of this Prospectus all Conditions listed above have been satisfied or waived except for the Eutelsat Shareholder Approval.

6 Termination of the Combination

The Framework Agreement will terminate if:

- the Conditions have not been satisfied or, where applicable, waived on or before 30 September 2023;
- the Eutelsat Board determines in good faith that an unsolicited indication of interest, offer or proposal relating to a merger, tender offer, exchange offer or other similar transaction for Eutelsat (a "**Eutelsat Acquisition Proposal**") constitutes an "Eutelsat Superior Proposal" (being any Eutelsat Acquisition Proposal that the Eutelsat Board determines in its good faith judgment, by a majority vote of its members, to be in the better corporate interest of Eutelsat, and as applicable, of the Eutelsat Shareholders and its employees (after consultation with its outside financial adviser and legal counsel) and taking into account among other things (a) the financial aspects of such Eutelsat Acquisition Proposal, (b) the certainty of execution of such Eutelsat Acquisition Proposal and (c) the terms and conditions of such proposal) and announces its recommendation of such proposal to Eutelsat Shareholders and/or enters into any binding agreement in respect of such proposal which is announced to the market;
- by mutual written consent of Eutelsat and the Contributors; or
- customary material adverse change conditionality.

7 Regulatory matters

The regulatory authorisations, approvals or consents required under the Framework Agreement are Conditions and are set out in paragraph 5 of this Part 12 (*Summary of the Combination*) of this Prospectus.

As at the date of this Prospectus, all required regulatory approvals have been obtained, except for the Eutelsat Shareholder Approval as described in paragraph 5 of this Part 12 (*Summary of the Combination*) of this Prospectus.

8 Material tax considerations summary

A high-level summary of the tax considerations relating to the holding and disposal of Eutelsat Shares for shareholders that are tax resident in the United Kingdom or France is outlined below and should be read in conjunction with the paragraphs referred to for each jurisdiction.

This high-level summary is not intended to be, nor should it be construed to be, legal or tax advice to any prospective investors or any other person. This section does not take into account the individual circumstances of any prospective investors or any other person and should not be relied upon by any prospective investor or any other person. Each prospective investor should obtain, and only rely upon, their own professional tax advice regarding tax consequences of acquiring, holding and disposing of the Eutelsat Shares under the laws of their country and/or state of citizenship, domicile or residence. This summary is based on tax legislation in force as at the Last Practicable Date, without prejudice to any amendments introduced at a later date and implemented with retroactive effect.

Holding of Eutelsat Shares

Tax resident and taxing jurisdiction	Tax consequence	Refer
United Kingdom	<p>For UK income tax purposes, all dividends received should form part of your total income for income tax purposes and will be taxed accordingly.</p> <p>For UK corporation tax purposes, if you are a “small company” (for the purposes of UK taxation of dividends) you will not generally be subject to tax on dividends received from Eutelsat. Other Eutelsat Shareholders within the charge to UK corporation tax will not generally be subject to tax on dividends from Eutelsat so long as the dividends fall within an exempt class and certain other conditions are met.</p> <p>You should be subject to a French withholding tax on dividends, subject to any exemption or reduced rate provided by applicable tax treaty.</p>	Paragraph 1.2 of Part 21
France	<p>If you are an individual and do not hold shares through a <i>Plan d’Epargne en Actions</i> (equity savings plan), all dividends received should be subject to income tax at a rate of 12.8% (or, upon option, at a progressive rate), plus social contributions at a rate of 17.2% (plus, where applicable, an exceptional contribution on high incomes at a rate of 3 or 4%).</p> <p>If you are a legal entity, dividends received should be subject to corporate income tax at the standard rate of 25% (plus, where applicable, the 3.3% social contribution). However, distributions eligible to the parent subsidiary regime should be 95% tax exempt.</p>	Paragraph 2.1 of Part 21

Disposal of Eutelsat Shares

Tax resident and taxing jurisdiction	Tax consequence	Refer
United Kingdom	<p>If you dispose of any Eutelsat Shares, you should make a chargeable gain (or allowable loss) for the purposes of UK CGT or UK corporation tax, depending on your circumstances and subject to any available exemption or relief.</p>	Paragraph 1.3 of Part 21

Tax resident and taxing jurisdiction	Tax consequence	Refer
	You should not be subject to any French tax on the disposal of Eutelsat Shares, unless you held more than 25% of the rights to the Eutelsat's profits at any time during the preceding five years, subject to exemption under applicable tax treaty.	
France	<p>If you are an individual and do not hold shares through a <i>Plan d'Epargne en Actions</i> (equity savings plan), capital gain on the disposal of Eutelsat Shares should be subject to income tax at a rate of 12.8% (or, upon option, at a progressive rate), plus social contributions at a rate of 17.2% (plus, where applicable, an exceptional contribution on high incomes at a rate of 3 or 4%).</p> <p>If you are a legal entity, capital gain on the disposal of Eutelsat Shares should be subject to corporate income tax at a rate of 25% (plus, where applicable, the 3.3% social contribution), subject to any available exemption.</p> <p>Subject to any exemption, the disposal of Eutelsat Shares should be subject to the French FTT at a rate of 0.3%.</p>	Paragraphs 2.2 and 2.3 of Part 21

9 Key Documents

The paragraphs below describe the main terms and conditions of the key documents entered into or to be entered into in connection with the Combination.

9.1 MoU

On 25 July 2022, Eutelsat and the Contributors entered into the MoU, which contained binding commitments amongst the parties to assist Eutelsat to complete its mandatory consultation process with the Eutelsat S.A. works council (*Comité social et économique*). The MoU also set out the terms and conditions on which the Contributors agree to commit to transfer their OneWeb A Ordinary Shares to Eutelsat and provided Eutelsat with the right to require the Contributors to sign the Framework Agreement following satisfaction of the French Works Council Condition and the Eutelsat Board's decision to proceed with the Combination subject to the terms and conditions of the Framework Agreement.

The MoU also contained binding commitments amongst the parties, including among others, progressing the necessary regulatory clearances required to the extent permitted by law and cooperating in the preparation of the public documents (including this Prospectus) to consummate the Combination.

9.2 Framework Agreement

The parties to the MoU entered into the Framework Agreement on 14 November 2022, pursuant to which each Contributor agreed to: (i) contribute all of its OneWeb A Ordinary Shares to the benefit of Eutelsat in consideration for the Consideration Shares through a contribution subject to the legal regime for contribution in kind (*apport en nature*) provided by article L. 225-147 of the French *Code de commerce*; (ii) sell its OneWeb Deferred Shares held in consideration for €0.01 per OneWeb Deferred Share; (iii) sign the Eutelsat Shareholder Agreement; and (iv) with respect to the UK Government sign the OneWeb Shareholder Agreement.

The Combination effected under the Framework Agreement will complete, subject to the satisfaction of the Conditions, on the date of the Eutelsat Shareholder Meeting.

Conditions

The Conditions are set out in paragraph 5 of this Part 12 (*Summary of the Combination*) of this Prospectus, together with a statement as to the status of the Conditions.

Combination Consideration and sale

In consideration of each OneWeb A Ordinary Share transferred to Eutelsat, Eutelsat shall issue to each Contributor 103.47 New Eutelsat Shares fully paid up with full title guarantee, free from all encumbrances, carrying the right to any distribution decided from their issuance, each Contributor renouncing to the New Eutelsat Shares forming fractional shares and to any correlative compensation.

In consideration of each OneWeb Deferred Share to be purchased by Eutelsat, Eutelsat shall pay to each of the relevant Contributors the Deferred Shares Consideration, being €0.01 by Deferred Share.

Combination Completion and pre-Completion conduct provisions

The Framework Agreement contains reciprocal non-solicit commitments as well as customary interim operating covenants, requiring: (i) each of the Eutelsat Group Member to run its business in the ordinary and usual course of its business, consistent with past practices until Completion; and (ii) each Contributor, to procure that OneWeb and its direct and indirect subsidiaries, run their business in the ordinary and usual course of its business, consistent with past practices until Completion.

As is customary, Eutelsat has also undertaken that it shall:

- operate in the ordinary and usual course of its business consistent with past practice, in the period from the date of the MoU until Completion;
- not undertake or agree to undertake without the consent of Bharti and the UK Government certain actions or matters, such consent not to be unreasonably withheld, unreasonably delayed or unreasonably conditioned; and
- procure that each Eutelsat Group Member also complies with the above undertakings.

Leakages

Each Contributor severally undertakes to pay to Eutelsat an amount or value equal to leakages (other than permitted leakages) of payments or assets received by, or for the benefit of the Contributors, its affiliates or its directors, officers and employees from the date of the MoU until Completion. The leakages and permitted leakages are customary for a transaction of this nature.

Exclusivity

The Framework Agreement contains customary exclusivity provisions, preventing Eutelsat and the Contributors and their affiliates and representatives until Completion, from soliciting, encouraging, discussing, negotiating, agreeing, entering into or facilitating any arrangements alternative to the Combination. These provisions will not prevent Eutelsat or the Eutelsat Board from receiving and discussing a Eutelsat Acquisition Proposal (as defined below) and considering it. Please refer to the paragraph below (entitled “Termination”) for further details on termination of the Framework Agreement in relation to a Eutelsat Acquisition Proposal.

The Framework Agreement contains standstill provisions preventing the Contributors from purchasing until Completion any Eutelsat securities without the prior written consent of Eutelsat subject to certain exceptions.

Warranties and indemnities

Eutelsat and each Contributor (in respect of itself and OneWeb) gave, on the date of the MoU, customary fundamental warranties (other than the UK Government in respect of certain fundamental warranties) and warranties related to international sanctions. Eutelsat also gave representations and warranties in respect of its universal registration document dated 15 October 2021, on the date of the MoU, that the information in such document is in accordance with the facts in all material respects and no material facts likely to affect its import (*conformes à la réalité et ne comportent pas d’omission de nature à en altérer la portée*) are not omitted.

Termination

Please see paragraph 6 of this Part 12 for the details of the termination rights under the Framework Agreement.

Governing law

The Framework Agreement is governed by English law and the English courts have exclusive jurisdiction in relation to all disputes arising out of or in connection with the Framework Agreement.

9.3 Minority Shareholders Contribution Agreement

Eutelsat and each Minority Shareholder entered into the Minority Shareholders Contribution Agreement on 18 August 2023, pursuant to which, each of the Minority Shareholders have agreed to contribute all of their OneWeb A Ordinary Shares in consideration for Consideration Shares.

Completion

The Minority Shareholders Contribution Agreements will be completed simultaneously with Completion.

Warranties and indemnities

Eutelsat and each Minority Shareholder (in respect of itself) provide customary fundamental warranties. No other business or tax warranties have been provided.

Governing law

The Minority Shareholders Contribution Agreement is governed by French law and the French courts have exclusive jurisdiction in relation to all disputes arising out of or in connection with the Minority Shareholders Contribution Agreement.

9.4 OneWeb Articles

Simultaneously with Completion, OneWeb will adopt new articles of association. The rights granted to the UK Government under the new OneWeb Articles, by virtue of the UK Government holding the OneWeb B Ordinary Share in OneWeb, are similar to those granted to the UK Government under the new OneWeb Shareholder Agreement. Please refer to the paragraph 9.5 of this Part 12 for further information regarding the rights granted to the UK Government under the new OneWeb Articles and the new OneWeb Shareholder Agreement.

9.5 OneWeb Shareholder Agreement

The following section provides an overview of UK Government's material rights under the OneWeb Shareholder Agreement and new OneWeb Articles.

On the Completion Date, OneWeb, Bharti, the UK Government, SoftBank, Hanwha and Eutelsat will enter into a deed of termination to terminate the current shareholders' agreement for OneWeb.

On the Completion Date, OneWeb, the UK Government, Eutelsat S.A. and Eutelsat will enter into a shareholders' agreement in respect of OneWeb ("**OneWeb Shareholder Agreement**"). The OneWeb Shareholder Agreement contains provisions: (i) setting out the objective of the parties for the future of the OneWeb Group that, other than the existing LEO satellite based connectivity activities of the Eutelsat Group as carried out immediately prior to 25 July 2022, the LEO satellite activities of the Combined Group will be carried on substantially through and by the OneWeb Group in the UK (which, for the avoidance of doubt, (a) does not preclude the Combined Group from otherwise carrying on parts of its LEO satellite activities outside the OneWeb Group, for example due to specific customer requirements but (b) includes the second generation of OneWeb satellites); and (ii) governing the rights of the UK Government held as a result of its OneWeb B Ordinary Share in OneWeb.

Following Completion, the UK Government will continue to have the OneWeb B Ordinary Share, together with certain other contractual rights set out in the OneWeb Shareholder Agreement. The UK Government's OneWeb shareholding (including the B Ordinary Share) was previously held by the Secretary of State for Business, Energy and Industrial Strategy. Following an announcement of a machinery of government change by the Prime Minister on 7 February 2023, three new government departments were created, including the Secretary of State for Science, Innovation and Technology. By an Order in Council, made under the Ministers of the Crown Act 1975 (which came into effect on 3 May 2023) the Secretary of State for Business, Energy and Industrial Strategy's shareholding in OneWeb has transferred to the Secretary of State for Science, Innovation and Technology.

Under the OneWeb Shareholder Agreement and the OneWeb Articles, certain matters require the consent of the holder of the OneWeb B Ordinary Share. These matters include:

- entering into agreements which may prejudice the OneWeb Group's ability to enter into agreements with the United States, United Kingdom or Five Eyes governments or which involve the sale of products or services which will be used for defence or national security purposes;
- changing the location of the executive management or headquarters or centre of operations of the OneWeb Group away from the United Kingdom;
- changing the technical and technology security standards of any of the OneWeb Group's operations; any member of the OneWeb Group entering into any tax avoidance schemes;
- certain changes to the corporate structure or changing the tax residency of any of the OneWeb Group Member; or
- changing the nature or scope of the business of the OneWeb Group.

In addition, for so long as the UK Government holds the OneWeb B Ordinary Share, OneWeb is required to procure that:

- the UK Government has a right of first refusal with respect to any opportunity to acquire secondary payload capacity from the OneWeb Group at fair market value;
- the United Kingdom is the preferred location for future launch capabilities subject to such location being commercially competitive; and
- any intellectual property of the OneWeb Group which is held, owned, licensed or registered overseas will be transferred to and held by members of the OneWeb Group incorporated and registered in the UK, provided such transfer does not have a significant negative impact on the OneWeb Group.

The UK Government can also require the OneWeb Group to implement any technical and technology security protocols or standards it recommends. In addition, each year OneWeb is required to deliver an annual budget and business plan to the UK Government which, under the OneWeb Shareholder Agreement, provides that the OneWeb Group's centre of operations will be in the UK, that priority for procurement for manufacturing shall be given to businesses in the UK on an arms' length and commercially competitive basis (based on quality and cost of production), and that provisions will be made for procuring R&D and manufacturing from businesses in the UK on an arms' length and commercially competitive basis (based on quality and cost of production).

The UK Government must consent to the transfer of shares in OneWeb by OneWeb Shareholders (other than the UK Government). Any transfer or issue of shares in OneWeb is also subject to the customary and reasonable KYC checks of OneWeb and each OneWeb Shareholder, including the UK Government. The UK Government shall be entitled to retain its OneWeb B Ordinary Share during and following an IPO or a sale of the Combined Group or to receive securities following such IPO or sale that carry the same rights as the rights of the OneWeb B Ordinary Share.

The holder of the OneWeb B Ordinary Share has the right to appoint one director to the OneWeb Board but is not entitled to vote at a general meeting (other than as set out in the OneWeb Articles) and is not entitled to receive any income or distribution from OneWeb in respect of the OneWeb B Ordinary Share. On a winding-up of OneWeb, the holder of the OneWeb B Ordinary Share is entitled to repayment of the amount paid up on the OneWeb B Ordinary Share in the same priority as repayment of amounts paid up on the OneWeb A Ordinary Shares.

The holder of the OneWeb B Ordinary Share also has the right to suspend the rights (with limited exceptions) of any other shareholder (other than Eutelsat for so long as it has not undergone a change of control and all of its shares are admitted to trading on Euronext Paris and/or the Main Market of the LSE) if it considers that shareholder a threat or risk to public order, national security, defence, international relations or public health of the United Kingdom, or if that shareholder is a "denied person" or a "sanctioned person".

In the event of an unremedied breach of any of the UK Government's OneWeb B Ordinary Share rights as provided in the OneWeb Shareholder Agreement (including any unremedied breach of applicable technical and technology security standards or of the OneWeb Group's environmental policy), the UK Government has a right to change the CEO/Chair of OneWeb as applicable.

9.6 Contribution Agreement

On 18 August 2023, the Contributors and Eutelsat entered into a contribution agreement setting out the terms and conditions of the contribution by the Contributors of their OneWeb A Ordinary Shares to Eutelsat (the "**Contribution Agreement**").

Contribution value

Eutelsat and the Contributors have agreed to value the contributed OneWeb A Ordinary Shares, for a total amount of €2,506,834,061, which equates to €1,146.42 per contributed OneWeb A Ordinary Share. The Contribution Agreement provides the valuation methods used to determine such value and are described below.

Contribution and consideration

Pursuant to the Contribution Agreement, the Contributors agree to contribute their 2,186,644 OneWeb A Ordinary Shares to Eutelsat in consideration for the issuance by Eutelsat, on the Completion Date, of a total number of 226,252,053 New Eutelsat Shares, with a nominal value of €1.00 to be created by way of a share capital increase of a nominal total amount of €226,252,053, representing the Exchange Ratio.

Pursuant to the Contribution Agreement, the OneWeb A Ordinary Shares transferred by each Contributor constitute a single transaction forming an indivisible whole covering all of the OneWeb A Ordinary Shares held by each Contributor. Consequently, and subject to the satisfaction of the Conditions, the obligation of the parties to complete the Contribution

is dependent on the concurrent completion of: (i) the Contributors' transfer of their OneWeb A Ordinary Shares, that is, the contribution by the Contributors of their OneWeb A Ordinary Shares will not be completed if the number of OneWeb A Ordinary Shares contributed to Eutelsat by the Contributors is smaller than the number of OneWeb A Ordinary Shares held by the Contributors as indicated above; and (ii) the issuance of the relevant New Eutelsat Shares to the Contributors.

The Contribution Agreement is governed by the French legal regime for contributions-in-kind (*apports en nature*) as set out in article L. 225-147 of the French Commercial Code.

Each Contributor waives its rights with regard to fractional share rights (*droits formant rompus*) and any corresponding balancing payment (if applicable).

A request for listing of the new relevant Eutelsat Shares on the regulated market Euronext Paris will be submitted so that those shares may be admitted for trading as soon as possible once they have been issued, and in any case no later than the fifth business day after the Completion Date, under the same identifiers as Existing Eutelsat Shares listed on Euronext Paris.

Eutelsat and each Contributor (in respect of itself) provide customary warranties as to title and capacity.

Please refer to Annexure C to this Prospectus which contains the reports from Mr. Olivier Péronnet from Finexsi, the court-appointed contribution auditors in relation to the Combination (the "**Contribution Auditor**") confirming that: (i) the value used for the OneWeb A Ordinary Shares is at least equal to the nominal value (*valeur nominale*) increased by the issuance premium (*prime d'apport*) of the New Eutelsat Shares and is not over-valued, in accordance with article L. 225-147 of the French Code de commerce; and (ii) the fairness of the Exchange Ratio.

Governing law

The Contribution Agreement is governed by French law and the commercial court of Paris has exclusive jurisdiction in relation to all disputes in connection with the Contribution Agreement.

9.7 Eutelsat Shareholders' Agreement

On 18 August 2023, the Contributors, BPI, FSP and Eutelsat entered into the Eutelsat Shareholders' Agreement with effect on Completion subject to Completion having occurred.

Composition of the Eutelsat Board at Completion Date

Pursuant to the Eutelsat Shareholders' Agreement, on the Completion Date following Completion:

- the Eutelsat Board shall be composed of 15 directors, including ten independent directors within the meaning of the Reference Code; and
- the Chairman of the Board will remain Dominique D'Hinnin and the CEO of Eutelsat will remain Eva Berneke.

More specifically, following Completion, the Eutelsat Board will be composed as follows:

- one director appointed upon the proposal of BPI;
- one independent director appointed upon the proposal of the FSP (in this case FSP represented by an independent director);
- four independent directors appointed upon the proposal of Eutelsat, three of whom would be chosen among the current independent directors at the Completion Date;
- the current Chairman of the Eutelsat Board who is an independent director;
- the current CEO of Eutelsat;
- two directors appointed upon the proposal of Bharti;
- one director appointed upon the proposal of the UK Government;
- one independent director appointed upon the proposal of Hanwha; and

- three independent directors appointed upon the proposal of OneWeb.

The terms of office of directors will be staggered to allow for renewal as described in paragraph 2 of Part 13 (*Corporate Governance*) of this prospectus.

Appointment and removal of directors after Completion during the term of the Eutelsat Shareholders' Agreement

Right to propose the appointment of a director to the Eutelsat Board

Bharti, the UK Government, Hanwha, BPI and FSP (the “**Board Major Shareholders**”) each have the right to nominate:

- one director if it holds (with its affiliates) at least 7.5% of the Eutelsat’s share capital; and
- one second director if it holds (with its affiliates) at least 15% of the Eutelsat’s share capital,

in each case, taking into account the number of directors already appointed on its proposal at the relevant time.

Profile of the candidates proposed and recommended to the Eutelsat’s shareholders general meeting by the Eutelsat Board

The candidates must comply with the criteria of the Reference Code (subject to a possible exception for Sunil Mittal in the case that the number of his corporate positions within listed companies exceed the maximum number provided for by the Reference Code).

The candidate(s) proposed by Hanwha must be independent within the meaning of the Reference Code. The candidate proposed by FSP (or one of the two candidates, if its shareholding exceeds 15% of Eutelsat’s share capital) must be independent within the meaning of the Reference Code.

Resignation of directors appointed upon proposal of Board Major Shareholders

The Eutelsat Shareholders’ Agreement provides for the resignation of one of the two directors appointed upon the proposal of a Board Major Shareholder (if its shareholding remains between 7.5% (inclusive) and 15% (exclusive) of Eutelsat’s share capital) and of all the directors appointed upon its proposal (if the shareholding falls below 7.5%) provided that such obligation is not applicable to the independent directors appointed upon the proposal of the Board Major Shareholders.

By exception:

- the UK Government retains its right to propose the appointment of a director if it (together with its affiliates) ceases to meet the threshold of 7.5% of the Eutelsat’s share capital: (i) if it retains a number of Eutelsat Shares of at least 7.5% of the Eutelsat share capital in issue immediately after Completion (adjusted, as necessary for certain capital transactions); and (ii) as long as it holds the OneWeb B Ordinary share; and
- directors nominated to the Eutelsat Board upon the proposal of Hanwha or the FSP (each of whom hold, with its affiliates, less than 7.5% of the Eutelsat’s share capital as of the Completion Date) will be eligible to remain in office for the duration of their initial 4-year term of office as of the Completion Date.

Chairman of the Board

The Chairman of the Board is appointed among the independent directors (unless, as part of a succession plan, it is envisaged that the CEO will change position to become Chairman of the Board).

Vice-Chairman of the Eutelsat Board

On the Completion Date following Completion, the Vice Chairman (*Vice-Président*) of the Eutelsat Board will be one of the two directors appointed on the proposal of Bharti and shall remain as Vice Chairman during their first term of office. After the first term of office of the Vice Chairman, for so long as Bharti (and its affiliates) holds more than 15% of the share capital of Eutelsat and more shares than any other shareholder (and its affiliates) of Eutelsat, the Vice Chairman will be one of the Directors appointed upon the proposal of Bharti.

The duties of the Vice-Chairman (which functions will be in place as from Completion) are described in the Eutelsat Articles and the Eutelsat Internal Rules (See paragraph 9 of Part 22 (*Additional Information*) of this Prospectus for more detail).

Right to appoint an observer for the UK Government and BPI

If the UK Government (and its affiliates) holds less than 7.5% of the Eutelsat share capital in issue immediately after Completion (adjusted as necessary to take into account certain capital transactions) and continues to hold the OneWeb B Ordinary share, it will be entitled to appoint an observer to the Eutelsat Board for a period of three years. The potential renewal of office term will be discussed in good faith between the UK Government and Eutelsat Board at least six months prior to the end of their term, and which will end immediately if the UK Government no longer holds the OneWeb B Ordinary share.

If BPI (and its affiliates) holds less than 7.5% of the Eutelsat's share capital, BPI will be entitled to appoint an observer to the Eutelsat Board for a period of three years. The renewal of the term of office will be discussed between BPI and the Eutelsat Board at least 6 months prior to the end of such term.

The rights of these two observers are identical and will be described in the Eutelsat Internal Rules. (See paragraph 9 of Part 22 (*Additional Information*) for more detail).

CEO of OneWeb permanent invitee to the Eutelsat Board

For the purposes of the successful integration of OneWeb and the achievement of associated synergies, the CEO of OneWeb will be invited (without voting rights) to all meetings of the Eutelsat Board (subject to certain exceptions provided by the Eutelsat Internal Rules that will be in force on Completion).

Committees of the Eutelsat Board

On the Completion Date, following Completion, the Eutelsat Board will include a strategy committee chaired by an independent director, comprising one director appointed upon the proposal of each Board Major Shareholder, and include a number of independent directors representing at least 50% of the Strategy Committee members.

On the Completion Date, following Completion, the nomination and governance committee of the Eutelsat Board shall: (i) comprise one director appointed upon the proposal of each Board Major Shareholder as long such Board Major Shareholder holds at least 10% of the Eutelsat's share capital, and (ii) include a majority of independent directors.

Maintaining the registered office of Eutelsat in France

Bharti, the UK Government, Hanwha, BPI and FSP acknowledge that the Eutelsat Articles shall provide that the registered office of Eutelsat is and will remain in France.

Compliance with the Reference Code

The parties to the Eutelsat Shareholders' Agreement (other than SoftBank) will ensure that the composition of the Eutelsat Board and the governance of Eutelsat comply with the provisions of the Reference Code, subject to certain exceptions, in the event of a change in the Reference Code that would lead to a contradiction between the Eutelsat Shareholders' Agreement and the Reference Code (as well as concerning Sunil Mittal).

Voting undertakings

Each party to the Eutelsat Shareholders' Agreement (other than SoftBank) undertakes (within the limits of its powers) to cause its affiliates and directors nominated by it to the Eutelsat Board (unless such directors are independent) to also undertake to take any corporate action, including voting at a shareholders' meeting or, as the case may be, at a Eutelsat Board meeting, to give full effect to the provisions of the Eutelsat Shareholders' Agreement including by voting against any decision to amend the Eutelsat Articles or internal regulations of the Eutelsat Board in a manner contrary to the provisions of the Eutelsat Shareholders' Agreement, unless such amendment is required by law or in by the Reference Code (subject to section above).

Lock-up undertaking

The Eutelsat Shareholders' Agreement provides for a 6-month lock-up period as of the Completion Date for the shareholders party to the Shareholders' Agreement and their affiliates and customary exceptions including:

- transfer to a director appointed on its proposal to meet its minimum holding requirements;
- transfer to an affiliate, subject to customary conditions;
- transfer to a third party offeror in connection with a tender offer (*offre publique d'acquisition, offre publique d'échange*, or any combination thereof), recommended by the Eutelsat Board and cleared by the *Autorité des Marchés Financiers*;

- transfer pursuant to a public tender offer by Eutelsat for its own shares of Eutelsat (open for acceptance by all Eutelsat Shareholders);
- pledges over Eutelsat Shares subject to the beneficiary accepting to be bound by the lock-up for the residual period, in the case of enforcement of the pledge; and
- transfer with the prior written consent of the CEO of Eutelsat, in which case the other shareholders party to the Eutelsat Shareholders' Agreement will have the right to transfer the same proportions of their Eutelsat Shares under the same limits.

Orderly sale undertakings in case of transfer via an ABB

Upon expiry of the lock-up period, any transfer of Eutelsat Shares by way of accelerated bookbuild offering involving at least 2.5% of the capital contemplated by any Eutelsat shareholder party to the Eutelsat Shareholders' Agreement must be notified by the relevant shareholders to Eutelsat simultaneously with the launch of the offering.

To the extent legally and practicable feasible, the concerned shareholder will have to consult with Eutelsat with a view to not disrupting the trading of the Eutelsat Shares on the market, on the contemplated allocation of the transferred shares between contemplated investors, based on the Eutelsat's preference in terms of structure (including preference as to the size and number of large holdings, medium or smaller holdings) and type of investors.

The concerned shareholder shall have full discretion over the transfer of its Eutelsat Shares (including the number of Eutelsat Shares to be transferred, the manner of transfer and price).

No concert action

The parties to the Eutelsat Shareholders' Agreement represent and warrant that, on the date of the Eutelsat Shareholders' Agreement and on Completion, they are not acting and do not intend to act in concert with each other or with third parties with respect to Eutelsat.

Termination

The duration of the Eutelsat's Shareholders' Agreement is 12 years from the Completion Date, with automatic renewal for successive periods of four years (unless one of the parties gives written notice six months before the expiry of the then-current term).

The Eutelsat's Shareholders' Agreement will terminate with respect to:

- all parties, if any person, acting alone or in concert, holds (directly or indirectly) more than 50% of the share capital or voting rights of Eutelsat;
- Bharti, when Bharti ceases to hold at least 7.5% of Eutelsat's share capital for a consecutive six month period;
- SoftBank, when SoftBank ceases to hold at least 7.5% of Eutelsat's share capital for a consecutive six month period;
- FSP, on the fourth anniversary of the Completion Date, if FSP does not hold at least 7.5% of Eutelsat's share capital on that date, and thereafter when it ceases to hold at least 7.5% of Eutelsat's share capital;
- Hanwha, on the fourth anniversary of the Completion Date, if Hanwha does not hold at least 7.5% of Eutelsat's share capital on that date, and thereafter when it ceases to hold at least 7.5% of Eutelsat's share capital;
- with respect to BPI, if: (i) the voting undertaking entered into by BPI in connection with the Combination is terminated prior to the Completion Date; or if (ii) it loses all of its rights to propose a director or have an observer pursuant to the Eutelsat Shareholders' Agreement; or (iii) if BPI no longer holds any Eutelsat Shares; and
- with respect to the UK Government, if the UK Government ceases to meet the requirements for proposing the appointment of one or more directors or having an observer, pursuant to the Eutelsat Shareholders' Agreement.

9.8 Eutelsat Internal Rules

Pursuant to the Framework Agreement, new Eutelsat Internal Rules governing the internal affairs of the Eutelsat Board will be adopted by the Eutelsat Board on the Completion Date. Please see paragraph 9 of Part 22 (*Additional Information*) for a summary of the key terms of the Eutelsat Internal Rules.

Additional provisions are incorporated into the new Eutelsat Internal Rules, in particular with respect to the new vice chairman position, a permanent invitee, a strategy committee, and observers to be appointed by BPI and the UK Government.

9.9 Voting Undertaking Agreements

On 25 July 2022, each of BPI and FSP entered into their respective voting undertaking agreements with the Contributors in the presence of Eutelsat (together, the “**Voting Undertaking Agreements**”). The Voting Undertaking Agreements set out the terms and conditions under which each of BPI and FSP undertakes, amongst other things and subject to compliance with applicable laws, to:

- vote and cause their representatives to vote in favour of the Eutelsat Shareholder Resolutions at the Eutelsat Board; and
- vote in favour of the Eutelsat Shareholder Resolutions submitted to the Eutelsat Shareholders’ Meeting.

In addition, each of BPI and FSP have undertaken to state publicly that it is supporting the Combination and the new structure of the Eutelsat Board in accordance with its Voting Undertaking Agreements.

Pursuant to the Voting Undertaking Agreements and subject to certain customary exceptions, BPI and FSP are each subject to exclusivity obligations and lock up undertakings until the Completion Date.

The Voting Undertaking Agreements contain standstill provisions that restrict each of BPI and FSP from purchasing any Eutelsat securities until Completion subject to certain exceptions.

The Voting Undertaking Agreements do not prevent BPI or FSP from: (i) recommending a non-solicited tender offer; (ii) tendering their shares to a tender offer for Eutelsat recommended by the Eutelsat Board and declared compliant by the AMF; and (iii) complying with applicable laws.

The Voting Undertaking Agreements will automatically terminate: (i) if the Framework Agreement is terminated pursuant to its terms; (ii) if Eutelsat considers that a Eutelsat Acquisition Proposal constitutes a Eutelsat Superior Proposal and (iii) for BPI, if the Eutelsat Shareholders’ Agreement is not entered into prior to the Eutelsat Board convening the Eutelsat Shareholder Meeting.

In addition, each of BPI and FSP may terminate the Voting Undertaking Agreements if: (i) any conditions precedent under the Key Documents is not satisfied or is waived without its prior consent; (ii) the reports of the Contribution Auditor(s) for the purposes of the Combination do not conclude that: (a) the value of the Contributed Shares is at least equal to the nominal value (*valeur nominale*) increased by the issuance premium (*prime d’apport*) of the New Shares to be issued as a consideration of the Contribution; and that (b) the exchange ratio between the Contributed Shares and the new Shares of Eutelsat used for the purposes of the Contribution, is fair; (iii) for FSP, if a Key Document is amended without the prior written consent, in a manner which, in the reasonable opinion of the FSP, is adverse to the FSP or if the Exchange Ratio is amended; or (iv) for BPI, if one of the documents described in this paragraph 9.9 of this Part 12 or any documents to be agreed between the parties pursuant to the Framework Agreement is definitely agreed or executed in each case without its prior written consent (such consent cannot be unreasonably withheld, delayed or conditioned), except for technical changes. Each of the undertakings are governed by French law and subject to the jurisdiction of the Commercial Court of Nanterre.

10 Valuation methodologies

The information provided in this paragraph 10 includes the information required to be disclosed regarding the equity value of OneWeb, in order for: (i) Eutelsat Shareholders to approve the Combination by a vote at the Eutelsat Shareholders’ Meeting; and (ii) the Contribution Auditor to be able to provide reasons and justification for its opinion on these matters.

The information set forth in this paragraph 10 of Part 12 (*Summary of the Combination*) is intended solely for the purpose of complying with the foregoing requirements and none of the provisions of this paragraph shall be deemed to constitute a profit forecast within the meaning of Regulation (EU) 2017/1129 of the European Parliament and Council of 14 June 2017.

10.1 Valuation of the Contribution

Financial assumptions used as a basis for the valuation of the Contribution

In accordance with the Framework Agreement and the Contribution Agreements, the Contributors and the Minority Shareholders will contribute a total of 2,186,644 OneWeb A Ordinary Shares, representing 77.09% of the share capital of OneWeb, in exchange for 226,252,053 New Eutelsat Shares. It should be noted that: (i) Eutelsat already holds, through its subsidiary Eutelsat S.A., 650,000 OneWeb A Ordinary Shares representing 22.91% of the share capital of OneWeb; (ii) the OneWeb Deferred Shares will be sold for €0.01 per OneWeb Deferred Share and that (iii) the UK Government will retain the OneWeb B Ordinary Share.

The value of the 2,186,644 OneWeb A Ordinary Shares contributed by the Contributors and the Minority Shareholders, as retained following the negotiations between Eutelsat and the Contributors, has been determined based on a multi-criteria approach for 100% of the OneWeb A Ordinary Shares issued, which was then adjusted to 76.03%¹⁵ of the OneWeb A Ordinary Shares transferred under the Framework Agreement and the Contribution Agreements.

10.2 Description of the criteria used for the valuation of the Contribution

A multi-criteria approach was selected for the valuation of the Contribution. The following methods were selected:

- Implied valuation at the time of the latest transaction on the capital of OneWeb in August 2021; and
- Discounted cash flow (“DCF”) valuation.

The following valuation approaches were discarded since deemed not relevant:

- Discounted future dividend flow valuation;
- Trading comparables approach;
- Precedent transactions approach;
- Net asset value; and
- Revalued net asset value.

Discarded valuation methods

The methods presented below have not been selected as they were not considered relevant in the context of the Combination:

Discounted future dividend flow valuation

This method, which consists in valuing a company’s equity by discounting, at the company’s cost of equity, the forecasted flows of dividends paid to its shareholders, has not been used insofar as it depends essentially on the company’s distribution policy. This method therefore favours companies with high dividend payments, without taking into account the medium-term impact of potential trade-offs between distributions, self-financing and investment in new assets. In addition, OneWeb has not historically paid dividends and its cash flow generation profile does not allow to envisage any dividend payment in the coming years.

Trading comparables approach

This method consists in applying trading multiples observed for comparable listed companies to the financial aggregates deemed relevant for the company under analysis, in order to assess its enterprise value and its equity value. To date, there is no listed company directly comparable to OneWeb in terms of activity, size, geographic exposure, positioning, growth and profitability.

Precedent transactions approach

This method consists in applying valuation multiples derived from recent transactions involving a majority stake in comparable companies to the historical financial aggregates of the company under analysis. There is no recent transaction involving a majority stake in a company similar to OneWeb in terms of activity, size, geographic exposure, growth and profitability. Furthermore, at the date of the valuation, OneWeb did not have historical financials enabling to apply this method.

¹⁵ Percentage based on a total number of 2,876,194 OneWeb Shares, including the dilutive impact of 39,550 options for OneWeb employees.

Net asset value

This reference, based on the historical value of assets and liabilities, does not appear to be relevant insofar as it does not consider the real value of the intangible assets of the company under analysis (market share, customer relationships, brand image, know-how, etc.), nor its prospects of growth, profitability and cash flow generation.

Revalued net asset value

The revalued net asset value method consists in adjusting the net asset value for unrealized gains or losses identified in assets, liabilities or off-balance sheet commitments. This approach is relevant for portfolio companies holding assets with a known market value, the disposal or acquisition of which constitutes the normal course of business of these companies. This method does not reflect the cash flow generation prospects of OneWeb, whose assets are not intended to be sold.

10.3 Selected valuation methods

Implied valuation at the time of the latest transaction on the capital of OneWeb in August 2021

This reference is the valuation implied by the most recent transaction on OneWeb's capital, consisting of \$300 million investment by Hanwha for a minority stake of 8.8% of the share capital of OneWeb announced in August 2021. This transaction results in a post-money equity value at 100% of OneWeb of \$3,400 million (or €3,297 million).²

Discounted cash flow valuation

This method consists in estimating the intrinsic value of a company by: (i) discounting medium-term cash flows at a rate reflecting the company's profitability requirement; and (ii) taking into account a terminal value. Free cash flows take into account cash flows from operating and investing activities of the company (after deduction of taxes, change in working capital and capital expenditures), but do not take into account cash flows from financing activities (before deduction of financial income and expenses). Future free cash flows therefore represent the cash flows available for the remuneration of all invested capital (equity and financial debt). The discount rate for these flows is the weighted average cost of capital (the "WACC") and corresponds to the rate of return required on all invested capital. This valuation method results in an enterprise value.

The discounting of OneWeb's future free cash flows is based on the business plan prepared by Eutelsat's management team as part of the Combination in July 2022, including forecasts until 31 December 2033. The valuation was performed as of 30 June 2022. A normative tax rate of 25% has been used. Losses generated in the first years of the business plan have been taken into account and carried forward to the following years for the calculation of the effective tax rate. Available cash and unfulfilled equity commitments from OneWeb Shareholders have been assumed to be used to offset negative cash flows in the early years of the plan. The business plan and projected cash flows do not include the impact of the Take or Pay agreement signed between Eutelsat S.A. and OneWeb for an amount of \$275 million in July 2022.

Based on the OneWeb Group's audited accounts as of 31 March 2022, no other asset or liability has been considered as an adjustment to the enterprise value for the calculation of the equity value and the valuation of the Contribution.

The WACC was assessed according to the sector and OneWeb's profile. A range of 10.0% to 11.5% has been used.

In addition, the Perpetual Growth Rate ("PGR") used to calculate the terminal value is 3.0%.

Based on WACC (in the range of 10.0% to 11.5%) and PGR (3.0%) parameters used, the DCF approach results in an equity value for 100% of OneWeb ranging from €2,802 million to €4,266 million, with a mid-point of €3,455 million, i.e. a value of the Contribution between €2,130 million and 3,243 million, with a mid-point of €2,627 million.

The sensitivity on the valuation of the Contribution to the main valuation parameters is as follows:

- a change in WACC of +/-0.25% implies a delta of -7%/+7% in the value of the Contribution; and
- a change in PGR of +/-0.25% implies a delta of +4%/-4% of the value of the Contribution.

It should be noted that this valuation of the Contribution does not take into account expected synergies from the operation.

² Based on a one-month average USD/EUR exchange rate as of July 20, 2022 of 1.031

10.4 Summary of the valuations obtained

The table below summarizes the equity value of the Contribution according to the multi-criteria approach.

	Equity value at 100% (\$m)	Equity value at 100% (€m)	Contributions Valuation - Equity Value at 76% (€m)
Selected valuation methods			
Discounted cash flow valuation (low-point)	2,889	2,802	2,130
Discounted cash flow valuation (mid-point)	3,562	3,455	2,627
Discounted cash flow valuation (high-point)	4,399	4,266	3,243
Valuation at the time of the latest transaction on the capital of OneWeb in August 2021	3,400	3,297	2,507

10.5 Remuneration of the Contribution

The Remuneration of the Contribution was determined based on a multi-criteria approach described below. The following methods were selected as the main ones:

- Reference to the share price based on the volume-weighted average prices over various periods preceding the announcement of the Combination;
- Reference to target prices published by financial analysts; and
- DCF valuation.

The following method has been selected for illustrative purposes:

- Trading comparables approach

The following valuation approaches were rejected as inappropriate:

- Discounted future dividend flow valuation;
- Net asset value;
- Revalued net asset value; and
- Precedent transactions approach.

Discarded valuation methods

The methods presented below have not been selected as they were not considered relevant in the context of the Combination:

Discounted future dividend flow valuation

This method, which consists in valuing a company's equity by discounting, at the company's cost of equity, the forecasted flows of dividends paid to its shareholders, has not been used insofar as it depends essentially on the company's distribution policy: this method therefore favours companies with high dividend payments, without taking into account the medium-term impact of potential trade-offs between distributions, self-financing and investment in new assets. In addition, this method would be redundant with the discounted free cash flow method.

Net asset value

This reference, based on the historical value of assets and liabilities, does not appear to be relevant insofar as it does not consider the real value of the intangible assets of the company under analysis (market share, customer relationships, brand image, know-how, etc.), nor its prospects of growth, profitability and cash flow generation.

Revalued net asset value

The revalued net asset value method consists in adjusting the net asset value for unrealized gains or losses identified in assets, liabilities or off-balance sheet commitments. This approach is relevant for portfolio companies holding assets with a known market value, the disposal or acquisition of which constitutes the normal course of business of such companies. This method does not reflect the cash flow generation prospects of Eutelsat, whose assets are not intended to be sold.

Precedent transactions approach

This method consists in applying valuation multiples derived from recent transactions involving a majority stake in comparable companies to the historical financial aggregates of the company under analysis. The transactions identified all incorporate a specific control premium component that is not relevant to the context of the Combination, as Eutelsat is not subject to a change of control.

Selected valuation methods

The exchange ratio was assessed using a multi-criteria approach taking into account: (i) the share price of Eutelsat based on the VWAP over various periods preceding the announcement of the Combination; (ii) price targets published by financial analysts; and (iii) discounted free cash flows.

Reference to the share price based on the volume-weighted average prices over various periods preceding the announcement of the Combination

Eutelsat Shares are listed on Compartment A of the Euronext Paris regulated market under ISIN code FR0010221234.

Given the size of the free float (67% of Eutelsat Shares as of 30 June 2022) and sufficient liquidity (free float rotation in 6 months),¹⁶ the share price can be considered as a relevant indicator of Eutelsat Share value.

The below table shows the VWAP of Eutelsat Shares over the 12 months preceding the first rumours of the Combination on 23 July 2022, and Eutelsat's official press release on 25 July 2022, confirming ongoing discussions with the OneWeb Shareholders. The equity values disclosed below are calculated based on Eutelsat Shares outstanding as of 30 June 2022, being 230,347,015 Eutelsat Shares.

Dates	Stock Price (€)	Equity Value (€m)
Share price as of July 22, 2022	10.4	2,403
1-month VWAP	10.8	2,485
3-month VWAP	10.8	2,493
6-month VWAP	10.4	2,391
12-month VWAP	10.9	2,521

10.6 Evolution of Eutelsat Share price from 22 July 2021 to 22 July 2022



Source: Bloomberg

The equity value of Eutelsat ranges from €2,391 million to €2,521 million, based on the lowest and highest values of volume-weighted average prices over 1 month, 3 months, 6 months and 12 months preceding the announcement of the Combination.

¹⁶ Based on the daily volume-weighted average over the 6-month period preceding 22 July 2022.

Reference to target prices published by financial analysts

Eutelsat Shares are regularly monitored by the research department of reputable financial institutions. Equity analysts establish target prices for Eutelsat Shares. The average target price for Eutelsat Shares was used to calculate the value of Eutelsat's equity, based on the number of Eutelsat Shares outstanding as of 30 June 2022, being 230,347,015 Eutelsat Shares.

The below table shows the target prices of financial analysts who published forecasts between 12 May 2022, the date on which Eutelsat published its revenues for the third quarter of FY 2021-22, and 22 July 2022, the date of Eutelsat's last unaffected share price (reference share price) prior to the first rumours of the Combination on 23 July 2022, and Eutelsat's official press release published on 25 July 2022, confirming the discussions with the OneWeb Shareholders.

It should be noted that these values are based on analysts' external views and are therefore highly dependent on the individual assumptions made by each analyst, which may vary significantly from one to another.

	Recommendation	Target price (€)	Equity value (€m)
AlphaValue/Baader Europe	Buy	11.9	2,741
Barclays	Buy	12.7	2,914
Citi	Buy	11.8	2,718
Morgan Stanley	Hold	13.0	2,995
JP Morgan	Hold	12.8	2,948
Credit Suisse	Hold	10.7	2,465
Deutsche Bank	Buy	13.0	2,995
Berenberg	Hold	11.6	2,672
Societe Generale	Buy	11.8	2,718
BNP Paribas Exane	Hold	12.0	2,764
Average		12.1	2,793
Median		12.0	2,753

Source: Equity analysts

Analysts' target prices range from €10.7 to €13.0 per Eutelsat Share, with an average of €12.1 per Eutelsat Share, implying an equity value of Eutelsat of €2,793 million.

Discounted cash flow valuation

This method consists in estimating the intrinsic value of a company by (i) discounting medium-term cash flows at a rate reflecting the company's profitability requirement (ii) taking into account a terminal value. Free cash flows take into account cash flows from operating and investing activities of the company (after deduction of taxes, change in working capital and capital expenditures), but do not take into account cash flows from financing activities (before deduction of financial income and expenses). Future free cash flows therefore represent the cash flows available for the remuneration of all invested capital (equity and financial debt). The discount rate for these flows is the WACC and corresponds to the rate of return required on all invested capital. This valuation method results in an enterprise value.

The discounting of Eutelsat's future free cash flows is based on the business plan prepared by Eutelsat's management team and approved by the Eutelsat Board on 16 February 2022, which includes forecasts over five years from 30 June 2021 to 30 June 2026. The valuation was performed as of 30 June 2022.

The following adjustments have been retained for the calculation of equity value: (i) Eutelsat's estimated net financial debt as of 30 June 2022, (ii) Phase 2 of C-band proceeds net of tax, (iii) Eutelsat's 22.9% stake in OneWeb held indirectly via Eutelsat S.A., valued based on an equity value of \$3,400 million at 100% (implied valuation at the time of the latest transaction on the capital of OneWeb in August 2021), and (iv) other debt or cash-like items.

The WACC was assessed according to the sector and the profile of the company and compared with WACC used by equity analysts covering the company. A range of 7.0% to 9.0% has been used.

In addition, the PGR used to calculate the terminal value is 0.1%.

Based on WACC (in the range of 7.0% to 9.0%) and PGR (0.1%) parameters used, the DCF approach results in an equity value ranging from €2,651 million to €3,853 million, with a mid-point of €3,177 million.

The sensitivity on the valuation of Eutelsat to the main valuation parameters is as follows:

- a change in WACC of +/-0.5% implies a delta of -9%/+10% on Eutelsat's equity value; and
- a change in PGR of +/-0.25% implies a delta of +4%/-3% on Eutelsat's equity value.

10.7 Valuation method used for illustrative purposes

Trading comparables approach

This method consists in applying trading multiples observed for comparable listed companies to the financial aggregates deemed relevant for the company under analysis, in order to assess its enterprise value and its equity value.

A peer sample comprising international commercial satellite operators was considered. Only SES was retained as a relevant trading comparable, due to its similar activities, size and geographical exposure.

The trading multiples used are applied to Eutelsat's EBITDA (earnings before interest, taxes, depreciation and amortization, restructuring costs and excluding exceptional items).

The revenue metric does not reflect the differences in profitability between companies. The EBIT (earnings before interest and taxes) metric depends on the accounting policy of the companies with regards to the depreciation of their assets. The EBITDA net of capital expenditures metric depends on the individual companies' capital expenditures plans, which can be volatile from one year to the other. The net income metric is impacted by the financial structure of the company. For these reasons, these metrics have not been retained in the trading comparables approach.

Multiples have been calendarised as of 30 June in order to match Eutelsat's financial year-end.

<i>Company</i>	EV/EBITDA		
	June 2022	June 2023	June 2024
SES	5.2x	5.1x	5.0x

Sources: *Company, FactSet*

This method implies an enterprise value which, restated for the various adjustments mentioned above, implies an equity value ranging from €2,239 million to €2,330 million for Eutelsat based on EV/EBITDA 2024E and 2023E multiples of 5.0x and 5.1x, respectively.

10.8 Summary of the valuations

The table below presents a summary of the equity value of 100% of Eutelsat according to the multi-criteria approach.

	Equity Value at 100% (€m)
Main valuation methods	
Share price as of July 22, 2022	2,403
1-month VWAP	2,485
3-month VWAP	2,493
6-month VWAP	2,391
12-month VWAP	2,521
Analysts' target prices	2,793
Discounted cash flow valuation (low-point)	2,651
Discounted cash flow valuation (mid-point)	3,177
Discounted cash flow valuation (high-point)	3,853
Methods used for illustrative purposes	
Trading comparables (EV / EBITDA June-23E)	2,330
Trading comparables (EV / EBITDA June-24E)	2,239

10.9 Summary of valuations of OneWeb and Eutelsat

The table below presents a summary of the value of the Contribution, representing 76% of OneWeb's equity, and the value of 100% of Eutelsat's equity according to the multi-criteria approach.

Eutelsat	Equity value at 100% (€m)
Share price as of July 22, 2022	2,403
1-month VWAP	2,485
3-month VWAP	2,493
6-month VWAP	2,391
12-month VWAP	2,521
Analysts' target prices	2,793
Discounted future cash flow valuation (low-point)	2,651

Discounted future cash flow valuation (mid-point)	3,177
Discounted future cash flow valuation (high-point)	3,853
OneWeb	Contributions valuation - Equity value at 76% (€m)
Discounted cash flow valuation (low-point)	2,130
Discounted cash flow valuation (mid-point)	2,627
Discounted cash flow valuation (high-point)	3,243
Latest transaction on the capital of OneWeb in August 2021	2,507

Based on this multi-criteria valuation, the reference value retained for 100% of OneWeb on a fully diluted basis is €3,297 million, representing a price per share of €1,146.43 based on a diluted number of OneWeb shares of 2,876,194 as of 30 June 2022, implying a value of the Contribution of €2,507 million. The reference value retained for 100% of Eutelsat's equity is €2,766 million including dividend payment for fiscal year 2021-2022, to occur after the vote of its payment at Eutelsat's annual general meeting in November 2022, i.e. €12.01 per Eutelsat Share including dividend payment, and €2,552 million ex-dividend, i.e. €11.08 per share ex-dividend. The reference values used imply an exchange ratio of 103.47 New Eutelsat Shares for each OneWeb A Ordinary Share tendered.

The calculation of the Exchange Ratio does not take into account the synergies resulting from the Combination. The synergies expected are detailed in paragraph 3.1 of Part 7 (*Overview of the Combined Group*) of this Prospectus and are balanced between revenues, costs and capital expenditures. Taken together they equate to a net present value of over €1.5 billion after tax (net of implementation costs).

Part 13 Corporate Governance

1 Overview

This Part 13 (*Corporate Governance*) explains how the Eutelsat Board oversees the management of Eutelsat’s business. Eutelsat does not anticipate any material changes to this approach to management following Completion and Admission.

Eutelsat is responsible for the overall corporate governance of Eutelsat, including providing leadership and strategic guidance for Eutelsat and its related entities. The Eutelsat Board monitors the operational and financial position and performance of Eutelsat and oversees the implementation of Eutelsat’s strategic objectives, including approving operating budgets and significant expenditure.

The Eutelsat Board seeks to ensure that Eutelsat is properly managed to protect and enhance the interests of Eutelsat, and that Eutelsat and the Eutelsat Directors, officers and personnel operate in an environment of appropriate corporate governance.

As a Euronext Paris listed entity, Eutelsat must comply with the rules of Euronext applicable to the regulated market of Euronext Paris.

Eutelsat is subject to the specific rules of French law applicable to listed entities on a regulated market and complies with the recommendations of the Reference Code. The inconsistencies between the practices of Eutelsat and recommendations of the Reference Code are indicated below:

Article of the Reference Code	Reference Code recommendations	Eutelsat practice	Explanation
26.5.1	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.	<p>The Eutelsat Board, 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 received by the Eutelsat Board from a potential buyer of Eutelsat in late 2021 and in order to attract top talent to lead the Eutelsat Group, it was important for Eutelsat to provide visibility and reassurance to the Eutelsat 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.</p> <p>In accordance with the Reference Code recommendation, the total of the departure indemnity and non-compete allowances shall not exceed two years’ fixed and variable compensation.</p> <p>Following exchanges with shareholders in the third quarter of the 2022 calendar year, the Eutelsat Board committed to introduce performance conditions to the severance clause.</p>

Following Completion, the Eutelsat remains subject to the Eutelsat corporate governance procedures and principles, which, upon Admission, will be updated as required to be compliant with the rules of that relevant exchange and any required applicable international legislation.

Following Admission, Eutelsat will be admitted to the standard listing segment of the Official List pursuant to Chapter 14 of the FCA Listing Rules. A standard listing affords investors in the Company a lower level of regulatory protection than that afforded to investors in companies whose securities are admitted to the premium segment of the Official List, which

are subject to additional obligations under the Listing Rules. Eutelsat as a standard listed company is not subject to the UK Corporate Governance Code. Please see Part 4 (*Consequences of a Standard Listing*) for further information on a standard listing. See also paragraph 9.7 of Part 12 (*Summary of the Combination*) for further information set out under the Eutelsat Shareholders' Agreement.

2 The Board

2.1 Composition of the Eutelsat Board

The table below outlines the expected composition of the Eutelsat Board post Completion and Admission, being the Eutelsat Directors and the Proposed Directors that are intended to be appointed to the Eutelsat Board at Completion. It includes a brief biography for each individual, including details of his or her proposed functions within the Combined Group and details of the names of companies and partnerships (excluding directorships in the Eutelsat Group or the OneWeb Group) of which the individual is or has been a member of the administrative, management or supervisory bodies or partners at any time in the five years preceding the date of this Prospectus.

Name	Position and Profile
<p>Dominique D'Hinnin (<i>Eutelsat Director and Chair</i>)</p>	<p>Date of birth: August 1959, aged 63</p> <p>Term of office: Eutelsat Director since 4 November 2016, chair since 4 October 2017, until the end of the Eutelsat annual general meeting having resolved on the 2024-2025 Eutelsat annual statements</p> <p>Independent: Yes</p> <p>Current Eutelsat Director: Yes</p> <p>Experience: Dominique D'Hinnin was appointed independent Chairman of Eutelsat 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 the 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..</p> <p>Current committee membership: member of the Audit, Risk and Compliance Committee, Chairman of the Nomination and Governance Committee, Chairman of the Compensation Committee, member of the Corporate Social Responsibility Committee, Chairman of the Ad Hoc Committee</p> <p>Committee membership immediately following Completion: Chairman of the Nomination and Governance Committee, member of the Compensation Committee, Chairman of the Strategy Committee</p> <p>Current directorship/partnership:</p> <ul style="list-style-type: none"> • Board Member, Edenred (listed company) (since 2017) • Board Member, Vantiva (listed company) (since 2019) • Board Member, Louis Delhaize S.A. (Belgium) (since 2017) • Board Member, Cellnex (listed company, Spain) (since 2023) <p>Other offices and functions within the past five years:</p> <ul style="list-style-type: none"> • Board Member, Golden Falcon Acquisition Corp. (listed company, U.S.A.) (until 2023) • Board Member, Prisa (listed company, Spain) (until 2022)
<p>Eva Berneke (<i>Eutelsat Director and CEO</i>)</p>	<p>Date of birth: April 1969, aged 54</p> <p>Term of office: Eutelsat Director since 1 January 2022 until the end of the Eutelsat annual general meeting having resolved on the 2023-2024 Eutelsat annual statements</p>

Name	Position and Profile
	<p>Independent: No</p> <p>Current Eutelsat Director: Yes</p> <p>Experience: Eva Berneke joined Eutelsat on 1 January 2022 as Chief Executive Officer and Board Member. She 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. She 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. She 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.</p> <p>Current committee membership: None</p> <p>Committee membership immediately following Completion: None, Eva Berneke will be invited to all committee meetings</p> <p>Current directorship/partnership</p> <ul style="list-style-type: none"> • Non-Executive Director, École polytechnique (since 2019), • Non-Executive Director, The Lego Group (Denmark) (since 2011) • Non-Executive Director, Vestas Wind Systems (Denmark) (since 2019) <p>Other offices and functions within the past five years</p> <ul style="list-style-type: none"> • CEO, KMD (Denmark) (until 2021) • Non-Executive Director, Danish National Bank (Denmark) (until 2021) • Non-Executive Director, DTU (Denmark Technical University) (Denmark) (until 2020)
<p>BPI (represented by Samuel Dalens) <i>(Eutelsat Director)</i></p>	<p>Representative’s date of birth: January 1983, aged 40</p> <p>Term of office: Eutelsat Director since 17 February 2011 until the end of the Eutelsat annual general meeting having resolved on the 2025-2026 Eutelsat annual statements</p> <p>Registered office: 27/31 Avenue du Général Leclerc, 94710 Maisons-Alfort, France</p> <p>Independent: No</p> <p>Current Eutelsat Director: Yes</p> <p>Representative’s experience: Since 2022, BPI (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 Dalens 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 Dalens graduated from École polytechnique and from Telecom Paris (he is an Ingénieur des Mines). Samuel Dalens is currently Director of Soitec and of Crouzet Group, Financial Controller on the Supervisory Board of STMicroelectronics, member of the Supervisory Board at STMicroelectronics Holding and member of the Supervisory Board of Chrome Topco (Cerba Healthcare).</p> <p>Current committee membership: member of the Corporate Social Responsibility Committee, member of the Compensation Committee, member of the Ad Hoc Committee</p> <p>Committee membership immediately following Completion: member of the Nomination and Governance Committee, member of the Strategy Committee, member of the Corporate Social Responsibility Committee</p>

Name	Position and Profile
	<p>Current directorship/partnership</p> <ul style="list-style-type: none"> • Permanent Representative, BPI, Board Member of Soitec SA (listed company) (since 2023) • Permanent Representative, Bpifrance Investissement, Board Member of Crouzet Groupe (since 2023) • Member of the Supervisory Board, Chrome Topco (Cerba Healthcare) (since 2023) • Financial Controller on the Supervisory Board, STMicroelectronics (listed company, Netherlands) • Supervisory Board Member, STMicroelectronics Holding (Netherlands) <p>Other offices and functions within the past five years</p> <ul style="list-style-type: none"> • Permanent Representative, BPI • Board Member, FT1CI (a shareholder of STMicroelectronics Holding) (until 2019) • Board Member, Antalis International (until 2018) • Permanent Representative of Bpifrance Investissement: <ul style="list-style-type: none"> ○ Observer at the Board, Gascogne (until 2023) ○ Observer at the Board, Idemia (until 2020) ○ Board Member, Attis 2 (until 2023) • Board Member, Labrador Investment Holdings (UK)(until 2022)
<p>FSP (represented by Agnès Audier) (Current Eutelsat Director, to be reappointed at the Eutelsat Shareholders' Meeting)</p>	<p>Representative's date of birth: November 1964, aged 58</p> <p>Term of office: Eutelsat Director since 4 November 2016 until the end of the Eutelsat annual general meeting having resolved on the 2023-2024 Eutelsat annual statements. Re-appointment expected on Completion until the end of the Eutelsat annual general meeting having resolved on the 2026-2027 Eutelsat annual statements</p> <p>Registered office: 9 Rue Duphot, 75001 Paris, France</p> <p>Independent: Yes</p> <p>Current Eutelsat Director: Yes</p> <p>Representative's experience: The FSP has been a Board Member of Eutelsat since 4 November 2016. Its Permanent Representative is currently Ms Agnès Audier.</p> <p>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, Ms 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) 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 Institut Curie (oncology) and pro bono Chairman of the Board of SOS Seniors, a French NGO dedicated to elderly care, and of Impact Tank.</p> <p>Current committee membership: member of the Audit, Risk and Compliance Committee, member of the Compensation Committee, Chairman of the Corporate Social Responsibility Committee, member of the Ad Hoc Committee</p> <p>Committee membership immediately following Completion: <u>member of the</u> Audit, Risk and Compliance Committee, member of the Strategy Committee, Chairman of the Corporate Social Responsibility Committee</p>

Name	Position and Profile
	<p>Current directorship/partnership</p> <ul style="list-style-type: none"> • Board Member, Worldline (listed company) (since 2020) • Board Member, Groupe Crédit Agricole SA (CASA) (listed company) (since 2021) • Chairman, “SOS Seniors” and Impact Tank (pro bono) • Member of Strategic Committee, Think Tank CosmiCapital (since 2022) • Member of the Conseil de Surveillance, Institut Curie <p>Other offices and functions within the past five years</p> <ul style="list-style-type: none"> • Partner and managing director, Boston Consulting Group (from 2008 to 2018) • Board Member, Ingenico (until 2020) • Board Member, Hime (holding of SAUR) (until 2022)
<p>Sunil Bharti Mittal, appointed by Bharti (Proposed Director of Eutelsat and proposed Vice Chair)</p>	<p>Date of birth: October 1957, aged 65</p> <p>Term of office: Appointment expected on Completion until the end of the Eutelsat annual general meeting having resolved on the 2026-2027 Eutelsat annual statements</p> <p>Independent: No</p> <p>Current Eutelsat Director: No</p> <p>Experience: Sunil Bharti Mittal is the founder and chairman of Bharti Enterprises, one of India’s foremost first-generation corporations with interests in telecom, space communications, digital solutions, insurance, agri-processed foods, real estate and hospitality. Bharti has joint ventures with several global partners like SingTel, SoftBank, AXA, Del Monte and the UK Government, amongst others.</p> <p>Bharti Airtel, the flagship company of Bharti Enterprises, is a leading telecommunications company with operations in 17 countries and ranks amongst the top three mobile operators globally. Airtel is India’s largest integrated communications solutions provider and Africa’s second largest mobile operator, serving nearly half a billion customers across its operations.</p> <p>In 2020, Bharti Global in partnership with the UK Government acquired OneWeb, a new-age Space Communications company which has recently completed its Low Earth Orbit (LEO) satellite constellation to provide high-speed, low-latency broadband connectivity in deep rural areas, maritime & aviation routes and to the defence sector across the globe. Sunil Bharti Mittal is the Executive Chairman of OneWeb.</p> <p>Sunil Bharti Mittal is a recipient of the Padma Bhushan, one of India’s highest civilian honours, awarded to individuals for demonstrating distinguished services of high order. He is a recipient of Harvard Business School’s Alumni Achievement Award, the highest alumni honour given by the institute. He is on Harvard University’s Global Advisory Council and has served on the Board of Dean’s Advisors at Harvard Business School. Sunil received GSM Association’s prestigious Chairman’s Award and has been conferred Honorary Doctorates by several leading universities in India and Europe.</p> <p>Sunil Bharti Mittal has served as the Chairman of the International Chamber of Commerce and the Chairman of GSM Association concurrently from 2016 to 2018. He has been a Trustee at the Carnegie Endowment for International Peace from 2009 to 2021. Sunil is serving as Chair of the B20 Action Council on African Economic Integration during India’s G20 Presidency. He is also a serving Commissioner at the International Telecommunication Union/UNESCO Broadband Commission for Sustainable Development. He is a member of the World Economic Forum’s International Business Council and a member of the Global Board of Advisors at the Council on Foreign Relations. Sunil has served on the boards of several multinational companies including Unilever PLC, Standard Chartered Bank PLC and SoftBank Corp.</p> <p>Sunil Bharti Mittal is closely associated with spearheading the Indian industry’s global trade and investments initiatives. Sunil Bharti Mittal has served as the President of the Confederation of Indian Industry and has served on the Prime Minister of India’s Council on Trade and Industry. He is Co-Chair of the ICT and Emerging Technologies Working Group of the India-US CEO</p>

Name	Position and Profile
	<p>Forum and a member of the India-UK, India-Japan, India-Sweden CEO Forums. He is Co-Chair of the India-Africa Business Council.</p> <p>Sunil believes that a responsible corporate has a duty to give back to the community in which it operates. This belief has resulted in Bharti Foundation, which operates more than 173 Satya Bharti Schools and supports over 800 government schools under its Quality Support Program to ensure holistic education.</p> <p>Current committee membership: None</p> <p>Committee membership immediately following Completion: member of the Nomination and Governance Committee, member of the Strategy Committee</p> <p>Current directorships/partnerships:</p> <ul style="list-style-type: none"> • Chairman, Bharti (SBM) Holdings Private Limited (since September 2007) • Chairman, Bharti SBM Trustees II Private Limited (Since May 2009) • Chairman, Bharti (Satya) Trustees Private Limited (Since May 2009) • Chairman, Bharti (SBM) Resources Private Limited (Since May 2009) • Chairman, Bharti Enterprises (Holding) Private Limited (Since January 2010) • Chairman, Bharti Telecom Limited (Since October 1986) • Chairman, Bharti SBM Trustees S1 Private Limited (Since May 2017) • Chairman, Bharti SBM Trustees S2 Private Limited (Since May 2017) • Chairman, Bharti SBM Trustees D1 Private Limited (Since May 2017) • Chairman, Satya Bharti Foundation (Limited by Guarantee) (Since December 2017) • Chairman, Bharti Airtel Limited (Since July 1995) • Chairman, Bharti (SBM) Trustees Limited (Since May 2009) • Chairman, Bharti (SBM) Services Limited (Since May 2009) • Chairman, Bharti Overseas Private Limited (Since November 2005) • Chairman, Airtel Payments Bank Limited (Since April 2016) • Director, Qatar Endowment (Since November 2013) • Chairman, Airtel Africa plc (since October 2018) • Director, Network i2i Limited (since May 2020) • Director, OneWeb Holdings Limited (Since November 2020) <p>Directorships/partnerships/other interests within the past five years:</p> <ul style="list-style-type: none"> • Director, Bharti Realty Holdings Limited (December 2018 – February 2019) • Director, WorldVu Satellites Limited (June 2015 – October 2017)
<p>Bharti (represented by Shravin Bharti Mittal), appointed by Bharti <i>(Proposed Director of Eutelsat)</i></p>	<p>Representative's date of birth: August 1987, aged 35</p> <p>Term of office: Appointment expected on Completion until the end of the Eutelsat annual general meeting having resolved on the 2024-2025 Eutelsat annual statements</p> <p>Independent: No</p> <p>Current Eutelsat Director: No</p> <p>Representative's experience: Shravin Bharti Mittal is the Founder of Unbound and the Managing Director of Bharti Global Limited, the international investment arm of the Bharti family, with interests in telecom, real estate, energy and technology.</p> <p>Unbound is one of the top-performing global technology investment firms, focusing on financial services, enterprise software, logistics, and health & wellness. Unbound has 27 investments including Databricks, Asana, Cars24, Motorway, Deep Instinct and Stripe.</p> <p>Between 2016 and 2017, Shravin was an Investor at SoftBank Vision Fund, a US\$100 billion fund that invests in technology companies. Prior to that, Shravin was an Assistant Director at Better Capital, a private equity firm in London, from 2014 to 2015. Shravin was responsible for turning around distressed businesses in the retail and manufacturing industry.</p> <p>Between 2010 and 2012, Shravin was a manager at Airtel Africa, where he was part of the senior management team spearheading the post-acquisition integration of Zain. Following his tenure in</p>

Name	Position and Profile
	<p>Africa, Shravin joined the Airtel India team to launch 3G. Prior to that he worked with J.P.Morgan in investment banking covering technology, media and telecommunications.</p> <p>Shravin holds a bachelor’s degree in Accounting and Finance from the University of Bath and a master’s degree and an MBA from Harvard Business School</p> <p>Current committee membership: None</p> <p>Committee membership immediately following Completion: member of the Audit, Risk and Compliance Committee, member of the Compensation Committee, member of the Corporate Social Responsibility Committee</p> <p>Current directorships/partnerships:</p> <ul style="list-style-type: none"> • Director, Unbound Holdco Ltd (since October 2020) • Director, Unbound Consolidator Co Ltd (since October 2020) • Director, Unbound Capital Limited (since November 2019) • Director, Unbound Holdings Ltd (since July 2019) • Director, Unbound (GP) Ltd (since October 2017) • Founder & CEO, Unbound Advisors Ltd (since May 2017) • Director, Open Origins Limited (since December 2021) • Director, Forto (since June 2021) • Director, Aurora Acquisition Corp (since March 2021) • Director, VAHA Technologies Limited (since December 2020) • Director, Paack SPV Investments, SL (since September 2019) • Director, Qidenus Group GmbH (since July 2018) • Director, SVAVA PTE. Limited (since April 2018) • Director, Mpharma Data Inc (since November 2017) • Director, Bharti Space Limited (since February 2021) • Director, OneWeb Holdings Limited (since June 2020) • Director, Airtel Africa plc (since October 2018) • Director, Guernsey Airtel Limited (since June 2017) • Director, Jersey Airtel Limited (since June 2017) • Director, Norlake Hospitality Limited (since February 2017) • Managing Director, Bharti Global Ltd (since June 2015) • Director, GH Holdings 1 Ltd (since February 2017) • Director, GH Holdings 2 Ltd (since February 2017) • Director, Newco NHL UK (17) Limited (since July 2017) <p>Directorships/partnerships/other interests within the past five years:</p> <ul style="list-style-type: none"> • Director, Newark (US) LLC (November 2017 – March 2022) • Director, Healthy Asian Kitchen (June 2019 – November 2021) • Director, Norfolk Holdings Limited (April 2019 – July 2021) • Director, SB Energy Holdings Limited (August 2019 – September 2021) • Director, Kenmin (HP) Ltd (October 2018 – December 2021) • Director, SK Kenmin Limited (August 2018 – December 2021) • Director, Emtel Limited (February 2017 – February 2020) • Director, Trevor International Limited (April 2019 – March 2021) • Director, Delonex Energy Ltd (May 2017 – June 2022) • Director, Adani Energy Holdings Limited (August 2019 – September 2021)
<p>UK Government (represented by Elena Ciallie) <i>(Proposed Director of Eutelsat)</i></p>	<p>Representative’s date of birth: September 1967, aged 55</p> <p>Term of office: Appointment expected on Completion until the end of the Eutelsat annual general meeting having resolved on the 2026-2027 Eutelsat annual statements</p> <p>Independent: No</p> <p>Current Eutelsat Director: No</p>

Name	Position and Profile
	<p>Representative’s experience: Elena Ciallie joined UKGI as Executive Director in October 2020, focusing on providing corporate governance and corporate finance advice to government. In addition to her role at UKGI, she presently is a Non-Executive Director at illimity Bank, a digital only SME focused bank headquartered in Milan, Italy.</p> <p>Prior to her current roles, she had a twenty-five-year career in investment banking at Citibank, Goldman Sachs and Ondra Partners advising companies across Europe on financial strategy, capital raising and capital allocation.</p> <p>Elena Ciallie has been a non-executive director and member of the audit and risk committee of OneWeb Holdings Limited since 2021</p> <p>Current committee membership: None</p> <p>Committee membership immediately following Completion: member of the Nomination and Governance Committee, member of the Strategy Committee</p> <p>Current directorships/partnerships:</p> <ul style="list-style-type: none"> • Non-Executive Director, Illmity Bank S.p.A (Italy) (since September 2018) • Trustee, Willow Foundation (UK) (Since June 2017) <p>Directorships/partnerships/other interests within the past five years:</p> <ul style="list-style-type: none"> • Non-Executive Director, GEDI Gruppo Editoriale S.p.A (Italy) (April 2017 – August 2020)
<p>Dong Wan Yoo, appointed by Hanwha (<i>Proposed Director of Eutelsat</i>)</p>	<p>Date of birth: January 1971, aged 52</p> <p>Term of office: Appointment expected on Completion until the end of the Eutelsat annual general meeting having resolved on the 2026-2027 Eutelsat annual statements</p> <p>Independent: Yes</p> <p>Current Eutelsat Director: No</p> <p>Experience: After graduating with a Bachelor’s in Business Administration from Korea University and an MBA from Stanford University, Dong Wan Yoo was a consultant at The Boston Consulting Group and a manager at Arthur D Little before joining the Hanwha Group in 2006 where he has spent the last 16 years in corporate strategic planning, business development and investment management.</p> <p>Dong Wan Yoo is currently the senior executive vice president of Hanwha Systems and Hanwha Aerospace where he leads space businesses spanning satellite communications, earth observation, advanced air mobility, space missions and rocket construction.</p> <p>Current committee membership: None</p> <p>Committee membership immediately following Completion: member of the Strategy Committee</p> <p>Current directorships/partnerships:</p> <ul style="list-style-type: none"> • Director, Overair, Inc. (since July 2021) • Director, Hanwha Systems UK Ltd. (since October 2021) • Director, Hanwha Phasor Ltd. (since July 2021) • Director, Kymeta Corporation (since December 2022) • Director, Satrec Initiative Co. Ltd (since September 2022) <p>Directorships/partnerships/other interests within the past five years:</p> <p>Director of P&W NGPF Manufacturing Company Singapore Pte. Ltd. (September 2016 – June 2021)</p>
<p>Padraig Mc Carthy, appointed by OneWeb</p>	<p>Date of birth: September 1960, aged 62</p>

Name	Position and Profile
<p><i>(Proposed Director of Eutelsat)</i></p>	<p>Term of office: Appointment expected on Completion until the end of the Eutelsat annual general meeting having resolved on the 2025-2026 Eutelsat annual statements</p> <p>Independent: Yes</p> <p>Current Eutelsat Director: No</p> <p>Experience: Pdraig Mc Carthy has over 25 years of global senior leadership experience in the satellite and space industry.</p> <p>An honors commerce graduate from University College Cork Ireland, Pdraig began his career in Audit with KPMG Cork, where he qualified as a Chartered Accountant working in both Audit and Business re-organisation. After working with Norton S.A in Luxembourg (subsidiary of Saint Gobain) as European Finance Director of the Construction Products Division, he joined the satellite services business SES S.A as Financial Controller in 1995. He has served in various finance and business leadership positions during his 23-year tenure at SES including CFO of SES Astra from 2022 to 2011 and CFO of SES SA from 2013 to 2018.</p> <p>After SES in 2018, Pdraig joined NewSpace Capital GP S.A, a private equity company that invests in growth stage companies operating in the space ecosystem, serving as Chief Financial Officer and Board Member from September 2018 to May 2021. He is currently a Senior Advisor and Partner in NewSpace Capital.</p> <p>In addition to serving on various Board roles for SES for wholly-owned and non-wholly companies, he served as an independent director for Kleos Space SA from November 2021 to May 2022 and as a senior advisor from June 2022 to February 2023.</p> <p>He is also from October 2018 an independent director on the Board of Shurgard Self Storage Limited, a Euronext listed company, where he also chairs the Audit Committee and serves on the ESG Committee (formally the Nomination and Remuneration Committee).</p> <p>Current committee membership: None</p> <p>Committee membership immediately following Completion: Chairman of the Audit, Risk and Compliance Committee, member of the Compensation Committee</p> <p>Current directorships/partnerships:</p> <ul style="list-style-type: none"> • Senior Advisor, NewSpace Capital GP SA (since June 2021) • Limited Partner, NewSpace Capital Partners SCSp (since November 2020) • Independent Non-Executive Director, Chair of Audit Committee and member of ESG Committee of Shurgard Self Storage Limited (since October 2018) <p>Directorships/partnerships/other interests within the past five years:</p> <ul style="list-style-type: none"> • Chief Financial Officer, NewSpace Capital GP SA (September 2018 – May 2021) • Board Member, NewSpace Capital Partners GP SA (September 2018 – April 2021) • Board Member, NewSpace Capital Partners SCSp (September 2018 – April 2021) • Board Member, NewSpace Capital GP SA (September 2018 – April 2021) • Board Member, NewSpace Capital Fund Sicav-Raif (October 2018 – April 2021) • Board Member, NewSpace Capital Holdco SA (August 2020 – April 2021) • Independent Non-Executive Director, Kleos Space SA (November 2021 – May 2022) • Senior Advisor, Kleos Space SA (June 2022 – February 2023) • Senior Advisor, SES SA (April 2018 – September 2018)
<p>Cynthia Gordon, appointed by OneWeb <i>(Current Eutelsat Director, to be reappointed by OneWeb)</i></p>	<p>Date of birth: November 1962, aged 60</p> <p>Term of office: Eutelsat Director since 7 November 2019 until the end of the Eutelsat annual general meeting having resolved on the 2022-2023 Eutelsat annual statements. Re-appointment expected on Completion until the end of the Eutelsat annual general meeting having resolved on the 2025-2026 Eutelsat annual statements</p> <p>Independent: Yes</p> <p>Current Eutelsat Director: Yes</p>

Name	Position and Profile
	<p>Experience: Cynthia Gordon has more than 30 years of experience in the telecom and digital sector across Europe, MENA and Asia.</p> <p>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.</p> <p>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.</p> <p>Current committee membership: member of the Nomination and Governance Committee, member of the Corporate Social Responsibility Committee</p> <p>Committee membership immediately following Completion: member of the Nomination and Governance Committee, member of the Corporate Social Responsibility Committee</p> <p>Current directorships/partnerships:</p> <ul style="list-style-type: none"> • Chair, Global Fashion Group (Luxembourg company listed on Frankfurt Stock Exchange) (since 2017) • Board Member, Bodycote Plc (listed company, UK) (since 2022) • Advisor, Tillman Global Holding (since 2023) <p>Directorships/partnerships/other interests within the past five years:</p> <ul style="list-style-type: none"> • Board Member, Kinnevik AB (until 2018), Tele2 (Sweden) (until 2021) • Board Member, BIMA Mobile (Sweden) (until 2021) • Board Member, Bayport (Mauritius) (until 2021) • CEO, Africa of Millicom (until 2017)
<p>Mia Brunell Livfors, appointed by OneWeb <i>(Proposed Director of Eutelsat)</i></p>	<p>Date of birth: November 1965, aged 57</p> <p>Term of office: Appointment expected on Completion until the end of the Eutelsat annual general meeting having resolved on the 2024-2025 Eutelsat annual statements</p> <p>Independent: Yes</p> <p>Current Eutelsat Director: No</p> <p>Experience: Mia studied Economics and Business Administration at Stockholm University (1985-1989).</p> <p>Mia’s professional career included CEO of the Axel Johnson AB Group since 2015, CEO of the Kinnevik Group between 2006 and 2014 and CFO of the Modern Times Group MTG AB between 2001 and 2006. Mia has extensive experience from various board director positions, both as Chairman and as a Board Member in international listed, public and private companies. Mia’s experience ranges across various industries including retail B2B and B2C, food, IT, telecoms, media, industry, fashion, beauty and solar energy.</p> <p>Current committee membership: None</p> <p>Committee membership immediately following Completion: member of the Compensation Committee, member of the Corporate Social Responsibility Committee</p> <p>Current directorships/partnerships:</p> <ul style="list-style-type: none"> • CEO, Axel Johnson AB (June 2015 - September 2023) • Board Member, Axel Johnson AB (since September 2023) • Chairman and Board Member, Axfood AB (since April 2016) (listed company) • Chairman, Dustin Group AB (since 2016) (listed company)/(Board Member 2016-2017 and chairman since 2017) • Board Member, Kicks Group AB (July 2016 – August 2023 / chairman 2016-2022) • Chairman, Axel Johnson International AB (Board Member August 2015 – September 2023 / chairman 2017 - 2023) • Board Member, Martin & Servera AB (June 2015 - September 2023) • Board Member, Efva Attling Stockholm AB (since October 2008)

Name	Position and Profile
	<ul style="list-style-type: none"> • Chairman, Snäckedjupet AB (since August 2014) (CEO 2014-2022) <p>Directorships/partnerships/other interests within the past five years:</p> <ul style="list-style-type: none"> • Board Member, Stena AB (October 2014 – May 2022) • Director, Åhlens AB (2016 – 2022) / chairman (May 2016 – August 2022) • Board Member and Chairman, Novax AB (January 2017 – November 2017) • Board Member, AxSol AB (October 2020 – June 2023) • Board Member, Svensk Handel AB (June 2016 – May 2020) • Board Member and Chairman, Axstores AB (June 2015 – May 2023)
<p>Esther Gaide (Eutelsat Director)</p>	<p>Date of birth: September 1961, aged 61</p> <p>Term of office: Eutelsat Director since 8 November 2017 until the end of the Eutelsat annual general meeting having resolved on the 2024-2025 Eutelsat annual statements</p> <p>Independent: Yes</p> <p>Current Eutelsat Director: Yes</p> <p>Experience: 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. She was CFO of Elior Group from 2018 to 2023. She is currently also Board Member of Illiad, a telecommunications provider.</p> <p>Current committee membership: Chairman of the Audit, Risk and Compliance Committee, member of the Ad Hoc Committee</p> <p>Committee membership immediately following Completion: member of the Audit, Risk and Compliance Committee, member of the Compensation Committee</p> <p>Current directorships/partnerships:</p> <ul style="list-style-type: none"> • Board Member, Iliad S.A. (since 2021) • Board Member, Forvia (since 2023) <p>Directorships/partnerships/other interests within the past five years:</p> <ul style="list-style-type: none"> • CFO, Elior Group (listed company) (until 2023) and Technicolor (until 2018)
<p>Florence Parly (Eutelsat Director)</p>	<p>Date of birth: May 1963, aged 60</p> <p>Term of office: Eutelsat Director since 27 July 2023 until the end of the Eutelsat annual general meeting having resolved on the 2024-2025 Eutelsat annual statements</p> <p>Independent: Yes</p> <p>Current Eutelsat Director: Yes</p> <p>Experience: 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 Director General of SNCF Voyageurs and Deputy Director General of Air France. She has a significant corporate governance experience as an independent board member at Altran</p>

Name	Position and Profile
	<p>Technologies, Ingenico, Zodiac Aerospace. She recently joined as independent Board member Newcleo, IPSOS and is a member of the Supervisory Board of Caisse des Dépôts.</p> <p>Current committee membership: member of the Nomination and Governance Committee, member of the Compensation Committee</p> <p>Committee membership immediately following Completion: member of the Nomination and Governance Committee, Chairman of the Compensation Committee</p> <p>Current directorships/partnerships:</p> <ul style="list-style-type: none"> • Supervisory Board Member, Caisse des Dépôts (since 2023) • Senior Advisor, Jolt Capital (since 2023) • Director, Newcleo (UK)(since 2023) • Director, IPSOS (since May 2023) • President of the board, Conservatoire national des arts et métiers <p>Directorships/partnerships/other interests within the past five years:</p> <ul style="list-style-type: none"> • Minister for the Armed Forces (2017-2022)
<p>Fleur Pellerin (Eutelsat Director)</p>	<p>Date of birth: August 1973, aged 49</p> <p>Term of office: Eutelsat Director since 10 November 2022 until the end of the Eutelsat annual general meeting having resolved on the 2025-2026 Eutelsat annual statements</p> <p>Independent: Yes</p> <p>Current Eutelsat Director: Yes</p> <p>Experience: Fleur Pellerin joined the Eutelsat 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 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 9 European countries. A former independent Director at Schneider Electric and Talan, she is currently independent Director at KLM, Gaumont and Stanhope Capital Partners. She also chairs 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).</p> <p>Current committee membership: member of the Nomination and Governance Committee, member of the Corporate Social Responsibility Committee</p> <p>Committee membership immediately following Completion: member of the Nomination and Governance Committee, member of the Corporate Social Responsibility Committee</p> <p>Current directorships/partnerships:</p> <ul style="list-style-type: none"> • Founder and Managing Partner, Korelya Capital (Board Member of portfolio companies: Devialet, Ledger, Synapse Medicine and Finn.) (since 2016) • Board Member, Gaumont (listed company) (since 2021) • Board Member, Eurockéennes Festival (since 2018) • Board Member, France Digitale (since 2016) • Board Member, KLM • Board Member, NV (Holland) (since 2018) • Board Member, Stanhope Capital Group (Switzerland) (since 2021) • President, CanneSeries Festival (since 2018) • Chair of the Mission Committee, Credit Mutuel Alliance Fédérale (since 2022)

Name	Position and Profile
	<p>Directorships/partnerships/other interests within the past five years:</p> <ul style="list-style-type: none"> • Board Member, Schneider Electric (listed company) (until 2022) • Board Member, Talan (until 2023)
<p>CMA-CGM (represented by Michel Sirat) (Eutelsat Director)</p>	<p>Representative's date of birth: May 1961, aged 62</p> <p>Term of office: Eutelsat Director since 10 November 2022 until the end of the Eutelsat annual general meeting having resolved on the 2025-2026 Eutelsat annual statements</p> <p>Registered office: Boulevard Jacques Saade 4 Quai D'arenc, 13235 Marseille, France</p> <p>Independent: Yes</p> <p>Current Eutelsat Director: Yes</p> <p>Representative's experience: CMA-CGM Participations is represented by Michel Sirat.</p> <p>Michel Sirat joined CMA-CGM SA in 2011 as Group Executive VP & Chief Financial Officer. Since 2023, he holds to 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 Future SA (a subsidiary of EDF Energies Nouvelles). He is a graduate of Institut d'Etudes Politiques de Paris, Ecole Centrale de Paris and École Nationale d'Administration (ENA).</p> <p>Current committee membership: member of the Audit, Risk and Compliance Committee</p> <p>Committee membership immediately following Completion: member of the Audit, Risk and Compliance Committee, member of the Strategy Committee</p> <p>Current directorships/partnerships:</p> <ul style="list-style-type: none"> • Group Executive VP Strategy & M&A, CMA-CGM SA (since 2023) <p>Directorships/partnerships/other interests within the past five years:</p> <ul style="list-style-type: none"> • Group Executive VP & Chief Financial Officer, CMA-CGM SA (from 2011 to 2023) • Director, Terminal Link (until 2023) • Director, CMA-CGM Global Business Services Ltd (India) (until 2023) • Director, Fenix Marine Services (US) (until 2023) • Director, Fin Topco (US) Inc (until 2023) • Secretary, APL Investments America LLC (US) (until 2023)

In addition, it should be noted that:

- the Censeur of the Eutelsat Board is the executive secretary of the IGO under the agreements entered into between Eutelsat IGO and Eutelsat, which impose certain constraints on Eutelsat. Please see paragraph 11.4 of Part 8 (*Overview of Eutelsat*) and paragraph 9 of Part 22 (*Additional Information*) of this Prospectus for further information on the relationship between Eutelsat and Eutelsat IGO;
- representatives of the Eutelsat S.A. works council (*Comité social et économique*) will be invited to attend meetings of the Eutelsat Board as observers, in accordance with the Internal Regulations. Please see paragraph 9 of Part 22 (*Additional Information*) of this Prospectus for further information; and
- the CEO of OneWeb will be invited to attend meetings of the Eutelsat Board in accordance with the Internal Regulations. Please see paragraph 9 of Part 22 (*Additional Information*) of this Prospectus for further information.

2.2 Independence of the Eutelsat Board

The Eutelsat Board assessed the independence of each of its members during its board meeting on 18 August 2023. Ten Eutelsat Directors were qualified as independent according to the independence criteria of the Reference Code.

The Eutelsat Board regularly review the independence of each Eutelsat Director, and any subsequent Eutelsat Directors

appointed, in light of interests disclosed to the Eutelsat Board.

The review pursuant to the criteria outlined in the Reference Code is shown in the tables below:

Criteria	Dominique D'Hinnin (Chairman)	Eva Berneke	Bpifrance Participations FSP (Samuel Dalens)	(Agnès Audier)	Sunil Bharti Mittal	Bharti (Shravin Bharti Mittal)	UK Government (Elena Ciallie)	Dong Yoo	Wan
Not an employee/ Executive Officer during the past 5 years	●	x	●	●	●	●	●	●	●
No cross-boarding	●	●	●	●	●	●	●	●	●
No significant business relationship	●	●	●	●	●	●	●	●	●
No family ties	●	●	●	●	x	x	●	●	●
Not an auditor of Company during the past 5 years	●	●	●	●	●	●	●	●	●
Term of office less than 12 years	●	●	●	●	●	●	●	●	●
No compensation related to Group performance	●	x	●	●	●	●	●	●	●
Not represent a major shareholder (>10%)	●	●	x	●	x	x	x	●	●
Independent	Y	N	N	Y	N	N	N	Y	Y

Criteria	Padraig Carthy	McCynthia Gordon	Mia Brunell Livfors	Esther Gaide	Florence Parly	Fleur Pellerin	CMA (Michel Sirat)	CGM
Not an employee/ Executive Officer during the past 5 years	●	●	●	●	●	●	●	●
No cross-boarding	●	●	●	●	●	●	●	●
No significant business relationship	●	●	●	●	●	●	●	●
No family ties	●	●	●	●	●	●	●	●
Not an auditor of Company during the past 5 years	●	●	●	●	●	●	●	●
Term of office less than 12 years	●	●	●	●	●	●	●	●
No compensation related to Group performance	●	●	●	●	●	●	●	●
Not represent a major shareholder (>10%)	●	●	●	●	●	●	●	●
Independent	Y	Y	Y	Y	Y	Y	Y	Y

Conflicts of interest

In accordance with the Eutelsat's internal regulation of its board ("**Internal Regulations**"): (i) conflicts of interests shall be avoided and, where unavoidable, shall be disclosed to Eutelsat and managed transparently; and (ii) each Eutelsat Director shall inform the Eutelsat Board as soon as they become aware of any conflict of interest and must refrain from taking part in discussions and voting on any related resolutions. They must resign in the event of a permanent conflict of interests.

2.3 Conflicts of Interest

None of the Eutelsat Directors and the Proposed Directors immediately following Completion:

- has any convictions in relation to fraudulent offences for at least the previous five years;
- acted in the capacity of a member of the administrative, management or supervisory body or of a senior manager of any company at least the previous five years that has been associated with any bankruptcy, receivership, liquidation or administration;
- has been subject to any official public incriminations and/or sanctions by any statutory or regulatory authority (including designated professional bodies) for at least the previous five years; or
- has ever been disqualified by a court from acting as a director of a company, or from acting as a member of the administrative, management or supervisor bodies of a company, or from acting in the management or conduct of the affairs of any company for at least the previous five years.

Save as disclosed below and to Eutelsat's knowledge, there are no potential or actual conflicts of interest between any duties owed by the Eutelsat Directors and Proposed Directors immediately following Completion to Eutelsat, OneWeb or the Combined Group, and their respective private interests and/or other duties, save for their interest as holders of securities of Eutelsat, OneWeb (as applicable) and the Combined Group.

It should be noted that Bharti, a Contributor under the Framework Agreement and who will be appointed as a Eutelsat Director, is a subsidiary of Bharti Global. Bharti Global directly holds 5.21% of Eutelsat Shares as at the Last Practicable Date.

It should also be noted that certain Eutelsat Directors are nominated upon proposal of Eutelsat Shareholders under the Eutelsat Shareholders' Agreement. Please see paragraph 9.7 of Part 12 (*Summary of the Combination*) of this Prospectus for more information on the content of the Eutelsat Shareholders' Agreement.

2.4 Eutelsat Board Internal Regulation

The Eutelsat Board is responsible, in particular pursuant to the provisions of Article L. 225.35 of the French Commercial Code, for determining the orientations of Eutelsat and ensuring their implementation. Subject to the powers expressly reserved for general meetings of Eutelsat Shareholders, the Eutelsat Board can address any matter that affects Eutelsat or the functioning of the Eutelsat Group. Pursuant to the Eutelsat Internal Rules, certain decisions taken by the CEO require prior approval from the Eutelsat Board, such as:

- **Medium-term plan:** the medium-term plan aims to establish the Eutelsat Group's objectives and define the resources required to achieve these objectives, together with the Eutelsat Group's financial and business activity forecasts. The Eutelsat Group's five-year plan, as well as any operation that has a significant impact on Eutelsat's structure or strategy, is subject to prior approval from the Eutelsat Board;
- **Budget:** the Eutelsat 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 Eutelsat Board 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, if the relevant operation is included in the Eutelsat Group's annual budget or in its strategic plan, or (ii) exceeding €25 million, if not included in the Eutelsat Group's annual budget;
- **Financial commitments:** (i) any loan, credit facility, financing or refinancing agreement that is not expressly included in the Eutelsat Group's annual budget. This authorisation is not required for any transaction or group of transactions for an amount less than €100 million 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 that is not expressly included in the Eutelsat Group's annual budget;
- **Interim and annual financial statements:** the interim and annual financial statements and the consolidated financial statements are approved by the Eutelsat Board; and
- **Group Senior Management:** Prior approval from the Eutelsat Board is required for: (i) appointment of the chair, the vice-chairman and/or CEO and approval of associated remuneration package; and (ii) appointment of any deputy CEO(s) proposed by the CEO and approval of associated remuneration package.

The Eutelsat Internal Rules will be available in the Corporate Governance section of Eutelsat's website at <https://www.eutelsat.com/en/group/company-structure.html>. Please also see paragraph 9 of Part 22 (*Additional Information*) of this Prospectus for more information.

3 Committees

The Eutelsat Board may create from time to time, on an ad hoc or permanent basis, internal committees and shall define their chairperson, membership, duties and operations. Immediately following Completion, the Eutelsat Board will be assisted in its work by the following committees:

- Audit, Risk and Compliance Committee;
- Nomination & Governance Committee;
- Compensation Committee;
- Strategy Committee; and
- Corporate Social Responsibility Committee.

Each Committee is chaired by an independent Director, member of the Eutelsat Board.

The internal regulations of these committees will be provided in the Eutelsat Internal Rules to be adopted at Completion Date, with the main provisions set out below.

3.1 Audit, Risk and Compliance Committee

The role of the Audit, Risk and Compliance Committee is to:

- assist the Eutelsat Board in reviewing Eutelsat's draft interim and annual financial statements (individual and consolidated financial statements);
- make recommendations on the draft consolidated annual budget proposed by management, prior to it being examined by the Eutelsat Board;
- make recommendations to the Eutelsat Group's senior management and the Eutelsat Board regarding the principles and methods for ensuring the accounting, financial and extra-financial information produced is reliable and accurate;
- ensure that the internal controls applied within the Eutelsat Group are properly implemented (though such internal controls cannot provide an absolute guarantee that the objectives of Eutelsat will be achieved);
- make recommendations to the Eutelsat Board and senior management regarding the appropriate method for handling any risk likely to affect the Eutelsat Group's operations (financial, legal, operational, social and environmental, etc.);
- oversee the appointment/reappointment of statutory auditors; and
- supervise the implementation of all compliance control and risk prevention procedures.

The Audit, Risk and Compliance Committee regularly communicates with Eutelsat's statutory auditors who attend Audit, Risk and Compliance Committee meetings when the interim and annual financial statements are being examined before being reviewed by the Eutelsat Board 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 Eutelsat Group's CFO. The identification and control of off-balance sheet commitments result from the implementation of internal procedures at the Eutelsat 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 the committee meetings and reported to the Eutelsat Board at each meeting thereafter.

The Audit, Risk and Compliance Committee is composed of two thirds of independent members in accordance with the Reference Code.

The proposed composition of the Audit, Risk and Compliance Committee at Completion Date will consist of: FSP (represented by Agnès Audier), Bharti (represented by Shravin Bharti Mittal), Esther Gaide and CMA-CGM (represented by Michel Sirat). Padraig Mc Carthy (Independent Director) will chair the Audit, Risk and Compliance Committee. All members meet the criteria of financial competence set out in the French Commercial Code.

The Audit, Risk and Compliance Committee is part of the process of the Ordinary Agreements Internal Procedure (see further below in paragraph 4 of this Part 13 (*Corporate Governance*) of the Prospectus).

3.2 Nomination and Governance Committee

The role of the Nomination and Governance Committee is to study and make recommendations to the Eutelsat Board the:

- selection or, in case of vacancy, the co-optation of new Eutelsat Directors;
- selection of the Chairman, Vice-Chairman, CEO, and upon proposal of the CEO, as the case may be, one or more Deputy CEO(s);
- recruitment or dismissal of members of the Executive Committee upon proposal of Eutelsat's CEO;
- assessment of the independence of Eutelsat Directors pursuant to the independence criteria of the Reference Code;
- assessment of the gender balance within the Eutelsat Board and within the Eutelsat Group; and
- assessment of the functioning of the Eutelsat Board.

The Nomination and Governance Committee is composed of a majority of independent members in accordance with the Reference Code.

The proposed composition of the Nomination and Governance Committee at Completion Date will consist of: Sunil Bharti Mittal, BPI (represented by Samuel Dalens), UK Government (represented by Elena Ciallie), Cynthia Gordon, Florence Parly and Fleur Pellerin. Dominique D'Hinnin (Independent Director) will chair the Nomination and Governance Committee.

3.3 Compensation Committee

The role of the Compensation Committee is to assist the Eutelsat Board on matters relating to the:

- long-term remuneration policy;
- remuneration of the CEO and the Deputy CEO(s);
- performance share plans within the Eutelsat Group; and
- allocation of Eutelsat Board attendance fees.

The Compensation Committee is composed of a majority of independent members in accordance with the Reference Code.

The proposed composition of the Compensation Committee at Completion Date will consist of: Dominique D'Hinnin, Bharti (represented by Shravin Bharti Mittal), Mia Brunell Livfors, Esther Gaide and Padraig Mc Carthy. Florence Parly (Independent Director) will chair the Compensation Committee.

3.4 Strategy Committee

The role of the Strategy Committee is to assist the Eutelsat Board on matters relating to:

- significant acquisitions and/or disposals;
- valuations and governance structure of the foregoing contemplated transactions; and
- other significant strategic matters that may be relevant and falling within the scope of the strategy, M&A and investment matters.

The Strategy Committee is composed of a number of independent directors representing at least half of the members.

The proposed composition of the Strategy Committee at Completion Date consists of BPI (represented by Samuel Dalens), Sunil Bharti Mittal, UK Government (represented by Elena Ciallie), Dong Wan Yoo, FSP (represented by Agnès Audier) and CMA-CGM (represented by Michel Sirat). Dominique D'Hinnin (*Independent Director*) chairs the Strategy Committee.

3.5 Corporate Social Responsibility Committee

Eutelsat is committed to strengthen its focus on environment and social matters. The CSR Committee was created 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.

A CSR Committee has been established under the authority of the Eutelsat Board and its role is to monitor and assess the Eutelsat Group's CSR policy which focuses on the following areas:

- engaging in efforts to bridge the “digital divide”;
- protecting the environment and maintaining the space around the Earth uncongested and clean;
- ensuring equal opportunities to all and promoting diversity; and
- strengthening our relationships with other stakeholders by promoting our corporate values as well as ethics and loyalty principles.

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

The CSR is composed of a number of independent directors representing at least half of the members.

The proposed composition of the CSR at Completion Date will consist of: Bharti (represented by Shravin Bharti Mittal), Mia Brunell Livfors, BPI (represented by Samuel Dalens), Cynthia Gordon and Fleur Pellerin. FSP (represented by Agnès Audier) (Independent Director) will chair the CSR.

3.6 Ad hoc committee

An ad hoc committee may be constituted, of a majority of independent Eutelsat Directors, when needed for matters relating to acquisition, disposal, long-term investment policy and other strategic matters.

4 Internal compliance procedures

4.1 Ordinary Agreements Internal Procedure

In addition to the Eutelsat Internal Rules, Eutelsat has also adopted an internal procedure on ordinary agreements for the evaluation of any agreement to define the criteria used by Eutelsat to classify an agreement as an “Ordinary Agreement”, as defined by the Law on Business Growth and Transformation (PACTE Law), and the method for regularly reviewing and assessing these criteria (“**Ordinary Agreements Internal Procedure**”). The Ordinary Agreements Internal Procedure was approved by the Eutelsat Board of Directors on 9 April 2020, and it is available in the Corporate Governance section of Eutelsat's website at <https://www.eutelsat.com/en/group/company-structure.html>.

Under the Ordinary Agreements Internal Procedure, each agreement concluded with Eutelsat and an interested party as defined by the Ordinary Agreements Internal Procedure shall be internally reviewed and might be submitted for opinion to the statutory auditors. The 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 Ordinary Agreements Internal Procedure.

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 Eutelsat Board along with any recommendations. The Eutelsat Board decides on the relevance of the criteria used to qualify an agreement as an Ordinary Agreement and whether to change these criteria, as needed.

4.2 Share Dealing Code

The Eutelsat Group has adopted a share dealing code which explains the prohibited type of conduct in relation to dealings in securities and is intended to establish a best-practice procedure in relation to the dealings in Eutelsat Shares by the corporate officers of the Eutelsat Group (“**Share Dealing Code**”). As of 30 June 2023, there is no restriction on the transfer of shares or securities giving access to the Eutelsat’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 Eutelsat Group and to certain employees of divisions and departments deemed to be “sensitive” and likely to obtain or have access to inside 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 Eutelsat Shares are prohibited (except in a limited number of specific cases) even in the absence of inside 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 position-recommendation No. 2016-08 relating to the guide concerning ongoing information and management of inside information.

Eutelsat intends to adopt, with effect from admission to the LSE, amendments to the Share Dealing Code to ensure that the Combined Group also complies with its continuous disclosure obligations under EU MAR, UK MAR and the DTR.

4.3 Code of Ethics and internal compliance policies

Integrity and ethics are key priorities for the Eutelsat Group. The Eutelsat Group is committed to observing the highest ethical standards in all the countries in which it operates. Accordingly, the Eutelsat Board has adopted a Code of Ethics which governs management and business conduct of the Eutelsat Group, along with internal ethics and compliance policies which are regularly updated and enforced consistently across all the Eutelsat Group entities.

Extension and automation of the pre-contractual due diligence on third parties

During FY23, the Eutelsat Group maintained its efforts on pre-contractual due diligence with respect to third parties. In 2022, a total of 744 World-Check verifications were conducted (noting that a comparison with the previous year’s figures is not meaningful as the methods used to identify the assessed third parties changed during FY23). 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.

Third parties are classified into different categories based on their level of risk such as geopolitical, corruption, reputational, etc. They are 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.

Development and regular updating of internal policies regarding ethics and compliance

The Eutelsat Group is committed to upholding the highest ethical standards in all the countries where it operates. To formalise this commitment and ensure consistent enforcement across all the Eutelsat 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, ten procedures were created and/or upgraded, including the due diligence procedure for suppliers and the due diligence procedure for clients.

During FY23, 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.

Procedures are also translated into Arabic, Spanish and Italian, making them more accessible to all employees.

Internal audit department

The internal audit department conducted several audits throughout FY23 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 Eutelsat Group to evaluate their compliance with company policies, procedures and the Sapin II Act. Additionally, a level 3 was conducted on the control program rolled out by the internal control department.

Training programs

The training program on combating corruption and influence peddling, the “Compliance Academy”, was built on three-levels: (i) first level for all current the Eutelsat Group employees; (ii) second level, conducted on an ad hoc and targeted basis, focusing on employees who are most exposed to the risks of corruption and influence peddling throughout the Eutelsat Group to ensure that their knowledge is maintained and updated; and (iii) third level for the executive committee. All sessions at these three levels are mandatory.

Mandatory online training campaigns are organised in annual cycles for all the Eutelsat Group employees to ensure that they benefit from a consistent level of awareness and regular updates.

4.4 Optimisation of the internal whistleblowing mechanism

During FY23, the “SpeakUp” external whistleblowing mechanism was updated to take into account the provisions of Directive (EU) 2019/1937 relating to the protection of whistleblowers, since transposed into French law. This mechanism encourages the collection of reports and guarantees the protection and anonymity of whistleblowers. It is multilingual and available in all the regions where the Eutelsat Group has operations.

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 Eutelsat Group operates. Regular testing of the hotline is conducted by the compliance team.

4.5 Compliance regarding personal data protection

During FY23, the Eutelsat Group continued to implementation of its policy of compliance with the 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 modified (known as the ‘*Loi Informatique et Libertés*’).

At organisational level, the position of the Personal Data Protection Officer (“**DPO**”) coordinates an internal network of correspondents within the subsidiaries and operational divisions.

Correspondents have completed special training sessions organised by the DPO. This network ensures that correspondents are continuously aware of data protection issues and that information is circulated so that personal data protection and systems security issues can be addressed at an early stage of a project.

The Eutelsat Group has selected and is currently deploying a tool that facilitates the maintenance of the data processing register. This tool will enhance the Eutelsat Group’s ability to manage and track data processing activities effectively.

Factsheets together with standard clauses to be inserted in contracts based on the qualification of the parties have also been established and circulated to all the relevant internal players. The compliance department supports the legal affairs and the operational teams regarding the contractual issues linked to personal data, and in the event of any data breaches.

An internal policy on the protection of personal data has been established and posted on the Intranet. This policy aims to outline the Eutelsat Group’s responsibilities and obligations under data protection regulations, fostering a culture of data protection compliance and governance within the Eutelsat Group.

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. 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.

Eutelsat intends to adopt, with effect from admission to the LSE, amendments to the policy of compliance with the regulations on personal data protection to ensure that the Combined Group also complies with its continuous disclosure obligations under GDPR, which forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018.

4.6 Risk management policies

Due to the very complex nature of the activities involved in operating and developing its satellite fleet, the Eutelsat Group's senior management are particularly attentive to risk management within the Eutelsat Group and to the measures taken to cover these risks. In 2022, a risk manager was appointed whose role is to oversee the overall approach to operational risk management with the support of internal control to:

- identify potential new major risks likely to affect the Eutelsat Group's operations and activities and define an associated risk management policy and procedure in conjunction with the other departments involved;
- 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
- assist the Eutelsat 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 a business continuity plan.

The Eutelsat Group has in place risk management policies relating to its satellite fleet and its operations, and procedures for preventing and managing other operating, commercial and financial risks.

Part 14 Historical Financial Information

1 Eutelsat Historical Financial Information

Please refer to Annexure A (*Eutelsat Historical Financial Information*) to this Prospectus which contains the audited consolidated financial statements of the Eutelsat Group for the years ended 30 June 2023, 30 June 2022 and 30 June 2021, in each case prepared in accordance with EU IFRS.

2 OneWeb Historical Financial Information

Please refer to Annexure B (*OneWeb Historical Financial Information*) to this Prospectus which contains the audited consolidated financial statements in respect of the OneWeb Group for the period 25 March 2020 to 31 March 2021 and the financial years ended 31 March 2022 and 31 March 2023 (in each case prepared in accordance with UK IFRS).

Part 15 Operating and Financial Review of Eutelsat

The following is a discussion of the Eutelsat Group's operating results and financial condition as at and for the financial years ended 30 June 2023, 2022 and 2021. The financial information contained in this operating and financial review has been extracted without material adjustment from the Eutelsat Group's consolidated financial statements set out in Part 14 (Historical Financial Information) of this Prospectus and should be read together with the Eutelsat Group's consolidated financial statements and the related notes included in Part 14 (Historical Financial Information) and elsewhere in this Prospectus.

The following discussion includes forward-looking statements that are subject to risks, uncertainties and assumptions that could cause the actual events or conditions to differ materially from those anticipated in the forward-looking information. See Part 2 (Risk Factors) and the paragraph entitled "Forward-looking statements and forecasts" of Part 3 (Presentation of Financial and Other Information) of this Prospectus.

This Part should also be read in conjunction with the overview of Eutelsat's business and operations, contained in Part 3 (Presentation of Financial and Other Information), Part 7 (Overview of the Combined Group) and Part 8 (Overview of Eutelsat) of this Prospectus.

1 Business overview

The Eutelsat Group is one of the world's leading operators of telecommunications satellites located in geostationary orbit from 139° West to 174° East, providing services to up to 150 countries in Europe, Africa, the Middle East, Asia-Pacific and the Americas. The Eutelsat Group's satellites are used for video broadcasting, satellite newsgathering, broadband services, data connectivity, connecting aeroplanes and ships, enabling mission-critical government and NGO communications needs, amongst others, with fully owned and partner teleport ground segments worldwide. For further information on Eutelsat's satellites and ground business operations, please see paragraph 3 of Part 8 (*Overview of Eutelsat*) of this Prospectus.

Eutelsat's revenues mainly come from supplying satellite capacity, via its four operating verticals, details of which are set out below. It should be noted that as of 30 June 2023, the breakdown of the operating verticals revenues evolved from the previous financial years to better reflect the respective end markets which they address. The new framework has been altered from five verticals (broadcast, data and professional video, fixed broadband, government services, and mobile connectivity) to four, reorganised to:

- video, encompassing the previous broadcast and professional video operating verticals;
- fixed connectivity, encompassing the previous fixed data and fixed broadband operating verticals;
- mobile connectivity, which remains unchanged; and
- government services, which remains unchanged.

Pro forma breakdown of revenues by operating verticals for FY 2021-22 and FY 2022-23 under the new operating verticals framework is provided below in paragraph 6 of this Part 15 (*Operating and Financial Review of Eutelsat*), presented for illustrative and comparison purposes only.

Video

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

With approximately 6,600 TV channels (including 2,061 in HD) broadcast via the Eutelsat Group's in-orbit resources, the Eutelsat Group is a market leader in Europe, as well as in emerging broadcast markets including Russia, the Middle East, North Africa, and Sub-Saharan Africa. The Eutelsat Group benefits from the launch of new television channels and the growing popularity of new broadcasting formats (HD and UHD) resulting from its premium broadcasting orbital positions.

The Eutelsat Group is a pioneer in the development of UHD broadcasting; for example, it launched the HOTBIRD 4K1 demo channel, encoded in HEVC and broadcast at 50 frames per ms with 10-bit colour depth, Europe's first UHD channel in this new standard. As at 30 June 2023, the Eutelsat Group carried 25 unique UHD channels on its fleet, mainly in Europe and Russia.

The Eutelsat Group's business model is based on long-term relationships with its broadcasting customers, with large parks (sometimes several million) of antennae pointed at the Eutelsat Group's satellites. The Eutelsat 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.

Video revenues also include professional video services, where the Eutelsat Group provides:

- television channels or broadcasting platforms with point-to-point links, enabling them to route their programs 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 programs; and
- links for the transmission by broadcasters of current affairs programs ("Satellite News Gathering" or SNG) in standard digital or in HD. The Eutelsat 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 part being sensitive to the holding of specific events, for example sports events.

Fixed connectivity

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 due to VSATs on the ground. These verticals are served mostly indirectly through 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 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 FY 2020-21, provides 75 Gbps of capacity across a 65-beam network and marks a turning point in the evolution of multi-beam 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 is being split between Europe, with around 55% of capacity focused on high-demand regions – namely France, Italy, Germany, Spain, the UK – and Africa, where the 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 countries covered (notably the United Kingdom, Ireland, Germany, Austria), Eutelsat marketed its own retail offerings for people who live outside the areas covered by fiber, until the disposal of the affiliate Big Blu Broadband (BBO Ltd) and the other European retail activities in June 2023.

In Africa, the Eutelsat Group addresses the connectivity needs of individuals, businesses, and governments with services active in some 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, which are tailored to the African market, while in others it relies on partners (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 missions require reliable global communications that can be rapidly deployed throughout the world. The Eutelsat 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, or air, demand for satellite services is generally driven by three key needs: interconnection of sites that are dispersed or located some distance from high-speed terrestrial routes, guaranteed immediate availability of capacity as well as security and reliability.

The Eutelsat Group addresses notably the needs in terms of satellite capacity required by the military and by intelligence, surveillance, safety, and security and reconnaissance systems for the U.S. government that indirectly represents the majority of revenues in this application. In addition, the Eutelsat Group also operates the GEO-3 payload of the European Geostationary Navigation Overlay System, on board the EUTELSAT 5 WEST B satellite under a 15-year contract signed in 2017 with the European Global Navigation Satellite Systems Agency. Furthermore, the Eutelsat Group was awarded a contract by the European Global Navigation Satellite Systems Agency for the development, integration, and operation of its next-generation European Geostationary Navigation Overlay System 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.

Besides the European Global Navigation Satellite Systems Agency, 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

The Eutelsat 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 Eutelsat 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 Eutelsat Group has also developed its maritime business with agreements with Speedcast, Marlink and Telenor for capacity at multiple orbital positions. While the Eutelsat 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 has entered into service on 24 July 2023, will be a major growth driver for this application. It will provide significant incremental capacity with coverage particularly well suited to maritime and aero activities.

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

2 Principal factors that affect Eutelsat's results of operations

Eutelsat believes that the following factors were the material drivers of Eutelsat's results of operations and financial condition during the periods under review and that such factors may continue to affect Eutelsat's results of operations and financial condition in future periods.

2.1 Geopolitical uncertainty

The Eutelsat Group provides services globally and, similar to other international companies, is exposed to geopolitical events. As a commercial operator, the Eutelsat Group upholds a policy of strict neutrality, and abides by any ruling of the competent authorities that regulate its activities.

Specifically, in response to the recent Russia-Ukraine war and tensions in Iran and following the competent French and European rulings, the Eutelsat Group confirmed on 22 December 2022 that it had ceased all broadcasting activities related to sanctioned Russian and Iranian parties. 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 amounts 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.

The Eutelsat Group is regularly reviewing its distribution partners globally to ensure that it fully complies with all competent French and European regulation and that it is not involved in the broadcasting of channels under sanctions (please see paragraph 3.1 “*geopolitical and macroeconomic factors*” of Part 2 of this Prospectus).

2.2 Currency fluctuations

The Eutelsat Group is primarily exposed to the US dollar/euro foreign exchange risk.

As a portion of the Eutelsat Group’s operations is carried out outside of the Eurozone, and some suppliers are also located, outside of the Eurozone, the operating costs of the Eutelsat Group are incurred in a mixture of different currencies, predominantly euros and US Dollars, consisting of, amongst others, purchases of satellites and launch services which are often in significant amounts with phased payments over time.

Through the sale of its satellite capacity, the Eutelsat Group is also a net receiver of currencies, mainly the US dollar. The Eutelsat Group’s revenue denominated in US Dollars represented 45% of the Eutelsat Group’s revenue in FY 2022-23 (an increase from 41% of revenues in FY 2021-22 and 36% of revenues in FY 2020-21). This trend is also consistent with the Eutelsat Group’s strategy of developing its business outside of the Eurozone.

The Eutelsat Group has implemented a hedging policy, which involves the use of hedging instruments such as currency derivatives and currency swaps to reduce its net exposure to unfavourable currency fluctuations. In order to hedge foreign exchange risks, the Eutelsat Group may carry out forward sales, collars or synthetic forward transactions with knock-in option of US dollars against the euro, which can be exercised or not depending on the exchange rate at their expiry date. However, the Eutelsat Group cannot guarantee that it will be able to systematically hedge all of its US dollar-denominated contracts. Additionally, to hedge the translation risk, the Eutelsat Group may also create liabilities denominated in the currency of the cash flows generated by these assets.

The hedging instruments used by the Eutelsat Group may include currency derivatives (cross-currency swaps) documented as net foreign investment hedges. The Eutelsat Group has thus developed a euro-US dollar currency swap for a notional amount of \$680 million to hedge its net investment in the subsidiaries based in Mexico, Singapore and Dubai.

The following tables set out the Eutelsat Group’s existing foreign currency hedging instruments for the periods indicated.

Notional amounts (in millions of euros)	Year ended 30 June		
	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
Total foreign exchange derivatives	807.5	1,134.6	976.6

2.3 Interest rates

The Eutelsat Group manages its exposure to interest rate fluctuations by maintaining a portion of its debt at fixed rates (Eutelsat S.A. bonds) and, where appropriate, by applying a hedging or pre-hedging policy. The Eutelsat Group’s bank debt and structured debt remain at variable rates (for a total outstanding amount of €728.1 million as of 30 June 2023, an increase from €533 million as of 30 June 2022 and €621.2 million as of 30 June 2021).

Considering the full range of financial instruments available to the Eutelsat 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.

The net interest rate position of the Eutelsat Group as of 30 June 2023, 2022 and 2021 was as follows:

Maturity	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
2023 (in millions of euros)										
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
2022 (in millions of euros)										
Less than 1 year	-	745.6	657.1	80.0	(657.1)	665.6	0	0	(657.1)	665.6

	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)	
From 1 to 5 years	-	42.9	1,108.5	453.0	(1,108.5)	(410.1)	646.8	0	(461.7)	(410.1)
More than 5 years	-	0	1,552.1	0	(1,552.1)	0	0	0	(1,552.1)	0
Total		788.50	3,317.6	533.0	(3,317.6)	255.5	646.8	0	(2,670.8)	255.5
2021 (in millions of euros)										
Less than 1 year	0.0	887.8	143.3	7.1	(143.3)	880.7	0	0	(143.3)	880.7
From 1 to 5 years	0.0	71.5	1,873.7	214.1	(1,873.7)	(142.6)	572.2	0	(1,301.5)	(142.6)
More than 5 years	0.0	0.0	1,126.7	400.0	(1,126.7)	(400.0)	0	0	(1,126.7)	(400.0)
Total	0.0	959.3	3,143.8	621.2	(3,143.8)	338.1	572.2	0	(2,571.6)	338.1

2.4 Operating and capital expenditure

The Eutelsat Group's operating and capital expenditures vary from year to year depending on the budget allocations for its existing businesses, additional costs for growth verticals, acquisition of satellites, financing of satellite programmes and leasing of satellite capacities.

The Eutelsat Group's satellite earth control centres are responsible for the telemetry, control, positioning, payload management, and maintenance of software and equipment associated with the Eutelsat Group's satellites. These control centres also conduct traffic supervision and management. The Eutelsat Group subcontracts the telemetry, control and tracking operations for a number of satellites in-orbit, and procures services from third parties related to the control of the satellite communication systems. The amount of costs associated with operating and controlling the satellites depends on the number of satellites, the family of satellites in operation, any repositioning of the satellites as required, and the type of services offered by the satellite. Operating costs mainly include:

- **staff costs:** salaries and the payments by the employer for employees responsible for supplying, operating and maintaining the satellites (including French mandatory profit sharing for the Eutelsat Group employees);
- **costs for operating and controlling the satellites:** Earth station operating costs and equipment costs as discussed above, as well as traffic supervision and management; and
- **in-orbit insurance premiums for satellite lives:** insurance generally takes effect when the launch insurance policy expires (generally one year after the satellite is launched). When the Eutelsat 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. The premiums for the Eutelsat Group's launch and in-orbit insurance for its new and existing fleet can vary from year to year, depending on the selected risk management policy and prevailing market conditions for space insurance, as well as events in the space industry affecting risk premiums such as launch failures.

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.

Operating costs and selling, general and administrative expenses in FY 2022-23 were €16 million higher than FY 2021-22, 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.

The largest component of the Eutelsat Group's capital investments are the acquisitions of satellites, covering 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. The cost of procuring and launching a satellite is generally spread over the two to three year period prior to the satellite launch.

2.5 Recent business acquisitions and divestments

The Eutelsat Group has made a number of material business acquisitions and disposals which has impacted its results of operations. These acquisitions and disposals are in line with the Eutelsat Group's strategy of seizing long-term opportunities in connectivity, including, in particular, the acquisition of a stake in OneWeb and the Combination.

On 30 September 2020, Eutelsat S.A. finalised the acquisition of 100% of BigBlu Operations Ltd for a consideration of £40 million (or €48.2 million), settled in cash. Eutelsat and its subsidiaries operate the BigBlu Broadband Group's European satellite broadband activities.

On 27 April 2021, Eutelsat S.A. announced the acquisition of an equity interest in OneWeb for US\$550 million. The transaction was completed on 8 September 2021. On 29 June 2021, Bharti Global also exercised a securities call option for an amount of US\$350 million, increasing Eutelsat's equity interest to 20.52% at completion of the transaction on 8 September 2021.

On 30 April 2021, Eutelsat S.A. finalised the sale of its equity interest in Eurobroadband Infrastructure. This disposal was settled in cash for an initial consideration of €143 million. The net impact of this disposal in the Eutelsat Group's statement of cash flows was €41.5 million after taking into account the cash held by Eurobroadband Infrastructure as of the disposal date (which represented an amount of €100.9 million). Further, tangible assets totalling an amount of €131.7 million, mainly composed of the KA SAT satellite operated by Eurobroadband Infrastructure, were withdrawn from the scope of consolidation following the disposal.

On 6 October 2021, Eutelsat S.A. announced its participation in a portion of Bharti's last call option in OneWeb for a total consideration of US\$165 million. The regulatory approvals were obtained on 22 December 2021 and upon completion of this transaction, the equity interest of Eutelsat S.A. was increased to 25.13%. On 28 February 2022, Hanwha acquired an equity interest in OneWeb for US\$300 million, reducing the shareholding of Eutelsat S.A. to 22.91%.

On 26 July 2022, Eutelsat announced the proposed Combination and on 14 November 2022, Eutelsat and the Contributors entered into the Framework Agreement to implement the Combination. The Combination is summarised in Part 12 (*Summary of the Combination*) of this Prospectus.

On 15 June 2023, Eutelsat S.A. announced the disposal of its European broadband retail activities. The activities to be disposed of by Eutelsat include the affiliate Bigblu Operations Ltd and the other European retail activities in the UK, Ireland, France, Germany, Italy, Spain, Portugal, Poland, Hungary, and Greece.

2.6 Depreciation of satellites

Satellites are depreciated on a straight-line basis over their useful lives, which is between 12 to 24 years. The Eutelsat 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.

The depreciation of satellites in orbit or under construction, and the depreciation of ground facilities forms a portion of the Eutelsat Group's depreciation charge, which is the Eutelsat Group's largest expense item. For further information on the depreciation and amortisation costs, and comparison of such amounts for the years ended 30 June 2023, 2022 and 2021, please see paragraph 8 of this Part 15 (*Operating and Financial Review of Eutelsat*).

3 Recent performance

3.1 Highlights for the full year ended 30 June 2023

The main highlights of the full year ended 30 June 2023 include the following.

- **Operating vertical revenues:** at €1,136 million, or €1,157 million at the guidance rate based on a €/€ rate assumption of 1.00, which is at the upper end of expected range.
- **Continued strong free cash flow generation:** with €518 million Adjusted DFCF, which is comfortably within Eutelsat's expected range.
- **Sustained momentum in mobile connectivity:** with increased by 26.8% on a like-for-like basis (37.9% on a reported basis) to €110.1 million for the year ended 30 June 2023, which is a double-digit growth over FY 2022-23.

- **Robust financial performance:** with Adjusted EBITDA margin of 72.9% at constant currency (73.0% reported), compared to 74.8% in FY 2021-22 due to lower revenues especially in the video vertical.
- **Liquidity remained strong:** with undrawn credit lines and cash around €1.5 billion.
- **Average cost of debt:** In FY 2022-23, the average cost of debt after hedging was 2.96%, up from 2.55% in FY 2021-22.
- **Successful entry into service of three satellites:**
 - HOTBIRD 13F and HOTBIRD 13G assuring service continuity at flagship 13° East video hotspot, with HOTBIRD 13G hosting an incremental European Geostationary Navigation Overlay Service 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.
- **Combination with OneWeb:** with strong foundations to ensure its success, including:
 - strong commercial ramp-up of OneWeb with secured backlog of \$900 million at the end of June 2023 (of which \$275 million is with the Eutelsat Group), a \$300m increase since October 2022;
 - revenue objective of \$50m by the end of June 2023 attained; and
 - short-term adjustment of objectives for FY 2023-24.

3.2 Highlights since 30 June 2023

The main highlights since the full year ended 30 June 2023 include the following.

- **Fitch downgraded Eutelsat to BBB- and maintained Rating Watch Negative:** On 27 July 2023, Fitch Ratings downgraded Eutelsat’s Long-Term Issuer Default Rating to ‘BBB-’ from ‘BBB’ and its senior unsecured debt 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 2023, 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 the 2027 calendar year.

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.

4 Key performance indicators

The Eutelsat Group communicates on several alternative KPIs to track the financial and operating performance of its business. As some of these measures are not determined in accordance with IFRS, and are thus susceptible to varying calculations, they may not be comparable with other similarly titled measures of performance of other companies. For more information on the definition and calculation of these metrics, please see “Non-IFRS financial information” and “Key performance indicators” in Part 3 (*Presentation of Financial and Other Information*) of this Prospectus.

Financial KPIs and alternative performance indicators (in millions of euros)	Year ended 30 June		
	2021	2022	2023
Operating income	347.2	424.8	573.5

+ Depreciation and amortisation	507.7	481.7	455.5
- Other operating income and expenses	67.0	(44.9)	(203.5)
Adjusted EBITDA	921.9	861.6	825.5
Revenues	1,233.9	1,151.6	1,131.3
ADJUSTED EBITDA MARGIN (as a % of revenues)	74.7%	74.8%	73.0%
Closing net debt ⁽¹⁾	2,655.5	2,814.4	2,765.6
NET DEBT/Adjusted EBITDA	2.88X	3.27X	3.35X

Non-financial KPIs

Operational and utilised transponders

Operational transponders ⁽²⁾	1,377	1,361	1,351
Utilised transponders ⁽³⁾	981	996	953
Fill rate	71.2%	73.2%	70.8%

Backlog⁽⁴⁾

Value of contracts (in billions of euros)	4.4	4.0	3.4
In years of revenues based on last financial year	3.5	3.5	3.0
Share of video	64%	64%	59%

(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). Please see Note 7.4.4 to the 2023 annual financial statement included in Annexure A (Eutelsat Historical Financial Information) of this Prospectus.

(2) Number of transponders on satellites in stable orbit, back-up capacity excluded.

(3) Number of transponders utilised on satellites in stable orbit. Note: Based on 36 MHz-equivalent transponders excluding high throughput capacity.

(4) The backlog represents future revenues from capacity or service agreements and can include contracts for satellites under procurement. Managed services are not included in the backlog.

5 Description of key income statement line items

Revenue

The Eutelsat Group's revenues mainly come from supplying satellite capacity. The Eutelsat Group's customer base includes both distributors who resell satellite capacity to end-users and end-user customers who use the Eutelsat Group's satellite capacity for their own needs. The Eutelsat 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. The Eutelsat Group also derives revenue from the impact of euro/US dollar currency hedging, provision of various services or consulting or engineering fees and termination fees and which are recognized under the 'other revenue' category.

Operating costs

Operating costs mainly comprise of 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

Selling, general and administrative expenses include: (i) administrative and commercial staff costs (including mandatory employee profit-sharing); (ii) general expenses associated with property leases, external studies and logistics; (iii) expenses associated with developing and marketing new products; (iv) a portion of the operating taxes; and (v) provisions for accounts receivable or other receivables.

Depreciation and amortisation

The depreciation charge includes costs concerning the depreciation of non-current assets which mainly consist of its satellites in orbit or under construction, right of use in respect of leases, ground facilities and intangible assets.

Satellites are depreciated on a straight-line basis over their estimated useful lives, which is between 12 to 24 years. The Eutelsat 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.

Other operating income and expenses

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), as well as income received from C-band proceeds.

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, comprising of the cost of net debt and other financial income or expenses, mainly reflects: (i) interest expense and bond issuance costs related to the Eutelsat 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.

Income tax expense

Income tax expense comprises the current tax expense and deferred tax income (expenses) of the consolidated entities.

Income from associates

The Eutelsat 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 Eutelsat Group's share in the profits or losses realised after the acquisition date.

Portion of net income attributable to the Eutelsat Group and non-controlling interests

Net income attributable to the Eutelsat Group represents the Eutelsat Group's consolidated net income less the income from subsidiaries attributable to non-controlling interests in these subsidiaries. Non-controlling interests is the portion of equity ownership that is not directly or indirectly attributable to the Eutelsat Group.

6 Results of operations

6.1 Consolidated income statement

The table below represents a condensed consolidated income statement for the Eutelsat Group for the periods indicated, which have been extracted without material adjustment from the historical financial information of Eutelsat set out in Part 14 (*Historical Financial Information*) and Annexure A (*Eutelsat Historical Financial Information*) of this Prospectus.

<i>(in millions of euros)</i>	Year ended 30 June (audited)		
	2021	2022	2023
REVENUES	1,233.9	1,151.6	1,131.3
Operating costs	(94.7)	(93.2)	(103.3)
Selling, general and administrative expenses	(217.3)	(196.8)	(202.7)
Depreciation and amortisation	(507.7)	(481.7)	(455.5)
Other operating income and expenses	(67.0)	44.9	203.5
OPERATING INCOME	347.2	424.8	573.5
Cost of net debt	(72.8)	(63.1)	(68.5)
Other financial income and expenses	(22.2)	(1.8)	(22.8)
FINANCIAL RESULT	(95.0)	(64.9)	(91.3)
NET INCOME BEFORE TAX	252.3	359.9	482.2
Income tax expense	(24.2)	(48.6)	(66.5)
Income from associates	-	(71.5)	(87.3)
NET INCOME	228.1	239.8	328.3
Net income attributable to the Eutelsat Group	214.1	230.8	314.9
Net income attributable to non-controlling interests	14.0	9.1	13.4

Geographical breakdown of revenues

The following table gives a breakdown of the Eutelsat Group's revenue by geographical area for the periods indicated. This table is based on sales region.

<i>(in millions of euros and as a percentage)</i>	Year ended 30 June (audited)		
	2021	2022	2023

Regions	Amount	%	Amount	%	Amount	%
France	78.1	6.3	71.0	6.2	64.2	5.7
Italy	146.0	11.8	129.7	11.3	122.8	10.9
United Kingdom	66.2	5.4	68.9	6.0	64.5	5.7
Europe (others)	325.7	26.4	310.1	26.9	339.5	29.9
Americas	231.0	18.7	235.1	20.4	224.5	19.8
Middle East	241.3	19.6	214.5	18.6	191.2	16.9
Africa	94.1	7.6	99.5	8.6	109.5	9.7
Asia	35.2	2.9	33.9	2.9	29.0	2.6
Others ⁽¹⁾	16.4	1.3	(10.9)	(1.0)	(13.9)	(1.2)
TOTAL	1,233.9	100%	1,151.6	100.0%	1,131.3	100.0%

Revenues by operating verticals

The following table presents Eutelsat's revenues by application for the periods indicated:

(in millions of euros)	Year ended 30 June (audited)				Change	
	Year ended 30 June 2022 (audited) ⁽¹⁾		Year ended 30 June 2023 (audited)		Reported (%)	Like-for-like (%) ⁽²⁾
	Amount	%	Amount	%		
Video	752.2	65.5	704.8	62.0	-6.3	-8.3
Fixed connectivity	171.9	15.0	177.8	15.7	3.5	-2.3
Government services	144.4	12.6	143.4	12.6	-0.7	-7.2
Mobile connectivity	79.9	7.0	110.1	9.7	37.9	26.8
TOTAL OPERATING VERTICALS	1,148.3	100	1,136.1	100	-1.1	-4.8
Other revenues ⁽³⁾	3.3	-	-4.8	-	-244.7	-247.1
TOTAL	1,151.6	-	1,131.3	-	-1.8	-5.5
EUR/USD exchange rate	1.14	-	1.04	-		

(1) The figures for the year ended 30 June 2022 are compiled for illustrative and comparison purposes only to show the pro forma changes under the new operating verticals that Eutelsat will be reporting for and from the financial year ended 30 June 2023.

(2) Change at constant currency. The variation is calculated as follows: (i) FY 2022-23 USD revenues are converted at FY 2021-22 rates; and (ii) hedging impact is excluded.

(3) "Other revenues" include mainly the impact of euro/U.S. dollar revenue currency hedging, the provision of various services or consulting/engineering fees and termination fees.

(in millions of euros)	Year ended 30 June (audited)				Change	
	2021		2022		Reported (%)	Like-for-like (%) ⁽¹⁾
	Amount	%	Amount	%		
Broadcast	741.0	61.7	696.9	60.7	-6.0	-6.9
Fixed data & professional video	161.4	13.4	158.5	13.8	-1.8	-4.2
Government services	151.4	12.6	144.4	12.6	-4.6	-7.9
Fixed broadband	80.2	6.7	68.7	6.0	-14.3	36.0
Mobile connectivity	67.2	5.6	79.9	7.0	18.9	15.0
TOTAL OPERATING VERTICALS	1,201.2	100%	1,148.3	100%	-4.4	--3.8
Other revenues ⁽²⁾	32.7	-	3.3	-	-89.9	-90.0
TOTAL	1,233.9	-	1,151.6	-	-6.7	-6.1
EUR/USD exchange rate	1.19	-	1.14	-		

(1) Change at constant currency and perimeter. The variation is calculated as follows: (i) FY 2021-22 USD revenues are converted at FY 2020-21 rates; (ii) the contribution of BigBlu Broadband Europe from 1 July 2021 to 30 September 2021 is excluded from FY 2021-22 revenues; (iii) the contribution of Eurobroadband Infrastructure is excluded from FY 2020-21 revenues; and (iv) hedging revenues are excluded from Other Revenues.

(2) "Other revenues" include mainly the impact of euro/U.S. dollar revenue currency hedging, the provision of various services or consulting/engineering fees and termination fees.

6.2 Comparison of results of operations for the years ended 30 June 2023 and 2022

Revenues

The total revenues for the year ended 30 June 2023 decreased by 5.5% on a like-for-like basis and 1.8% on a reported basis to €1,131.3 million, from €1,151.6 million for the year ended 30 June 2022. Revenues of the four operating verticals (excluding 'other revenues') was €1,136.1 million, a decrease of 4.8% on a like-for-like basis (1.1% on a reported basis), excluding a positive currency impact of €43 million, from €1,148.3 million for the year ended 30 June 2022.

Video

Video contributed approximately 62% of the Eutelsat Group's total operating verticals revenues for the year ended 30 June 2023. Revenues for video decreased by 8.3% on a like-for-like basis (6.3% on a reported basis) to €704.8 million for the year ended 30 June 2023 from €752.2 million for the year ended 30 June 2022, reflecting the impact of the early non-renewal of a capacity contract with Digitürk from mid-November 2022, lower revenues in Europe related to volume reductions with certain resellers, and the effect of sanctions against Russian and Iranian channels, mainly in the second half of FY 2022-23.

On the commercial front, Eutelsat was selected by Orby Elevate for the distribution of its first mainstream English language Direct-to-Home 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 Direct-to-Home services across the Middle East and North Africa.

Professional Video revenues, which account for approximately 10% of the video vertical, also decreased, reflecting structural headwinds as well as the seasonality of some events.

Fixed connectivity

Fixed connectivity contributed approximately 16% of the Eutelsat Group's total operating verticals revenues for the year ended 30 June 2023. Fixed connectivity revenues decreased by 2.3% on a like-for-like basis (an increase of 3.5% on a reported basis) to €177.8 million for the year ended 30 June 2023 from €171.9 million for the year ended 30 June 2022.

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.

The Eutelsat Group 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 the 2023 calendar year.

In fixed data, 60% of this application, improved volume trends partly offset the negative impact of the ongoing competitive pressure on prices.

Government services

Government services contributed approximately 12% of the Eutelsat Group's total operating verticals revenues for the year ended 30 June 2023. Government services revenues decreased by 7.2% on a like-for-like basis (0.7% on a reported basis) to €143.4 million for the year ended 30 June 2023 from €144.4 million for the year ended 30 June 2022.

The decrease was largely offset by a one-off contract of €14 million 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 the third quarter of the 2023 calendar year. The revenues for the fourth quarter of FY 2022-23 was €45 million, up by 25.8% year-on-year and by 45.0% quarter-on-quarter, which, excluding the contract with DLR, declined by 14.0% year-on-year, a level consistent with the trend of the third quarter (a decrease of 13.4%), albeit representing a slightly improved trend compared to the first half of the financial year due 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

Mobile connectivity contributed approximately 10% of the Eutelsat Group's total operating verticals revenues for the year ended 30 June 2023. Mobile connectivity revenues increased by 26.8% on a like-for-like basis (37.9% on a reported basis) to €110.1 million for the year ended 30 June 2023 from €79.9 million for the year ended 30 June 2022, reflecting primarily the ongoing positive momentum, especially in the maritime sector, including the positive impact of the commercialisation in the first half of the third beam on EUTELSAT QUANTUM for a maritime mobility customer.

Other revenues

Other revenues amounted to a negative €4.8 million for the year ended 30 June 2023, a decrease of 247.1% on a like-for-like basis (244.7% on a reported basis) from €3.3 million for the year ended 30 June 2022, which included a €15 million negative impact from hedging operations versus a negative impact of €12 million in FY 2021-22.

Operating costs and selling, general and administrative expenses

Operating costs for the year ended 30 June 2023 amounted to €103.3 million, an increase of 10.8% from €93.2 million for the year ended 30 June 2022. Selling, general and administrative expenses for the year ended 30 June 2023 amounted to €202.7 million, an increase of 3.0% from €196.8 million for the year ended 30 June 2022, 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.

Depreciation and amortisation

Depreciation and amortisation for the year ended 30 June 2023 amounted to €455.5 million, a 5.4% or €26.2 million decrease from €481.7 million for the year ended 30 June 2022, as a result of lower in-orbit and on-ground depreciation and notwithstanding that two satellites, HOTBIRD 13F and HOTBIRD 13G, had entered into service respectively on 4 April 2023 and 30 May 2023.

Other operating income and expenses

Other operating income for the year ended 30 June 2023 amounted to €203.5 million, an increase of 353.2% from other operating income of €44.9 million for the year ended 30 June 2022, which primarily include the \$382 million payment related to Phase II of the C-Band proceeds. Other operating income for FY 2021-22 included \$125 million of Phase I of the C-Band proceeds.

Operating income

Operating income for the year ended 30 June 2023 amounted to €573.5 million, an increase of 35.0% from €424.8 million for the year ended 30 June 2022.

Financial result

The net financial result amounted to negative €91.3 million for the year ended 30 June 2023, a decrease of 40.7% from negative €64.9 million for the year ended 30 June 2022, mainly reflecting an unfavourable evolution of foreign exchange gains and losses and higher interest rates.

Income tax expense

The income tax expense for the year ended 30 June 2023 amounted to €66.5 million, an increase of 36.9% from €48.6 million for the year ended 30 June 2022, primarily due to the 30% tax rate applied to the increase in C-Band proceeds.

Income from associates

Income from associates for the year ended 30 June 2023 amounted to negative €87.3 million, a decrease of 22.1% from negative €71.5 million for the year ended 30 June 2022, reflecting the full year contribution of the stake in OneWeb, which in FY 2021-22 was only from September 2021 onwards.

Net income attributable to the Eutelsat Group

The Eutelsat Group's share of net income amounted to €314.9 million for the year ended 30 June 2023, a 36.4% increase from €230.8 million for the year ended 30 June 2022, representing a margin of 28% compared to a margin of 20% for the year ended 30 June 2022. This reflected:

- lower depreciation €455.5 million, a 5.4% or €26.2 million decrease from €481.7 million for the year ended 30 June 2022 (see above under subheading "*Depreciation and amortisation*");
- other operating income of €203.5 million, an increase of 353.2% from other operating income of €44.9 million for the year ended 30 June 2022 (see above under subheading "*Other operating income and expenses*");
- a net financial result of negative €91.3 million, a decrease of 40.7% from negative €64.9 million for the year ended 30 June 2022 (see above under subheading "*Financial result*");
- higher tax liability amounting to €66.5 million, an increase of 36.9% from €48.6 million for the year ended 30 June 2022 (see above under subheading "*Income tax expense*"); and

- decreased income from associates of negative €87.3 million, a decrease of 22.1% from negative €71.5 million for the year ended 30 June 2022 (see above under subheading “Income from associates”).

Net income attributable to non-controlling interests

The portion of net income attributable to non-controlling interests for the year ended 30 June 2023 was €13.4 million, an increase of 47.3% from €9.1 million for the year ended 30 June 2022.

6.3 Comparison of results of operations for the years ended 30 June 2022 and 2021

Revenues

The total revenues for the year ended 30 June 2022 decreased by 6.7% to €1,151.6 million, from €1,233.9 million for the year ended 30 June 2021. Revenue for the operating verticals amounted to €1,148.3 million (excluding ‘other revenues’), a decrease of 3.8% on a like-for-like basis (a decrease of 4.4 % on a reported basis) from €1,201.2 million for the year ended 30 June 2021, or €1,122 million at €1.20/USD\$ rate, which was higher than the mid-point of Eutelsat’s €1,110 to €1,130 million range guidance for that financial year. The calculation on a like-for-like basis (i.e., constant currency and perimeter) excluded a positive currency effect of approximately 2 points as well as a negative impact on the revenue of approximately 2.5 points, primarily due to the disposal of Eurobroadband Infrastructure on 30 April 2021 which was only partly offset by the consolidation of BigBlu Broadband Europe from 1 October 2020.

The variation to establish the like-for-like basis was calculated as follows: (i) FY 2021-22 U.S. dollars revenues were converted at FY 2020-21 rates; (ii) the contribution of BigBlu Broadband Europe from 1 July 2021 to 30 September 2021 was excluded from FY 2021-22 revenues; (iii) the contribution of Eurobroadband Infrastructure was excluded from FY 2020-21 revenues; and (iv) hedging revenues are excluded from “other revenues”.

Broadcast

Broadcast contributed approximately 61% of the Eutelsat Group’s total operating verticals revenues for the year ended 30 June 2022 (a decrease slightly from 62% of the Eutelsat Group’s total operating verticals revenue for the year ended 30 June 2021). Broadcast revenues decreased by 6.9% on a like-for-like (a decrease of 6.0% on a reported basis) to €696.9 million for the year ended 30 June 2022 from €741.0 million for the year ended 30 June 2021, which confirmed resilience in the second half with two consecutive quarters of broad stability. The decrease reflected predominantly the effect of the partial renewal of capacity with Nilesat at 7/8° west as well as lower revenues in Europe in the first half of FY 2021-22 due largely to the carry-forward effect of a slowdown in the pace of new business during the Covid period.

Fixed data & professional video

Fixed data and professional video contributed approximately 14% of the Eutelsat Group’s total operating verticals revenues for the year ended 30 June 2022 (an increase slightly from 13% of the Eutelsat Group’s total operating verticals revenue for the year ended 30 June 2021). Fixed data & professional video revenues amounted to €158.5 million for the year ended 30 June 2022, a decrease of 4.2% on a like-for-like basis (a decrease of 1.8% on a reported basis) from €161.4 million for the year ended 30 June 2021, a trend which is broadly consistent with FY 2020-21 which decreased by 3.7% compared to FY 2019-20.

Fixed data, which accounts for more than two thirds of this vertical, benefitted from higher volumes, which partly offset a continued double-digit price pressure. Professional video remains in structural decline, although it benefitted from a robust performance in occasional use (provision of short-term satellite capacity rather than capacity being allocated on a permanent basis).

Government services

Government services contributed approximately 12% of the Eutelsat Group’s total operating verticals revenues for the year ended 30 June 2022 (a decrease slightly from 13% of the Eutelsat Group’s total operating verticals revenues for the year ended 30 June 2021). Government services revenues amounted to €144.4 million for the year ended 30 June 2022, a decrease of 7.9% on a like-for-like basis (a decrease of 4.6% on a reported basis) from €151.4 million for the year ended 30 June 2021. This reflected the negative effect of the US government renewals and its withdrawal of troops from Afghanistan, which led to a renewal rate of approximately 75% during the financial year, as well as the end of life in stable orbit of EUTELSAT 174A. These impacts were only partly offset by initial incremental revenues secured in relation to EUTELSAT QUANTUM.

Fixed broadband

Fixed broadband contributed approximately 6% of the Eutelsat Group's total operating verticals revenue for the year ended 30 June 2022 (a decrease slightly from 7% of the Eutelsat Group's total operating verticals revenue for the year ended 30 June 2021). Fixed broadband revenues amounted to €68.7 million for the year ended 30 June 2022, an increase of 36.0% on a like-for-like basis (a decrease of 14.3% on a reported basis) from €80.2 million for the year ended 30 June 2021, reflecting the contribution from the wholesale agreements with Orange, TIM and Hispasat, the strong dynamic of Eutelsat's African operations and the ramp-up of the multi-beam agreement signed in relation to EUTELSAT 65 WEST A with several Mexican service providers. The revenues from fixed broadband more than offset the erosion of the legacy business of BigBlu Broadband on the KA-SAT satellite.

Mobile connectivity

Mobile connectivity contributed approximately 7% of the Eutelsat Group's total operating verticals revenue for the year ended 30 June 2022 (an increase from 5% of the Eutelsat Group's total operating verticals revenue for the year ended 30 June 2021). Mobile connectivity revenues amounted to €79.9 million for the year ended 30 June 2022, an increase of 15.0% on a like-for-like basis (an increase of 18.9% on a reported basis) from €67.2 million for the year ended 30 June 2021, reflecting the carry-forward effect of the contract signed with Anuvu in FY 2020-21 as well as the ongoing strong growth of maritime, driven by the ramp-up of contracts with service providers signed in recent years and by the agreement signed in FY2021-22 in relation to EUTELSAT QUANTUM with a customer in the Middle East. The revenues from mobile connectivity more than offset the downsizing of a contract with a service provider in the Middle East.

Other revenues

Other revenues amounted to €3.3 million for the year ended 30 June 2022, a decrease of 90.0% on a like-for-like basis (a decrease of 89.9% on a reported basis) from €32.7 million for the year ended 30 June 2021, primarily due to a negative €12 million impact from hedging operations compared to a positive effect of €16 million for the year ended 30 June 2021.

Operating costs and selling, general and administrative expenses

Operating costs for the year ended 30 June 2022 amounted to €93.2 million, a decrease of 1.6% from €94.7 million for the year ended 30 June 2021. Selling, general and administrative expenses for the year ended 30 June 2022 amounted to €196.8 million, a decrease of 9.4% from €217.3 million for the year ended 30 June 2021. This reflected the favourable effect of changes in perimeter, lower bad debt and continued strict cost discipline in the legacy businesses, which more than offset the additional costs for growth verticals. In the context of the LEAP 2 cost-saving program, €24 million savings were achieved in FY2021-22.

Depreciation and amortisation

Depreciation and amortisation for the year ended 30 June 2022 amounted to €481.7 million, a decrease of 5.1% from €507.7 million for the year ended 30 June 2021 as a result of the disposal of the KA-SAT satellite in May 2021 and the end of the amortisation period of certain in-orbit assets, which more than offset the effect of the entry into service of KONNECT in November 2020 and of EUTELSAT QUANTUM in November 2021.

Other operating income and expenses

Other operating expenses for the year ended 30 June 2022 amounted to €44.9 million a decrease of 167% from other operating income of €67 million the year ended 30 June 2021.

Following the federal decision published by the FCC 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 Eutelsat 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 US\$125 million for the first phase and US\$382 million for the second phase.

FY 2021-22 included a US\$125 million payment related to Phase I of C-band proceeds following the FCC-approved certification of the first phase of the Eutelsat Group's transition plan in October 2021, partly offset by some asset impairments recorded mostly in the first half of FY 2021-22. The work relating to the second phase of the transition plan has been completed for the terrestrial stations claimed by the Eutelsat Group and remains subject to approval by the FCC.

For the year ended 30 June 2022, other operating income included the proceeds of €106.6 million on phase 1 of the C-band transition plan. Other operating expenses mainly included impairments on satellites and launchers amounting to €33.8 million, restructuring costs amounting to €7.2 million and an adjustment in the impact of the Eurobroadband Infrastructure disposal amounting to €10.9 million.

Operating income

Operating income for the year ended 30 June 2022 amounted to €424.8 million, a 22% increase from €347.2 million for the year ended 30 June 2021.

Financial result

The net financial result amounted to negative €64.9 million for the year ended 30 June 2022, an improvement from negative €95 million for the year ended 30 June 2021, mainly reflecting a favourable impact from foreign exchange gains and losses.

Income tax expense

Income tax expenses for the year ended 30 June 2022 amounted to €48.6 million, an increase of 100.8% from €24.2 million for the year ended 30 June 2021, reflecting mainly the 30% tax rate applied on the C-band proceeds related revenue.

Income from associates

The investments in associates is the equity value of OneWeb that corresponded to the Eutelsat Group's share in the result of OneWeb, which recorded €605.7 million for the year ended 30 June 2022.

Income from associates for the year ended 30 June 2022 amounted to negative €71.5 million from nil for the year ended 30 June 2021. In September 2021, Eutelsat acquired 20.52% of OneWeb. Its equity interest increased to 25.13% in late December 2021, after having participated in a portion of Bharti's last call option. On 28 February 2022, Hanwha acquired of an equity interest for \$300 million, Eutelsat's participation now stands at 22.91% of OneWeb's capital.

Net income attributable to the Eutelsat Group

The Eutelsat Group's share of net income for the year ended 30 June 2022 amounted to €230.8 million, a 8% increase from €214.1 million for the year ended 30 June 2021, with the net margin at 20%.

Net income attributable to non-controlling interests

The portion of net income attributable to non-controlling interests for the year ended 30 June 2022 amounted to €9.1 million, a decrease of 35% from €14.0 million for the year ended 30 June 2021.

7 Liquidity and capital resources

Eutelsat's primary sources of liquidity are: (i) cash flows generated by Eutelsat S.A.'s operating activities; (ii) credit facilities obtained and bond debt issued by Eutelsat and Eutelsat S.A.; and (iii) cash. Details of Eutelsat and Eutelsat S.A.'s credit facilities, including total commitments maturity and interest, and amount outstanding as at 30 June 2023, can be found in paragraph 8 of this Part 15 (*Operating and Financial Review of Eutelsat*) and in Annexure A (*Eutelsat Historical Financial Information*) of this Prospectus.

The Eutelsat Group's liquidity needs mainly comprise: (i) financing for satellite construction and launches; (ii) servicing of the Eutelsat Group's debt; (iii) inorganic acquisitions when applicable; and (iv) financing of working capital.

The following table shows changes in cash flow for the periods indicated.

(in millions of euros)	Year ended 30 June (audited)		
	2021	2022	2023
Net cash flow from operating activities	889.0	800.9	734.9
Net cash flow from investing activities	(183.3)	(583.0)	(332.9)
Net cash flow from financing activities	(670.1)	(413.3)	(598.0)
Impact of exchange rate on cash and cash equivalents	(6.5)	14.7	(0.3)
Impact of perimeter change	-	-	(2.0)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	29.1	(180.6)	(198.3)
Cash and cash equivalents at beginning of year	832.0	861.1	680.5
Cash and cash equivalents at end of year	861.1	680.5	482.2

7.1 Comparison of results of operations for the year ended 30 June 2023 and 2022

Net cash flow from operating activities

Net cash flow from operating activities amounted to €734.9 million for the year ended 30 June 2023 compared to €800.9 million for the year ended 30 June 2022, due to lower adjusted EBITDA and the first instalment of \$100 million of the “take or pay” agreement signed with OneWeb (please see subsection “*Take or pay distribution partner agreement*” under paragraph 16.2 of Part 22 (*Additional Information*) of this Prospectus), partially compensated by lower working capital requirement needs due to a prepayment in respect of the European Geostationary Navigation Overlay Service contract of €85 million and strong cash collection.

Net cash flow from investing activities

Investing activities mainly concern satellites (acquisitions of satellites) and ground equipment (comprising mainly of satellite control and monitoring equipment). The 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 Eutelsat 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. The level of investment depends on the satellite launch programme and may fluctuate substantially from one year to the next.

Net cash flow from investing activities amounted to negative €332.9 million for the year ended 30 June 2023 compared to negative €583.0 million for the year ended 30 June 2022, mainly due to:

- the phasing of various satellite programmes;
- during the financial year ended 30 June 2023, acquisition of equity investments for €122.1 million mostly related to the acquisition of a stake in OneWeb; and
- During the financial year ended 30 June 2022, acquisition of equity investments for €491.9 million mostly related to the acquisition of a stake in OneWeb and the payment related to the phase I of C-Band proceeds for an amount of €86.1 million after tax.

The following table shows cash flows from investing activities during the years ended 30 June 2022 and 2023.

(in millions of euros)	Year ended 30 June	
	2022	2023
Acquisition 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)
Net cash flow from investing activities	(583.0)	(332.9)

Net cash flow from financing activities

Net cash flow from financing activities amounted to negative €598.0 million for the year ended 30 June 2023 compared to negative €413.3 million for the year ended 30 June 2022, primarily reflecting:

- the impact of the main financing or refinancing operations of the Eutelsat Group, being:
 - the €300 million 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 million and €200 million 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; and
 - the Eutelsat’s term loan and revolving credit facility adjusted EBITDA/Net Debt ratio covenant (see below paragraph 8 of this Part 15 under subheading “*Financial covenants*” for further details).
- interest paid of €95.3 million in FY 2022-23 compared to €78.3 million in FY 2021-22.

- the evolution of dividends paid partly in newly issued Shares and partly paid in cash (€80.6 million in FY 2022-23 and €221.5 million in FY 2021-22);
- lease payments of €54.6 million in FY 2022-23 compared to €14.1 million in FY 2021-22.

7.2 Comparison of results of operations for the years ended 30 June 2022 and 2021

Net cash flow from operating activities

Net cash flow from operating activities amounted to €800.9 million for the year ended 30 June 2022 compared to €889.0 million for the year ended 30 June 2021. This reflected the decrease in adjusted EBITDA as well as an unfavourable comparison basis for working capital requirement as FY 2020-21 benefitted from a catch up after the COVID crisis. Cash tax was also lower than FY 2020-21, which included taxes related to one-off insurance proceeds.

Net cash flow from investing activities

For the year ended 30 June 2022, net cash flows from investing activities was negative €583.0 million compared to negative €183.3 million for the year ended 30 June 2021, a variation reflecting mainly:

- the phasing of various satellite programmes;
- during the financial year ended 30 June 2021, the acquisition of equity investments for €48 million, mostly related to the acquisition of BigBlu Broadband and the disposal of Eutelsat's 51% stake in Eurobroadband Infrastructure which represented a net impact of €41.5 million, after taking into account the cash held by Eurobroadband Infrastructure at the date of the sale;
- during the financial year ended 30 June 2022, acquisition of equity investments for €491.9 million, mostly related to the acquisition of a stake in OneWeb; and
- the payment related to the phase I of C-band proceeds for an amount of €86 million after tax.

The following table shows net cash flow from investing activities during the years ended 30 June 2021 and 2022.

(in millions of euros)	Year ended 30 June	
	2021	2022
Acquisition of satellites, other property and equipment and intangible assets	(183.4)	(177.2)
Insurance repayments	6.6	-
Sale of entities	41.5	-
C-band transition plan	-	86.1
Acquisition of equity investments and other movements	(48.0)	(491.9)
Net cash flows from investing activities	(183.3)	(583.0)

Net cash flow from financing activities

During the year ended 30 June 2022, net cash flow from financing activities was negative €413.3 million compared to negative €670.1 million for the year ended 30 June 2021. This reflected principally:

- the effect of the main financing or refinancing operations:
 - a new facility of €159 million was raised at the Eutelsat S.A. level to increase the Eutelsat Group's liquidity. It consists of three tranches repayable in June 2025, June 2026 and June 2027 respectively; and
 - the maturities of the €400 million term loan of Eutelsat and of the €200 million revolving credit facility of Eutelsat were both extended by one year from June 2026 to June 2027;
- the increase in dividends paid in cash of €204.9 million in FY 2020-21 to €221.5 million in FY 2021-22;
- lease payments of €91.5 million in FY 2020-21 compared to €14.1 million in FY 2021-22; and
- interest paid of €80.0 million in FY 2020-21 compared to €78.3 million in FY 2021-22.

8 Financial instruments

Eutelsat's financial instruments comprise term loans, credit facilities and bond issues. As of 30 June 2023, the Eutelsat Group was in compliance with all the banking covenants.

The following table sets out the key terms of Eutelsat's existing financial instruments as at 30 June 2023.

<i>(in millions of euros)</i>	Amount granted	Amount used	Rate	Maturity	Financial covenant terms
Eutelsat term loan	400	400	EURIBOR plus a margin depending on Eutelsat long-term credit ratings given by S&P. Selected three months, beginning on 10 September, 10 December, 10 March and 10 June every year	25 June 2027	Maintain a total net debt to annualised adjusted EBITDA ratio (as defined contractually and based on the Eutelsat Group's IFRS consolidated accounts) of less than or equal to 4.0 to 1, tested on 30 June and 31 December each year ⁽¹⁾
Eutelsat revolving credit facility	200	-	EURIBOR (or SOFR for drawings in US dollars) plus a margin depending on Eutelsat long-term credit ratings given by S&P	25 June 2027	Maintain a total net debt to annualised adjusted EBITDA ratio (as defined contractually and based on the Eutelsat Group's IFRS consolidated accounts) of less than or equal to 4.0 to 1, tested on 30 June and 31 December each year ⁽¹⁾
Eutelsat S.A. European Investment Bank term loan	200	200	0.488%	8 December 2028	
Eutelsat S.A. revolving credit facility No. 1	450	-	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 S&P	30 September 2025 ⁽²⁾	Maintain a total net debt to annualised adjusted EBITDA ratio (as defined contractually 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, tested on 30 June and 31 December each year
Eutelsat S.A. revolving credit facility No. 2	200	-	EURIBOR (or LIBOR for amounts drawn in U.S. dollars) plus a margin depending on Eutelsat S.A.'s long-term rating assigned by S&P	30 September 2025 ⁽²⁾	Maintain a total net debt to annualised adjusted EBITDA ratio (as defined contractually 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, tested on 30 June and 31 December each year
Eutelsat S.A. credit facility No.1	200	200 (of which 82 reimbursed)	Fixed rate plus a predefined margin	30 June 2023 (€65 million) 30 June 2024 (€53 million)	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, tested on 30 June and 31 December each year
Eutelsat S.A. credit facility No.2	200	200	Fixed rate plus a predefined margin	28 June 2024 (€75 million) 30 June 2025 (€50 million) 30 June 2026 (€75 million)	Maintain a total net debt to annualised adjusted EBITDA ratio (as defined contractually 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, tested on 30 June and 31 December each year
Eutelsat S.A. credit facility No.3	159	-	Fixed rate plus a predefined margin	30 June 2025 (€53 million) 30 June 2026 (€53 million) 30 June	Maintain a total net debt to annualised adjusted EBITDA ratio (as defined contractually 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, tested on 30 June

2027 (€53 million) and 31 December each year

(1) In FY 2022-23, the Eutelsat 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 periods up to until 30 June 2024. The Eutelsat 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 Completion of the Combination takes place before the testing date.

(2) On 13 July 2023, the maturities of the active €450 million and €200 million revolving credit lines were extended until 30 September 2025, with an additional one-year extension option subject to the lenders' approval.

On 13 July 2023, €143.6 million 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 of structured debt occurred on 31 July 2023.

Bonds

A summary of the terms of the issued bonds as at 30 June 2023 are as follows:

Bond maturity	Amount granted	Coupon rate
2 October 2025	800	2.000%
13 July 2027	600	2.250%
13 October 2028	600	1.500%

Issue costs incurred on issuing the bonds are amortised over the duration of the loans.

Eutelsat restrictive covenants

The Eutelsat loan agreements do not involve any guarantee by Eutelsat's 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 and Eutelsat S.A. (including as a result of a concerted action).

In addition, Eutelsat has agreed to retain directly or indirectly 95% of the capital and voting rights in Eutelsat S.A. for the duration of the loan.

Eutelsat S.A. restrictive covenants

The Eutelsat S.A. credit agreements and bond issues do not carry any guarantee by the Eutelsat Group nor 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 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 Eutelsat Group and expressly provided for in the agreement);
- modify the nature of the business of Eutelsat S.A. or its subsidiaries.

The credit agreements allow each lender to request early repayment of all sums due if there is a change of control of Eutelsat and of its subsidiary Eutelsat S.A. (other than control acquisition by the Eutelsat Group's reference shareholders or in case of the Eutelsat Group restructuring). In addition, for Eutelsat credit facilities, Eutelsat has agreed to retain, 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.

Each lender party to a bond issue can request early redemption of such issued bond in the event of a change of control of Eutelsat S.A. or change of control of Eutelsat, in either case, accompanied by a downgrade in its bond ratings.

9 Cash capital expenditure (or Cash Capex)

Eutelsat's cash capital expenditure comprises 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 capital expenditure is net from the amount of insurance proceeds.

The following table sets out Eutelsat's cash capital expenditure for the periods indicated.

<i>(in millions of euros)</i>	Year ended 30 June		
	2021	2022	2023
Acquisition of satellites, other property and intangible assets	(183.4)	(177.2)	(201.0)
Insurance proceeds	6.6	-	-
Repayment of export credit agency loans, lease liabilities and other bank facilities ⁽¹⁾	(165.2)	(102.3)	(69.6)
Total cash capital expenditure	(342.0)	(279.5)	(270.6)

(1) Included in lines 'Repayment of borrowings' and of 'Repayment of lease liabilities' of cash-flow statement

9.1 Comparison of results of operations for the years ended 30 June 2023 and 2022

Cash capital expenditure amounted to €270.6 million for the year ended 30 June 2023, (€8.9 million decrease from the year ended 30 June 2022).

9.2 Comparison of results of operations for the years ended 30 June 2022 and 2021

Cash capital expenditure amounted to €279.5 million for the year ended 30 June 2022 (€66.5 million below the year ended 30 June 2021) which consisted of €177.2 million expended on satellite acquisitions, other property and equipment (satellite control and monitoring equipment), intangible assets, as well as repayments of export credit agency loans, lease liabilities and bank facilities.

10 DFCF

The Eutelsat Group communicates on the DFCF, which reflects its ability to generate cash after the payment of interest and taxes. DFCF generally and principally serves the investments to pursue Eutelsat's strategy, shareholder remuneration and debt reduction. Adjusted DFCF excludes, amongst other things, specific projects such as the COMETE project, the LEAP 2 programme, the move to new headquarters, as well as the Eutelsat-OneWeb combination project.

The following table sets out Eutelsat's DFCF for the periods indicated.

<i>(in millions of euros)</i>	Year ended 30 June		
	2021	2022	2023
Net cash flows from operating activities	889.0	800.9	734.9
Payments of the OneWeb take-or-pay	-	-	93.4
Cash capital expenditure	(342.0)	(279.5)	(270.5)
Interest and other fees paid net of interest received	(80.0)	(78.3)	(95.3)
Reported DFCF	467.1	443.2	462.4
Currency impact ⁽¹⁾	(3.2)	45.1	17.9
Hedging impact	(15.6)	11.8	13.6
One-off costs ⁽²⁾	21.7	21.4	24.2
Adjusted DFCF	470.0	521.5	518.0

(1) FY 2020-21 DFCF have been converted at 1.20 euro/U.S. dollar rate and FY 2021-22 DFCF and FY 2022-23 DFCF have been converted at 1.00 euro/U.S. dollar rate. On the basis of 1.20 euro/U.S. dollar rate, currency impact is €(16.6) million and Adjusted DFCF €460 million.

(2) One off costs related to LEAP 2 program, move to new headquarters and to specific projects in particular COMETE project as well as the Combination project for FY 2022-23.

10.1 Comparison of results of operations for the year ended 30 June 2023 and 2022

As a result of the changes to the net cash flows from operating activities and cash capital expenditure described above in paragraphs 7.1 and 9.1 of this Part 15 (*Operating and Financial Review of Eutelsat*), reported DFCF amounted to €462.4 million for the year ended 30 June 2023, increased by €19.2 million from €443.2 million for the year ended 30 June 2022.

Adjusted DFCF, calculated at the guidance rate of 1 EUR/USD, stood at €518.0 million for the year ended 30 June 2023, decreased by €3.5 million from €521.5 million for the year ended 30 June 2022.

10.2 Comparison of results of operations for the year ended 30 June 2022 and 2021

As a result of the changes to the net cash flows from operating activities and cash capital expenditure described above in paragraphs 7.2 and 9.2 of this Part 15 (*Operating and Financial Review of Eutelsat*), reported DFCF for the year ended 30 June 2022 amounted to €443.2 million on a reported basis decreased from €467.1 million for the year ended 30 June 2021. At the euro/U.S. dollar rate which was set for financial objectives (1.20) and excluding the impact of hedging and one-off costs, adjusted DFCF stood at €460 million, decreased by 2.1% compared to FY 2020-21, but well above Eutelsat's expected range of objectives (€400 million to €430 million).

11 Off-balance sheet arrangements

Off-balance sheet commitments as of 30 June 2023 consist mainly of the 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 Eutelsat Group's financing (such as off-balance sheet fixed rate swaps, caps and collars) and the derivative financial instrument which are valued by an independent expert before being reconciled with the valuations provided by bank counterparties.

Off-balance sheet purchase commitments amount to €957.6 million as of 30 June 2023.

12 Critical accounting policies

Eutelsat discussion and analysis of its financial condition and results of operations are based upon its 2023, 2022 and 2021 full year consolidated financial statements included in this Prospectus which have been prepared in accordance with IFRS as adopted by the European Union and in force as of the relevant date. Please see Note 4.1 to the 2023 annual financial statement included in Annexure A (*Eutelsat Historical Financial Information*) of this Prospectus.

The preparation of the Eutelsat 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 Eutelsat 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 close down 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 consolidated financial statements for each of the periods ended 30 June 2023, 30 June 2022 and 30 June 2021, 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.

13 Quantitative and qualitative disclosures about financial risk

The Eutelsat Group is exposed to market risks, principally in terms of currency and interest rates. To address this, the Eutelsat Group uses several financial derivatives. The Eutelsat Group does not engage in financial transactions to which associated risk cannot be quantified at maturity, for example, the Eutelsat Group would not sell assets it does not hold, or that 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. For a discussion of these financial risks and management, see Note 7.4.6 to the 2023 annual financial statement included in Annexure A (*Eutelsat Historical Financial Information*) of this Prospectus.

Part 16 Operating and Financial Review of OneWeb

The following is a discussion of the OneWeb Group's operating results and financial condition as at and for the period 25 March 2020 to 31 March 2021 and as at and for the financial years ended 31 March 2022 and 31 March 2023. The financial information contained in this operating and financial review has been extracted without material adjustment from the OneWeb Group's consolidated financial statements set out in Part 14 (Historical Financial Information) of this Prospectus and should be read together with the OneWeb's Group's consolidated financial statements and the related notes included in Part 14 (Historical Financial Information) and elsewhere in this Prospectus.

The following discussion includes forward-looking statements that are subject to risks, uncertainties and assumptions that could cause the actual events or conditions to differ materially from those anticipated in the forward-looking information. See the paragraph entitled "Forward-looking statements and forecasts" of Part 3 (Presentation of Financial and Other information) and Part 2 (Risk Factors) of this Prospectus.

1 Overview

OneWeb is one of only two commercially operating global LEO satellite constellations, enabling high-speed, low latency and affordable connectivity for governments, businesses, and communities. OneWeb's LEO satellites, orbiting at c. 1,200km, are 30 times closer to Earth than GEO, providing an average global two-way latency of 70ms. By utilising its LEO satellite constellation, OneWeb can provide data access to consumers, businesses, schools, and other communities in locations that cannot technically or economically be served through terrestrial means.

As at the Last Practicable Date, OneWeb has successfully completed 19 launches and has in orbit 634 satellites for its LEO GEN 1 satellite constellation. These LEO GEN 1 satellites will provide global coverage and enable OneWeb to deliver connectivity to end users through relationships with its distribution partners.

OneWeb is in the process of beginning the development and design of its LEO GEN 2 satellite constellation which is expected to have 5x higher capacity than LEO GEN 1, with an anticipated longer lifetime of approximately 10 years and enhanced user performance.

OneWeb has two main offices, its headquarters in London, the United Kingdom, and an office in Virginia, the United States. OneWeb's 50:50 joint venture with AOS has a satellite manufacturing facility in Florida, the United States, which manufactures OneWeb's LEO GEN 1 satellites. OneWeb is intending to construct and operate SNPs in 44 locations to support its first-generation LEO satellite constellation. To date, OneWeb has completed construction of over 22 of these SNPs.

For the financial year ended 31 March 2023, the OneWeb Group generated total revenues of \$30.9 million (an increase of 221.9% from \$9.6 million for the same period in 2022) and a net loss of \$361.9 million (compared to a net loss of \$389.8 million for the same period in 2022) with total assets of \$3,032.0 million as at 31 March 2023 (compared to total assets of \$3,185.9 million as at 31 March 2022).

2 Significant factors affecting results of operation and financial condition

The OneWeb Directors believe that the following factors have materially affected OneWeb's results of operations and financial condition during the periods under review and that such factors may continue to affect OneWeb's results of operations and financial condition in future periods.

2.1 Growth of distribution partners, network rollout and the rate of revenue realisation

OneWeb sells its services through a business-to-business-to-customer business model. OneWeb's distribution partners are regional or local service operators who in turn sell OneWeb's services to their end-user customer base. Such distribution partners have a greater understanding of their customers' needs, which enables them to build and best manage the network of platforms their customers use. OneWeb's approach in leveraging partnerships to enter markets is currently different from other LEO operators which adopt a B2C approach, providing services directly to customers. As such, the OneWeb Group's revenue derives from its agreements with distribution partners and the growth of distribution partners significantly affects the OneWeb Group's results of operations.

OneWeb has significantly increased its network of distribution partners, from one as at 31 March 2021 to 37 and 53 as at 31 March 2022 and 2023, respectively. OneWeb leverages its internal commercial team to pursue distribution opportunities and an active pipeline of regional distribution partner agreements ("DPAs") to roll out OneWeb's services geographically.

OneWeb's roll out of network service is in a phased rollout. OneWeb's low-earth-orbit satellites are currently serving

locations from North of 50° latitude to North and South of 25° latitude (covering 2/3 of the United States in terms of geographic footprint) and is targeting full global coverage by the end of 2023. OneWeb’s ability to provide commercial services through its rollout and thus generate revenues depends on its success in securing DPAs with distribution partners serving the relevant regions.

OneWeb sells its services by delivering capacity to its distribution partners and charging for such capacity. The distribution partners will then in turn sell this capacity to their customer base. The table below sets out the ways in which OneWeb enters into commercial arrangements with distribution partners: (1) advanced sales; (2) “take or pay” arrangements; or (3) “pay as you go” arrangements.

Commercial arrangement	Level of commitment	Pricing
Advanced sales	Exclusive committed capacity	Most favourable discounted pricing
“Take or pay” arrangements	Partial or exclusive committed capacity	Favourable discounted pricing according to capacity commitment
“Pay as you go” arrangements	No committed capacity	Competitive non-discounted pricing

In advanced sales, the distribution partner pays upfront for capacity. The distribution partner has the benefit of reserving a certain amount of capacity at a lower pre-established price for its exclusive use in a region for a certain period of time. An advanced sale is recognised as a liability and is not recognised as revenue in the OneWeb Group’s financial statements until the services are rendered at which point revenue recognition occurs. A significant prepayment partner of OneWeb is NEOM T&D. In the year ended 31 March 2022, OneWeb entered into a joint venture agreement with NEOM T&D to supply high-speed satellite connectivity to the new city of NEOM, Saudi Arabia and the wider Middle East, and neighbouring East African countries. The parties entered into a commercial distribution and services agreement which provided OneWeb with an advanced payment of \$170.6 million from NEOM T&D for services to be rendered over a number of years. The payment received has been deferred as a contract liability, with revenue to be recognised as the service is provided over the contract period. The advance payment has been concluded to provide a significant financing benefit to OneWeb. Accordingly, the revenue to be recognised has been adjusted for the effect of discounting, resulting in the unwinding of the contract liability based on the discount rate that would be reflected in a separate financing transaction with the customer.

In “take or pay” arrangements, the distribution partner commits to a minimum amount of capacity usage and in turn, a minimum amount of committed revenue. A “take or pay” arrangement may grant the distribution partner exclusivity in a region or market. The distribution partner in such arrangement has the option to sell more capacity than the minimum committed. Recent significant “take or pay” arrangements include those entered into with Galaxy Broadband, Eutelsat S.A. and Hughes Communications India. In February 2023, OneWeb and Galaxy Broadband Communications Inc., an Ontario-based satellite service company that provides telecommunications services to enterprise customers, entered into a \$50.0 million, multi-year deal to deliver OneWeb’s LEO connectivity solutions across Canada including the northern territory of Nunavut. On 25 July 2022, OneWeb’s existing DPA with Eutelsat S.A. was amended. Under the terms of the amended DPA, Eutelsat S.A. takes a firm commitment to purchase \$275.0 million of OneWeb’s constellation capacity at pre-defined terms over a five-year duration, starting from the full availability of the LEO GEN 1 constellation. Eutelsat S.A. will pay in three instalments of \$100.0 million, \$100.0 million and \$75.0 million over the next three financial years starting from the year ended 31 March 2023. As at 31 March 2023, \$100.0 million has been paid to OneWeb and is recognised as a contract liability. As part of the agreement, Eutelsat S.A. will benefit from the exclusive use of OneWeb’s capacity over certain pre-determined sales regions and verticals, in particular Continental Europe and the Global Cruise segment. In June 2023, Eutelsat S.A. and OneWeb entered into an amendment and restatement agreement, which consolidated the DPA signed in February 2022 as amended in July 2022 and further amended in February 2023. In December 2021, OneWeb signed an exclusive DPA with Hughes Communications India for servicing the fast-growing Indian market. Under the terms of this agreement, OneWeb obtained a firm revenue commitment for a period of six years.

In “pay as you go” arrangements, the distribution partner pays only for the capacity that it provides to its end users. Compared to a “pay as you go” arrangement, an advanced sale and a “take or pay” arrangement provide OneWeb with greater certainty in revenue.

As at 31 March 2023, OneWeb has an order book of \$864 million. This consists of \$170.6 million in prepayment from advanced sales and in excess of \$693.0 million from “take or pay” arrangements and other confirmed orders, which include Eutelsat S.A.’s total take-or-pay commitments of \$275 million. The revenue associated with the order book will be recognised when the services are rendered.

47% and 100% of OneWeb’s revenue for the years ended 31 March 2023 and 31 March 2022 respectively was derived from the legacy business of OWT (see paragraph 2.6 of this Part 16 (*Operating and Financial Review of OneWeb*)). As OneWeb moves from its development to execution phase, whereby OneWeb begins to roll out services via distribution

partners, OneWeb will generate an increasing proportion of revenue from such services and the revenue stream from OWT's legacy business will diminish.

In addition to the revenue generated from the sale of capacity, OneWeb recognises the sale of user terminals and equipment as revenue.

2.2 Capital expenditure

OneWeb has completed the deployment of its LEO GEN 1 satellite constellation and will complete the full build-out of ground infrastructure over the next year. As at 31 March 2023, OneWeb has finished constructing 22 out of the 44 SNPs needed to provide global service coverage, with the remaining 19 at various stages of completion and near finalisation. In addition, as at 31 March 2023, OneWeb had 20 PoP sites and plans to have another 11 PoP sites completed by the end of 2023 as part of the LEO GEN 1 system deployment.

OneWeb's capital expenditure has been significant in the development, manufacture and launch of satellites and in the development of ground infrastructure and spectrum (see paragraph 7 of this Part 16 (*Operating and Financial Review of OneWeb*) below). OneWeb's capital expenditure was \$656.1 million, \$667.1 million and \$171.7 million for the years ended 31 March 2023, 2022 and for the period 25 March 2020 to 31 March 2021, respectively. The capital expenditure predominantly relates to the design, development, build and deployment of satellite infrastructure, ground infrastructure and user terminals development. The amount of capital expenditure spent on satellites and on ground infrastructure are equally significant.

In the short term, OneWeb expects to incur capital expenditure on the completion of the ground infrastructure, the development of a variety of user terminals for its LEO GEN 1 satellite constellation and the ongoing maintenance of LEO GEN 1 satellites and associated ground infrastructure. OneWeb intends to deploy additional satellites to accommodate for those satellites that were launched in 2019 and 2020 and will therefore reach the end of their service life ahead of more recently launched satellites. These in-orbit spares allow OneWeb to provide continuity of service in the event of any satellite failure. OneWeb's LEO GEN 1 satellite constellation has a finite life.

In the medium term, OneWeb expects to incur significant capital expenditure on the design, development, build and deployment of its LEO GEN 2 satellites and associated ground infrastructure.

For more information on the capital expenditures of the Combined Group, please see paragraph 1 of Part 7 (*Overview of the Combined Group*) of this Prospectus, in particular, the paragraph entitled "*Disciplined financial policy focussed on growth and deleveraging*".

2.3 Performance of the network and technological development

The performance of OneWeb's network and service provision is integral to OneWeb's competitive advantage and in turn, its ability to attract distribution partners and generate revenue. The total saleable capacity of OneWeb's constellation is 1.4 Tbps. The capacity of the system is ultimately limited by the number of satellites. Each LEO GEN 1 satellite has a capacity of 4 GHz in the forward direction. The LEO GEN 2 satellite is expected to have five times higher capacity which will significantly increase the capacity of OneWeb's satellite constellation and is expected to result in lower costs. OneWeb's LEO GEN 1 satellites provide an average global two-way latency of 70ms. Compared to GEO satellites, OneWeb's LEO GEN 1 satellites are 30 times closer to Earth, allowing OneWeb to provide higher speed of internet and quicker service to end users.

OneWeb's spectrum rights provide OneWeb with a significant competitive advantage and are an important enabler of OneWeb's system. Priority spectrum rights are governed through the International Telecommunications Union (ITU). OneWeb has secured c.6 GHz of non-geostationary orbit priority spectrum rights in the Ku and Ka bands, covering 2.5 GHz of Ku band end for user links and 3.3 GHz of Ka band gateway for feeder links. The Ku band is used by OneWeb to deliver internet connectivity to end users. OneWeb has the highest priority spectrum rights in the Ku band, which places the burden on other LEO operators to coordinate with or work around OneWeb to avoid interference. The Ka band is used by OneWeb as a link between its LEO satellites and its satellite network portals to monitor and control its LEO satellites. OneWeb has strong priority spectrum rights in the Ka band.

OneWeb has landing rights in the majority of locations required to provide global service, and this will continue to grow as OneWeb scales the network. Landing rights allow OneWeb to secure market access in critical markets and are important in preserving OneWeb's growth potential and value proposition for significant customers.

User terminals are a key element in OneWeb's global infrastructure and ultimately in OneWeb's ability to deliver a high-performance network. OneWeb is building a portfolio of user terminals to meet the varying requirements of government,

carrier and enterprise, aviation, maritime and land mobility customers, through partnering with Intellian, Hughes, Kymeta, Inster, Stellar Blu, Satcom Direct and others. Diversity of user terminals is important to enable OneWeb to cater across different markets to meet specific use cases and therefore OneWeb is developing user terminals with different capabilities, form factor, specifications, volumes and price points. For example, user terminals that are being developed for aviation are smaller in form and lighter to avoid affecting the aerodynamics of aircrafts. User terminals are either purchased by distribution partners from a third-party supplier or directly from OneWeb. The timing of availability of these user terminals affect revenue realisation and customer acquisition as the execution of OneWeb's business plan relies in part on these user terminals being developed and deployed.

2.4 Cancellation or delays of satellite launches

The maintenance of OneWeb's LEO GEN 1 constellation and deployment of a future LEO GEN 2 constellation is contingent upon the successful and timely launch of satellites. A significant delay in the launch of satellites could lead to a delay in revenue generation, cost overruns or an assessment of impairment charge, thus impacting OneWeb's results of operations (please see paragraph 1.6 of Part 2 (*Risk Factors*) of this Prospectus).

During the year ended 31 March 2022, due to geo-political tensions following Russia's invasion of Ukraine, OneWeb postponed, for the foreseeable future, six scheduled launches due to take place from Baikonur. The postponement of these scheduled launches, the loss of satellites not returned to OneWeb and the impairment of a portion of OneWeb's prepaid launch insurance resulted in an impairment charge of \$229.2 million, 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 ended 25 March 2020 to 31 March 2021). The launch postponements also delayed OneWeb's initial timeline in achieving global coverage of its LEO GEN 1 satellites. Given the ongoing conflict in Ukraine, OneWeb pivoted its launch operations to the United States and India and re-commenced launches in October 2022. New commercial partnerships were formed with launch providers, including SpaceX and ISRO – NewSpace India Limited, to facilitate the remaining launches required to attain full global coverage for LEO GEN 1.

During the year ended 31 March 2023, linked to the events that resulted in the impairment noted above, OneWeb entered into discussions with a supplier. This resulted in an agreement under which OneWeb received a credit of \$34.2 million which is recognised as other operating income. In addition, OneWeb also reversed \$5.8 million of impairment as OneWeb received use of certain assets that had previously been impaired that could be deployed for the launches OneWeb executed in the financial year.

2.5 Chapter 11 bankruptcy and equity funding

In March 2020, OWG and a number of entities owned by OWG, including OWC, an intermediate holding company of OneWeb, filed for Chapter 11 bankruptcy protection in the United States as a result of financial challenges compounded by the COVID-19 pandemic. On 1 July 2020, OneWeb entered into a Plan Support Agreement (“PSA”) with OWG and its subsidiaries to set out the process for the purchase of OWC and its subsidiaries. The PSA was authorised by the US Bankruptcy Court of the Southern District of New York on 13 July 2020.

The shareholders of OneWeb at that time were Bharti Global Limited and the United Kingdom Secretary of State for Business, Energy and Industrial Strategy. Under the terms of the PSA, the OneWeb shareholders committed \$1.0 billion in capital financing. Between July and October 2020, OWG negotiated with creditors to resolve outstanding and disputed claims. In addition, OWG completed the conditions to the consummation of the transactions contemplated under the PSA, including obtaining several regulatory approvals. On 20 November 2020, the US Bankruptcy Court issued a final decree to allow OneWeb to complete the purchase of the newly reorganised the OneWeb Group consisting of OWC and its subsidiaries who were discharged from all previous indebtedness. The claims against, and liabilities of, the newly organised the OneWeb Group existing before or at the time of Chapter 11 bankruptcy have been extinguished as a result of this final decree and OneWeb now operates its business without any impediment as a result of or in connection with this Chapter 11 process.

A bargain purchase arose on the acquisition because the business was acquired as part of a distressed sale following bankruptcy. The fair value of the assets acquired of \$912.7 million was higher than the consideration paid of \$482.3 million. The acquisition of OWC resulted in a gain on bargain purchase of \$430.4 million, which was recognised in the period 25 March 2020 to 31 March 2021 after a fair value exercise was finalised.

Following OneWeb's emergence from Chapter 11 bankruptcy, OneWeb has continued to raise equity funding from both existing and new shareholders, such as Hanwha Systems UK Limited, SoftBank Group Capital Limited and Eutelsat S.A. OneWeb's total equity subscriptions were \$2,811.5 million as at 31 March 2023, \$2,811.5 million as at 31 March 2022 and and \$1,232.5 million for the period 25 March 2020 to 31 March 2021. Such equity funding commitments have significantly

strengthened the financial position of OneWeb and allowed OneWeb to execute its business plan.

2.6 Acquisition of OWT

OneWeb acquired OWT (previously Trustcomm, Inc.) on 20 September 2021 when it purchased 100% of OWT's issued share capital for a cash consideration of \$11.8 million. Trustcomm, Inc. was a provider of satellite communications, with US Government agencies as key customers. The acquisition is part of OneWeb's strategy to commence and scale up satellite communications service to the US Department of Defense and other US Government agencies, the Five Eyes Alliance, NATO and the United Nations. Goodwill of \$7.2 million was recognised in connection with the acquisition because of the value placed on the ability to contract with US Government agencies.

OWT is managed through a proxy agreement as required by the US National Industrial Security Program, whereby a proxy board comprised entirely of US citizens are responsible for the day-to-day running of the business. The proxy agreement enables OWT to participate in classified contracts with the US Government despite being owned by a non-US organisation. The proxy agreement places restrictions on the information which may be shared with OneWeb and the interactions that may occur between OWT and other OneWeb subsidiaries.

47% and 100% of OneWeb's revenue for the years ended 31 March 2023 and 31 March 2022 respectively was derived from the legacy business of OWT. OWT commenced sales using the OneWeb network during the year ended 31 March 2023. OneWeb expects revenue stream from OWT's legacy business to diminish within the next one to two years and revenue stream from OneWeb's LEO services to increase thereafter, with LEO services provided to US Government agencies expected to be a significant portion of LEO services provided by OWT in the future.

3 Current trading and prospects

Since 31 March 2023, the OneWeb Group has seen growth in its connectivity services and other revenues, achieving revenue of \$26 million in the quarter ended 30 June 2023. The OneWeb Group continues to experience strong demand for its services which is evidenced through the execution of further take-or-pay arrangements with customers across market verticals and use-cases. Since 31 March 2023, take or pay agreements were entered into for a total value of \$109 million, including an agreement for cellular backhaul in Australia with Telstra. In addition, OWT has been selected as an awardee for the US Department of Defense Proliferated Low Earth Orbit (PLEO) programme.

Due to intermittent delays in the development of certain flat-panel user terminals, which could impact the availability date for certain user terminals, the timing assumptions within OneWeb's latest revenue forecast have been adjusted. Further information on the impact of OneWeb's adjusted revenue forecast on the 2023 Combined Group Profit Forecast is set out in Part 19 (*Profit Forecasts*) of this Prospectus. OneWeb's latest revenue forecast does not impact its overall plans with regards to delivering user terminals to support the requirements of its end-users.

The OneWeb Group extended the regions covered by its low-earth-orbit satellites from North of 50° latitude to North and South of 25° latitude, and extended the markets and distribution partners served in these regions. A further 16 satellites were launched in May 2023 to provide increased resilience and redundancy to the constellation as the OneWeb Group progresses towards global services.

Since 31 March 2023, the OneWeb Group has entered into a facility agreement with HSBC and a long-term buyer's credit letter with Exim Bank to provide access to financing facilities for a total value in excess of \$185 million. In addition, OneWeb has entered into a loan agreement with certain shareholders to provide the OneWeb Group with access of up to \$160 million (in aggregate). As at the Last Practicable Date, the OneWeb Group had nil drawn under these facilities.

4 Key performance indicators

The OneWeb Group monitors several key financial and operational metrics to track the financial and operating performance of its business. As some of these measures are not determined in accordance with IFRS, they may not be comparable with other similarly titled measures of performance of other companies. For more information on the definition and calculation of these metrics, including a reconciliation to the OneWeb Group's reported historical financial information prepared on an IFRS basis, where relevant, see "*Non-IFRS financial measures*" in Part 3 (*Presentation of Financial and Other Information*) of this Prospectus.

	Year ended 31 March		Period from 25 March
	2023	2022	2020 to 31 March 2021
Financial KPIs			
Revenue	30.9	9.6	-

(\$ million)

	Year ended 31 March		Period from 25 March
	2023	2022	2020 to 31 March 2021
Adjusted EBITDA	(182.2)	(186.9)	(51.4)
Capital expenditure	656.1	667.1	171.7
Cash position	226.4	481.2	44.0
Operating loss	(319.7)	(425.9)	(58.3)
Operational (non-financial) KPIs			
Cumulative number of launches	18	13	5
Cumulative number of satellites launched	620	428	146
Completed satellite network portals	22	9	4
Number of distribution partners	53	37	1
Total order book (in \$ million) ⁽¹⁾	864	323	nil

⁽¹⁾ This includes Eutelsat S.A.'s total take-or-pay commitments, which as at 31 March 2023 was \$275 million.

5 Description of key income statement line items

Revenue

Revenue is generated primarily through the provision of satellite connectivity services and equipment sales of user terminals.

Service revenue is derived from the provision of satellite connectivity services. These contracts may include one-off charges for activation in addition to recurring charges for monthly connectivity services. Service revenue is recognised as the service is provided over time based on the contract period. Customers are typically billed in advance for services and to the extent cumulative cash received exceeds cumulative service, a contract liability is recognised. Conversely, where cumulative service exceeds cumulative cash received, a contract asset is recognised.

The OneWeb Group assesses whether the user terminal sold can be used on its own or with other readily available resources. Where this is the case, the sale of the user terminal is assessed to constitute a separate performance obligation and revenue is recognised when control of the equipment is transferred to the customer. Where this is not the case, the user terminal is concluded to form part of the same performance obligation as the satellite connectivity services and recognised over this period.

Other operating income

Other operating income is income generated from activities that are unrelated to the primary activities of the OneWeb Group.

Operating expenses

Operating expenses include staff remuneration (which includes wages and salaries, share-based payment, social security costs and contributions to defined contribution retirement benefit schemes), other staff costs, professional fees, network and facility costs, travel and entertainment expenses, marketing expenses and non-staff cost R&D expense. Operating expenses also include depreciation and write-off of property, plant and equipment, depreciation of right of use lease assets, write-off and amortisation of intangible assets and reorganisation and restructuring costs.

Impairment charge

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. The recoverable amount of an asset or CGU is the greater of its VIU and its fair value less costs to sell ("FVLCTS"). The FVLCTS may differ and be higher or lower than the VIU. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. OneWeb's property, plant and equipment, intangible assets and goodwill are assessed to constitute a single CGU because of the nature of the OneWeb network. None of the individual assets can operate to generate cash inflows independent of other assets as the space, ground segment and intangible assets are all required to deliver connectivity services to customers. FVLCTS is determined based on the income approach which converts future cash flows into a single discounted value, reflecting current market expectations about those future amounts. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount.

Share of results of joint venture

A joint venture is an entity where control is shared with another party. OneWeb has joint control over AOS and NEOM JVCo. OneWeb's consolidated financial statements include joint ventures initially at cost, subsequently increased or decreased by OneWeb's share of the results of operations of joint ventures using the equity method of accounting. At the acquisition date, any excess of the cost of acquisition over OneWeb's share of the fair value of the identifiable assets and liabilities of the associate is recognised as goodwill. Unrealised profits resulting from transactions between OneWeb and its joint ventures are eliminated to the extent of OneWeb's interest in the business. The profit earned by AOS for the sale of satellites to OneWeb is considered unrealised until the associated assets are placed into service, and are therefore eliminated until the assets are available for use by OneWeb. Certain assets were determined to be available for use by OneWeb in May 2022 which resulted in some of the previously eliminated profit being realised in the period.

Operating loss

Operating loss is calculated as: revenue; plus other operating income; plus share of results of joint venture; less operating expenses; less impairment charge.

Gain on bargain purchase

Gain on bargain purchase is calculated to recognise a profit on an acquisition. OneWeb measures goodwill at the acquisition date as: the fair value of the consideration transferred; plus the recognised amount of any non-controlling interests in the acquiree; plus the fair value of the existing equity interest in the acquiree; less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Merger and acquisition transaction costs

Merger and acquisition transaction costs include costs incurred in connection with a merger or acquisition (such as legal fees), other than those associated with the issue of debt or equity securities.

Investment income

Investment income includes interest received from bank deposits and other advances.

Finance costs

Finance costs include costs arising from the unwinding of assets and liabilities that are recognised in profit or loss using the effective interest method.

Taxation

Tax on the profit or loss for the year includes current and deferred tax. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

6 Results of operations

The following table sets out selected consolidated income statement information for the OneWeb Group for the periods indicated, which have been extracted without material adjustment from the historical financial information set out in Part 14 (*Historical Financial Information*) of this Prospectus.

	Year ended 31 March (audited)		Period from 25 March 2020 to 31 March 2021
	2023	2022	
		(\$ million)	
Revenue	30.9	9.6	-
Other operating income	36.4	5.8	0.2
Operating expenses	(387.3)	(217.4)	(58.5)
Impairment charge	-	(229.2)	-
Share of results of joint venture	0.3	5.3	-
Operating loss	(319.7)	(425.9)	(58.3)
Gain on bargain purchase	-	-	430.4

	Year ended 31 March (audited)		Period from 25 March
	2023	2022	2020 to 31 March 2021
Merger and acquisition transaction costs	(20.7)	(0.5)	(8.8)
Investment income	2.8	0.3	10.3
Finance costs	(21.5)	(11.7)	(2.9)
(Loss)/profit before tax	(359.1)	(437.8)	370.7
Taxation credit/(charge)	(2.8)	48.0	(0.2)
(Loss)/profit for the period	(361.9)	(389.8)	370.5

The following table gives a breakdown of the OneWeb Group's revenue by geographical area for the periods indicated. This table is based on sales region.

Year ended 31 March 2023		
(in millions of dollars and as a percentage)		
Regions	Amount	%
Sub-Saharan Africa	0.2	0.6%
North America	30.5	98.8%
Western Europe	0.2	0.6%
TOTAL	30.9	100.0%

6.1 Comparison of results of operations for the years ended 31 March 2023 and 2022

Revenue

Revenue increased by \$21.3 million or 221.9% to \$30.9 million for the year ended 31 March 2023 from \$9.6 million for the year ended 31 March 2022, which was due primarily to the launch of commercial services using the OneWeb network in May 2022. During the year ended 31 March 2023, OneWeb commenced the delivery of satellite connectivity services in territories North of 50° latitude to North and South of 25° latitude and made equipment sales of user terminals required to connect to the OneWeb network; OneWeb is targeting full global coverage by the end of 2023. In addition, OWT's revenue derived from the sale of user terminals and geostationary services increased as a result of OWT being a member of the OneWeb Group for the full financial year compared to its acquisition in September 2021 in the year ended 31 March 2022. The OneWeb Group's revenue derived from connectivity services was \$23.6 million while its revenue derived from equipment sales was \$7.3 million for the year ended 31 March 2023, compared with \$5.9 million and \$3.7 million respectively for the year ended 31 March 2022.

Other operating income

Other operating income increased by \$30.6 million or 527.6% to \$36.4 million for the year ended 31 March 2023 from \$5.8 million for the year ended 31 March 2022, which was due primarily to an agreement reached with a supplier that resulted in the OneWeb Group receiving a credit of \$34.2 million.

Operating expenses

Operating expenses increased by \$169.9 million or 78.2% to \$387.3 million for the year ended 31 March 2023 from \$217.4 million for the year ended 31 March 2022, which was due primarily to the commencement of depreciation and amortisation of property, plant and equipment and intangible assets delivering connectivity services during the year ended 31 March 2023. This resulted in an increase of \$164.4 million or 1,581.0% to \$174.8 million for the year ended 31 March 2023 from \$10.4 million for the year ended 31 March 2022. In addition, an increase in network related expenses arose as a result of the provision of services using the OneWeb network from May 2022 as well as an increase in the costs incurred for the OneWeb Group's platforms which facilitate the delivery of service and customer management.

Impairment charge

Impairment charge decreased to nil for the year ended 31 March 2023 from \$229.2 million for the year ended 31 March 2022, which was due to the non-reoccurrence of launch postponements which had led to the significant impairment recognised in the year ended 31 March 2022.

Share of results of joint venture

Share of results of joint venture decreased by \$5.0 million or 94.3% to \$0.3 million for the year ended 31 March 2023 from a profit of \$5.3 million for the year ended 31 March 2022. This was due primarily to the receipt of a dividend from AOS

in the year ended 31 March 2022, where the dividend received had resulted in the recognition of \$5.3 million in share of profit of the joint venture, which did not recur in the year ended 31 March 2023. Share of profit of joint venture recognised in the year ended 31 March 2023 related to the commencement of recognition of previously eliminated profits earned by AOS, as a result of the use of certain of the assets starting from May 2022.

Operating loss

Operating loss decreased by \$106.2 million or 24.9% to \$319.7 million for the year ended 31 March 2023 from \$425.9 million for the year ended 31 March 2022, which was due primarily to the absence of impairment charge accounted for in the year ended 31 March 2023. Operating loss for the year ended 31 March 2023 was mainly driven by the increase in operating expenses due to the commencement of depreciation and amortisation of property, plant and equipment and intangible assets, and other expenses incurred to scale OneWeb's operations given the commercial launch of services in May 2022.

Gain on bargain purchase

No gain on bargain purchase was recognised in the years ended 31 March 2023 and 31 March 2022.

Merger and acquisition transaction costs

Merger and acquisition transaction costs increased by \$20.2 million or 4,040.0% to \$20.7 million for the year ended 31 March 2023 from \$0.5 million for the year ended 31 March 2022, which was due primarily to the legal, professional and employee related expenses incurred by the OneWeb Group in relation to the proposed combination with Eutelsat.

Investment income

Investment income increased by \$2.5 million or 833.3% to \$2.8 million for the year ended 31 March 2023 from \$0.3 million for the year ended 31 March 2022, which was due primarily to interest income earned on cash deposits increasing due to an increase in interest rates.

Finance costs

Finance costs increased by \$9.8 million or 83.8% to \$21.5 million for the year ended 31 March 2023 from \$11.7 million for the year ended 31 March 2022, which was due primarily to the interest expense recognised in relation to the financing expense for an advanced payment received with a significant financing component and the interest expense related to the OneWeb Group's leased properties.

Taxation

Tax was a charge of \$2.8 million for the year ended 31 March 2023 compared to a credit of \$48.0 million for the year ended 31 March 2022, which was due primarily to tax expenses incurred by the OneWeb Group that are primarily attributable to tax payable in the UK.

6.2 Comparison of results of operations for the year ended 31 March 2022 and the period 25 March 2020 to 31 March 2021

Revenue

Revenue increased to \$9.6 million for the year ended 31 March 2022 from nil for the period 25 March 2020 to 31 March 2021. This increase was principally through equipment sales and the provision of GEO satellite connectivity services to US Government-related customers by OWT. OWT, a provider of managed satellite communications and professional services to US Governmental and other commercial organisations, was acquired by the OneWeb Group in September 2021 for \$11.8 million.

For the year ended 31 March 2022, the OneWeb Group received advanced payment of \$170.6 million from a customer for services to be rendered over a number of years. This arrangement was concluded not to contain a lease within the scope of IFRS 16: Leases as there is no identified asset, as the service is provided through an orbiting constellation of satellites that each provide connectivity to different regions during their orbit. This arrangement was therefore accounted for as a service agreement, with the revenue recognised as the service provided over the contract period.

Other operating income

Other operating income increased by \$5.6 million or 2,800.0% to \$5.8 million for the year ended 31 March 2022 from \$0.2 million for the period 25 March 2020 to 31 March 2021. This increase was due primarily to the recognition of income related to the Research and Development Expenditure Credit, a UK tax credit related to the OneWeb Group's research and development activities.

Operating expenses

Operating expenses increased by \$158.9 million or 271.6% to \$217.4 million for the year ended 31 March 2022 from \$58.5 million for the period 25 March 2020 to 31 March 2021. This increase was due primarily to the timing of the acquisition of OWC and its subsidiaries in November 2020, an increase in staff costs as a result of a 102% increase in headcount and continued execution of OneWeb's business plan.

Impairment charge

Impairment charge increased to \$229.2 million for the year ended 31 March 2022 from nil for the period 25 March 2020 to 31 March 2021. The impairment in the year ended 31 March 2022 was due to the postponement of a planned launch of 36 satellites from Baikonur, Kazakhstan on 4 March 2022 as a result of the geopolitical tensions following Russia's invasion of Ukraine, the associated postponement of five subsequent scheduled launches due to take place from Baikonur, the loss of satellites not returned to OneWeb and the impairment of a portion of OneWeb's prepaid launch insurance. See paragraph 2 of Part 9 (*Overview of OneWeb*) of the Prospectus for more information on the postponement of the planned launch.

Share of results of joint venture

Share of results of joint venture increased to a profit of \$5.3 million for the year ended 31 March 2022 from nil for the period 25 March 2020 to 31 March 2021. This increase was due to the dividend of \$14.0 million received from AOS in December 2021. The dividend exceeded the carrying value of the investment in the joint venture and the excess of \$5.3 million was recognised as share of profit of the joint venture. The NEOM JVCo, which was established on 24 October 2021, had no revenue and total operating expenses of \$0.2 million for the period from 24 October 2021 to 31 March 2022.

Operating loss

Operating loss increased by \$367.6 million or 630.5% 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, which was due primarily to the impact of an impairment charge of \$229.2 million, an increase in headcount and the continued execution of OneWeb's business plan.

Gain on bargain purchase

Gain on bargain purchase decreased by 100% to nil for the year ended 31 March 2022 from \$430.4 million for the period 25 March 2020 to 31 March 2021. The gain on bargain purchase for the period 25 March 2020 to 31 March 2021 resulted from the acquisition of OWC, where the fair value of the assets acquired of \$912.7 million was higher than the consideration paid of \$482.3 million. A bargain purchase arose on the acquisition of OWC as the business was acquired as part of a distressed sale following Chapter 11 bankruptcy of OWC as a result of the financial impact of the COVID-19 pandemic.

Merger and acquisition transaction costs

Merger and acquisition transaction costs decreased by \$8.3 million or 94.3% to \$0.5 million for the year ended 31 March 2022 from \$8.8 million for the period 25 March 2020 to 31 March 2021, which was due primarily to a decrease in legal fees associated with acquisitions. OneWeb incurred acquisition-related transaction costs of \$0.5 million, primarily related to legal fees, in connection with the acquisition of Trustcomm Inc. during the period ended 31 March 2022. OneWeb incurred acquisition-related transaction costs of \$8.8 million, primarily related to legal fees, in connection with the acquisition of OneWeb Communications Limited in the period 25 March 2020 to 31 March 2021.

Investment income

Investment income decreased by \$10.0 million or 97.1% to \$0.3 million for the year ended 31 March 2022 from \$10.3 million for the period 25 March 2020 to 31 March 2021, which was due primarily to the absence of the pre-acquisition interest and fees earned from OWC when it was a third party. Prior to the acquisition of OWC, during the period 25 March 2020 to 31 March 2021, OneWeb provided funding to OWC of \$220.9 million, including \$6.0 million of accrued interest. This receivable was converted into equity of OWC on completion of the acquisition. OneWeb received a further \$4.3 million of fees in relation to this funding raised, taken as 2% of the funding received.

Finance costs

Finance costs increased by \$8.8 million or 303.4% to \$11.7 million for the year ended 31 March 2022 from \$2.9 million for the period 25 March 2020 to 31 March 2021, which was due primarily to an increase in lease interest and the unwinding of discounts on provisions and other liabilities.

Taxation

Tax was a credit of \$48.0 million for the year ended 31 March 2022 compared to a charge of \$0.2 million for the period 25 March 2020 to 31 March 2021. This was due primarily to the migration of tax residency of OneWeb's subsidiary, WorldVu Satellites Limited, from Jersey to the United Kingdom during the year ended 31 March 2022. As a result, OneWeb's brought-forward losses and other tax attributes in the United Kingdom were offset against the deferred tax liability of WorldVu Satellites Limited which had arisen in 2020 as a result of the business combination of OWC.

7 Liquidity and capital resources

OneWeb's primary uses of cash are operating expenses, capital expenditure and payments for its leased properties.

OneWeb's primary sources of liquidity are proceeds from the issuance of shares and payments received for the provision of connectivity services, including advanced payment for services.

OneWeb's total equity subscriptions were \$2,811.5 million, \$2,811.5 million and \$1,232.5 million as at 31 March 2023, 2022 and 2021, respectively. The table below sets out the equity subscriptions by shareholders as at 31 March 2023, 2022 and 2021.

	As at 31 March		Period from 25 March
	2023	2022	2020 to 31 March 2021
		(\$ million)	
Total equity subscriptions at the beginning of the period	2,811.5	1,232.5	-
UK Government	-	-	500.0
Bharti Space Limited ⁽¹⁾	-	350.0	500.0
Eutelsat S.A.	-	700.0	-
Hanwha Systems UK Limited	-	300.0	-
SoftBank Group Capital Limited	-	229.0	145.8
Echostar Operating LLC	-	-	50.0
Other equity holders	-	-	36.6
Total equity subscriptions at the end of the period	2,811.5	2,811.5	1,232.5

⁽¹⁾ These shares were previously owned by Bharti Global Limited. On 9 March 2022, Bharti Global Limited transferred its entire shareholding to Bharti Space Limited.

7.1 Cash flow analysis

The following table sets out consolidated cash flow statement information for the OneWeb Group for the periods indicated.

	Year ended 31 March		Period from 25 March
	2023	2022	2020 to 31 March 2021
		(\$ million)	
Cash flows from operating activities			
Cash used in operations	(51.3)	(329.1)	(267.2)
Tax paid	(2.1)	-	-
Tax credits received	1.4	3.7	-
Net cash from operating activities	(52.0)	(325.4)	(267.2)
Cash flows from investing activities			
Interest received	2.3	0.3	-
Acquisition of a subsidiary	-	(3.8)	(43.6)
Investment in joint venture	(0.6)	(15.0)	-
Dividends received	-	14.0	-
Pre-acquisition funding to OWC, converted to equity on acquisition	-	-	(210.7)
Acquisition of property, plant and equipment	(541.1)	(581.6)	(171.4)
Acquisition of intangible assets	(92.2)	(77.8)	(0.3)
Net cash from investing activities	(631.6)	(663.9)	(426.0)
Cash flows from financing activities			
Proceeds from the issue of share capital, net of issue costs	450.0	1,275.3	741.5
Advanced payment for services with a significant financing component	-	170.6	-

Interest paid	(0.5)	(0.1)	-
Capital and interest payments for lease liabilities	(20.7)	(18.9)	(4.3)
Net cash from financing activities	428.8	1,426.9	737.2
Net (decrease)/increase in cash and cash equivalents	(254.8)	437.6	44.0
Cash and cash equivalents at the start of the period	481.2	44.0	-
Effect of exchange rate fluctuations on cash held	-	(0.4)	-
Cash and cash equivalents at the end of the period	226.4	481.2	44.0

Cash flows from operating activities

Net cash used in operating activities decreased to a cash outflow of \$52.0 million for the year ended 31 March 2023 from a cash outflow of \$325.4 million for the year ended 31 March 2022. The decrease was due primarily to the receipt of advance payments for services, including from Eutelsat, and working capital movements attributable to the timing of payments made by the OneWeb Group.

Net cash used in operating activities increased to a cash outflow of \$325.4 million for the year ended 31 March 2022 from a cash outflow of \$267.2 million for the period 25 March 2020 to 31 March 2021. The increase was due primarily to the increased operating loss of the OneWeb Group in the year ended 31 March 2022, as a result of the increase in headcount and continued execution of the OneWeb Group's business plan.

Cash flows from investing activities

Net cash used in investing activities decreased to a cash outflow of \$631.6 million for the year ended 31 March 2023 from a cash outflow of \$663.9 million for the year ended 31 March 2022. The decrease was due primarily to the execution of five satellite launches during the year ended 31 March 2023, compared to eight launches executed in the year ended 31 March 2022, as a result of the OneWeb Group having deployed sufficient satellites by 31 March 2023 to provide global coverage. The decrease in the cash outflow associated to the reduced number of launches required was partially offset by the acceleration of the deployment of the ground network.

Net cash used in investing activities increased to a cash outflow of \$663.9 million for the year ended 31 March 2022 from a cash outflow of \$426.0 million for the period 25 March 2020 to 31 March 2021. The increase was due primarily to investment in the development of OneWeb's assets during the year ended 31 March 2022, including the continued manufacture and purchase of LEO GEN 1 satellites, the build-out of new SNPs and payment for launches.

Cash flows from financing activities

Net cash generated from financing activities decreased to a cash inflow of \$428.8 million for the year ended 31 March 2023 from a cash inflow of \$1,426.9 million for the year ended 31 March 2022. The decrease was due primarily to a reduction in equity financing received from the OneWeb Group's equity holders. The OneWeb Group received payments for equity that had previously been issued, but no further equity subscriptions were made during the year ended 31 March 2023.

Net cash generated from financing activities increased to a cash inflow of \$1,426.9 million for the year ended 31 March 2022 from a cash inflow of \$737.2 million for the period 25 March 2020 to 31 March 2021. The increase was due primarily to an increase in the cash equity financing provided by the OneWeb Group's equity holders. In the year ended 31 March 2022, the OneWeb Group raised \$1,275.3 million of cash equity funding comprising both newly issued equity and payment for equity issued during the period 25 March 2020 to 31 March 2021.

7.2 Cash and indebtedness

The OneWeb Group had consolidated cash and cash equivalents of \$226.4 million, \$481.2 million and \$44.0 million as at 31 March 2023, 2022 and 2021, respectively.

The OneWeb Group has entered into a number of property leases arising from the normal course of business activities. In addition to the office locations of the business, various ground installations are built on leased land. The OneWeb Group had lease liabilities (current and non-current) of \$116.0 million, \$106.9 million and \$85.2 million as at 31 March 2023, 2022 and 2021, respectively, which included lease liabilities for ground installations of \$95.6 million, \$82.0 million, \$58.5 million as at 31 March 2023, 2022 and 2021, respectively.

The OneWeb Group had nil borrowings (current and non-current) in each financial year as at 31 March 2023, 2022 and 2021. Subsequent to the financial year ended 31 March 2023, OneWeb has entered into a committed unsecured loan facility

with certain shareholders to provide the OneWeb Group with access of up to \$160.0 million (in aggregate). In addition, the OneWeb Group has received a commitment for an external facility of \$100.0 million and a long-term buyer's credit loan of \$94.4 million, securitised against certain of the OneWeb Group's take-or-pay commitments.

Shareholder Loan

On 10 June 2023, OneWeb (as borrower), and Eutelsat SA and the Contributors (together as lenders) entered into a loan agreement (the "**Shareholder Loan**") for an amount of up to \$160,000,000 in aggregate.

The principal amounts outstanding under the Shareholder Loan will attract interest on a daily basis at an annual rate of the higher of (i) 2.5%, or (ii) the sum of 2.5% and the secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (such rate to be reset every quarter). OneWeb may elect to capitalise accrued interest and add this to the principal amount outstanding under the Shareholder Loan.

During the term of the Shareholder Loan, OneWeb will use reasonable endeavours to enter into third-party facilities for at least \$350,000,000 (in aggregate) prior to drawing down and/or making subsequent drawdowns on the Shareholder Loan (see "**HSBC Term Loan Facility**" below).

If any amounts are drawn down under the Shareholder Loan prior to Completion, such amounts will be repaid by OneWeb on the earlier of Completion or OneWeb's entry into one or more third-party facilities for at least \$350,000,000 (in aggregate), and the Shareholder Loan will terminate no later than Completion. In the event Completion does not occur and the Framework Agreement is terminated, Eutelsat SA and the Contributors have the option to collectively decide to convert the amounts outstanding into OneWeb A Ordinary Shares. Otherwise, such amounts (and any amounts subsequently drawn down) will either (i) be repaid when OneWeb has available surplus cash to pay the amounts in full, or (ii) be converted on the fifth anniversary of the Shareholder Loan or an earlier date if agreed by Eutelsat SA and the Contributors.

As at the date of this Prospectus, no amount has been drawn down under the Shareholder Loan.

HSBC Term Loan Facility

On 23 June 2023, HSBC and NAA (an indirect subsidiary of OneWeb) entered into a 'Committed Term Sheet' for a committed term loan facility of \$100,000,000 (the "**HSBC Facility**"). On 5 September 2023, the parties entered into the final loan documentation.

The facility may be used to finance capital expenditure, working capital requirements and for other general corporate purposes, and will be available for drawing until 15 September 2023 (following which, any amounts undrawn will be automatically cancelled). The amounts outstanding under the facility will attract interest at an annual rate of 375 bps over the term secured overnight financing rate (SOFR) administered by CME Group Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant interest period. NAA may choose an interest period of 1, 3 or 6 months, provided no interest period extends beyond the final maturity date.

Repayment shall be in two tranches: (i) \$25,000,000 on 1 April 2024; and (ii) \$75,000,000 on 31 March 2025. NAA may elect to make earlier repayments provided such repayments occur at the end of an interest period, are in multiples of \$25,000,000 and NAA gives HSBC 30 business days' notice.

The facility will be secured by a guarantee from OneWeb and an assignment of the rights and receivables under certain contracts.

The terms of the facility will include customary mandatory prepayment provisions and covenants. Mandatory prepayment will also be required in the event: (i) Bharti Space Limited does not hold at least 850,000 shares in OneWeb or 87,949,500 shares in Eutelsat following Completion; or (ii) of a disposal of an individual asset of \$25,000,000 or more (subject to certain carve-outs). In addition, NAA will be limited from incurring additional debt (subject to certain carve-outs) without HSBC's prior permission and may not substantially change the general nature of its business from the date of the facility.

NAA intends to draw down the full amount of the facility on or before 15 September 2023.

Exim Bank Facility

On 24 July 2023, India Exim Bank ("**Exim Bank**") sanctioned a long-term buyer's credit letter of \$94.40 million to NAA (an indirect subsidiary of OneWeb) (the "**Exim Facility**"). The parties are currently negotiating the final loan documentation.

The facility may be used towards part financing the reimbursement of the satellite launching contracts secured by New

Space India Ltd. on behalf of the Indian Space Research Organisation, the Department of Space, the Government of India from NAA and / or any future contracts. The amounts outstanding under the facility will attract interest at an annual rate of 290 bps over the term secured overnight financing rate (SOFR) administered by CME Group Benchmark Administration Limited calculated every three months, and will be payable quarterly.

Repayment will commence after a 2 year moratorium from the date of the first disbursement, to be repaid in 16 equal quarterly instalments.

The facility will be secured by: a guarantee from OneWeb that will be replaced by a guarantee from Eutelsat within 90 days from completion of the Combination; a 10% cash margin (interest free) to be maintained with Exim Bank or another bank acceptable to Exim Bank until Eutelsat replaces OneWeb as the new guarantor post-Combination; and a charge by way of escrow over the receivables of certain contracts between NAA.

The facility is subject to a number of pre-disbursement conditions, as well as customary representations and warranties. Post-Combination, Eutelsat must maintain a minimum of 51% shareholding in the OneWeb Group as a condition to the facility.

7.3 Financial instruments

OneWeb's financial instruments comprise financial assets and financial liabilities. The following table sets forth the OneWeb Group's contractual maturity for its financial instruments as at 31 March 2023.

	<u>On demand</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>More than 2 years</u>	<u>Total</u>
			(\$ million)		
Non-current assets					
Bonds and deposits	-	-	-	14.8	14.8
Current assets					
Share subscription receivables	156.0	-	-	-	156.0
Receivables from related parties	-	10.4	-	-	10.4
Trade receivables	-	5.8	-	-	5.8
Cash and cash equivalents	226.4	-	-	-	226.4
Total financial assets	382.4	16.2	-	14.8	413.4
Current liabilities					
Trade payables	-	(59.8)	-	-	(59.8)
Payables to related parties	-	(1.7)	-	-	(1.7)
Accrued expenses	-	(64.7)	-	-	(64.7)
Accrued employee compensation	-	(27.5)	-	-	(27.5)
Other current payables	-	(3.0)	-	-	(3.0)
Non-current liabilities					
Provisions	-	-	-	(12.4)	(12.4)
Total financial liabilities	-	(156.7)	-	(12.4)	(169.1)

7.4 Capital expenditure

OneWeb's capital expenditure comprises additions to property, plant and equipment, and intangible assets. Space segment expenditure relates to the development of space component assets, including satellites and associated launch systems.

The following table sets out the OneWeb Group's capital expenditure for the years ended 31 March 2023 and 2022 and for the period 25 March 2020 to 31 March 2021.

	<u>Year ended 31 March</u>		<u>Period from 25 March</u>
	<u>2023</u>	<u>2022</u>	<u>2020 to 31 March 2021</u>
		(\$ million)	
Total capital expenditure	656.1	667.1	171.7
Of which: space segment expenditure	353.5	483.9	135.6

The OneWeb Group's total capital expenditure was \$656.1 million, \$667.1 million and \$171.7 million for the years ended 31 March 2023 and 2022 and for the period 25 March 2020 to 31 March 2021, respectively. During these periods, OneWeb invested a significant amount in the development of its assets, including the continued manufacture and purchase of LEO GEN 1 satellites, the build-out of new SNPs and payment for launches. During the year ended 31 March 2023, 192 satellites were launched and a further 13 SNP sites were completed. During the year ended 31 March 2022, 282 satellites were

launched, cumulatively achieving 66% of the planned constellation and construction was completed on five further SNPs to support services from the North Pole to 50° North. During the period 25 March 2020 to 31 March 2021, 72 satellites were launched.

8 Off-balance sheet arrangements

OneWeb had no off-balance sheet arrangements as at 31 March 2023.

9 Quantitative and qualitative disclosures about financial risk

OneWeb's operations and use of financial instruments expose it to a variety of risks, including market risk, credit risk and liquidity risk. For a discussion of these financial risks and management, see Note 19 to the 2023 Annual Financial Statements included in Part 14 (*Historical Financial Information*).

10 Critical accounting policies

When applying OneWeb's accounting policies, management must make a number of key judgements on the application of applicable accounting standards and estimates and assumptions concerning the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and judgements are based on factors considered to be relevant, including historical experience, which may differ significantly from the actual outcome. The key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the amounts recognised in the financial statements are discussed in Note 2 to the 2023 Annual Financial Statements included in Part 14 (*Historical Financial Information*).

Part 17 Eutelsat Capitalisation and Indebtedness

The following table shows the levels of capitalisation and consolidated indebtedness of the Eutelsat Group as at 30 June 2023. The indebtedness and capitalisation figures have been extracted from the underlying accounting records of the Eutelsat Group as at 30 June 2023 without adjustment and are unaudited.

For an illustrative analysis of the effect of the Combination on the Combined Group's income statement and statement of net assets (after making certain pro forma adjustments), please see Part 18 (*Unaudited Pro Forma Financial Information*).

Statement of capitalisation

(in € million)(IFRS)	30 June 2023
Total current debt (including current portion of non-current debt)	144.5
Secured	0.0
Guaranteed	0.0
Unsecured / Unguaranteed	144.5
Total non-current debt (excluding current portion of non-current debt)	3,117.5
Secured	0.0
Guaranteed	0.0
Unsecured / Unguaranteed	3,117.5
Shareholder equity	2,975.3
Share capital	1,080.2
Legal reserve(s)	24.9
Other reserves	1,870.2
Total	6,237.3

“Other reserves” include foreign currency translation reserves, the share-based payment reserve in respect of share option and performance rights schemes, and other reserves (excluding retained earnings).

Statement of net indebtedness

The following table shows the Eutelsat Group's level of net indebtedness as at 30 June 2023.

(in € million)(IFRS)	30 June 2023
A Cash	468.6
B Cash equivalents	13.6
C Other current financial assets	391.8
D Liquidity (A + B + C)	874.0
E Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	144.5
F Current portion of non-current financial debt	0.0
G Current financial indebtedness (E + F)	144.5
H Net current financial indebtedness (G - D)	-729.5
I Non-current financial debt (excluding current portion and debt instruments)	1,114.3
J Debt instruments	2,000.0
K Non-current trade and other payables	3.2
L Non-current financial indebtedness (I + J + K)	3,117.5
M Total net financial indebtedness (H + L)	2,388.0

As of 30 June 2023, the current financial debt includes short-term lease liabilities amounting to €47 million. The non-current portion of financial debt includes long-term lease liabilities amounting to €272 million for a total of €319 million.

At the date of this Prospectus, indirect and contingent liabilities amounted to €876.9 million at 30 June 2023. They include bank guarantees for €172 million, purchase commitments for €628 million, provisions for pension commitments and financial guarantees with the pension fund for €42.4 million, and a convertible loan to OneWeb for €34.6 million.

As of 30 June 2023, the Eutelsat Group has active credit facilities for an aggregate undrawn amount of €1,009.0 million.

To the knowledge of Eutelsat, no significant changes other than those indicated in the paragraph 8 of Part 15 (*Operating and Financial Review of Eutelsat*) and paragraph 19 of Part 22 (*Additional Information*) of this Prospectus that would affect

the statement of capitalisation and indebtedness presented above, have occurred between 30 June 2023 and the date of this Prospectus.

Part 18 Unaudited Pro Forma Financial Information

Section A – Unaudited Pro Forma Financial Information

1 Basis of preparation

The Unaudited Pro Forma Financial Information has been prepared in accordance with the requirements of Annex 20 of the UK Prospectus Delegated Regulation.

The Unaudited Pro Forma Income Statement has been prepared on the basis of the audited consolidated income statement of the Eutelsat Group for the year ended 30 June 2023 and the audited consolidated income statement of the OneWeb Group for the year ended 31 March 2023 to illustrate the effect of the Combination as if Completion had occurred on 1 July 2022.

The Unaudited Pro Forma Balance Sheet has been prepared on the basis of the audited consolidated balance sheet of the Eutelsat Group as at 30 June 2023 and the audited consolidated balance sheet of the OneWeb Group as at 31 March 2023 to illustrate the effect of the Combination as if Completion had occurred on 30 June 2023.

The Unaudited Pro Forma Financial Information are presented in millions of Euros.

The Unaudited Pro Forma Financial Information is based on relevant extracts from the following documents:

- Eutelsat’s consolidated financial statements in French for the financial year ended 30 June 2023, drawn up in accordance with IFRS as adopted by the European Union set out in Annexure A of this Prospectus, and for which an English free translation is also available. These annual financial statements have been audited by Mazars and Ernst & Young et Autres. The report issued in French by Mazars and Ernst & Young et Autres is unqualified and contains no emphasis of matter. The report issued in French and the English free translation report are substantially the same in content;
- OneWeb’s annual consolidated financial statements for the financial year ended 31 March 2023 prepared in accordance with UK IFRS and which are set out in Annexure B of this Prospectus. These consolidated annual accounts have been audited by KPMG UK LLP. The report issued in English by KPMG UK LLP is unqualified and contains no emphasis of matter.

The pro forma adjustments to the Unaudited Pro Forma Financial Information are limited to those that are: (i) directly attributable to the Combination; and (ii) factually supportable. The Unaudited Pro Forma Financial Information does not reflect such items as potential synergies or operational efficiencies that may be gained as a result of the Combination, or any reorganisation or integration costs that may be incurred in connection with the Combination. The Unaudited Pro Forma Financial Information has been prepared on the basis of certain assumptions that Eutelsat considers to be reasonable at this time and are presented in the notes to the Unaudited Pro Forma Financial Information.

The Unaudited Pro Forma Financial Information has been prepared before the Completion Date. The Unaudited Pro Forma Financial Information has been presented for illustrative purposes only and because of its nature, addresses a hypothetical situation and is not necessarily indicative of the results of operations or financial position that would have been achieved had the Combination been completed on the dates indicated above, or the future consolidated results of operations or financial position of the Combined Group. The hypothetical financial position or results included in the Unaudited Pro Forma Financial Information may differ from the Combined Group’s actual financial position or results. Shareholders should read the whole of this Prospectus and not rely solely on the summarised financial information contained in this part.

Ernst & Young et Autres and Mazars’ “Statutory auditors’ report on the Compilation of Unaudited Pro Forma Financial Information” is set out at Section B of this Part 18. A separate statutory auditors’ report on the compilation of Unaudited Pro Forma Financial Information in French will also be included in the French Exemption Document and will be substantially the same in content as the “Statutory auditors’ report on the Compilation of Unaudited Pro Forma Financial Information” set out at Section B of this Part 18.

1.1 Accounting treatment of the Combination

Prior to the Combination, Eutelsat holds a 22.91% stake in OneWeb (via its subsidiary Eutelsat SA) and its shareholding in OneWeb is accounted for using the equity method. After the Combination, Eutelsat will own 100% of the OneWeb A Ordinary Shares (directly or indirectly through its subsidiary Eutelsat SA).

Eutelsat’s management has determined, for the purposes of IFRS 3 “Business Combinations” (“IFRS 3”), that Eutelsat will be both the legal and accounting acquirer of OneWeb, based on: (i) the estimated relative voting rights of the Eutelsat Shareholders and OneWeb Shareholders in the Combined Group after the Completion that will represent 52.4% and 47.6%, respectively, with no OneWeb Shareholder holding more than 30% of the voting rights that would confer this shareholder significant power in the Combined Group; (ii) the structure of the governing and management bodies of the Combined Group as agreed between the parties, which provides that the current Chairman of the Eutelsat Board and the current CEO of Eutelsat retain their positions after the Combination, and that directors proposed by Eutelsat and Eutelsat’s reference shareholders and those proposed by OneWeb and its main shareholders have respectively eight and seven votes, with one overriding vote for the current Chairman of the Eutelsat Board; (iii) the relative sizes of the Eutelsat Group and the OneWeb Group; and (iv) the gradual acquisition by Eutelsat of shares in OneWeb since 2021.

In accordance with the principles of IFRS 3 on business combinations achieved in stages, on the Completion Date, the following two transactions must be recognised for accounting purposes:

First transaction: re-measurement to fair value of the shares in OneWeb, previously accounted for using the equity method

The result of this re-measurement comprises the difference between the fair value of the shares on the Completion Date and the corresponding net carrying amount, as well as the gains and losses previously recognised in other comprehensive income that relate to the historical investments in OneWeb, accounting as an associate (currency translation adjustments and hedges of net investments in foreign operations).

Second transaction: recognition of the gain of control of all shares in OneWeb

OneWeb’s identifiable assets acquired, and liabilities assumed, will be initially recognised at their fair value on the Completion Date. The carrying value of the acquirer’s assets and liabilities is not affected by the Combination (other than the net book value of investment in OneWeb as an associate).

Due to the evolution of Eutelsat Share price since the signature of the Framework Agreement and based on the current Eutelsat Share price, Eutelsat expects to make a bargain purchase upon acquisition of OneWeb, for accounting purposes. Accordingly, the gain on bargain purchase will be calculated as the difference between:

- the consideration transferred, which is the aggregate of the purchase price paid by Eutelsat to acquire control, the fair value on the Completion Date of the OneWeb shares previously accounted for under the equity method and the adjustment related to OneWeb share-based payments; and
- the net amount of OneWeb’s assets acquired and liabilities assumed at fair value on the Completion Date.

2 Unaudited Pro Forma Balance Sheet as of 30 June 2023

	Eutelsat historical figures as at 30 June 2023 (audited)	Unaudited pro forma adjustments			Pro forma information as at 30 June 2023 (unaudited)	
		OneWeb reclassified historical figures as at 31 March 2023 (unaudited)	Business combina tion	Other Adjustme nts		
	Note 4.1(a)	Note 4.1(b)	Notes	Notes		
Assets						
Goodwill	1 280	7	(7)	4.2(a)	1 280	
Intangible assets	302	516	(232)	4.2(a)	586	
Tangible assets and construction in progress	3 587	1 698			5 285	
Rights of use in respect of leases	345	68			413	
Investments in associates	501	15	(501)	4.2(b)	15	
Non-current financial assets	164	29		(76)	4.1(d)	117
Non-current assets associated with customer contracts and costs to obtain and fulfil contracts	32				32	
Deferred tax assets	15			5	5(b)	20
Total non-current assets	6,227	2,333	(740)	(71)	7 748	
Inventories	13	21		(5)	4.1(d)	29
Accounts receivable	208	15			222	

Current assets associated with customer contacts and costs to obtain and fulfil contracts	13						13
Other current assets	39	205	3	4.2(e)			247
Current tax receivable	41	3					44
Current financial assets	389				(13)	4.1(d)	376
Cash and cash equivalents	482	208					690
Total current assets	1,184	453	3		(18)		1 622
TOTAL ASSETS	7,411	2,785	(737)		(89)		9 370
Liabilities							
<i>(in €m)</i>							
Share capital	249		226	4.2(d)			475
Additional paid-in capital	831	2,577	(1,555)	4.2(d)			1,853
Reserves and retained earnings	1,895	(339)	562	4.2(a),(d)	(12)	4.1(d), 5(a),(b)	2,106
Non-controlling interests	97						97
Total shareholders' equity	3,072	2,238	(767)		(12)		4 531
Non-current financial debt	2,842						2 842
Non-current lease liabilities	273	92					364
Other non-current financial liabilities	55	10	2	4.2(f)			66
Non-current payables to fixed asset suppliers	1						1
Non-current liabilities associated with customer contracts	269	234			(67)	4.1(d)	436
Non-current provisions	29	11					41
Deferred tax liabilities	158						158
Total non-current liabilities	3 626	347	2		(67)		3 908
Current financial debt	98						98
Current lease liabilities	47	15					62
Other current payables and financial liabilities	113	31	16	4.2(f)			160
Accounts payable	94	116	12	4.2(e)	15	4.1(d), 5(a)	236
Current payables to fixed asset suppliers	189						189
Tax payable	100	1					100
Current liabilities associated with customer contracts	69	38			(25)	4.1(d)	81
Current provisions	5						5
Total current liabilities	713	200	28		(10)		931
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	7,411	2,785	(737)		(89)		9 370

3 Unaudited Pro Forma Income Statement for the 12 month period ended 30 June 2023

<i>(in €m)</i>	Eutelsat historical figures as at 30 June 2023 (audited)	Unaudited pro forma adjustments			Other Adjustm ents	Pro forma information as at 30 June 2023 (unaudited)	
		OneWeb reclassified historical figures as at 31 March 2023 (unaudited)	Business combinati on	Notes			Notes
	Note 4.1(a)	Note 4.1(b)					
Revenues from operations	1 131	30				1 161	
Operating costs	(103)	(132)	(3)	4.2(f)		(239)	
Selling, general and administration costs	(203)	(76)				(279)	
Depreciation expense	(456)	(165)				(620)	
Other operating income and expenses ^(*)	204	15	272	4.2(a),(c), (e)	(20)	5(a)	471
Operating income	573	(328)	269		(20)	494	
Cost of net debt	(69)	(21)				(89)	
Other financial income and expenses	(23)	3				(20)	
Financial result	(91)	(18)				(109)	
Net income before tax	482	(347)	269		(20)	385	
Income Tax	(67)	(3)			5	5(b)	(64)
Share of result of associates	(87)	0	87	4.2(b)		0	
Net income	328	(349)	357		(15)	321	
Attributable to the Group	315	(349)	357		(15)	308	
Attributable to non-controlling interests	13					13	

*The unaudited pro forma adjustments reflected in "Other operating income and expenses" include, in particular, the recognition in the profit and loss of a bargain purchase gain for €354 million, the result of the re-measurement at fair value of the previously held OneWeb investment for (€99) million, the reversal of the transactions costs already recorded in OneWeb historical income statements for €20 million and the estimated remaining transaction costs of (€20) million to be borne by Eutelsat.

4 Notes to the Unaudited Pro Forma Financial Information

4.1 Basis of preparation

(a) Historical data for Eutelsat

The balance sheet of Eutelsat as at 30 June 2023 and the income statement of Eutelsat for the year ended 30 June 2023 have been extracted without any adjustment from Eutelsat's consolidated financial statements in French for the financial year ended 30 June 2023, drawn up in accordance with IFRS as adopted by the European Union set out in Annexure A of this Prospectus, and for which an English free translation is also available. These annual financial statements have been audited by Mazars and Ernst & Young et Autres. The report issued in French by Mazars and Ernst & Young et Autres is unqualified and contains no emphasis of matter. The report issued in French and the English free translation report are substantially the same in content.

(b) Historical data for OneWeb

The balance sheet of OneWeb as at 31 March 2023 and the income statement of OneWeb for the year ended 31 March 2023 have been prepared as set out below.

By analogy with the principles of IFRS 10 "Consolidated financial statements", since the reporting dates of OneWeb and Eutelsat are non-coterminous, being 31 March and 30 June respectively, but the time gap does not exceed three months, OneWeb's historical data as of 31 March has been used for compiling the Unaudited Pro Forma Financial Information. Over the interim periods from 1 April 2023 to 30 June 2023 and from 1 April 2022 to 30 June 2022, no significant transactions or events have been identified in OneWeb that would require an adjustment to OneWeb's historical data.

Unaudited reconciliation of OneWeb's consolidated balance sheet under Eutelsat's balance sheet presentation as at 30 June 2023

The OneWeb figures correspond to OneWeb's historical balance sheet, reclassified to the different lines of the Unaudited Pro Forma Balance Sheet in order to align with Eutelsat's classification and presentations.

Classification in the historical OneWeb balance sheet as of 31 March 2023 (audited)	OneWeb historical figures as at 31 March 2023 (in \$m) (audited)	Reclassifications	OneWeb reclassified historical figures as of 31 March 2023 (in \$m) (unaudited)	OneWeb reclassified historical figures as of 31 March 2023 (in €m) (unaudited)	Classification in the pro forma balance sheet
	A	B	(A+B)	(A+B) converted	
	i.	ii.		iii.	iv.
ASSET					ASSETS
Property, plant and equipment	1 849		1 849	1 698	Tangible assets and construction in progress
Right of use lease assets	74		74	68	Rights of use in respect of leases
Goodwill	7		7	7	Goodwill
Intangible assets	562		562	516	Intangible assets
Bonds and deposits	15	17	32	29	Non-current financial assets
Withholding tax receivable	9	(9)			Reclassified in Non-current financial assets
Other non-current receivables	8	(8)			Reclassified in Non-current financial assets
Investment in joint venture	16		16	15	Investments in associates
Total Non-current assets	2 539		2 539	2 333	Total non-current assets
Inventory	23		23	21	Inventories
Prepaid expenses	55	(55)			Reclassified in Other current assets
Corporation tax receivable	4		4	3	Current tax receivable
Receivables from related parties	10	(10)			Reclassified in Accounts receivable
Goods and services tax receivable	12	(12)			Reclassified in Other current assets
Share subscription receivables	156	(156)			Reclassified in Other current assets
Trade receivables	6	10	16	15	Accounts receivable
Other current assets	0	223	223	205	Other current assets
Cash and cash equivalents	226		226	208	Cash and cash equivalents
Total Current assets	493		493	453	Total current assets
Total assets	3 032		3 032	2 785	Total assets
LIABILITIES					LIABILITIES
Trade payables	(60)	(66)	(126)	(116)	Accounts payable
Payables to related parties	(2)	2			Reclassified in Accounts payable
Accrued expenses	(65)	65			Reclassified in Accounts payable

Classification in the historical OneWeb balance sheet as of 31 March 2023 (audited)	OneWeb historical figures as at 31 March 2023 (in \$m) (audited)	Reclassifications	OneWeb reclassified historical figures as of 31 March 2023 (in \$m) (unaudited)	OneWeb reclassified historical figures as of 31 March 2023 (in €m) (unaudited)	Classification in the pro forma balance sheet
Accrued employee compensation	(28)	(6)	(34)	(31)	Other current payables and financial liabilities
Contract liability	(41)		(41)	(38)	Current liabilities associated with customer contracts
Goods and services tax payable					
Corporation tax payable	(1)		(1)	(1)	Tax payable
Other taxes payable	(3)	3			Reclassified in Other current payables and financial liabilities
Lease liabilities	(16)		(16)	(15)	Current lease liabilities
Other current payables	(3)	3			Reclassified in Other current payables and financial liabilities
Total Current liabilities	(218)		(218)	(200)	Total current liabilities
Contract liability	(255)		(255)	(234)	Non-current liabilities associated with customer contracts
Provisions	(12)		(12)	(11)	Non-current provisions
Lease liabilities	(100)		(100)	(92)	Non-current lease liabilities
Other non-current payables	(11)		(11)	(10)	Other non-current financial liabilities
Total Non-current liabilities	(378)		(378)	(347)	Total non-current liabilities
EQUITY					SHAREHOLDERS' EQUITY
Share capital					Share capital
Share premium	2 805		2 805	2 577	Additional paid-in capital
Share-based payment reserve	12	(12)			Reclassified in Reserves and retained earnings
Foreign currency reserve	1	(1)			Reclassified in Reserves and retained earnings
Retained earnings	(381)	12	(369)	(339)	Reserves and retained earnings
Total equity	2 436		2 436	2 238	Total shareholders' equity

- i. OneWeb's balance sheet has been extracted without any adjustment from OneWeb's annual consolidated financial statements for the financial year ended 31 March 2023 prepared in accordance with UK IFRS and which are set out in Annexure B of this Prospectus. These consolidated annual accounts have been audited by KPMG UK LLP. The report issued by KPMG UK LLP is unqualified and contains no emphasis of matter.
- ii. The following reclassifications were made to reflect the difference in accounting presentation under OneWeb's presentation as opposed to that of Eutelsat:
- 'Bonds and Deposits', 'Withholding tax receivable' and 'Other non-current receivables' are reclassified to 'Non-current financial assets'.
 - 'Prepaid expenses', 'Goods and services tax receivable' and 'Share subscription receivables' are reclassified to 'Other current assets'.
 - 'Receivables from related parties' are reclassified to 'Accounts receivable'.
 - 'Payables to related parties' and 'Accrued expenses' are reclassified to 'Accounts payable'.
 - 'Other taxes payable' and 'Other current payables' are reclassified to 'Other current payables and financial liabilities'.
 - 'Share-based payment reserve' and 'Foreign currency reserve' have been reclassified to 'Reserves and retained earnings'.
- iii. The underlying figures for OneWeb (in millions of US dollars) have been translated into millions of Euros based on the Euro/US dollar exchange rate used by Eutelsat. The closing rate used to convert the balance sheet at end of 31 March 2023 is US\$1.089 to €1.
- iv. The names of certain financial statement line items have been changed to align with Eutelsat's naming convention. Except as noted in (ii) above there are no other changes to these line items other than alignment of naming conventions.

Unaudited reconciliation of OneWeb's consolidated income statement under Eutelsat's income statement presentation for the 12-month period ended 30 June 2023

The OneWeb figures correspond to OneWeb's historical income statement, reclassified to the different lines of the Unaudited Pro Forma Income Statement in order to align with Eutelsat's classification and presentations.

The column in OneWeb's income statement corresponds to that appearing in the annual audited consolidated accounts of OneWeb for the year ended 31 March 2023. Over the interim periods from 1 April 2022 to 30 June 2022 and 1 April 2023 to 30 June 2023, no significant transactions or events have been identified in OneWeb that would require an adjustment to OneWeb's historical data. Presentation reclassifications have been reflected to align with the format of the Unaudited Pro Forma Income Statement.

Classification in the historical OneWeb income statement for the year ended 31 March 2023 (audited)	Historical OneWeb as of 31 March 2023 (12 months) (audited)	Reclassifications	OneWeb reclassified historical figures as at 31 March 2023 converted at the average exchange rate for the 1 April 2022 to 31 March 2023 period (unaudited)		Classification in the pro forma income statement
	(in \$m)	(in \$m)	(in \$m)	(in €m)	
	A	B	(A+B)	(A+B) converted	
	i.	ii.		iii.	iv.
Revenue	31		31	30	Revenues from operations
Other operating income	36	(21)	16	15	Other operating income and expenses
Operating expenses	(387)	250	(137)	(132)	Operating costs
		(79)	(79)	(76)	Selling and administrative expenses
		(171)	(171)	(165)	Depreciation expense
Impairment charge				-	
Share of results of joint venture	0		0	0	Share of profit (loss) of associates
Operating loss	(320)	(21)	(340)	(328)	
Merger and acquisition transaction costs	(21)	21			Reclassified in Other operating income and expenses
Investment income	3		3	3	Other financial income and expenses
Finance costs	(22)		(22)	(21)	Cost of net debt
(Loss)/profit before tax	(359)		(359)	(346)	
Taxation credit/(charge)	(3)		(3)	(3)	Income tax
(Loss)/profit for the period	(362)		(362)	(349)	

- i. OneWeb's income statement has been extracted without any adjustment from OneWeb's annual consolidated financial statements for the financial year ended 31 March 2023 prepared in accordance with UK IFRS and which are set out in Annexure B of this Prospectus. These consolidated annual accounts have been audited by KPMG UK LLP. The report issued by KPMG UK LLP is unqualified and contains no emphasis of matter.
- ii. The following reclassification were made to reflect the difference in accounting presentation under OneWeb's presentation as opposed to that of Eutelsat:
- "Operating expenses" are broken down into "Operating costs", "Selling, general and administrative expenses" and "Depreciation and amortisation" on the basis of the analytical monitoring of these costs.
 - "Merger and acquisition transaction costs" are reclassified to "Other operating income and expenses".
- iii. The underlying figures for OneWeb (in millions of US dollars) have been translated into millions of Euros based on the Euro/US dollar exchange rate used by Eutelsat. The average rate used to convert the income statement for the 12-month period ended 31 March 2023 is US\$1.037 to €1.
- iv. The names of certain financial statement line items have been changed to align with Eutelsat's naming convention. Except as noted in (ii) above there are no other changes to these line items other than alignment of naming conventions.

(c) Significant accounting methods

The management teams of Eutelsat and OneWeb have carried out a comparison of their accounting policies, as well as an analysis of the IFRS framework as approved by the European Union with respect to Eutelsat's consolidated accounts and the UK IFRS framework with respect to OneWeb's consolidated accounts, and no significant differences have been identified or require any adjustments.

(d) Intra-group transactions

After the Completion Date, the balances and transactions between the Eutelsat Group and the OneWeb Group will represent intra-group transactions that will be eliminated in the consolidated financial statements of the Combined Group.

No eliminations have been recorded as pro forma adjustments in the Unaudited Pro Forma Financial Information, since the balances and transactions between the Eutelsat Group and the OneWeb Group for the reporting periods are not material, with the exception of:

- the amount of \$100 million paid by Eutelsat to OneWeb as of 31 March 2023 under the "take-or-pay" agreement. An adjustment is reflected to reverse OneWeb's liability to Eutelsat, recorded in "Current liabilities associated with customer contracts" for \$27 million (€25 million) and in "Non-current liabilities associated with customer contracts" for \$73 million (€67 million), and the corresponding asset of Eutelsat towards OneWeb in "Non-current financial assets" for €76 million and in "Current financial assets" for €13 million. The exchange rate difference generated between 31 March 2023 and 30 June 2023 is offset under "Reserves and retained earnings" for €2 million.
- the inventory of terminals purchased to OneWeb by Eutelsat in June 2023 for \$5 million. An adjustment is recorded to reverse (i) the inventory recorded by Eutelsat for \$5 million (€5 million), as OneWeb's historical

balance sheet as of 31 March 2023 already reflects the net book value of this inventory, and (ii) the liability of Eutelsat towards OneWeb as of 30 June 2023 recorded for \$5 million (€5 million) in “Accounts payable”.

(e) Change of control provisions

On the basis of the preliminary analysis conducted to date, no change of control provision has been identified that could have an impact on the Unaudited Pro Forma Financial Information of the Combined Group.

4.2 Business combination

The accounting treatment for the Combination is set out in paragraph 1.1 above.

Business combination achieved in stages

As Eutelsat held an equity-accounted stake in OneWeb prior to the Completion Date, the consideration transferred under IFRS is the aggregate of the following components:

- the purchase price paid by Eutelsat to acquire control at its fair value on the Completion Date;
- the fair value on the Completion Date of Eutelsat’s shareholding in OneWeb before control is acquired; and
- the adjustment related to share-based payments.

Purchase price paid for the acquisition of control

The Framework Agreement provides that the shareholders in OneWeb (other than Eutelsat) will exchange those shares for newly issued shares in Eutelsat. The OneWeb Shareholders (excluding Eutelsat S.A.) will receive 226,252,053 New Eutelsat Shares.¹⁷ From an accounting perspective, the purchase price corresponds to the fair value, on the Completion Date, of the shares transferred by Eutelsat. As a result, as required under IFRS, the purchase price will be valued on the basis of the share price of Eutelsat Shares on the Completion Date.

For the purposes of the Unaudited Pro Forma Financial Information, the IFRS purchase price has been based on the fair value of the shares in Eutelsat on 29 August 2023 as follows:

Preliminary estimate of purchase price paid to obtain control

Newly issued shares	226,252,053
Eutelsat Share price as at 29 August 2023 (€)	5,515
Preliminary estimate of purchase price paid to obtain control (m€)	1,248

Fair value on the Completion Date of the equity interest previously held by Eutelsat

On the basis of the purchase price paid for the acquisition of control, the fair value of the investment in associates (22.91%) has been estimated as follows:

% of ownership	22.91%
Valuation of OneWeb at Fair Value (€m)	1,619
Fair Value of the previous shareholding by Eutelsat (€m)	371

Adjustment for share-based payments

OneWeb had granted OneWeb Options to certain employees. Under the Framework Agreement, in the context of the Combination, the OneWeb Options will become exercisable by the option holders immediately at the Completion Date or within twelve months following the Completion Date, according to the terms proposed by Eutelsat in the Framework Agreement. If the OneWeb Options are not exercised within this timeframe, they will be exercisable according to the terms of the OneWeb Executive Share Option Scheme 2021. In that case, the OneWeb Options will be settled in cash by the

¹⁷ Based on the number of Eutelsat Shares in issue as at the Last Practicable Date, excluding any OneWeb A Ordinary Shares issued upon exercise and conversion of OneWeb Options and assumes no additional Eutelsat Shares are issued between the Last Practicable Date and Completion.

Combined Group.

The OneWeb Options granted to the option holders are compound financial instruments, consisting of:

- An equity component, representing the right of the beneficiary to request settlement in Eutelsat Shares within a twelve-month period following the Completion Date, and
- A debt component, representing the right of the beneficiary to request a cash settlement after the twelve-month period following the Completion Date.

For the purposes of the Unaudited Pro Forma Financial Information, the plans are valued at fair value on the Completion Date. The fair value of the debt component is equal to the fair value of the cash settlement. The fair value of the equity component is equal to the difference between the total fair value and the fair value of the debt component. In this particular case, the equity component has a nil value.

As part of the business combination, in accordance with IFRS 3, a portion of the plan value is allocated to the consideration transferred in the business combination (for the portion vested by the option holders at the Completion Date) and the other portion is allocated to post-combination services rendered.

IFRS Preliminary consideration transferred

Preliminary estimate of purchase price paid to obtain control (€m)	1,248
Fair Value of the previous shareholding by Eutelsat (€m)	371
Adjustment linked with share-based payments	17
Preliminary IFRS transferred consideration (€m)	1,636

Sensitivities

The following table shows sensitivities to changes in the Eutelsat Share price and the consequences on the IFRS preliminary consideration transferred:

	Closing price of Eutelsat Shares (€)	Preliminary consideration transferred (€m)	Provisional bargain purchase gain (€m)
Eutelsat Share price as at 29 August 2023 (€)	5.515	1,636	354
10% increase in the Eutelsat Share price	6.07	1,798	192
10% fall in the Eutelsat Share price	4.96	1,474	516

Allocation of the preliminary purchase price

On the Completion Date, the identifiable assets acquired and liabilities assumed from OneWeb shall be recognised at their fair value on that date, with any residual difference from the consideration transferred being recognised in goodwill or bargain purchase gain.

Before recognising a bargain purchase gain, IFRS 3 requires Eutelsat to reassess whether it has correctly identified all assets acquired and liabilities assumed and to recognise any additional assets or liabilities identified during this review. Eutelsat has carried out a preliminary exercise for the allocation of the acquisition price, considering the identified assets at this stage, including the satellite fleet owned by OneWeb, and the Internal Rate of Return directly linked to the assessed acquisition price at this stage. Therefore, an adjustment has been reflected in the Unaudited Pro Forma Financial Information to set to zero the net book value of the spectrum rights recorded in OneWeb's historical balance sheet as of 31 March 2023 amounting to \$253 million (€232 million).

As a preliminary step, the acquisition price in the Unaudited Pro Forma Financial Information has been allocated to the fair value of the acquired assets and assumed liabilities as of 31 March 2023, with the resulting difference recognised as a bargain purchase gain.

The computation of the purchase accounting presented herein is therefore preliminary and was made solely for the purpose of preparing this Unaudited Pro Forma Financial Information. Following the Completion Date, final valuations will be completed and the fair value assigned to the assets acquired and liabilities assumed will be finalised during the one year measurement period from the Completion Date, provided by IFRS 3. The final value of the identifiable assets acquired and liabilities assumed from OneWeb on the Completion Date may result in significant differences between the pro forma results and the final results.

Pro forma adjustments

- (a) The following table shows the preliminary allocation of the purchase price to the identifiable assets acquired and liabilities assumed from OneWeb, with the difference with the purchase price recognised as a bargain purchase gain:

Preliminary bargain purchase gain calculation	
<i>Amounts in €m</i>	
Net asset value of OneWeb before the acquisition	2 238
Fair value adjustment of OneWeb's Spectrum Rights	(232)
Other pro forma adjustments with an impact on net asset value of OneWeb – 4.2(e)	(9)
Elimination of pre-existing goodwill in OneWeb accounts	(7)
Preliminary estimated Fair Value of net asset acquired	1 990
Estimate of the preliminary consideration transferred	1 636
Estimate of the preliminary bargain purchase gain	354

- (b) The following table shows the elimination of amounts associated with the previously held OneWeb shares accounted for under the equity method, recognised in Eutelsat's historical balance sheet, income statement and other comprehensive income as of 30 June 2023:

<i>Amounts in €m (debit / (credit))</i>	30 June 2023
Balance sheet impacts	
Investments consolidated under the equity method	(501)
<i>Amounts in €m ((debit) / credit)</i>	
P&L Impacts	
Share of profit of affiliates consolidated under the equity method	87
OCI Impacts	
Reversal of gains and losses previously recorded in the recyclable OCI	(31)
Of which	
Translation adjustment linked to OneWeb investments previously booked in OCI	(47)
Net Investment Hedging previously booked in OCI (after tax)	15

- (c) The table below shows the re-measurement to fair value of the OneWeb shares previously accounted for under the equity method:

<i>Amounts in €m</i>	
Fair Value of the participation owned previously by Eutelsat	371
Re-measurement of previous shareholding accounted for using the equity method	(501)
Recycling of gains and losses previously booked in OCI	31
Loss on the re-measurement of the participation previously owned by Eutelsat	(99)

- (d) The table below shows the adjustment to shareholders' equity following the Combination:

<i>Amounts in €m</i>	Eutelsat historical figures as at 30 June 2023 (audited) 4.1(a)	OneWeb reclassified historical figures as at 31 March 2023 (unaudited) 4.1(b)	Capital increase in the context of the purchase price paid for the acquisition of control 4.2	Re-measurement to the fair value of the investment in associates 4.2(b)&(c)	Adjustment of the net asset value of OneWeb 4.2(a)	Elimination of OneWeb's equity	Bargain purchase gain 4.2(a)	Pro forma adjustments related to Eutelsat 4.1(d),5(a)&(b)	Pro forma information as at 30 June 2023 (unaudited)
Share capital	249		226						475
Eutelsat Additional paid-in capital	831		1,022						1,853
Reserves and retained earnings	1 895			(130) *			354	(12) ***	2,106
Non-controlling interests	97								97
OneWeb Additional paid-in capital		2,577			(2,577)				-

<i>Amounts in €m</i>	Eutelsat historical figures as at 30 June 2023 (audited) 4.1(a)	OneWeb reclassified historical figures as at 31 March 2023 (unaudited) 4.1(b)	Capital increase in the context of the purchase price paid for the acquisition of control 4.2	Re-measurement to the fair value of the investment in associates 4.2(b)&(c)	Adjustment of the net asset value of OneWeb 4.2(a)	Elimination of OneWeb's equity	Bargain purchase gain 4.2(a)	Pro forma adjustments related to Eutelsat 4.1(d),5(a)&(b)	Pro forma information as at 30 June 2023 (unaudited)
Reserves and retained earnings		(339)			(248) **	587			-
Total	3,072	2,238	1,248	(130)	(248)	(1,990)	354	(12)	4,531
<i>Unaudited pro forma adjustment related columns</i>					(767)			(12)	
					<i>Business combination</i>			<i>Other Adjustments</i>	

*(€99) million of re-measurement at the fair value of OneWeb investment previously held by Eutelsat and (€31) million of reversal of gains and losses previously recorded in the recyclable OCI related to OneWeb investment previously held by Eutelsat (gains and losses included in the Reserves and retained earnings).

** (€322) million to set to zero the net book value of the spectrum rights, (€12) million of OneWeb's transaction costs, €3 million of prepaid expenses related to some employee benefits and (€7) million of elimination of pre-existing goodwill in OneWeb accounts.

*** (€20) million of Eutelsat's transaction costs, €2 million of exchange rate difference related to intra-group transactions ("take-or-pay"), €5 million of tax effect.

- (e) Under the Combination, OneWeb incurs certain transaction costs (including professional adviser costs). By their nature, these costs should not have a recurring impact on the performance of the Combined Group in the future. The pro forma adjustment represents an estimate of OneWeb's outstanding transaction costs to be incurred until completion of the Combination, together with some employee benefits deemed to be earned by OneWeb's grantees after the Completion Date. In the Unaudited Pro Forma Balance Sheet as of 30 June 2023, the adjustment has been reflected under "Accounts payable" for \$13 million (€12 million).

The costs incurred by OneWeb as of 31 March 2023 and reflected in OneWeb's historical income statement for the year ended 31 March 2023 amount to \$21 million (€20 million). A pro forma adjustment is made in the Unaudited Pro Forma Income Statement to remove these costs for €20 million from "Other operating income and expenses".

Some employee benefits deemed to be earned by OneWeb's grantees after the Completion Date have been adjusted for \$3 million (€3 million):

- as an expense after the Completion Date in the "Other operating income and expenses" caption in the Unaudited Pro Forma Income Statement for the year ended 30 June 2023, and
- as "Other current assets" to reflect the prepaid expenses that would be recognised at the Completion Date in the Unaudited Pro Forma Balance Sheet as of 30 June 2023.

- (f) The replacement, from an accounting perspective, of OneWeb share option plans results in the following pro forma adjustments:

- In the Unaudited Pro Forma Balance Sheet as of 30 June 2023, the portion of OneWeb plans allocated in consideration transferred amounts to €17 million with a corresponding impact in "Other current payables and financial liabilities" for €16 million and in "Other non-current financial liabilities" for €2 million; and
- In the Unaudited Pro Forma Income Statement, the share-based payment expense recognised by OneWeb in its historical income statement has been eliminated for \$5 million (€5 millions) as of 30 June 2023 under the "Operating costs" line. This expense is replaced by the portion of OneWeb plans allocated for post-combination services rendered, amounting to €1 million as of 30 June 2023 recorded under the "Operating costs" line.

No tax effect has been recorded on the pro forma adjustments related to transaction costs (see (e) above), the replacement of OneWeb share option plans (see (f) above) and the preliminary purchase price allocation adjustment (see 4.2). Indeed, in its historical balance sheet as of 31 March 2023, OneWeb has only recognized deferred tax assets on temporary

differences up to the amount of deferred tax liabilities, resulting in a net zero position of deferred tax assets. It is considered unlikely that taxable profits, against which the net deferred tax asset could be utilized, will be available in a predictable future, within a 5-year period.

5 Other pro forma adjustments to the Unaudited Pro Forma Balance Sheet and Unaudited Pro Forma Income Statement

The following pro forma adjustments have been reflected:

- (a) Eutelsat's transaction costs mainly include legal, financial and consultancy costs. By their nature, these costs should not have a recurring impact on the performance of the Combined Group in the future.

The costs incurred by Eutelsat as of 30 June 2023 have already been reflected in the historical balance sheet and income statement of Eutelsat as of 30 June 2023 for an amount of €38 million before tax.

In the Unaudited Pro Forma Financial Information as of 30 June 2023, the pro forma adjustment reflects the estimated costs to be borne by Eutelsat after 30 June 2023 until completion of the Combination, which amount to €20 million. This adjustment had been recorded in the Unaudited Pro Forma Income Statement in "Other operating income and expenses" and in the Unaudited Pro Forma Balance Sheet in "Trade payables", with a corresponding impact in equity, as the costs are expected to be incurred before the completion of the Combination.

- (b) The tax adjustment included in "Corporate income tax" and "Deferred tax assets" represents the tax impact of the pro forma adjustments calculated at the rate of 25.83% as of 30 June 2023, corresponding to the tax rate applicable in France.

6 Trading or changes in the financial position of Eutelsat since 30 June 2023 or OneWeb since 31 March 2023

The Unaudited Pro Forma Financial Information does not take account any trading or changes in the financial position of Eutelsat since 30 June 2023 or OneWeb since 31 March 2023 (other than those specifically specified in the Unaudited Pro Forma Financial Information).

Statutory auditors' report on the Compilation of Unaudited Pro Forma Financial Information for the year ended 30 June 2023 of Eutelsat Communications SA included in the Prospectus

To the Directors of Eutelsat Communications S.A. (“**Eutelsat Directors**”)

In our capacity as statutory auditors of Eutelsat Communications S.A. (“**Eutelsat**”), we have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Eutelsat by the Eutelsat Directors. The unaudited pro forma financial information consists of the unaudited pro forma balance sheet as at 30 June 2023, the unaudited pro forma income statement for the year ended 30 June 2023 and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out in Section A of Part 18 of the prospectus dated 7 September 2023 prepared in connection with the admission to the standard listing segment of the Official List of the Financial Conduct Authority (“**FCA**”) and to trading on the London Stock Exchange’s Main Market for listed securities of all issued and to be issued share capital of Eutelsat Communications SA (the “**Prospectus**”).

This report is required by Section 3 of Annex 20 of the UK version of Commission Delegated Regulation (EU) 2019/980 (“the **UK Prospectus Delegated Regulation**”) and is given for the purpose of complying with that section and for no other purpose.

The Unaudited Pro Forma Financial Information has been compiled by the Eutelsat Directors to illustrate the impact the transfer and acquisition of the OneWeb Holdings Limited (“**OneWeb**”) A ordinary shares and OneWeb deferred shares by Eutelsat might have had on the consolidated balance sheet of Eutelsat at 30 June 2023 and the consolidated income statements of Eutelsat for the year ended 30 June 2023 had it taken place with effect on 30 June 2023 for the unaudited pro forma balance sheet and 1 July 2022 for the unaudited pro forma income statement. The Unaudited Pro Forma Financial Information is presented on the basis of the accounting policies adopted by Eutelsat in preparing its consolidated financial statements for the year ended 30 June 2023.

As part of this process, information about Eutelsat’s balance sheet as at 30 June 2023 and Eutelsat’s income statement for the year ended 30 June 2023 has been extracted from Eutelsat’s consolidated financial statements for the year ended 30 June 2023, on which an audit report has been published, information about OneWeb’s balance sheet as at 31 March 2023 and OneWeb’s income statement for the year ended 31 March 2023 has been extracted from OneWeb’s consolidated financial statements for the year ended 31 March 2023, on which an audit report by another auditor has been published.

The Board of Directors’ responsibility for the Unaudited Pro Forma Financial Information

The Eutelsat Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with Sections 1 and 2 of Annex 20 of the UK Prospectus Delegated Regulation.

Our Independence and quality control

We have complied with relevant ethical requirements related to assurance engagements in France, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Ernst & Young et Autres and Mazars each apply International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with relevant ethical requirements and applicable legal and regulatory requirements.

Our responsibilities

Our responsibility is to express an opinion about whether the Unaudited Pro Forma Financial Information has been properly compiled by the Eutelsat Directors, as required by Section 3 of Annex 20 of the UK Prospectus Delegated Regulation.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 1.3 of Annex 1 to the UK Prospectus Delegated Regulation, consenting to its inclusion in the Prospectus.

Basis of opinion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Eutelsat Directors have compiled the Unaudited Pro Forma Financial Information in accordance with Sections 1 and 2 of Annex 20 of the UK Prospectus Delegated Regulation.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the historical financial information used in compiling the Unaudited Pro Forma Financial Information, or of the Unaudited Pro Forma Financial Information itself.

The purpose of the Unaudited Pro Forma Financial Information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of Eutelsat as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2023 or 1 July 2022 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Eutelsat Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of Eutelsat, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of Eutelsat.

Declaration

For the purposes of Prospectus Regulation Rule 5.3.2R (2)(f) we are responsible for this report as part of the Prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex 1 of the UK Prospectus Delegated Regulation.

Paris-La Défense, 7 September 2023

The statutory auditors

Mazars



Achour Messas

Ernst & Young et Autres



Nicolas Macé

Part 19 Profit Forecast

1 Combined Group Profit Forecast

On 12 October 2022, the Eutelsat Group issued a strategy update regarding the Combination which contained the following statement:

“[Adjusted] EBITDA for the combined entity is expected to grow at a double digit CAGR over [medium to long-term], outpacing revenues growth, rising from c. €700m in FY 2023 to a range of €750m to €850m in FY 2024, €900m to €1.1bn in FY 2025 and c. €1.4bn in FY 2027.”

The statement that the Combined Group’s Adjusted EBITDA growth expectations are in the range of €750 million and €850 million in FY 2023-24, €900 million to €1.1 billion in FY 2024-25 and will reach approximately €1.4 billion in FY 2026-27, constitutes a profit forecast for the purposes of the UK Prospectus Delegated Regulation (the “**2022 Combined Group Profit Forecast**”).

1.1 The 2022 Combined Group Profit Forecast has been revised

For the reasons set out below, Eutelsat has revised the 2022 Combined Group Profit Forecast.

The 2022 Combined Group Profit Forecast was based on, at the time of making such statement: (i) the Combined Group’s business plan model; (ii) key operating and financial metrics of the OneWeb standalone model; (iii) methodologies used by Eutelsat in validating the main assumptions therein; and (iv) OneWeb’s budget and long term business plan.

The pro forma Adjusted EBITDA for the Combined Group for FY 2023 was €643 million, which is below the Combined Group’s Adjusted EBITDA expectation of circa €700 million from the 2022 Combined Group Profit Forecast for FY 2022-23, which was given at a €/€ rate of 1.00 as opposed to the actual €/€ rate of c. 1.05 at 30 June 2023. At the €/€ rate of 1.00, the Adjusted EBITDA for the Combined Group for FY 2023 would have been c. €675 million. The difference is mainly due to exogenous factors that were unforeseen at the time of making the 2022 Combined Group Profit Forecast, such as the impact of broadcasting sanctions on the Eutelsat standalone business (please see paragraphs 3.1 of Part 2 (*Risk Factors*), 3.2 of Part 11 (*Regulatory Overview*), 2.1 of Part 15 (*Operating and Financial Review of Eutelsat*) of this Prospectus for further details), and for which a guidance adjustment was also issued to the market on 22 December 2022 by Eutelsat.

OneWeb’s revenues reached its forecast \$50 million at the end of June 2023.

For FY 2023-24 of OneWeb, the later than expected availability of terrestrial terminals (i.e. antennas) for key verticals, such as Aero or Maritime, has led to a temporary delay in trials and network testing. It is to be recalled that customer roll-out can and service use only take place once the network and antennas are fully and sufficiently tested for each specific customer need.

The delay in customer roll-out and subsequent invoicing has led to a delay in revenue recognition compared to the 2022 Combined Group Profit Forecast. As a result, the revenue and Adjusted EBITDA forecast of Combined Group have been adjusted for the FY 2023-24 to reflect this short-term impact. OneWeb expects that the terminals for key verticals will be available by early the first half of 2024 (calendar year). Please see paragraph 6.2 of Part 9 (*Overview of OneWeb*) of this Prospectus for further details.

Eutelsat has reassessed the 2022 Combination Group Forecast and included the following statement in this Prospectus:

“Adjusted EBITDA for the combined entity is expected to grow at a double digit CAGR over medium to long-term, outpacing revenues growth, rising from c. €650m in FY 2023 to a range of €725m to €825m in FY 2024, €900m to €1.1bn in FY 2025 and c. €1.4bn in FY 2027.”

The statement that the Combined Group’s Adjusted EBITDA growth expectations are now in the range of €725 million and €825 million in FY 2023-24 (the range being decreased by €25 million from the 2022 Combined Group Profit Forecast), €900 million to €1.1 billion in FY 2024-25 and will reach approximately €1.4 billion in FY 2026-27, constitutes a profit forecast for the purposes of the UK Prospectus Delegated Regulation (the “**2023 Combined Group Profit Forecast**”).

The decrease of €25 million from the 2022 Combined Group Profit Forecast for FY 2023-24 is primarily due to the reasons set out above.

The Combined Group’s Adjusted EBITDA growth expectations for FY 2024-25 and FY 2026-27 remained consistent with the 2022 Combined Group Forecast, as OneWeb continues with its commercial momentum of over \$300 million of

incremental contracts signed since October 2022 for a total backlog of \$900m (of which \$275 million is with the Eutelsat Group), with strong synergy potential that can still be created through the Combination and generated by the Combined Group in the long run. The adjustment made to the 2022 Combined Group Profit Forecast will not alter the Combined Group's capacity to cover its long term financing needs.

1.2 Basis of preparation

Eutelsat presents Adjusted EBITDA, which represents the profit of the Combined Group before interest, tax, depreciation and amortisation, and other operating income and expense. Such Adjusted EBITDA is a frequent indicator in the FSS sector and more generally the telecommunications industry, enabling shareholders to compare the published historical results of Eutelsat with other companies' results in the same industry.

The 2023 Combined Group Profit Forecast has been compiled and prepared based on: (i) the five year business plan of Eutelsat on a standalone basis; (ii) Eutelsat's forecast of OneWeb projected performance on a standalone basis; (iii) the OneWeb 2023 Annual Financial Statements; and (iv) the potential synergies forecast to be generated by the Combination as detailed in paragraph 3.1 of Part 7 (*Overview of the Combined Group*) of this Prospectus, and which is comparable with the presentation of Eutelsat's Adjusted EBITDA. The basis of accounting used for the Combined Group Profit Forecast is consistent with Eutelsat's accounting policies, which are in accordance with IFRS.

Eutelsat has considered and confirm that the 2023 Combined Group Profit Forecast statement continues to be valid at the date of this Prospectus.

1.3 Assumptions

The principal assumptions used by the Eutelsat Group and the OneWeb Group with respect to the financial period from and including 30 June 2023 to 30 June 2027 in preparing the 2023 Combined Group Profit Forecast are as follows:

Factors outside of the Combined Group's control or influence:

- There will be growth in the NGSO market.
- There will be no adverse change to current prevailing global macroeconomic and political conditions (including any geopolitical tension, conflict or war in or affecting areas where the Combined Group generates its revenues or where its key suppliers are based (or any sanctions imposed in response to any such events)) which is material in the context of the 2023 Combined Group Profit Forecast.
- There will be no change in interest rates or inflationary pressures which could adversely affect the Combined Group's principal markets, the earnings of the Combined Group's target customers and distribution partners, its supply chain, and marketing spend or other expenses compared with the Eutelsat's estimates relating to the Combined Group, and which is material in the context of the 2023 Combined Group Profit Forecast.
- None of the Combined Group's service providers will terminate or reduce their business relationships with the Combined Group to such an extent that it would have a material adverse effect on the prospects of the Combined Group, and the Combined Group will also be able to enter into arrangements with new service providers as necessary to deliver the 2023 Combined Group Profit Forecast.
- There will be no change in market conditions within the markets within the GEO or LEO satellites industry and regions in which the Combined Group operates (in relation to either customer demand, customer behaviour or competitive environment) which is material in the context of the 2023 Combined Group Profit Forecast.
- There will be no material change to the performance of the Combined Group's satellite fleet or in the nominal deployment plan.
- There will be no change in the legislation, tariff or regulation impacting on the Combined Group's operations or the accounting policies and standards to which it is subject which is material in the context of the 2023 Combined Group Profit Forecast.
- There will be no change in the tax burden applicable to the Combined Group, its customers, distribution partners and employees (including sales taxes/VAT, any e-commerce tax, business rates and payroll taxes) which is material in the context of the 2023 Combined Group Profit Forecast.
- There will be no business disruptions that materially affect the Combined Group or its key markets/customers,

including as a result of any pandemics, epidemics, other disease, industrial disruption, natural disasters, act of terrorism, cyber-attack and/or widespread technology disruption issue, civil disturbance or government action.

- There will be no change in labour costs, including medical, pension or other post-retirement benefits, or key skill availability compared with the Combined Group's estimates which is material in the context of the 2023 Combined Group Profit Forecast.
- There will be no material movements in foreign exchange rates compared with the Combined Group's estimates not mitigated by current hedging arrangements.
- There will be no litigation, contractual dispute or regulatory action which is material in the context of the Combined Group.
- No other issue material to the 2023 Combined Group Profit Forecast beyond those issues already known to the Eutelsat Board at the current time will arise in respect of the respective groups' contracts, relationships or obligations.

Factors within the Combined Group's control or influence:

- The expected capital and operational expenditure, as well as revenue synergies generated from the Combination, will be achieved, including:
 - the combination of GEO and LEO (in particular, for LEO GEN 1 and LEO GEN 2) models and ground terminals proposing bundled offers and new opportunities;
 - the use of an hybrid GEO/LEO satellite infrastructure requiring fewer total satellites and smaller satellites in order to unlock LEO GEN 2 rationalisation;
 - the commercial and operational complementarities enabling the combined businesses to unlock incremental revenue by leveraging sales forces, geographical reach and customer base; and
 - avoidance of costs ramp-up and costs duplication between the Eutelsat Group and the OneWeb Group.

See paragraph 3.1 of Part 7 (*Overview of the Combined Group*) of the Prospectus for further information on the synergies expected to be achieved by the Combined Group.

- There will be no material deterioration of the Combined Group's relationship with customers and suppliers in a manner that is material in the context of the 2023 Combined Group Profit Forecast.
- There will be no reduction in the number of service or distribution agreements, save for the agreement is due to terminate in the period, to an extent that such a reduction would have a material adverse effect on the 2023 Combined Group Profit Forecast.
- The majority of long-term customers and distribution partners will be retained and will continue to generate revenues in line with their budgets, retainers, historical trends and past behaviours.
- The Combined Group will not execute any acquisitions, disposals or joint venture agreements (taking into account any potential related transaction or related costs), and no existing joint venture agreements will be terminated or amended, which have an adverse impact on the Combined Group's income or expenditure which are material in the context of the 2023 Combined Group Profit Forecast.
- There will be no material change in the Combined Group's existing debt arrangements, other than the repayment of existing borrowings in the ordinary course, or its ability to access external financing.
- There will be no material change in the management of the Combined Group.
- Eutelsat's accounting policies will be consistently applied over the forecast period so far as is material to the 2023 Combined Group Profit Forecast.

Part 20 CREST Depository Interests

1 CREST Depository Interest

Eutelsat Shares as securities issued by Eutelsat, a non-UK company, cannot be held in uncertificated form or transferred electronically in the CREST system. Investors are able to hold and settle interests in Eutelsat Shares through CDIs in the CREST system operated by Euroclear UK or any successor thereto in accordance with the United Kingdom Uncertificated Securities Regulations 2001.

CDIs are issued by CREST Depository Limited (“**CREST Depository**”), subject to and in accordance with the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated, the “**CREST Deed Poll**”). CDIs will be independent securities constituted under English law and transferable within CREST from one person’s CREST account to another’s without the need to use share certificates or written instruments of transfer.

The underlying Eutelsat Shares will be credited to the account of CREST International Nominees Limited (the “**CREST Nominee**”) with Euroclear UK, and the CREST Nominee will hold such interests as nominee for the CREST Depository.

Each CDI will represent one underlying Eutelsat Share, for the purposes of determining all rights and obligations and all amounts payable in respect thereof.

The CDIs will have the same ISIN as the underlying Eutelsat Shares and will not require a separate listing on the LSE.

Meeting announcements and voting

In order for any actions relating to rights attached to the Eutelsat Shares to take place, Section 5 in Chapter 4 of the CREST International Manual (November 2014) issued by Euroclear UK and as amended, modified, varied or supplemented from time to time (the “**CREST Manual**”) stipulates that CREST Members (being an intermediary that is a member of CREST) who hold CDIs representing underlying Eutelsat Shares on behalf of their respective retail clients will:

- receive notification of the meeting announcements related to their CDI holdings;
- submit voting instructions (including proxy appointments) on such events; and
- receive vote confirmations where this is facilitated by Euroclear France where the Eutelsat Shares are being held by the CREST Nominee.

Dividends

Chapter 4 of the CREST Manual provides the following information regarding dividend distributions.

The CREST Depository may fix a record date and a time on that date for determining which CDI holder is entitled to any dividend or other distribution of any kind or any bonus or rights issue or any other matter in relation to the Eutelsat Shares. If Euroclear UK has received notification of the record date from Euroclear France in which those international securities are held by the CREST Nominee, where reasonably practicable, the record date fixed by the CREST Depository will be the date set by Euroclear France. If Euroclear UK has not received notification of the record date from Euroclear France, then the CREST Depository shall fix a record date which it, in its sole discretion, considers appropriate (in the majority of circumstances such date is likely to be the business day preceding the day upon which the CREST Nominee receives the relevant corporate action outturn, proceeds or instruction request).

The CREST Depository will make cash dividend distributions to CREST Members, once the CREST Nominee receives the funds. The CREST Member will in turn distribute to its retail clients in accordance with its terms of service.

For scrip dividends, if the distribution comprises existing Eutelsat Shares which are identical in all respects to existing Eutelsat Shares, the CREST Depository will credit CDIs representing the new Eutelsat Shares to the stock accounts of the CREST Members entitled, which are held on behalf of the underlying CDI holders. If the distribution comprises securities which are not identical in all respects to existing Eutelsat Shares, the CREST Depository, if it considers it appropriate, will constitute new dematerialised depository interests in respect of such securities on the terms of, or substantially similar to those of, the CREST Deed Poll and distributes the new CDIs to the CREST Members to be held on behalf of the underlying CDI holders.

2 Rights of holders of CDIs

Prospective investors should note that:

- it is the CDIs which will be settled through CREST and not the Eutelsat Shares. The rights of the holders of CDIs will be governed by the CREST Deed Poll. These rights may be different from those of holders of Eutelsat Shares which are not represented by CDIs;
- the provisions of the CREST Deed Poll, the CREST Manual and the CREST Rules (contained in the CREST Manual) contain indemnities, warranties, representations and undertakings to be given by holders of CDIs and limitations on the liability of the CREST Depository as issuer of the CDIs. Holders of CDIs may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the money invested by them;
- CDIs holders may be required to pay fees, charges, costs and expenses to the CREST Depository in connection with the use of the CREST International Settlement Links Service. These will include the fees and expenses charged by the CREST Depository in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the underlying Eutelsat Shares through the CREST International Settlement Links Service; and
- Eutelsat will not have any responsibility for the performance of, or any liability, costs or expenses incurred by, any intermediaries or their respective direct or indirect participants or accountholders acting in connection with CDIs or for the respective obligations of such intermediaries, participants or accountholders under the rules and procedures governing their operations.

Holders of CDIs will be bound by all provisions of the CREST Deed Poll and by all provisions of or prescribed pursuant to the CREST Manual and the CREST Rules applicable to the CREST International Settlement Links Service. Holders of CDIs must comply in full with all obligations imposed on them by such provisions.

The information included within this Part 20 (*CREST Depository Interests*) of this Prospectus relating to CDIs is intended to be a summary and for information purposes only and is not to be construed as financial, legal, business or tax advice. Each investor or potential investor in Eutelsat Shares or CDIs should consult their own lawyer, financial adviser, broker or tax adviser for legal, financial or tax advice in relation to CDIs (including in respect of dealing and/or the settlement of trades in CDIs).

Part 21 Taxation

The information set out below describes the principle UK and French tax consequences of the acquisition, holding and disposal of the Eutelsat Shares and is included for general information only. It is not intended to be, nor should it be construed to be, legal or tax advice to any prospective investors or any other person. This Part does not take into account the individual circumstances of any prospective investors or any other person and should not be relied upon by any prospective investor or any other person. Each prospective investor should obtain, and only rely upon, their own professional tax advice regarding the tax consequences of acquiring, holding and disposing of the Eutelsat Shares or CDIs under the laws of their country and/or state of citizenship, domicile or residence. This summary is based on tax legislation in force as at the Last Practicable Date, without prejudice to any amendments introduced at a later date and implemented with retroactive effect.

1 UK Taxation

1.1 Material UK tax considerations

The following statements are intended as a general guide to certain UK tax considerations only, do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding and/or disposing of Eutelsat Shares and do not constitute legal or tax advice. The following statements are based on UK tax law (including case law) and what is understood to be the current published practice of HMRC as at the Last Practicable Date, both of which may change, possibly with retrospective effect.

Except where expressly stated otherwise, the following statements apply only to Eutelsat Shareholders who are resident (and in the case of individuals, resident and domiciled) solely in the UK for tax purposes, who hold their Eutelsat Shares as an investment (otherwise than under an individual savings account or pension arrangement), and who are the beneficial owners of their Eutelsat Shares and any dividends paid in respect of them. Shareholders holding their Eutelsat Shares in a depository receipt system or clearance service should note that they may not always be the absolute beneficial owners of the Shares.

The following statements do not take into account the tax position of certain categories of Eutelsat Shareholders who are subject to special rules (such as persons acquiring Eutelsat Shares in connection with any employment, dealers in securities, insurance companies, trustees and collective investment schemes). Nor do the following statements consider the tax position of: (i) any person holding investments in any HMRC-approved arrangements or schemes (including, but not limited to, the enterprise investment scheme, the venture capital scheme or the seed enterprise investment scheme), (ii) any person able to claim inheritance tax reliefs, or (iii) any non-UK resident Eutelsat Shareholder holding Eutelsat Shares respectively in connection with a trade, profession or vocation carried on in the UK (whether through a branch or agency or, in the case of a corporate Eutelsat Shareholder, a permanent establishment or otherwise).

IF YOU ARE IN ANY DOUBT AS TO YOUR TAX POSITION OR IF YOU MAY BE SUBJECT TO TAX IN ANY JURISDICTION OTHER THAN THE UK, YOU SHOULD CONSULT A PROFESSIONAL TAX ADVISER IMMEDIATELY.

1.2 Holding of Eutelsat Shares

Dividends on Eutelsat Shares

Eutelsat Shareholders within the charge to UK income tax

The general tax treatment of dividends paid by Eutelsat on Eutelsat Shares to Eutelsat Shareholders who are within the charge to UK income tax on such dividends is as follows:

- all dividends received by such a Eutelsat Shareholder will form part of the Eutelsat Shareholder's total income for income tax purposes;
- the first £1,000 of taxable dividend income received by such Eutelsat Shareholder in tax year 2023-24 is tax free (the "**Dividend Allowance**"). The Dividend Allowance may reduce by a further £500 from 6 April 2024;
- where an individual Eutelsat Shareholder receives dividend income in excess of the Dividend Allowance, the excess amount (the "**Relevant Dividend Income**") is subject to income tax with the rates for 2023-24 being: (a) 8.75%, to the extent the Relevant Dividend Income is taxed in the basic rate band; (b) 33.75%, to the extent the Relevant Dividend Income is taxed in the higher rate band; and (c) 39.35%, to the extent the Relevant Dividend Income is taxed in the additional rate band.

Eutelsat Shareholders within the charge to UK corporation tax

Eutelsat Shareholders within the charge to UK corporation tax will be subject to corporation tax on dividends paid by Eutelsat, unless (subject to special rules for such Eutelsat Shareholders that are small companies, as to which see below) the dividends fall within an exempt class and certain other conditions are met. It is expected that most dividends paid on Eutelsat Shares to UK resident corporate shareholders would fall within one or more exempt class. Examples of such an exempt class of dividends would include dividends paid to holders of Eutelsat ordinary (non-redeemable) shares, and also dividends paid to persons: (i) holding less than 10% of the issued share capital of Eutelsat; (ii) entitled to less than 10% of the profits available for distribution; and (iii) entitled to less than 10% of the assets available for distribution on a winding-up.

Provided certain conditions are met, Eutelsat Shareholders within the charge to UK corporation tax which are “small companies” (for the purposes of UK taxation of dividends) will not generally be liable to UK corporation tax on any dividend received from Eutelsat.

Withholding tax in France

The French withholding tax consequences of dividends paid to UK resident Eutelsat Shareholders are outlined at paragraph 2.1 of this Part 21 (*Taxation*).

If French dividend withholding tax is payable on dividends from Eutelsat, UK resident Eutelsat Shareholders should seek their own tax advice to determine the French and UK tax implications, including the extent to which any credit for such French withholding tax may be available against UK tax on the same dividends.

1.3 Disposal of Eutelsat Shares

Eutelsat Shareholders within the charge to UK CGT

A disposal or deemed disposal of Eutelsat Shares by an individual Eutelsat Shareholder may give rise to a chargeable gain (or an allowable loss) for the purposes of UK CGT, depending on the circumstances and subject to any available exemption or relief. The UK CGT annual allowance (which is £6,000 for individuals in tax year 2023-24) will be available to exempt any chargeable gain, to the extent it has not already been utilised by the individual Eutelsat Shareholder.

The rate of UK CGT will generally be 20% for higher rate or additional rate tax payers (for tax year 2023-24). To the extent the total chargeable gains and, generally, total taxable income arising in a tax year, after all allowable deductions, falls below the threshold for the higher rate of income tax, the rate of UK CGT will generally be 10% (for tax year 2023-24).

Eutelsat Shareholders within the charge to UK corporation tax

A disposal or deemed disposal of Eutelsat Shares may give rise to a chargeable gain (or an allowable loss) for the purposes of UK corporate tax (the current rate of which is 25%), depending on the circumstances and subject to any available exemption or relief.

French CGT consequences

French CGT consequences of disposals of Eutelsat Shares by UK resident Eutelsat Shareholders are outlined at paragraph 2.2 of this Part 21 (*Taxation*).

If any tax is payable in France on a gain accruing on the disposal of Eutelsat Shares, UK resident Eutelsat Shareholders should seek their own advice to determine the French and UK tax implications, including the extent to which any credit for French CGT may be available against UK CGT.

1.4 UK Stamp Duty and SDRT

The following statements about UK stamp duty and SDRT apply regardless of whether or not a Eutelsat Shareholder is resident in the UK or elsewhere, and are intended as a guide only to the general UK stamp duty and SDRT position. The following statements do not apply to persons such as brokers, dealers or intermediaries in respect of purchases of securities in specified circumstances.

Issue of Eutelsat Shares

No UK stamp duty or SDRT should be payable on the issuance of Eutelsat Shares.

Transfer of Eutelsat Shares or CDIs

UK stamp duty will in principle be payable on any instrument of transfer of Eutelsat Shares which is executed in the UK or which relates to any property situated, or any matter or thing done or to be done, in the UK.

Any agreement to transfer Eutelsat Shares should not be subject to UK SDRT provided the Eutelsat Shares are not registered in any register kept in the UK or paired with shares issued or raised by a company incorporated in the UK.

UK SDRT should not be payable in respect of any transfer of CDIs representing Eutelsat Shares so long as:

- Eutelsat is not centrally managed and controlled in the United Kingdom;
- Eutelsat Shares are not registered in a register kept in the United Kingdom on behalf of the Company; and
- Eutelsat Shares are of the same class as shares in the Company which are listed on a recognised stock exchange (which currently includes Euronext Paris and the London Stock Exchange).

2 French Taxation

The following statements are intended as a general guide to certain French tax considerations only, do not purport to be a complete analysis of all potential French tax consequences of acquiring, holding and/or disposing of Eutelsat Shares and do not constitute legal or tax advice.

The following summary is based on the tax laws and regulations as currently in effect in France and applied by the French tax authorities, all of which are subject to change, possibly with retroactive effect, or to different interpretation. This summary is for general information only and does not address all the French tax considerations that may be relevant to specific Eutelsat Shareholders in light of their particular situation. Furthermore, this summary does not address any French estate or gift tax considerations.

The following statements do not take into account the tax position of certain categories of Eutelsat Shareholders who are subject to special rules.

Potential purchasers of the Eutelsat Shares are advised to consult their own appropriate independent and professionally qualified tax advisors as to the French tax considerations of any investment in, ownership and disposal of the Eutelsat Shares in light of their particular situation.

2.1 Holding of Eutelsat Shares

Dividends on Eutelsat Shares

Eutelsat Shareholders within the charge to French income tax

The paragraphs below apply to natural persons resident in France for tax purposes within the meaning of Article 4B of the FTC and acting in the context of the management of their private wealth who: (i) do not hold shares in Eutelsat through an equity savings plan; (ii) do not hold their shares as part of an employee savings plan or employee incentive plan; (iii) have not recorded their shares as assets on their trading balance sheet; and (iv) do not perform stock market transactions under conditions similar to those characterising a professional activity.

Advance taxation upon payment of dividends

Upon payment of dividends, subject to certain exceptions and particularly those referred to below, French tax residents individuals are, in principle, subject to a non-discharging 12.8% withholding tax (*Prélèvement forfaitaire non libérateur de l'impôt sur le revenu* – “PFNL”). This PFNL is withheld by the institution paying the dividends (*établissement payeur*) if that institution is established in France. When the paying institution is established outside France, PFNL is paid no later than the fifteenth day of the month following the payment of the dividend, either by: (i) the taxpayer; or (ii) the paying institution when such paying institution: (a) is established in a Member State of the EU or in another country that is member of the EEA that had entered into an administrative assistance agreement with France aimed at combating tax avoidance and tax evasion; and (b) has been appointed by the taxpayer for this purpose.

However, in cases where the paying institution of the dividends is established in France, individuals belonging to a tax household whose base taxable income (*revenu fiscal de référence*) from the penultimate year, as defined in paragraph 1, section IV of Article 1417 of the FTC, is less than €50,000 for taxpayers who are single, divorced or widowed, or €75,000 for couples taxed jointly, may request an exemption from the PFNL under the conditions provided for in Article 242 *quater* of the FTC, i.e. by submitting to the paying institution, no later than 30 November of the year preceding that of the payment of dividends, a sworn statement (*attestation sur l'honneur*) indicating that the base taxable income shown on the tax notice (*avis d'imposition*) relating to their income for the penultimate year preceding that of the payment is less than the aforementioned taxable income thresholds. Taxpayers acquiring shares after the deadline for filing the aforementioned exemption request may nevertheless file this exemption request with their paying institution at the time of their acquisition of such shares, pursuant to paragraph 320 of French tax authorities guidelines BOI-RPPM-RCM-30-20-10 as of 6 July 2021.

When the paying institution is established outside France, only individuals belonging to a tax household whose base taxable income (*revenu fiscal de référence*) for the penultimate year, as defined in paragraph 1, section IV of Article 1417 of the FTC, is equal to or greater than the thresholds mentioned in the previous paragraph are subject to the PFNL (Article 117 *quater* of the FTC).

In addition, at the time of their payment, dividends are also subject, with certain exceptions, to social contributions at a rate of 17.2%. These social contributions can be broken down as follows: (i) generalized social contribution (“CSG”) at a rate of 9.2% (Articles L. 136-7 and L. 136-8 of the French Social Security Code); (ii) contribution to the repayment of the social debt at a rate of 0.5% (Articles 16 and 19 of Ordinance no. 96-50 of January 24, 1996 relating to the repayment of the social debt); and (iii) a solidarity contribution at a rate of 7.5% (Article 235 *ter* of the FTC). Social contributions are collected according to the same rules as the PFNL.

Furthermore, regardless of the beneficiary’s tax residence, dividends paid outside France in non-cooperative jurisdictions within the meaning of Article 238-0 A of the FTC (*État ou territoire non coopératif*, “ETNC”), other than those mentioned in paragraph 2 of 2 *bis* of Article 238-0 A, are subject to a withholding tax of 75% unless the debtor provides proof that the relevant distribution in that ETNC has neither the purpose nor the effect of being located in that ETNC for tax avoidance purposes (Articles 119 *bis*, 2 and 187 of the FTC). The list of ETNC is published by a ministerial order (*arrêté*), which is updated yearly. The provisions of the FTC referring to Article 238-0 A of the same code apply to the States or territories added to this list as from the first day of the third month following the publication of the ministerial order. Law no. 2018-898 relating to the fight against tax fraud, published in the Journal Officiel on October 24, 2018 extended the scope of these anti-abuse rules by: (i) removing the specific exclusion of the Member States of the EU; and (ii) extending this list to the States and jurisdictions included on the black list published by the Council of the EU on 5 December 2017, as amended from time to time.

Under the terms of the ministerial order of 3 February 2023 amending the ministerial order of 12 February 2010 issued pursuant to the second paragraph of 1 of Article 238-0 A of the FTC (*Code général des impôts*), the list of ETNC as of the date of this Prospectus is composed of the following States and territories (other than those mentioned in paragraph 2 *bis* of that Article 238-0 A of the FTC): Anguilla, Bahamas, British Virgin Islands, Panama, Seychelles, the Turks and Caicos Islands and Vanuatu.

Final taxation

Upon final taxation, dividends are subject to income tax (after deduction of the PFNL) at a flat rate of 12.8% (“PFU”) or upon option of the taxpayer applicable to all income from securities as well as capital gains, at a progressive income tax rate (Article 200 A of the FTC). This option, which is express and irrevocable, must be made each year when filing the tax return.

In case of election for the application of progressive income tax, only 60% of gross dividends may be subject to tax (subject to certain conditions) (Article 158 of the FTC). This option also allows CSG to be deducted from the total taxable income for the year in which it is paid at a rate of 6.8% (Article 154 *quinquies* of the FTC).

Eutelsat Shareholders application are encouraged to consult their regular tax advisor to determine the potential applicability of the exceptions to the PFNL and, if applicable, how the PFNL can be deducted from their income tax.

In addition, taxpayers whose income exceeds specific thresholds are subject to an exceptional contribution on high income, as described in paragraph 2.2 of this Part 21 (*Taxation*).

Eutelsat Shareholders within the charge to French corporation tax

Dividends paid by Eutelsat to Eutelsat Shareholders that are legal entities subject to corporate income tax are in principle included in taxable income and subject to corporate income tax at the standard rate of 25%, plus, where applicable, a surtax equal to 3.3% of the corporate income tax.

Some Eutelsat Shareholders that are legal entities subject to corporate income tax may benefit from the parent subsidiary regime, subject to certain conditions and if so elected. Under this regime, dividends received may be exempt from corporate income tax, with the exception of a 5% lump sum (subject to certain exceptions). In order for this regime to apply, the shares must: (i) be in registered form or be deposited or recorded in an account held by an authorized intermediary; (ii) represent at least 5% of Eutelsat's share capital or, if that threshold is not met, 2.5% of Eutelsat's share capital and 5% of Eutelsat's voting rights, provided that the shareholder is controlled by one or more non-profit organizations (referred to in 1 *bis* of Article 206 of the FTC); and (iii) be held for a period of two years when the securities represent at least 5% of Eutelsat's share capital or five years when the securities represent 2.5% of Eutelsat's share capital and 5% of its voting rights (Articles 145 and 216 of the FTC).

Notwithstanding the foregoing, dividends paid outside France in an ETNC other than those mentioned in paragraph 2 of 2 *bis* of Article 238-0 A of the FTC (see paragraph 1.1 above), are subject to a 75% withholding tax unless the debtor proves that the distribution of such income in that ETNC has neither the purpose nor the effect of being located in that ETNC for tax avoidance purposes (Articles 119 *bis*, 2 and 187 of the FTC).

Finally, companies meeting certain conditions relating to their revenue and their share capital as set forth in Articles 219, I, b and 235 *ter* ZC of the FTC may be eligible for a reduced corporate income tax rate of 15% on a portion of their taxable profits, as well as an exemption from the 3.3% social contribution.

It should be noted that some of the aforementioned thresholds follow specific rules if the taxpayer is a member of a tax group.

Eutelsat Shareholders are encouraged to consult their regular tax advisor to determine the tax regime applicable to their particular situation.

Eutelsat Shareholders whose tax residence is outside France

Subject to applicable tax treaties, dividends paid by a French corporation to non-resident shareholders are generally subject to French withholding tax at a rate of:

- 12.8% when the beneficiary is an individual; and
- 25% in other cases.

However, dividends paid outside France in an ETNC other than those mentioned in paragraph 2 of 2 *bis* of Article 238-0 A of the FTC, are subject to a withholding tax of 75% unless the debtor provides proof that the distribution of such income in that ETNC has neither the purpose nor the effect of being located in that ETNC for tax avoidance purposes (Articles 119 *bis*, 2 and 187 of the FTC).

The above-mentioned withholding tax does not apply to the following shareholders:

- legal entities that are the beneficial owners of the dividends:
 - whose place of effective management is in a Member State of the EU or in another country that is member of the EEA that has entered into a double taxation agreement with France that contains an administrative assistance clause to combat tax avoidance and tax evasion and that are not considered, under the terms of a double taxation agreement with a third country, to be resident for tax purposes outside the EU or the EEA; and
 - that are incorporated under one of the forms listed in Part A of Annex I to Council Directive 2011/96/EU of 30 November 2011 on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States or an equivalent form when the company has its place of effective management in a State that is party to the EEA Agreement; and
 - that have held directly and for an uninterrupted period of at least two years at least 10% (or 5% when such legal entities hold equity interests that meet the conditions set forth in Article 145 of the FTC and have no possibility to credit the withholding tax against local corporate income tax) of the share capital of the legal

entity paying the dividends, or has committed to retain such holding for an uninterrupted period of at least two years and have appointed a representative who shall be responsible for paying the withholding tax in the event of failure to comply with this commitment; and

- that are subject to corporate income tax in the Member State of the EU or in the country that is party to the EEA Agreement where they have their place of effective management, without the possibility of an option or being exempt,
- it being specified that this exemption does not apply to dividends paid under an arrangement or series of arrangements which, having been set up to obtain, as primary objective or one of the primary objectives, a tax advantage that defeats the object or purpose of Article 119 *ter* of the FTC, are not genuine in regard to all relevant facts and circumstances (Article 119 *ter* of the FTC); or
- legal entities that can prove to the debtor or the person paying the dividend that for the fiscal year during which they receive such dividend, they meet the following conditions:
 - their place of effective management and, where applicable, the permanent establishment in whose income the distribution is included are located in a Member State of the EU or in another country or territory that has entered into an administrative assistance agreement with France aimed at combating tax avoidance and tax evasion;
 - their taxable income or, if applicable, the taxable income of the permanent establishment in whose income the distribution is included, such income being calculated in accordance with the rules of the State or territory in which their place of effective management or the permanent establishment is located, shows a loss; and
- they are, at the date of the distribution, the subject of insolvency proceedings comparable to those referred to in Article L. 640-1 of the French Commercial Code or, in the absence of such proceedings, are, at that date, insolvent and their recovery is manifestly impossible (Article 119 quinquies of the FTC); or
- undertakings for collective investment constituted under foreign law that are located in a Member State of the EU or in another country or territory that has entered into an administrative assistance agreement with France aimed at combating tax avoidance and tax evasion and that: (i) raise capital from a certain number of investors with a view to investing it in accordance with a defined investment policy; and (ii) have characteristics similar to those of French undertakings for collective investment meeting the conditions set forth in Article 119 bis, 2 of the FTC and in French tax authorities guidelines BOI-RPPM-RCM-30-30-20-70 of 6 October 2021.

In addition, Article 235 *quater* of the FTC provides for possible temporary refund of withholding tax as well as tax deferral mechanism applicable to shareholders who are legal entities or organizations: (i) with a tax loss for the fiscal year in which the dividend is received; (ii) whose registered office or permanent establishment in which the income and profits are included is located: (a) in a Member State of the EU; (b) in another member of the EEA that is not a ETNC and which has entered into an administrative assistance agreement with France to combat tax avoidance and tax evasion as well as a mutual assistance agreement on recovery with a scope similar to that provided for in Council Directive 2010/24/EU of March 16, 2010; or (iii) in a State that is not a member of the EU nor a member of the EEA but that has entered into the above-mentioned agreements with France, provided that this State is not a ETNC and that the shareholding held in the distributing company is not such as to allow the beneficiary to take an effective part in the management or control of this company or organization; and (c) complying with the reporting obligations in Article 235 *quater* of the FTC. The temporary refund and tax deferral ends in respect of the fiscal year during which the relevant shareholder returns to profitability, as well as in the cases set out in Article 235 *quater* of the FTC.

Non-French tax residents must also comply with tax laws in effect in their country of residence, as they may be impacted by the international tax treaty entered into between France and such country.

2.2 Disposal of Eutelsat Shares

Eutelsat Shareholders within the charge to French capital tax gain

The paragraphs below apply to natural persons resident in France for tax purposes within the meaning of Article 4B of the FTC and acting in the context of the management of their private wealth who: (i) do not hold shares in Eutelsat through an equity savings plan; (ii) do not hold their shares as part of an employee savings plan or employee incentive plan; (iii) have not recorded their shares as assets on their trading balance sheet; and (iv) do not perform stock market transactions under

conditions similar to those characterising a professional activity.

Net capital gains realised by French tax residents individuals upon the sale of the Eutelsat Shares are subject to income tax at the PFU rate (as described above) or, upon election of the taxpayer, at a progressive income tax rates (Article 200 A of the FTC).

Capital gains are also subject to social contributions at a rate of 17.2%. In case of election for the application of the progressive income tax rates, CSG can be deducted from the total taxable income for the year in which it is paid at a rate of 6.8% (Article 154 *quinquies* of the FTC).

Eutelsat Shareholders who have capital losses to be carried forward or who realise a capital loss upon the sale of the Eutelsat Shares are encouraged to consult their regular tax advisor to determine how these capital losses can be used.

As a general rule, capital losses recognised in a given year may only be offset against capital gains of the same nature and taxable in the same year. Net capital losses, if any, can be offset against the capital gains of the same nature realized over the following ten years (Article 150-0 D, II of the FTC).

Exceptional contribution on high incomes

An exceptional contribution may be applicable to taxpayers liable for income tax whose base taxable income (*revenu fiscal de référence*) exceeds a certain amount. This tax is calculated based on the following rates:

- 3% on the portion of base taxable income over €250,000 and lower than or equal to €500,000 for single, widowed, separated or divorced taxpayers, and on the portion of base taxable income over €500,000 and lower than or equal to €1,000,000 for couples taxed jointly; and
- 4% on the portion of base taxable income above €500,000 for single, widowed, separated or divorced taxpayers, and on the portion of base taxable income above €1,000,000 for couples taxed jointly.

The base taxable income of the tax household referred to above is defined in accordance with the provisions of Article 1417, section IV of the FTC, without application of the rules defined in Article 163-0 A of the FTC.

Eutelsat Shareholders within the charge to French corporation tax

Net capital gains realised by Eutelsat Shareholders that are legal entities subject to corporate income tax upon the sale of the Eutelsat Shares will in principle be included in net income subject to corporate income tax at the standard rate of 25%, plus, where applicable, a surtax equal to 3.3% of the corporate income tax (see paragraph 2.1 of 1 this above).

Companies fulfilling the revenue and share capital requirements provided for in Articles 219, I, b and 235 ter ZC of the FTC may be eligible for a reduced corporate income tax rate of 15% on a portion of their taxable profits as well as an exemption from the 3.3% social contribution.

Notwithstanding the foregoing, the capital gain realised upon the sale of the Eutelsat Shares may be exempt from corporate income tax if it relates to shares: (i) qualifying as equity interests within the meaning of Article 219, I-a *quinquies* of the FTC; and (ii) held for at least two years (long-term capital gains regime). A lump sum equal to 12% of the gross amount of the capital gain must in principle be included in the taxable income of the seller (Articles 39 *duodecies* and 219, I-a *quinquies* of the FTC).

Eutelsat Shareholders are encouraged to consult their regular tax advisor to determine the tax regime applicable to their particular situation.

Eutelsat Shareholders whose tax residence is outside France

Capital gains realised by non-French resident individuals or corporate shareholders are not, in principle, taxable in France (article 244 *bis* C of the FTC).

However, subject to applicable tax treaty, such capital gains are taxable in France when the seller:

- has directly or indirectly held, with their family group (spouse, ascendants and descendants), at any time during the five years preceding the transfer, more than 25% of the rights to the company's profits, in which case the tax

is set at the: (i) normal income tax rate when it is owed by a legal entity or organization regardless of its form; or (ii) 12.8% when it is owed by an individual; or

- is resident, established or incorporated in an ETNC other than those mentioned in paragraph 2 of section 2 bis of Article 238-0 A of the FTC (regardless of the percentage of rights held in the company's profits), in which case the withholding is set at the rate of 75%, unless such seller proves that the transactions to which such profits correspond have a primary purpose and effect other than to locate them in an ETNC (Article 244 bis B of the FTC).

Legal entities, whose registered office is located in a Member State of the EU, the EEA or in a country or territory that has concluded a tax treaty with France containing an administrative assistance clause for the exchange of information and to combat fraud and tax evasion, may benefit from a partial refund corresponding to the capital gains tax levied in excess of the corporate income tax that would have been due if they had been a French resident, provided that such legal entities do not participate effectively in the management or control of the company whose securities are the subject of the sale or buyback.

2.3 French financial transaction tax and transfer taxes

French tax on financial transactions

Pursuant to Article 235 *ter* ZD of the FTC, subject to certain exemptions, purchases of securities and similar instruments issued by a French company listed on a regulated market of the EU or on a foreign regulated market formally acknowledged by the French Financial Markets Authority (*Autorité des marchés financiers*) are subject to a 0.3% French FTT on the purchase price of such securities, provided that the issuer's market capitalization exceeds €1 billion as of 1 December of the year preceding the taxation year. A list of French relevant companies falling within the scope of the French FTT is published annually and at least once a year, by the French Government. Pursuant to Regulations BOI-ANX-000467-21/12/2022 issued on 21 December 2022, as at 1 December 2022, Eutelsat's market capitalization exceeded €1 billion; therefore, Eutelsat is included in such list, although, it cannot be excluded that this list might be amended in the future.

The French FTT is in principle collected by the financial services provider (*prestataire de services d'investissement*) defined in Article L. 321-1 of the French Monetary and Financial Code, except where the acquisition took place without the assistance of a financial services provider, in which case the tax is liquidated and due by the establishment acting as custodian (*teneur de comptes conservateur*) within the meaning of Article L. 321-2 of the French Monetary and Financial Code.

Subject to any exemption, the transfer of Eutelsat Shares should be subject to the French FTT at a rate of 0.3%. The subscription of the New Eutelsat Shares should however be exempt from the French FTT.

Acquisitions of equity or similar instruments subject to this tax are exempt from transfer tax provided for by Article 726 of the FTC.

Prospective Eutelsat Shareholders should consult their own tax advisors as to the potential consequences of such French FTT.

French transfer taxes

Pursuant to Article 726 of the FTC, no registration tax (*droits d'enregistrement*) should be payable in France on the sale of shares of a listed company that has its registered office in France, unless the sale is recorded in a deed signed in France or abroad.

If it is recorded in a deed, and if it is not subject to the French FTT, the sale of the shares should be subject to a 0.1% transfer tax based on the higher of sale price or fair market value of the shares, subject to certain exceptions provided for by II of Article 726 of the FTC. Pursuant to Article 1712 of the FTC, the transfer tax that is due if the sale is recorded in a deed (and not subject to the French FTT) will be borne by the transferee (unless otherwise contractually provided). However, by virtue of Articles 1705 et seq. of the FTC, all parties to the deed will be jointly and severally liable to the tax authorities for the payment of transfer taxes.

Part 22 Additional Information

1 Responsibility statement

Eutelsat and each of the Directors and Proposed Directors, whose names appear in paragraph 2 of Part 13 (*Corporate Governance*) of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge of Eutelsat, the Directors and the Proposed Directors the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

2 The Company

On 15 February 2005, Eutelsat was incorporated as a French *société par actions simplifiée* (simplified joint-stock company) under the laws of France with identification number 481 043 040 RCS Nanterre and subsequently transformed into a *société anonyme* (limited company) on 31 August 2005. Eutelsat operates in conformity with the Eutelsat Articles and is duly authorised by the Eutelsat Articles in respect of the Admission. It was registered on 25 February 2005 for a period of 99 years, expiring on 25 February 2104. Eutelsat is domiciled and registered in France and its LEI number is 549300EFWH9UR17YSK05. Eutelsat was listed on Euronext Paris on 2 December 2005. Its registered office is 32, boulevard Gallieni, 92130 Issy-les-Moulineaux and its head office and principal place of business is at the same location. Eutelsat's telephone number is +33 (0)1 53 98 47 47 and its website is accessible at www.eutelsat.com. Information contained on Eutelsat's website or the content of any website accessible from hyperlinks on Eutelsat's website is not incorporated into and does not form part of this Prospectus.

Eutelsat operates in conformity with, and is subject to, French law.

Set out below is a list of Eutelsat's subsidiaries within the scope of the consolidated financial statements as of 30 June 2023.

Company	Country	% of voting power as of 30 June 2023	% of interest as of 30 June 2023
Eutelsat Communications S.A. (parent company).	France	100.00%	100.00%
Eutelsat S.A.	France	100.00%	96.38%
Eutelsat S.A. sub-groups			
Eutelsat Konnect Services	France	100.00%	96.38%
Fransat S.A.	France	100.00%	96.38%
Eutelsat do Brasil Ltda	Brazil	100.00%	96.38%
Eutelsat Participações Ltda	Brazil	100.00%	96.38%
Satmex International BV	Netherlands	100.00%	96.38%
Satelites Mexicanos S.A. de C.V.	Mexico	100.00%	96.38%
EAS Delaware Corp.	USA	100.00%	96.38%
SMVS Administracion S de R.L. de C.V.	Mexico	100.00%	96.38%
SMVS Servicios Tecnicos S de R.L. de C.V.	Mexico	100.00%	96.38%
Satmex USA LLC	USA	100.00%	96.38%
Eutelsat Servicios de Telecom. do Brasil Ltda	Brazil	100.00%	96.38%
Eutelsat Latam Corp.	USA	100.00%	96.38%
Skylogic S.p.A.	Italy	100.00%	96.38%
Eutelsat Russia	Russia	100.00%	96.38%
Eutelsat Services & Beteiligungen GmbH	Germany	100.00%	96.38%
Eutelsat Inc.	USA	100.00%	96.38%
Eutelsat America Corp.	USA	100.00%	96.38%
Eutelsat UK Limited	United Kingdom	100.00%	96.38%
Eutelsat Polska s.p.Z.o.o.	Poland	100.00%	96.38%
Skylogic Mediterraneo S.r.l.	Italy	100.00%	96.38%
Eutelsat Madeira Unipessoal Lda	Madeira	100.00%	96.38%
Eutelsat Asia Pte Ltd.	Singapore	100.00%	96.38%
ES 172 LLC	USA	100.00%	96.38%
EA 172 UK	United Kingdom	100.00%	96.38%
ES 174E Ltd	Cyprus	100.00%	96.38%
Eutelsat Australia Pty Ltd.	Australia	100.00%	96.38%
Eutelsat International Ltd.	Cyprus	100.00%	96.38%
Eutelsat Networks LLC	Russia	100.00%	96.38%
Taurus Satellite Holding Limited	United Kingdom	100.00%	96.38%
Broadband4Africa Limited	United Kingdom	100.00%	96.38%
Konnect Africa France	France	100.00%	96.38%
BB4A Israel Ltd.	Israel	100.00%	96.38%
Konnect Africa Côte d'Ivoire	Côte d'Ivoire	100.00%	96.38%
Konnect South Africa Ltd.	South Africa	100.00%	96.38%
Konnect Africa RDC	Democratic Republic of Congo	100.00%	96.38%
Konnect Broadband Tanzania Limited	Tanzania	100.00%	96.38%

Eutelsat BH D.O.O. SARAJEVO	Bosnia	100.00%	96.38%
Eutelsat Bulgaria	Bulgaria	100.00%	96.38%
Eutelsat MENA FZ-LLC	Dubai	100.00%	96.38%
Noorsat Media City Ltd.	Cyprus	100.00%	96.38%
Noor Al Sharq Satellite	Jordan	100.00%	96.38%
Eutelsat Cyprus Ltd.	Cyprus	100.00%	96.38%
Eutelsat Canada Enterprise Inc	Canada	100.00%	96.38%
Eutelsat Greece	Greece	100.00%	96.38%
OneWeb Holdings Limited	United Kingdom	22.91%	22.08%

3 Share Capital of Eutelsat

Eutelsat's total share capital as at 30 June 2023 was €248,926,325, being the share capital of Eutelsat comprised of 248,926,325 ordinary shares with a par value of €1 per share. The share capital was the same as at 30 June 2022 and 30 June 2021.

At Eutelsat's annual general meeting held on 10 November 2022, the Eutelsat Shareholders approved the option provided to them to receive the entire dividend, either in cash or in new shares of Eutelsat. On 16 December 2022, a total of 18,381,330 Eutelsat Shares were subsequently issued for a total of €133,632,269.10.

As at the Last Practicable Date, Eutelsat had an issued share capital of 248,926,325 each with a par value of €1. The issued share capital of Eutelsat immediately after Admission is expected to be 475,178,378 Eutelsat Shares, which includes 226,252,053 New Eutelsat Shares issued to OneWeb Shareholders (excluding Eutelsat S.A.) at Completion.¹⁸ The liability of each Eutelsat Shareholder is limited to the amount, if any, unpaid on the shares held by that shareholder. The Eutelsat Shares are fully paid and freely transferable.

On Admission, it is expected that approximately 28% of the Eutelsat Shares will be held in public hands (within the meaning of FCA Listing Rule 14.2.2).

Contributed Equity (as at 30 June 2023)	Number of Eutelsat Shares	Total Value on Balance Sheet (€)
Issued and fully paid Eutelsat Shares	248,926,325	248,926,325

4 Eutelsat's share buy-back programme

The general meeting of Eutelsat Shareholders on 10 November 2022 authorised the Eutelsat Board 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 per share. At a meeting held on the same day, the Eutelsat Board decided to implement the share buyback programme. As at the date of this Prospectus, the Eutelsat Board have approved the purchase of a total of 356,061 Eutelsat Shares.

5 French takeover provisions

Eutelsat is incorporated, listed and has its registered office in France. Accordingly, the following French legislation and regulations in relation to takeovers apply to Eutelsat.

Mandatory public tender offer (offre publique obligatoire)

Article L. 433-3 of the French Monetary and Financial Code and Articles 234-1 et seq. of the AMF's General Regulations set out the French mandatory public tender offer. These rules require a mandatory tender offer to be made for a company with shares listed on a regulated market when a person, acting alone or in concert with others:

- comes to hold, directly or indirectly, more than 30% of the shares or voting rights of a company listed to trading on a regulated market; or
- already holds, directly or indirectly, between 30% and 50% of the shares or voting rights of a company listed to trading on a regulated market, and increases by 1% or more such holding of the share capital or voting rights within

¹⁸ Based on the number of Eutelsat Shares in issue as at the Last Practicable Date, excluding any OneWeb A Ordinary Shares issued upon exercise and conversion of OneWeb Options and assumes no additional Eutelsat Shares are issued between the Last Practicable Date and Completion.

less than 12 consecutive months.

Buy-out offers and squeeze-outs (offre publique de retrait et retrait obligatoire)

Article L. 433-4 of the French Monetary and Financial Code and Articles 236-1 et seq. (buyout offers with squeeze-out), 237-1 et seq. (squeeze-outs) of the AMF's General Regulations set out the conditions under which a buyout offer and a squeeze-out of minority shareholders must be carried out in relation to a company whose shares are admitted to trading on a regulated market. Pursuant to Articles 236-1 et seq. of the AMF's General Regulations:

- where the majority shareholder(s) hold(s) in concert, within the meaning of Article L. 233-10 of the Commercial Code, 90% or more of the shares or voting rights in a company whose shares are or were admitted to trading on a regulated market, any holder of voting equity securities who is not part of the majority group may apply to the AMF to require the majority shareholder(s) to file a draft buyout offer; and
- the majority shareholder(s) holding in concert, within the meaning of Article L. 233-10 of the Commercial Code, 90% or more of the shares or voting rights in a company whose shares are or were admitted to trading on a regulated market may file with the AMF a draft buyout offer for the equity securities, and any other securities giving access to the capital or voting rights in the company, that they do not already hold.

Pursuant to Article 237-1 of the AMF's General Regulations, following any public offering of a company with listed shares which are admitted to trading on a regulated market and within three months of the close of the tender offer, securities not tendered by minority shareholders may be transferred to the offeror, provided that they represent not more than 10% of the shares and voting rights, in return for compensation.

6 Eutelsat minority shareholders

The French Civil Code, the French Financial Code and the French Commercial Codes provide rights to minority shareholders and specify the minimum shareholding required to exercise certain rights. In particular, any minority shareholder may initiate a proceeding for damages against a company's managers in its name or in the name of the shareholders or the company (*ut singuli action*) in the event of a violation of legal, regulatory or statutory provisions or mismanagement. In the event of an individual action by the shareholder (and not *ut singuli*), the shareholder must evidence a prejudice distinct from that of the company.

7 Substantial holdings

Under the Disclosure Guidance and Transparency Rules, specifically DTR 5, shareholders must notify a company of the percentage of voting rights they hold as shareholder (or hold or are deemed to hold through their direct or indirect holding of financial instruments) if, as a result of an acquisition or disposal of shares or financial instruments, the percentage of those voting rights reaches, exceeds or falls below 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75%. This obligation is in addition to the obligation to notify Eutelsat and the AMF.

8 French disclosure requirements

Shareholders reporting obligation

Pursuant to Articles L. 233-7 et seq of the French Commercial Code, any natural person or legal entity, acting alone or in concert within the meaning of Article L. 233-10 of the French Commercial Code, must notify the AMF and the company whose shares are admitted to trading on Euronext Paris if, for any reason, the percentage of share capital and/or voting rights exceeds or falls below 5%, 10%, 15%, 20%, 25%, 30%, 1/3, 50%, 2/3, 90% or 95% of the share capital and/or voting rights of such company. Such person must provide the information required by the regulations (article L. 233-7 of the French Commercial Code) by no later than close of trading on the fourth trading day following the date on which the threshold was exceeded. This information is made public by the AMF.

Article L. 233-9 of the French Commercial Code sets out specific rules for aggregation in connection to determining whether one of the thresholds mentioned in the preceding paragraph is crossed.

Failure to declare the crossing of such threshold within the prescribed time limits results in the sanctions set out in Article L.233-14 of the French Commercial Code, which include the automatic deprivation of voting rights exceeding the fraction of the share capital or voting rights that should have been notified for all shareholders' meetings held until the expiration of a period of two years from the date when the omission is remedied. A total or partial deprivation of voting rights beyond

this fraction may also be decided by the commercial court for a maximum period of 5 years.

Pursuant to articles 223-6 of the AMF General Regulations, when preparing a financial transaction that is likely to have an influence on: (i) the price of a financial instrument of an issuer whose shares are admitted to trading on Euronext Paris; or (ii) the circumstances and rights of the holders of such financial instrument, such person must inform the public as soon as possible of the characteristics of this transaction. If confidentiality is temporarily necessary for the completion of the transaction and the investor is able to maintain such confidentiality, the investor may take responsibility in deferring publication.

Articles L. 233-7 et seq of the French Commercial Code also provide that when the thresholds of 10%, 15%, 20% or 25% of the share capital or voting rights are exceeded, the investor must notify the issuer and the AMF, before the end of trading on the fifth trading day following the day on which the threshold is crossed at the latest, of his or her intentions over the next six months with regard to Eutelsat and notably:

- whether or not they intend to continue their purchases and acquire control of Eutelsat;
- whether acting alone or in concert;
- whether they intend to seek the appointment of directors;
- the strategy they envisage for Eutelsat, as well as the transactions to implement it (such as a merger, securities' issuance, reorganisation); and
- their intentions with regard to the settlement of any derivative instruments they may have entered into and which are taken into account in determining whether the threshold has been crossed.

This information, along with updates in the event the intention changes, is made public by the AMF. Failure to comply with these obligations is subject to sanctions described above.

Shareholders reporting obligation pursuant to the New Eutelsat Articles

In addition to the legal obligations to disclose the crossing of a threshold or to make declarations of intent, pursuant to Article 12 of the New Eutelsat Articles, any natural person or legal entity, acting alone or in concert, that comes into possession in any way within the meaning of Articles L. 233-7 et seq. of the French Commercial Code, directly or indirectly, of a number of shares representing a fractional share of 1% of the capital and/or voting rights of Eutelsat, must inform Eutelsat of the total number of shares and voting rights that they possess, and the number of securities that they hold that give deferred rights to the share capital, as well as the voting rights attached thereto, by registered letter with return receipt requested sent to the registered office or, for shareholders or bearers of securities residing outside of France, by any equivalent means, within 5 trading days from the relevant threshold crossing. The above information must be renewed in respect of each additional fractional share of 1% of the capital or voting rights without limitation.

The foregoing reporting obligation shall apply under the same conditions as provided above whenever the percentage of share capital and/or voting rights held falls below a multiple of 1% of the capital or voting rights.

In the event of a failure to comply with the above disclosure requirements, at the request of one or more shareholders holding at least 1% of the share capital and/or voting rights in Eutelsat (duly recorded in the minutes of the meeting of Shareholders), the shares held in excess of the reportable threshold shall be deprived of voting rights at all meetings of Shareholders held within the two-year period from the date when the omission is remedied

Disclosure in relation to false markets

Eutelsat is subject to various obligations set forth in French and European regulations, including obligations with respect to (i) periodic and ongoing reporting, (ii) prevention of market abuse and (iii) other securities laws. Eutelsat is subject to regulation and supervision by the AMF in the performance of these obligations.

Tax Implications for certain Eutelsat Shareholders

Part 21 (*Taxation*) of this Prospectus contains a general outline of the taxation implications for certain Eutelsat Shareholders that are tax resident in France or the United Kingdom in respect of the holding and disposal of Eutelsat Shares.

This does not constitute tax advice. This Prospectus does not take into account Eutelsat Shareholders' individual circumstances. This Prospectus is not a complete analysis of all taxation laws which may apply in relation to holding and disposal of Eutelsat Shares. All Eutelsat Shareholders should consult with their own independent taxation advisers regarding the taxation implications of the Combination given the particular circumstances which apply to them.

This outline relates solely to matters governed by, and should be interpreted in accordance with, the laws of the various countries as in force and as interpreted at 9:00am (London time) on the Last Practicable Date.

This outline does not take into account or anticipate changes in the law (by legislation or judicial decision) or practice (by ruling or otherwise) after that time. Future amendments to taxation legislation or its interpretation by the courts or the taxation authorities may take effect retrospectively and/or affect the conclusions drawn.

9 Constitutive documents and Eutelsat Articles

The rights and liabilities attaching to the Eutelsat Shares (including the New Eutelsat Shares) are set out in the Eutelsat Articles.

The issuance of the New Eutelsat Shares for the purposes of the Combination is being proposed at a meeting of Eutelsat Shareholders to be held on 28 September 2023.

Eutelsat Shareholders must be registered as a Eutelsat Shareholder in order to be entitled to vote on the Eutelsat Shareholder Resolutions in respect of the Combination, either in person at the meeting or by proxy.

Holder of registered shares: at the latest on 26 September 2023 at 00:00, Paris time (being the second business day prior to the Eutelsat Shareholders' Meeting), a Eutelsat Shareholder must be registered as a Eutelsat Shareholder with the Securities Department of Société Générale Securities Services (in the case of owners of fully-registered shares) or with the financial agent responsible for keeping their securities account (in the case of owners of administered registered shares).

Holder of bearer shares: holder of bearer Eutelsat Shares must hold their Eutelsat Shares at the latest on 26 September 2023 at 00:00, Paris time (being the second business day prior to the Eutelsat Shareholders' Meeting). The financial intermediary responsible for managing their securities account must send the shareholding certificate (*attestation de participation*) certifying that they are the owner of Eutelsat Shares on 26 September 2023 (being the second business day prior to the Eutelsat Shareholders' Meeting) at 00:00, Paris time, together with the admission card or postal voting form request, to Société Générale Securities Services.

The Eutelsat Shareholder Resolutions require approval by a two-thirds majority of the votes validly cast by the Eutelsat Shareholders present or represented at the Eutelsat Shareholders' Meeting.

The New Eutelsat Shares will be issued fully paid and will rank equally for dividends and other rights with existing Eutelsat Shares, with effect from their date of issue.

If you hold Eutelsat Shares (including if you receive New Eutelsat Shares pursuant to the Combination), you are taken to receive them subject to the terms of the Eutelsat Articles and you will be bound by the terms of the Eutelsat Articles. The following is a non-exhaustive summary of the provisions of the Eutelsat Articles and Eutelsat Internal Rules including the main rights and liabilities attaching to Eutelsat Shares and the governance of Eutelsat immediately after Completion. This summary does not purport to be exhaustive or constitute a definitive statement of all of the rights and liabilities attaching to Eutelsat Shares. Those rights and liabilities involve complex questions of law arising from the interaction of the Eutelsat Articles and statutory and legal requirements. Please see paragraph 25 of Part 22 (*Additional Information*) of this Prospectus for details on how to obtain a full copy of the Eutelsat Articles.

Corporate purpose

The purpose of Eutelsat, in France and abroad, is:

- to supply Space Segment capacity, and satellite communications systems and services. To that end, Eutelsat undertakes any activities relating to the design, development, construction, installation, operation and maintenance of its Space Segment and of those satellite systems and services; and
- to take part in any existing or future enterprise or company and to participate in any transactions of any nature, be it financial, commercial, industrial, civil or real-estate-related, pertaining directly or indirectly to the corporate

purpose or to any similar, related or complementary purposes, and which will be likely to promote, directly or indirectly, the aims pursued by Eutelsat, its expansion into other fields, its growth and its assets.

The phrase “Space Segment” means a set of telecommunications satellites, and the tracking, telemetry, command, control, monitoring and related facilities and equipment necessary for the operation of those satellites.

Mission and powers of the Eutelsat Board

The Eutelsat Board determines the guidelines for Eutelsat’s business activity. Subject to the powers expressly vested in meetings of Eutelsat Shareholders and within the limit of the company’s corporate purpose, it deliberates and settles any matter involving the proper operation of Eutelsat. The Eutelsat Board regularly reviews its strategies, opportunities, any financial, legal, operational, social and environmental risks and any mitigation measures to be taken. To this end, the Eutelsat Board receives all of the information needed to carry out its task from the executive officers.

The Eutelsat Board endeavours to promote long-term value creation by considering the social and environmental aspects of Eutelsat’s activities.

Eutelsat is bound by the *ultra vires* acts of the Eutelsat Board, unless it proves that the third party knew or could not, in view of the circumstances, have been unaware that the act exceeded the corporate purpose.

The Eutelsat Board conducts audits and inspections that it considers appropriate. The chairman or the CEO is required to give each Eutelsat Director all documents and information required for the Eutelsat Director to perform their duties.

The Eutelsat Board ensures the implementation of a mechanism to prevent and detect corruption and influence peddling. It receives all of the information needed for this purpose. The Eutelsat Board also ensures that the executive officers implement a policy of non-discrimination and diversity, with particular regard to the balanced representation of men and women in the Eutelsat’s governing bodies.

Meetings of Eutelsat Shareholders and notices

The Eutelsat Shareholders’ collective decisions are made in meetings of Eutelsat Shareholders, as provided by law. Any duly constituted meeting of Eutelsat Shareholders represents all of the Eutelsat Shareholders.

Eutelsat Shareholders’ resolutions are binding on all shareholders, even those who are absent, dissenting or incapable.

Eutelsat Shareholder meetings are called and meet in accordance with applicable laws and regulations.

Meetings take place at the registered office or at any other location stated in the notice of meeting.

Eutelsat Shareholders submit evidence of their right to participate in Eutelsat Shareholders meetings in accordance with applicable regulations.

If a Eutelsat Shareholder is unable to attend the Eutelsat Shareholders’ meeting in person, they may choose to:

- nominate a proxy;
- vote by mail; or
- send a power of attorney to Eutelsat without naming a proxy,

under the conditions provided by applicable laws and regulations.

Any intermediary in a Eutelsat Shareholders’ meeting who has complied with the relevant statutory provisions may, pursuant to a securities management services general mandate, transfer the vote or proxy of a holder of shares who is not domiciled in France. Eutelsat is entitled to require the intermediary to provide a list of the non-resident holders of the Eutelsat Shares to which such voting rights are attached, as well as the number of Eutelsat Shares held by each of them.

The Eutelsat Shareholders may, in accordance with the terms and conditions determined by the laws and regulations, send their proxy forms and remote voting forms in respect of any Eutelsat Shareholders’ meeting, either in paper form or electronically before 3:00 pm (Paris time) the day before the Eutelsat Shareholders’ meeting. The process for sending such

form is specified by the Eutelsat Board in the notice of meeting (*avis de réunion*) and the notice to attend (*avis de convocation*).

Eutelsat Shareholders' meetings are chaired by the chairman of the Eutelsat Board or, in their absence, by the vice-chairman, or if the Vice-Chairman is absent, by a Eutelsat Director specially appointed for that purpose by the Eutelsat Board. Otherwise, the Eutelsat Shareholders' meeting can elect its chairman.

The duties of scrutineer are performed by the two members of the Eutelsat Shareholders' meeting in attendance with the largest number of votes and who accept those duties. A secretary, who may not be a Eutelsat Shareholder, is also designated.

An attendance sheet is kept in accordance with applicable laws and regulations. Minutes are drawn up and copies or extracts of the resolutions are issued and certified in accordance with applicable laws and regulations.

The resolutions of Eutelsat Shareholders are adopted in accordance with the majority requirements provided by law.

Shareholders who participate in the meeting by video conference or by means of telecommunications allowing them to be identified, in accordance with the regulations in force at the time, are also considered present for the purpose of calculating the quorum and majority.

Rights and obligations attached to the Eutelsat Shares

The Eutelsat Shares are indivisible vis-à-vis Eutelsat.

Pursuant to the provisions of article L. 225-123 paragraph 3 of the French Commercial Code, the Eutelsat Shareholders' meeting held on 7 November 2014 confirmed that each of Eutelsat Share confers one vote.

If the Eutelsat Shares are subject to usufruct rights, voting rights belong to the usufructuary (*usufruitier*) at ordinary meetings of Eutelsat Shareholders and to the bare-owner (*nu-proprétaire*) at meetings of Eutelsat Shareholders. However, Eutelsat Shareholders may agree among themselves on any other form of allocation of the voting rights at the Eutelsat Shareholders' meetings, provided that the usufructuary is not to be deprived of the right to vote on decisions concerning profits. In such case, they must notify Eutelsat of their agreement by written letter sent to the registered office. Eutelsat shall be required to respect such agreement for any meeting of Eutelsat Shareholders held at least five days following the date on which the notification of the agreement was received.

Even when deprived of voting rights, the bare-owner (*nu-proprétaire*) of title of the shares shall always have the right to participate in meetings of Eutelsat Shareholders.

Each Eutelsat Share entitles its holder to a fractional share of the Eutelsat's assets, liquidation surplus and profits, in proportion to the percentage of the capital represented by the Eutelsat Share. Possession of one share automatically entails adherence to the Eutelsat Articles and to the resolutions duly adopted by the Eutelsat Shareholders.

Whenever it is necessary to own several Eutelsat Shares in order to exercise a particular right, the holders of isolated Eutelsat Shares or of a number of Eutelsat Shares that is lower than the required number will be personally responsible for obtaining the requisite number of Eutelsat Shares, including through purchases or sales of the necessary number of securities of Eutelsat.

Dividend rights and distribution in kind

If the annual financial statements, as approved by Eutelsat Shareholders, show a distributable profit, the Eutelsat Shareholders shall decide to either allocate it to one or more reserve items to retain the earnings or to distribute it in the form of dividends.

Eutelsat Shareholders may also distribute amounts withdrawn from those reserves once it has acknowledged the available reserves. The decision must expressly indicate the reserve accounts from which the relevant withdrawals are to be made. The dividends must be drawn from the distributable profit of the financial year first.

The terms and conditions for the payment of dividends are set by Eutelsat Shareholders or, failing this, by the Eutelsat Board.

Dividend payments must occur within a maximum period of nine months from the end of the financial year.

Eutelsat Shareholders in approving the financial statements for the financial year may offer each Eutelsat Shareholder the option of receiving all or part of the distributed dividend or interim dividend in shares or in cash.

If the balance sheet for the full financial year, as approved by the statutory auditors, shows that Eutelsat, since the end of the last financial year, taking into account depreciations and deductions for any previous losses and amounts to be allocated to reserves pursuant to law or the Eutelsat Articles, has made a profit, the Eutelsat Board may decide to distribute interim dividends prior to the approval of the financial statements for the financial year and to set the amount and date of distribution thereof. The amount of such interim dividends may not exceed the amount of the profit defined in this subparagraph.

Redemption and preferences

As of the date of this Prospectus, all Eutelsat Shares have the same rights and preferences.

Issue of further Eutelsat Shares

There are no restrictions on the issue of further Eutelsat Shares.

Transfer of Eutelsat Shares

The Eutelsat Shares are held in registered or in bearer form, at the option of each Eutelsat Shareholder and are recorded in an account in accordance with the conditions set forth in applicable laws and regulations.

Eutelsat Shares are freely transferable, unless otherwise provided under applicable laws and regulations.

Please refer to paragraph 8 of Part 22 (*Additional Information*) for information on the statutory crossing threshold declarations. Further, as detailed in paragraph 9.7 (*Eutelsat Shareholders' Agreement*) of Part 12 (*Summary of the Combination*) under the subheading “*Lock-up undertaking*”, the Contributors, BPI and FSP are required to retain their Eutelsat Shares for a six month period subject to certain exceptions.

Number of Eutelsat Directors

The Eutelsat Board shall comprise at least three members and at most 15 members, subject to the exceptions provided by law. Eutelsat Directors are appointed by the ordinary meeting of Eutelsat Shareholders.

Removal, resignation and retirement of Eutelsat Directors

The term of office of Eutelsat Directors is four years. However, Eutelsat Shareholders may appoint, remove or renew Eutelsat Directors for a shorter term in a Eutelsat Shareholders' meeting. Eutelsat Director's duties cease at the end of the meeting of Eutelsat Shareholders called upon to approve the financial statements of the previous financial year and held in the year during which that Eutelsat Director's term of office expires.

The Eutelsat Board shall take the appropriate actions to comply with the recommendations contained in the Reference Code in relation to its composition and the composition of its committees.

If a seat on the Eutelsat Board becomes vacant between two meetings of Eutelsat Shareholders, the Eutelsat Board may make temporary appointments. A Eutelsat Director appointed in replacement of another Eutelsat Director shall remain in office only for their predecessor's remaining term of office.

Appointments of a director made by the Eutelsat Board are subject to ratification by the next ordinary meeting of Eutelsat Shareholders. If no ratification occurs, the resolutions adopted and the acts performed by the Eutelsat Board prior to such meeting of Eutelsat Shareholders shall nonetheless be valid. No person may be appointed as a director if they are over 70 years of age and if, as a result of their appointment, more than one third of the members of the Eutelsat Board is above 70 years of age. If this age limit is reached, the term of office of the oldest Eutelsat Director automatically expires at the ordinary annual meeting of Eutelsat Shareholders called upon to approve the financial statements and held after the date on which the oldest Eutelsat Director has reached 70 years of age.

Each Eutelsat Director (and its permanent representative if such Eutelsat Director is a legal entity) shall not be: (i) targeted by or subject to sanctions regulations; or (ii) involved in any activity that would be prohibited by sanctions regulations.

Independent directors

At least 50% of the Eutelsat Directors on the Eutelsat Board shall be independent. A Eutelsat Director is considered independent when they are not in a position likely to raise a risk of conflict of interest that might affect her/his business judgment. To evaluate the independence of a Eutelsat Director, the Eutelsat Board will take into consideration criteria provided by the Eutelsat Internal Rules.

Gender parity, nationalities:

With regard to gender parity, the proportion of both female and male Eutelsat Directors shall be at least 40% of the Eutelsat Directors as required by French law. The membership of the Eutelsat Board shall reflect a diversity of nationalities among its members.

Minimum Eutelsat Director shareholding

Each Eutelsat Director (but not the permanent representative of a legal entity Director) shall hold 2,000 Eutelsat Shares of the Company; if this is not the case at the time of her/his appointment, the concerned Eutelsat Director shall use the proceeds of her/his Eutelsat Director compensation to acquire these shares.

Committees

Please refer to paragraph 3 of Part 13 (*Corporate Governance*) for a detailed description of the committees of the Eutelsat Board.

Observers

A maximum of two individuals, designated by the Eutelsat SA workers' council (*comité social et économique*) in accordance with its rules and procedures, may attend any Eutelsat Board meeting and express views on any item in the agenda.

Pursuant to the Eutelsat Shareholders' Agreement, each of BPI and the UK Government shall benefit from the right to appoint an observer. In certain cases, during their term of office, each observer appointed by the UK Government and BPI will be allowed to express their views on any item on the agenda (except in case of conflict of interest in which case s/he will not participate in the debate). Each observer may only be observers if: (i) they do not have any direct or indirect relationship with any direct or indirect competitor of: (a) Eutelsat; or (b) any entity directly or indirectly controlled by Eutelsat (the term "control" having the meaning ascribed to it by Article L. 233-3 of the French Commercial Code) and (ii) is not: (a) targeted by, or subject to sanctions regulations; or (b) involved in any activity that would be prohibited by sanctions regulations.

Subject to the exception described above, observers may attend meetings of the Eutelsat Board and express their point of view on any item on the agenda but may not take part in the vote of any decisions.

All the information brought to the attention of the observer(s) in connection with their duties shall be considered strictly confidential. No confidential information may be disclosed to a third party by the observers without first having been authorised by the chairman or the CEO.

Permanent invitee

For the purposes of the success of the integration of OneWeb and the achievement of the associated synergies and as long as OneWeb is an entity of the Eutelsat Group, the CEO of OneWeb is a permanent invitee to all meetings of the Eutelsat Board and shall be convened to such meetings at the same time as the Eutelsat Directors.

The permanent invitee shall have access to the same information and documentation as the Eutelsat Directors (subject to certain exceptions) for the preparation of the Eutelsat Board meetings, and such information and documentation shall be sent concurrently to the Eutelsat Directors and the permanent invitee.

The permanent invitee shall be bound by the confidentiality provisions provided for under these rules as if they were a Eutelsat Director, and shall so accept in writing prior to attending their first Eutelsat Board meeting.

Subject to certain exceptions provided for under the Eutelsat Internal Rules (including in the case of any conflicts of interest) or on the agenda items relating to the Eutelsat governance or compensation of the Eutelsat Directors, CEO and/or deputy CEO, the permanent invitee may attend any Eutelsat Board meeting and express their views on any item in the agenda. The permanent invitee shall not vote in any decisions.

Neither the Eutelsat Articles nor the Eutelsat Internal Rules provide for the payment of remuneration for the attendance of observers or permanent guests at Eutelsat Board meetings.

Director remuneration

The general meeting of Eutelsat Shareholders may allocate and determine the amount of annual lump sum fees payable to the Eutelsat Directors as compensation for their activities.

The Eutelsat Board freely distributes among its members the total amounts allocated to the Eutelsat Directors. The Eutelsat Board shall decide the allocation of such Eutelsat Director compensation amongst the Eutelsat Directors, taking into account attendance to Eutelsat Board meetings. Eutelsat Directors may receive additional reasonable compensation for their participation in various committees, their chairmanship or the performance of special assignments such as vice-chairmanship (*vice-présidence*) or lead director, as the Eutelsat Board may decide.

The Eutelsat Board may allocate extraordinary compensation for assignments or tasks assigned to Eutelsat Directors. The compensation of the Eutelsat Directors (including in their capacity as chairman, vice-chairman and/or members of the committees as applicable) will be determined in accordance with applicable compensation policy proposed by the Eutelsat Board to the annual general meeting of Eutelsat Shareholders.

The Eutelsat Board may authorise the reimbursement of travel costs and expenses incurred by the Eutelsat Directors in Eutelsat's interest, including any reasonable travel expenses incurred by attending meetings of the Eutelsat Board.

See paragraph 12 of Part 22 (*Additional Information*) for more information on Eutelsat Directors' remuneration.

Conflict of interest

Eutelsat Directors may not pursue personal interests or advantages when making business decisions. They shall disclose any personal interests, whether direct or indirect, in transactions or matters affecting Eutelsat.

Conflicts of interests shall be avoided and, where unavoidable, shall be disclosed to Eutelsat and managed transparently.

Each Eutelsat Director must inform the Eutelsat Board as soon as they become aware of any conflict of interest and must refrain from taking part in discussions and voting on any related resolutions. They must resign in the event of a permanent conflict of interests.

A Eutelsat Director in a situation of a conflict of interest shall abstain from participating in the debate and shall abstain from voting on any matter relating directly or indirectly to any agreement or any matter in which they have a direct or indirect interest which conflicts or may conflict with the interests of Eutelsat. Such Eutelsat Director shall not be taken into account for the purpose of meeting the quorum and majority requirements.

Top Management

Chairman

The Eutelsat Board elects a chairman, who must be an individual and an independent director (except in the context of a succession plan where it is contemplated that the CEO leaves his/her position as a CEO to become a chairman), and determines their compensation. The Eutelsat Board may also remove them at any time.

The chairman's term of office may not exceed the duration of their term of office as a Eutelsat Director.

No Eutelsat Director who is 71 years old or more may be elected chairman. The term of office of the chairman shall automatically expire at the annual ordinary meeting of Eutelsat Shareholders called upon to approve Eutelsat's financial statements and held after the date on which the chairman reaches the age limit.

In the event of death or temporary incapacity of the chairman, the Eutelsat Board may appoint another Eutelsat Director to act as chairman.

Vice-Chairman

The Eutelsat Board may also appoint a Eutelsat Director as the vice-chairman under the conditions set forth in the Eutelsat

Internal Rules. The Eutelsat Internal Rules also provide for the duties and powers of the vice-chairman. The Eutelsat Board may remove them at any time.

The vice-chairman's term of office may not exceed the duration of their term of office as a Eutelsat Director.

No Eutelsat Director who is 75 years old or more may be elected vice-chairman. The term of office of the vice-chairman of the Eutelsat Board shall automatically expire at the annual ordinary meeting of Eutelsat Shareholders called upon to approve Eutelsat's financial statements and held after the date on which the vice-chairman reaches the age limit.

CEO

The general management of Eutelsat can be assumed by the chairman or the CEO at the Eutelsat Board's election by resolution in the majority. However the chairman's vote shall not be decisive.

The CEO is vested with broad powers to act under any circumstance on behalf of Eutelsat. They can exercise their powers within the limits of the corporate purpose and subject to: (i) the powers that the law expressly vests in meetings of Eutelsat Shareholders and the Eutelsat Board; and (ii) the limitations set forth under the Eutelsat Internal Rules.

The CEO represents Eutelsat in its relations with third parties. Eutelsat is bound by the *ultra vires* acts of the CEO, unless they prove that the third party knew or could not, in view of the circumstances, have been unaware that the act exceeded the corporate purpose. The provisions of the Eutelsat Internal Rules, the Eutelsat Articles or the decisions of the Eutelsat Board limiting the powers of the CEO are not enforceable against third parties.

No person who is older than 69 years of age may be appointed as CEO. The term of office of the CEO shall automatically expire at the annual ordinary meeting of Shareholders called upon to approve Eutelsat's financial statements and held after the date on which the CEO reaches the age limit.

The duration of the corporate office of the CEO is determined by the Eutelsat Board. The CEO may be dismissed at any time by the Eutelsat Board by a simple majority of vote. If the CEO is a Eutelsat Director, they cannot take part in such a vote.

In case of resignation or dismissal of the CEO, the Eutelsat Board shall immediately appoint a new CEO. If the CEO is chosen among the Eutelsat Directors, her/his resignation or dismissal from their membership of Eutelsat Board shall automatically terminate her/his office as CEO. However, the resignation or dismissal of the CEO from her/his mandate as CEO does not in itself terminate her/his mandate as Eutelsat Director.

The remuneration, including bonus and incentive, of the CEO is determined by the Eutelsat Board, following recommendation in the matter from the compensation committee, in accordance with applicable law and the Reference Code, and in compliance with the recommendations contained therein.

Deputy CEOs (Directeurs généraux délégués)

Upon proposal from the CEO, the Eutelsat Board may appoint one or more individuals as the deputy CEO (*Directeur général délégué*) to assist the CEO. The deputy CEO may be removed at any time by the Eutelsat Board upon proposal from the CEO.

In agreement with the CEO, the Eutelsat Board determines the extent and duration of the powers vested in the deputy CEOs, as well as their compensation.

Deputy CEOs have the same powers as the CEO, and in particular, deputy CEOs also have the power to initiate court proceedings.

No person who is older than 67 years of age may be appointed as deputy CEO. The deputy CEO's term of office shall automatically expire at the annual ordinary meeting of Eutelsat Shareholders which are called upon to approve Eutelsat's financial statements and held after the date on which the deputy CEO reaches the age limit.

The maximum number of deputy CEOs is five. The remuneration, including bonus and incentive of the deputy CEO(s) is determined by the Eutelsat Board, following recommendation from the Compensation Committee in accordance with applicable law and the Reference Code, and in compliance with the recommendations contained therein.

Organization and deliberations of the Eutelsat Board

Meetings of the Eutelsat Board

The Eutelsat Board meets as often as dictated by Eutelsat's interests, upon notice from its chairman and at least every three months, to review the activities of Eutelsat and to consider any matters on the agenda. If the Eutelsat Board has not met for more than one month, Eutelsat Directors representing at least one third of the members of the Eutelsat Board may request the chairman to convene the Eutelsat Board on a specific agenda. The CEO may also request the chairman to convene the Eutelsat Board meeting on a specific agenda. The chairman is bound by such requests to convene the Eutelsat Board meeting sent to them. If the chairman has not convened the Board within 15 calendar days from the request made by one third of the Eutelsat Directors, such requesting Eutelsat Directors may together directly convene a Eutelsat Board meeting on the specific agenda they initially requested, in accordance with the Eutelsat Internal Rules.

Notices of meetings can be provided by any means, including orally.

The Eutelsat Board meets at the registered office or at any other location and is chaired by its chairman or, if the chairman is unable to act or absent, by the vice-chairman, or if the vice-chairman is unable to act or absent, by the member designated by the Eutelsat Board to chair it.

Decisions falling within the specific powers of the Eutelsat Board referred to in Article L. 225-37 of the French Commercial Code may be taken by written consultation of the Eutelsat Directors. The manner for adopting decisions by written consultation is set out in the Eutelsat Internal Rules.

The secretary of the Eutelsat Board shall provide Eutelsat Board members with any information which is relevant to the agenda of such meeting, including any documentation (whether in final or draft form) to be submitted to the Eutelsat Board and, by any means.

Quorum - Majority

The Eutelsat Board may not validly deliberate unless at least half of its members attend the meeting.

Decisions are made by the majority of the Eutelsat Board members present or represented.

In the event of a tie, the Chairman's vote is decisive.

In compliance with applicable laws and regulations and except with regards to the transactions specifically identified under applicable laws, the Eutelsat Internal Rules provide that the Eutelsat Directors who participate in the meeting by video conference or other telecommunications means, which allow the Eutelsat Directors to be identified and guarantee their actual participation, are deemed present for the purpose of calculating the quorum and the majority.

Place of the meetings and minutes of meetings

Meetings of the Eutelsat Board are recorded in minutes drawn up in a special register numbered, initialled and kept at the registered office.

The place of the meeting of the Eutelsat Board shall be specified in the convening notice. The meetings of the Eutelsat Board shall take place at the registered office of Eutelsat, unless specified otherwise in the convening notice.

Subject to certain exceptions provided for under the Eutelsat Internal Rules pursuant to applicable law, if requested by one or more Eutelsat Directors, the censeur, one or more observers and/or the permanent invitee, the chair shall make attendance by videoconference or telecommunication enabling identification available.

Representation

Any Eutelsat Director may, in writing, empower another Eutelsat Director to represent them at a meeting of the Eutelsat Board. A Eutelsat Director may use only one of the proxies received in any given Eutelsat Board session. This also applies to the permanent representative of a legal-entity Eutelsat Director.

Duty of Confidentiality

The Eutelsat Directors and any party called to attend Eutelsat Board meetings have a duty of confidentiality, especially with respect to information that is confidential and presented as such by the Chairman of the Eutelsat Board.

Pursuant to the Reference Code, the Internal Regulations of Eutelsat provide for certain cases where information made available to the permanent representative of the Director who is a legal entity or an individual appointed upon proposal of a shareholder, may provide such information to the Director who is a legal entity or to the relevant shareholder who has proposed his/her appointed respectively.

Security committee

From Completion, Eutelsat will establish a Security Committee which role will be to ensure that Eutelsat complies with its obligations relating to certain sensitive activities and the protection of sensitive information in relation thereto, and provide opinions to the Eutelsat Board in this respect. The scope of duties of the Security Committee as well as the rules regarding its composition and functioning are subject to the Eutelsat Board approval.

Capitalising profits

Pursuant to article 11 of the Eutelsat Articles, each share entitles its holder to a fractional share of Eutelsat’s assets, liquidation surplus and profits, in proportion to the percentage of the capital represented by the share.

A portion of at least 5% is deducted from the profit of the financial year, less any previous losses, and is allocated to a reserve fund called “legal reserve”. The deduction ceases to be mandatory when the amount of the legal reserve amounts to one tenth of the share capital. The distributable profit is then comprised of the profit for the financial year, less any previous losses and the amount allotted to the legal reserve, plus retained earnings.

Winding up

The extraordinary meeting of Eutelsat Shareholders may order the early dissolution of Eutelsat at any time.

In the event of Eutelsat’s expiration or early dissolution, the meeting of Eutelsat Shareholders determines the liquidation procedure and appoints one or more liquidators, whose powers it determines and who shall perform their duties in accordance with applicable laws.

10 Major Shareholders

To Eutelsat’s knowledge, as at 30 June 2023, no shareholder of Eutelsat, 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.

As at the Last Practicable Date, Eutelsat is aware of the following persons (together with their associates), directly or indirectly, who hold interests in 5% or more of the Eutelsat Shares or voting rights as notified to Eutelsat under a crossing threshold notification pursuant to French law and the Eutelsat Articles. The table below also shows what these interests are expected to be immediately following Admission and the issuance of the New Eutelsat Shares at Completion.

Name	As at the Last Practicable Date		Immediately following Admission	
	Number of Eutelsat Shares	Approximate percentage of issued share capital¹	Anticipated number of Eutelsat Shares	Anticipated percentage of issued share capital on Admission²
BPI	64,586,426	25.95%	64,586,426	13.59%
CMA-CGM	25,968,600	10.43%	25,968,600	5.47%
FSP	19,698,210	7.91%	19,698,210	4.15%
Bharti Global	12,974,047	5.21%	12,974,047	2.73%
Lazard Asset Management Asia Pacific	15,664,600	6.29%	15,664,600	3.30%

1. Based on number of Eutelsat Shares in issue as at the Last Practicable Date.
2. Based on the estimated number of Eutelsat Shares in issue at Completion of 475,178,378, which is based on the number of Eutelsat Shares in issue as at the Last Practicable Date and the estimated number of 226,252,053 New Eutelsat Shares to be issued to existing OneWeb Shareholders (excluding Eutelsat S.A.) at Completion, assuming no additional Eutelsat Shares are issued between the Last Practicable Date and Completion and excluding any OneWeb A Ordinary Shares issued upon exercise and conversion of OneWeb Options.

11 Eutelsat Directors' and Proposed Directors' interests

At the Last Practicable Date, the Eutelsat Shares held by the Eutelsat Directors and the Proposed Directors (all of which are held beneficially unless otherwise stated) are as follows:

Name¹	Number of Shares	Percentage of existing total issued share capital of Eutelsat (based on 248,926,325 Eutelsat Shares)	Expected percentage of total issued share capital of the Combined Group following Completion³
Dominique D'Hinnin	3,000	0.0012%	0.0006%
Eva Berneke	48,837	0.0196%	0.0103%
Bpifrance Investissement and BPI ²	64,586,426	25.946%	13.5920%
CMA-CGM	25,968,600	10.432%	5.4650%
FSP	19,698,210	7.9133%	4.1454%
Esther Gaide	2,000	0.0008%	0.0004%
Cynthia Gordon	5,225	0.0021%	0.0011%

1. To the best of Eutelsat's knowledge, the Directors and proposed Directors not mentioned above do not hold any Eutelsat Shares.
2. Shares are held directly by BPI, of which Bpifrance Investissement is a subsidiary.
3. Based on the estimated number of Eutelsat Shares in issue at Completion of 475,178,378, which is based on the number of Eutelsat Shares in issue as at the Last Practicable Date and the estimated number of 226,252,053 New Eutelsat Shares to be issued to existing OneWeb Shareholders (excluding Eutelsat S.A.) at Completion, assuming no additional Eutelsat Shares are issued between the Last Practicable Date and Completion and excluding any OneWeb A Ordinary Shares issued upon exercise and conversion of OneWeb Options.

Bharti, which is a Contributor and is a Proposed Director, is a subsidiary of Bharti Global Limited which itself directly holds 12,974,047 Eutelsat Shares, representing 5.21% of the Eutelsat Shares as at the Last Practicable Date.

Details of long-term incentive awards granted to Eutelsat Directors are set out in paragraph 14 of Part 22 (*Additional Information*) of this Prospectus.

12 Remuneration of Eutelsat Directors

The maximum annual compensation allocated to the Eutelsat Directors is €985,000, approved by Eutelsat Shareholders at the Eutelsat annual general meeting on 8 November 2017. The criteria for the apportioning of this sum are set out below.

The calculation for Eutelsat Directors' compensation primarily takes into account the actual attendance of the individual at meetings of the Eutelsat Board and of its committees, in accordance with Article 22 of the Reference Code. The Eutelsat Directors may receive reasonable additional 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 Eutelsat Board and in line with the rules on the award of compensation set out as follows:

- each Eutelsat Director receives a fixed gross annual remuneration of €15,000 (€30,000 for the Co or Vice Chairman and €175,000 for the Chairman), an annual supplement of €10,000 if they are residing outside France (pro-rated based on physical attendance) and a variable part of €4,000 for each Eutelsat Board meeting attended;
- each member of the Audit, Risk and Compliance Committee receives a fixed gross annual remuneration of €4,000 (€14,000 for the committee chair) and a variable part of €3,000 for each committee meeting attended;
- each member of the Nomination and Governance Committee receives a fixed gross annual remuneration of €3,000 (€8,000 for the committee chair) and a variable part of €2,000 for each committee meeting attended;
- each member of the Compensation Committee receives a fixed gross annual remuneration of €3,000 (€8,000 for the committee chair) and a variable part of €2,000 for each committee meeting attended;
- each member of the CSR Committee receives a fixed gross annual remuneration of €3,000 (€8,000 for the committee chairman) and a variable part of €2,000 for each committee meeting attended; and

- each member of the Ad hoc Committee receives a variable part of €1,000 for each committee meeting attended.

The fixed annual remuneration applicable to the Eutelsat 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 an aggregate sum that exceeds the maximum annual compensation of €985,000 allocated to Eutelsat Directors, the variable part would proportionally be reduced in order to stay within this ceiling.

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

The Eutelsat Board compensation is paid annually after the close of the financial year. Pursuant to Article L. 22-10-34-II of the French Commercial Code, the payment of Eutelsat Board compensation for that financial year is subject to approval by the annual general meeting of the compensation policy.

If a new Eutelsat Director is appointed or a Eutelsat Director's term of office is renewed, the principles, criteria and elements of the compensation set out in the compensation policy for Eutelsat Directors will apply.

Total Directors and executive corporate officers' remuneration and benefits

The remuneration paid to the Eutelsat Directors and executive corporate officers (Chair, CEO and deputy CEO) of Eutelsat for the past three financial years are set out in the table below.

<i>(in thousands of euros)</i>	Year ended 30 June		
	2021	2022	2023
Chairman of the Eutelsat Board	225	241	282
Change	-1%	7%	17%
CEO	1,399	1,598	718
Change	-4%	14%	-55%
Deputy CEO	794	928	811
Change	-3%	17%	-13%

A breakdown of the remuneration made to the executive corporate officers (Chair, CEO and deputy CEO) in the FY 2022-23 are set out in the table below.

Compensation items allocated for the FY 2022-23 (Amount or book value (in euros))	Dominique D'Hinnin	Eva Berneke	Michel Azibert (Deputy CEO)
Fixed compensation	-	650,000	133,160
Annual variable compensation	-	714,712	152,342
Exceptional compensation	-	-	-
Stock options	-	-	-
Performance shares	-	812,503	274,935
Pluri-annual variable compensation plan	-	-	-
Indemnities linked to the assumption of duties	-	-	-
Non-compete indemnity	-	-	-
Benefits of any kind	-	2,898	1,582
Board compensation (attendance fees)	286,189	56,818	-
Supplementary pension scheme	-	-	-

Exceptional compensation

The Eutelsat Board has adopted a principle whereby the executive corporate officers may receive exceptional compensation in very specific circumstances only, such as for a significant transaction for the Eutelsat Group. In any event:

- 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 Eutelsat Board meeting during which the decision is taken;
- the decision must be justified and must contain details of the event leading to it.

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 their right to retire. In any event, no allowance may be paid after the age of 65.

The Eutelsat Board has the option to waive this commitment.

Compensation and other benefits payable or likely to be payable as a result of or following termination of office

Executive corporate officers do not receive a supplementary pension from Eutelsat.

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 CEO 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 of a new CEO. The Eutelsat Board, 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 Eutelsat Board by a potential buyer in late 2021 and in order to attract top talent to lead the Eutelsat Group, it was important for Eutelsat to give visibility and reassurance to the Eutelsat Group's CEO. This was approved the 2022 annual general meeting on 10 November 2022.

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

13 Pension arrangements

The Eutelsat Group's retirement schemes consist of defined-contribution plans and defined-benefit plans. The defined-benefit plans are plans for which the Eutelsat 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).

Employer contributions made under the mandatory pension scheme in France amounted to a respective €6.3 million and €6.0 million as of 30 June 2022 and 30 June 2023.

The Eutelsat Group also has a supplementary defined-contribution funded plan for its employees (excluding Eutelsat 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 €2.0 million in the financial years ending 30 June 2022 and €2.0 million in the financial years ending 30 June 2023.

14 Eutelsat incentive arrangements

Eutelsat considers that its long-term incentive arrangements are well-suited to the duties of the executive corporate officers given the expected level of their direct contribution to the long-term performance of Eutelsat. This is based on the achievement of certain performance criteria over several years and on the change in value of the Eutelsat Shares, and thereby strengthening the motivation and loyalty of these key functions while fostering the alignment of their interests with the interests of Eutelsat and the Eutelsat Shareholders.

The long-term incentive plan is based on the allocation of phantom shares or performance shares of Eutelsat. After a period of at least three years, the degree to which the performance criteria are achieved will determine the number of shares vested. At the end of the vesting period, there will be a payment in cash based on the value of a Eutelsat Share either on that date or on the date of the delivery of Eutelsat Shares, depending on the elected vehicle.

The definitive vesting of shares is also subject to the beneficiary's presence within Eutelsat at the end of the vesting period. If the beneficiary leaves before the end of the vesting period, they will lose the rights to shares. However, the Eutelsat Board may decide to maintain all or part of the benefit of the shares provided, subject to justification and the explanation of the specific circumstances underlying its decision. The Eutelsat Board must ensure that waiver of the criterion is applied for the period of time during which the duties were discharged and is dependent on the achievement of the performance criteria to ensure that payment can only take place at the end of the period set for the plan.

14.1 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, being 162.5% (target equal to 125% of the fixed annual salary with a potential vesting percentage of 130% in case of over-performance).

14.2 Stock options or stock purchase options

No share subscription or purchase option plan was put in place by Eutelsat in the last six financial years. No performance shares were available to the executive corporate officers during the FY 2022-23. During previous financial years however, stock options and stock purchase plans were set up by the operating subsidiary Eutelsat S.A. As at the date of this Prospectus, no corporate officers or their related parties held any Eutelsat S.A. stock options or stock purchase plans.

14.3 Phantom share plan

Upon the recommendation of the Compensation Committee, the Eutelsat Board approved a phantom share programme for the executive corporate officers on 7 November 2019. This programme is in conformity with the Eutelsat Group's remuneration policy and in continuity with the previous programme.

At the end of the phantom share programme, the phantom shares converted into a payment of a cash bonus determined by the number of phantom shares. The number of phantom shares granted was also subject to the attainment of performance conditions as well as a presence condition during the financial year when programme was approved and the next two financial years after. The performance objectives set by the Eutelsat Board over these three financial years were split as follows:

	Weighting
Relative TSR ⁽¹⁾	20%
New verticals revenues ⁽²⁾	40%
Adjusted DFCF	20%
CSR ⁽³⁾	20%

(1) The panel of comparable companies: satellite competitors (SES and ViaSat), 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) Revenues linked to the new verticals notably include revenues from the connectivity business, in line with step two of the Eutelsat 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.

(3) Based on a quantitative objective of an increase in the Eutelsat Group diversity, such as an increase in the proportion of women within the Eutelsat Group of three points over the period. This objective will be assessed by the Eutelsat Board in order to ensure a balanced progression within different departments.

For each of the two internal measures, being the revenues linked to new verticals and Adjusted DFCF, the objectives are confidential and are based on the Eutelsat 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 Eutelsat Board. Realisation of the phantom shares converting into a cash bonus would be 0% if the performance for these two internal measures were below the benchmark.

The actual vesting percentage varies in relation to the relative TSR and are as follows:

- 0% if the performance is lower than the composite index defined above;

- 80% if the performance is equal to the composite index defined above;
- 100% if there is over-performance by 10% compared to the composite index defined above;
- 115% if there is over-performance by 15% compared to the composite index defined above.

Michel Azibert was also issued 25,085 shares (representing €274,935) after the Eutelsat Board meeting on 9 September 2022, representing a vesting rate of 76%.

The following table shows the vesting rate in respect of each criterion.

Criteria	2019 Achievement %	2019 Weighted achievement %
New verticals revenues	81%	32%
Adjusted DFCF	104%	21%
Relative TSR	0%	0%
CSR	116%	23%
TOTAL VESTING RATE		76%

The cash payment of the phantom shares occurred in the second half of 2022 following the approval of the annual general meeting of 4 November 2022.

14.4 Performance share plans

Upon the recommendation of the Compensation Committee, the Eutelsat Board approved a performance share grant for the executive corporate officers, consistent with the Eutelsat Group compensation policy approved at the last annual general meeting, with the approval refreshed on 4 November 2021 and on 10 November 2022.

On 1 January 2022 and upon the recommendation of the Compensation Committee, the Eutelsat Board approved a performance share plan for the CEO. This plan is consistent with the Eutelsat Group's compensation policy approved by the annual general meeting of 4 November 2021 and has identical characteristics to the performance share plan approved on 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 the CEO's 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. For the CEO, being 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 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 the CEO took office (currently Eva Berneke who took office on 1 January 2022), representing 0.03% of the share capital.

The long term incentive plan for other employees remains under the phantom share plan. Given the difference in instruments used, the Reference Code recommendation with respect to providing for a sub-ceiling for grants to corporate officers under Article 26.3.3 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 during the financial year during which the plan was approved and the next two financial years after.

In accordance with the compensation policy, the final grant percentage could reach up to 130% of the amounts indicated above in the event of outperformance. The performance share plan is accompanied by an obligation on the executive corporate officers to retain, as a personal investment, 20% of the performance shares vested until the end of the last term of office as an executive corporate officer (an obligation that was not present in the context of the phantom share plans) as well as by a strict prohibition against using hedging instruments to cover the risk of the performance shares.

The changeover to a performance share plan from the phantom share plan reflects stronger alignment with market practice and reinforces the alignment of the interests of the executive corporate officers with the interests of the Eutelsat shareholders. The change in the method of calculating the number of shares to be allocated (being a percentage of the executive corporate officer's annual salary divided by the IFRS value of the average price of Eutelsat Shares for the 20 trading days preceding the opening date of the plan) is also better in line with market practice.

The performance objectives set by the Eutelsat Board over the period of the three defined financial years are weighted 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, in particular by seizing long-term opportunities;
- 20% for Adjusted DFCF;
- 20% for a CSR;¹⁹ and
- 20% for the relative TSR.²⁰

Concerning the relative TSR criterion, the actual vesting percentage 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%; and
- 130% if the benchmark median is exceeded by 15%.

The final acquisition of these shares will be subject to the approval of the annual general meeting at the end of the performance share plan and depend on the achievement of the performance conditions.

14.5 Current holdings of phantom shares and performance shares

The following table sets out the phantom shares and performance shares granted to executive corporate officers.

	Phantom shares	Performance share plan (2020)	Performance share plan (2021)	Performance share plan (January 2022)	Performance share plan (November 2022)
Date of Eutelsat Board 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 Eutelsat Board Meeting delivering the shares subject to the vote of the annual general meeting	9 September 2022 ⁽²⁾	27 July 2023 ⁽³⁾			
End date of the performance period	N/A (phantom shares)	November 2023	November 2024	January 2025	November 2025

¹⁹ For FY 2020-21, 2021-22 and 2022-23, based on a quantitative objective of an increase in the Eutelsat Group diversity such as an increase in the proportion of women within the Eutelsat Group of 0.5 point over the period. This objective will be assessed by the Eutelsat Board, which will also take into consideration the proportion of women among top managers. It also includes a carbon-reduction objective.

For FY 2021-22, 2022-23 and 2023-24, based on criteria related to the feminisation of the Eutelsat Group and the environment detailed as follows: continued certification of teleports (6.66%), extra-financial rating (6.66%) and rate of feminisation of high potentials (6.67%). For FY 2022-23, 2023-24 and 2024-25, based on criteria related to the feminisation and the environment detailed as follows: the Eutelsat Group executive/top management feminisation (6.67%), carbon emission reduction in Italy and Mexico (6.66%) and extra-financial rating (Ecovadis) (6.66%).

²⁰ The vesting percentage is: (i) 130% in case of over-performance compared to the target; (ii) 100% in case the target is met; (iii) 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 DFCF criteria would be 60% and 80% for CSR criterion; and (iv) 0% if the level of achievement is lower than the threshold.

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 DFCF 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 DFCF 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 DFCF 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 DFCF 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 DFCF 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 DFCF 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.

15 OneWeb Option Scheme

OneWeb Options over 39,550 OneWeb A Ordinary Shares have been granted to OneWeb employees and are outstanding under the OneWeb Option Scheme with an exercise price of US\$1,000 per OneWeb A Ordinary Share.

No further OneWeb Options will be granted under the OneWeb Option Scheme.

The effect of the Combination on the OneWeb Options and the amendments proposed to be made to the terms of the OneWeb Options and the OneWeb Option Scheme are set out in paragraph 2 of Part 12 (*Summary of the Combination*).

The key terms of the OneWeb Option Scheme, prior to amendments to reflect the Combination as referred to above, are summarised below.

Administration

The OneWeb Option Scheme is administered by the OneWeb Board.

Vesting

25% of the OneWeb A Ordinary Shares subject to OneWeb Options have already vested. On each of 31 December 2023, 31 December 2024 and 31 December 2025, a further 25% of the OneWeb A Ordinary Shares subject to the OneWeb Options will vest. Vesting is conditional upon a participant remaining in employment without having given/received notice at the relevant date. No performance conditions apply to OneWeb Options.

Cessation of employment

The treatment of an OneWeb Option on cessation of employment will depend upon the circumstances of cessation. In the event of summary dismissal or resignation, OneWeb Options lapse to the extent unvested, with any vested portion of the OneWeb Options remaining outstanding subject to the rules of the OneWeb Option Scheme. In the event of a termination of employment by OneWeb other than as a result of summary dismissal:

- during 2023, 50% of the OneWeb Option will be treated as vested, and 50% will lapse;
- during 2024, 75% of the OneWeb Option will be treated as vested, and 25% will lapse; and
- on or after 1 January 2025, 100% of the OneWeb Option will be treated as vested.

Should a participant cease employment in other circumstances, OneWeb has discretion to determine how their OneWeb Option should be treated (including that it should lapse in full).

Corporate Actions

OneWeb Options become exercisable on a change of control. Accelerated vesting applies such that OneWeb Options are exercisable in respect of the lower of: (i) the sum of 50% of the OneWeb A Ordinary Shares subject to the OneWeb Option plus those OneWeb A Ordinary Shares which have already vested in the ordinary course by the date of the corporate action; and (ii) 100% of the OneWeb A Ordinary Shares subject to the OneWeb Option.

Exercise

The exercise of an OneWeb Option is conditional upon the participant entering into arrangements acceptable to OneWeb for the satisfaction of the exercise price payable in connection with such OneWeb Option and any employee income tax and/or social security liability which may arise in connection with exercise, in respect of which a withholding obligation applies.

Liquidity Mechanism

The OneWeb Option Scheme provides for an artificial liquidity mechanism to be implemented from 2026 onwards for participants who continue to be in employment. Pursuant to the mechanism, such participants are entitled to receive cash payments in relation to 25% of the OneWeb A Ordinary Shares subject to unexercised OneWeb Options in each of 2026, 2027, 2028 and 2029. For these purposes the amount payable by OneWeb per OneWeb Share will be an amount equal to market value minus a 20% discount, after factoring in any exercise price that is payable by the participants.

Non-transferable and non-pensionable

OneWeb Options are non-transferable, save to personal representatives following death, and do not form part of pensionable earnings.

Variation of Share Capital

OneWeb shall make such adjustments to the number of OneWeb A Ordinary Shares subject to OneWeb Options and/or the exercise price payable as it considers appropriate to reflect any variation of OneWeb's share capital that may occur following completion of the acquisition.

Lapse

OneWeb Options will lapse if not exercised before a longstop date of 31 December 2030.

16 Material Contracts

16.1 Eutelsat

The following is a summary of each material contract, other than contracts entered into in the ordinary course of business, to which Eutelsat or any member of the Eutelsat Group is a party for the two years immediately preceding the date of publication of this Prospectus and a summary of any other contract (not being a contract entered into in the ordinary course

of business) entered into by any member of the Eutelsat Group which contains any provision under which any member of the Eutelsat Group has any obligation or entitlement which is material to the Eutelsat Group at the date of this Prospectus:

MoU and Framework Agreement

Please refer to Part 12 (*Summary of the Combination*) of this Prospectus for further information regarding the MoU and the Framework Agreement.

Contribution Agreement

Please refer to paragraph 9.6 of Part 12 (*Summary of the Combination*) of this Prospectus for further information regarding the Contribution Agreement.

Take or pay distribution partner agreement

Separate to, and not conditional upon, the Combination, Eutelsat S.A. and OneWeb have agreed an amendment to their five year distribution partner agreement, pursuant to which OneWeb provides LEO managed services to Eutelsat S.A. (the “**OneWeb Services**”), known as the “**Take or Pay**”.

The expected Start Date for the provision of the OneWeb Services is 1 April 2024 and the OneWeb Services will be provided for a period of five years.

The Take or Pay provides that Eutelsat S.A. would be granted exclusivity in respect of the OneWeb Services in exchange for a minimum payment by Eutelsat S.A. of US\$275 million, payable in three instalments: US\$100m on 31 March 2023, US\$100m on 31 March 2024 and US\$75 million on 31 March 2025.

The exclusivity covers Continental Europe, part of Latin America, and the whole Global Cruise maritime segment. There is a carve-out for OneWeb’s sales of OneWeb Services to Telespazio and Airbus (and their affiliates), and any sales of OneWeb Services by a distribution partner located outside of (or whose ultimate parent is located outside of) the exclusive territories, provided such distribution partner sells to an end user and not a telecommunications operator.

If there is a delay in the Start Date beyond 1 April 2025 or there is a material breach by OneWeb and termination during the exclusivity period, Eutelsat S.A. will be entitled to receive a full refund of the minimum payment.

16.2 OneWeb

The following is a summary of each material contract, other than contracts entered into in the ordinary course of business, to which OneWeb or any member of the OneWeb Group is a party, for the two years immediately preceding the date of publication of this Prospectus and a summary of any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the OneWeb Group which contains any provision under which any member of the OneWeb Group has any obligation or entitlement which is material to the OneWeb Group at the date of this Prospectus:

Purchase contract with AOS

On 14 August 2020, NAA and AOS entered into an amended and restated agreement pursuant to which AOS agreed to manufacture and supply the LEO GEN 1 satellites and associated data and software to NAA (the “**Purchase Contract**”).

On 18 September 2020, Airbus DS Satnet LLC (now Airbus U.S. Space & Defence, Inc.) and WorldVu JV Holdings LLC entered into an amended and restated limited liability company agreement pursuant to which they entered into a joint venture and formed AOS for the design, manufacture, assembly, integration, testing, delivery and sale of satellites that will be used to provide internet connectivity around the globe through a series of constellation deployments of OneWeb’s LEO GEN 1 satellites (the “**AOS JV**”). Airbus U.S. Space & Defence, Inc. has an option to buy WorldVu JV Holdings LLC stake in the AOS JV as a result of the Combination.

Purchase commitments

Under the terms of the Purchase Contract, NAA had a minimum purchase commitment for, and AOS is required to manufacture, integrate, test and deliver on-ground to NAA, five hundred and eighty-eight (588) LEO GEN 1 satellites and associated data and software. Currently, all such LEO GEN 1 satellites have been delivered by AOS. Until 31 March 2021, NAA had the option to purchase a further sixty (60) LEO GEN 1 satellites.

NAA is required to exclusively procure all LEO GEN 1 satellites from AOS. As at the Last Practicable Date, all LEO GEN

1 satellites (including planned spares) have been ordered, manufactured and supplied and NAA are entitled to purchase additional spare LEO GEN 1 satellites as required.

Launch services, transportation of the LEO GEN 1 satellites to the relevant launch site, obtaining and maintaining appropriate orbital locations, provision of ground segments and acquiring of required insurance are expressly carved out from the scope of the services and deliverables under the Purchase Contract. Title in and the risk of loss or damage to each LEO GEN 1 satellite manufactured and any other deliverable items passes to NAA upon delivery and acceptance.

AOS does not warrant performance of the LEO GEN 1 satellites after the launch, and any liability in relation to a defect in design or manufacture is excluded.

Intellectual Property

AOS owns all intellectual property rights developed under the Purchase Contract, and grants NAA a licence to use the intellectual property rights in the LEO GEN 1 satellites for the service life of the LEO GEN 1 satellite.

Termination

Neither NAA nor AOS may terminate the Purchase Contract for convenience. While NAA has the right to terminate for default, it cannot terminate the Purchase Contract for default once all of the LEO GEN 1 Constellation satellites have been launched. Since all such LEO GEN 1 satellites have been launched, NAA cannot terminate the Purchase Contract for default. AOS can terminate for default. Both parties can terminate for persistent force majeure. The Purchase Contract does not have an expiry date.

Governing law

The Purchase Contract and all disputes in relation to it are governed by the laws of the State of New York.

Joint venture agreement with NEOM T&D

On 22 October 2021, NAA, NEOM T&D and NEOM JVCo entered into a shareholders' agreement relating to NEOM JVCo (as amended from time to time) (the "**NEOM Shareholders' Agreement**"). On 24 October 2021, NAA, NEOM T&D and NEOM JVCo entered into a share subscription and purchase agreement whereby NEOM T&D acquired 50% of the shares in NEOM JVCo from NAA (the "**NEOM Share Subscription and Purchase Agreement**").

The total purchase price for the shares sold by NAA to NEOM T&D was SAR 50,000. NAA and NEOM T&D also subscribed for additional shares in the NEOM JVCo, maintaining the 50:50 ownership proportions, with a subscription price for the new shares of SAR 18,750,000.

Purpose of NEOM JVCo

Under the terms of the NEOM Shareholders' Agreement, the purpose of NEOM JVCo is to (i) design, construct and operate local SNPs in Saudi Arabia and in Djibouti and any local ground equipment in one or more of the 16 specified countries in the Middle East and Africa (the "**Distribution Territories**"), and (ii) offer and provide data transmission services and products to customers in the Distribution Territories.

NAA grants NEOM JVCo exclusivity over 90% of NAA's sellable capacity in each Distribution Territory and agrees not to sell such capacity to any person other than to NEOM JVCo or NEOM T&D (subject to limited exemptions). NAA reserves 10% of its sellable capacity in each Distribution Territory for NAA to be able to sell to its global customers.

Capacity supply arrangements

On 24 October 2021, NAA and NEOM T&D entered into a capacity and distribution services agreement between NAA and NEOM T&D ("**Base Case CDSA**"), under which NAA agrees to supply, and NEOM T&D agrees to purchase, certain initial committed capacity (the "**Initial Committed Capacity**"), and NEOM T&D may, from time to time, place orders for additional capacity from NAA. The purchase price for the Initial Committed Capacity is USD 170,548,331 which was paid upfront by NEOM T&D to NAA.

The supply of the Initial Committed Capacity will commence once the OneWeb constellation and the relevant SNPs are available and will continue for 6 years and 9 months, following which the Base Case CDSA will automatically extend on an annual basis until either party gives at least 6 months' notice not to extend. If NAA continues to provide the Initial Committed Capacity to NEOM T&D during any such extension period, NEOM T&D is required to pay for that capacity at the applicable 'additional capacity' pricing.

The Base Case CDSA includes limited termination rights for either party, including a right for NEOM T&D to terminate if the actual sellable capacity available in the Distribution Territories is less than half of the Initial Committed Capacity. In certain termination scenarios, NAA is obliged to issue a full refund of pre-paid amounts for services that have not been provided, whereas in other termination events the agreement terminates without NAA being obliged to refund any pre-paid amounts.

Board arrangements

NEOM JVCo's head office is in the NEOM region in the Saudi Arabia. The board of NEOM JVCo is comprised of 7 directors: 3 NEOM T&D-appointed directors, 3 NAA-appointed directors, and 1 independent director appointed jointly by NEOM T&D and NAA. NEOM T&D has the right to appoint the CEO of NEOM JVCo, and NAA has the right to appoint the CFO and CTO of NEOM JVCo.

The NEOM Shareholders' Agreement provides that certain matters are "Board Reserved Matters" (which require a majority vote of the board of NEOM JVCo and must include at least one NEOM T&D-appointed director and one NAA-appointed director) and certain other matters are "Shareholder Reserved Matters" (which require the unanimous approval of all shareholders). If there is a deadlock, the parties are required to seek to resolve the matter through negotiation and subsequently mediation. In the absence of agreed resolution, the status quo prevails.

Events of default

The NEOM Shareholders' Agreement includes certain circumstances which would amount to an "Events of Default" including an unremedied material breach of certain provisions of the NEOM Shareholders Agreement and material breaches under a capacity distribution and supply agreement resulting in termination of that agreement.

Transfers and sale of shares

The NEOM Shareholders' Agreement includes a general restriction on each shareholder transferring its shares in NEOM JVCo without the other shareholder's approval (with limited exceptions for specified transfers, including intra-group transfers). Any transfer must be a transfer of all shares in NEOM JVCo held by that shareholder (and not a transfer of only part of its NEOM JVCo shares).

If (prior to an initial public offering of NEOM JVCo) any shareholder wishes to sell its shares or debt in NEOM JVCo to a third party, such shareholder must notify the other shareholders, and the other shareholders have a right of pre-emption to acquire such shares and debt, and a 'tag-along' right, so as to require the exiting shareholder to tag that other shareholder's shares and debt onto the sale to the third party. If NEOM JVCo's shares are listed on a stock exchange following an initial public offering, then these transfer restrictions cease to apply.

Governing law

The NEOM Share Subscription and Purchase Agreement, NEOM Shareholders' Agreement and Base Case CDSA are governed by the laws of Saudi Arabia, with disputes to be resolved by arbitration in London pursuant to the rules of the London Court of International Arbitration (LCIA).

Qualcomm engineering services agreement

On 24 March 2015, QT and WVD (a wholly owned subsidiary of OneWeb) entered into an engineering services agreement under which QT agreed to develop certain satellite and wireless telecommunications technology and products for use in WVD's low earth orbit system (the "**Qualcomm Agreement**").

The Qualcomm Agreement shall remain in force from 24 March 2015 until the later of (i) 31 December 2018 (the "**QT Term**"), or (ii) the completion of all services set out in any statement of work executed during the QT Term, unless QT and WVD agree in writing to extend the QT Term or the Qualcomm Agreement is terminated pursuant to its terms. QT and WVD have entered into six statements of work pursuant to the Qualcomm Agreement and have currently agreed to extend the QT Term of the Qualcomm Agreement to 17 November 2023.

The Qualcomm Agreement may be terminated by QT by providing 30 days' written notice at any time after the date of execution, or by WVD by providing 30 days' written notice provided that two years had elapsed after the date of execution of the Qualcomm Agreement.

Neither QT nor WVD may assign its rights or obligations under the Qualcomm Agreement to any third party without the other party's prior written consent, other than QT may assign its rights and obligations to any affiliate without the prior

written consent of WVD. Any variations to the Qualcomm Agreement must be in writing and executed by authorised representatives of QT and WVD.

The Qualcomm Agreement is governed by the laws of the State of California, and any dispute, claim or controversy arising out of or in relation to the Qualcomm Agreement shall be adjudicated by a court of competent jurisdiction in the country of San Diego, State of California, United States of America.

Hughes equipment sales agreement

On 2 November 2021, Hughes and WVD agreed to an amendment to an existing sales agreement under which Hughes has agreed to sell, and WVD has agreed to buy, additional equipment and applicable software for OneWeb's SNPs (the "**Hughes Agreement**").

The Hughes Agreement shall remain in force from 15 September 2017 until 31 December 2025, or any such time as mutually agreed between Hughes and WVD. HNS and WVD may terminate the Hughes Agreement following a material breach by the other party by giving no less than 30 days' written notice (where the material breach has not been remedied in the 30-day period). Any variations to the Hughes Agreement must be in writing and executed by Hughes and WVD.

The Hughes Agreement is governed by the laws of the State of New York. Any dispute, other than those limited to warranty repairs which cannot be resolved between the parties, shall be resolved by a court in the State of New York, United States of America. Any dispute limited to warranty repairs which cannot be resolved between the parties will be resolved under the Rules of Arbitration of the International Chamber of Commerce, with proceedings to take place in New York before the American Arbitration Association's Commercial Arbitration Rules and the Supplementary Procedures for Large, Complex Disputes. Judgment on the award by the International Chamber of Commerce may be entered in any court which has jurisdiction.

Shareholder Loan

Please refer to paragraph 7.2 of Part 16 (*Operating and Financial Review of OneWeb*) of this Prospectus for further information regarding the Shareholder Loan.

HSBC Facility

Please refer to paragraph 7.2 of Part 16 (*Operating and Financial Review of OneWeb*) of this Prospectus for further information regarding the HSBC Facility.

Exim Bank Facility

Please refer to paragraph 7.2 of Part 16 (*Operating and Financial Review of OneWeb*) of this Prospectus for further information regarding the Exim Bank Facility.

17 Statutory Auditors

The auditors of Eutelsat for the financial years ended on 30 June 2023, 30 June 2022 and 30 June 2021 have been Ernst & Young et Autres, whose registered address is at 1/2, place des Saisons, 92400 Courbevoie, Paris-La Défense 1, France, and Mazars, whose registered address is at 61, rue Henri-Regnault, 92400 Courbevoie, France.

Ernst & Young et Autres has no material interest in Eutelsat and carried out audit work in compliance with professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des Commissaires aux comptes*). Mazars has no material interest in Eutelsat and carried out audit work in compliance with professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des Commissaires aux comptes*).

Ernst & Young et Autres and Mazars have audited the annual consolidated financial statements for Eutelsat, which have been prepared in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code determining the conditions in which the independent third party performs its engagement and with the professional guidance of the French Institute of Statutory Auditors applicable to such engagements.

The auditors of the OneWeb Group for the period 25 March 2020 to 31 March 2021, and the financial years ended 31 March 2022 and 31 March 2023 have been KPMG UK LLP, member of the Institute of Chartered Accountants in England and Wales, whose registered address is 15 Canada Square, London, E14 5GL, United Kingdom.

18 Working Capital

Eutelsat is of the opinion that, taking into account the facilities available to the Combined Group, the working capital available to the Combined Group is sufficient for the Combined Group's present requirements, that is, for at least the next 12 months following the date of this Prospectus.

19 No significant change

Eutelsat Group

There has been no significant change in the financial performance or financial position of the Eutelsat Group since 30 June 2023, being the end of the last financial period of the Eutelsat Group for which financial statements have been published.

OneWeb Group

Other than as disclosed in paragraph 3 of Part 16 (*Operating and Financial Review of OneWeb*) of this Prospectus, there has been no significant change in the financial performance or financial position of the OneWeb Group since 31 March 2023, being the end of the last financial period of the OneWeb Group for which financial statements have been published.

20 Related Party Transactions

Eutelsat Group

Service agreements within the Eutelsat Group and other conventions

Eutelsat and its Subsidiaries maintain contractual relationships linked to the organisation and operations of the Eutelsat 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 the Ordinary Agreements Internal Procedure, each agreement concluded with Eutelsat and an interested party as defined by the Procedure shall be internally reviewed and might be submitted for opinion to the statutory auditors.

During the financial year ending 30 June 2023, Eutelsat S.A. entered into two service agreements with Mr Michel Azibert, a director of Eutelsat S.A.: (i) an interim management agreement for Eutelsat S.A. for the period from 14 November 2022 to 30 December 2022; and (ii) a consultancy agreement for the period from 2 January 2023 to 30 June 2023. The purpose of these two agreements is for Michel Azibert to provide services to Eutelsat S.A. following the end of his duties as the commercial director and Deputy CEO of Eutelsat S.A.

These agreements were authorized by the board of directors of Eutelsat S.A. under the related party agreement procedure provided for in Articles L. 225-38 et seq. of the French Commercial Code. Michel Azibert, director of Eutelsat S.A., did not participate in the debate nor the vote of this authorisation.

The interim management agreement entered into between Eutelsat S.A. and Michel Azibert provides mainly for the following services: (i) management of all the commercial teams of the Eutelsat Group in connection with specific projects; (ii) development of turnover; (iii) conduct of the contract renewal campaign at the end of 2022 and conclusion of the contracts necessary to achieve the Eutelsat Group's budget FY 2022-23 budget objectives; (iv) assistance with the Comete project; (v) assistance with the deployment of the customer satisfaction tool; (vi) improvement of the engagement score of sales and sales operations employees. This agreement provides for a fixed remuneration of €52,000 (excl. VAT) and a potential additional remuneration of up to €70,000 (excl. VAT) if certain performance criteria are met.

The consultancy agreement entered into between Eutelsat S.A. and Michel Azibert provides mainly for the assistance and advice in connection with: (i) the implementation and development of investment projects by the Eutelsat Group; (ii) the management of commercial relations with certain partners; (iii) the Combination and the Take or Pay agreement signed with OneWeb in July 2022; and (iv) transformation projects. This consultancy agreement was entered into on 16 January 2023, for a period from 2 January 2023 to 30 June 2023. This agreement provides for a remuneration of €2,000 (excl. VAT) per day of consultancy service (the consultancy service being delivered for a number of 50 to 80 days) and the possibility of additional remuneration of up to €65,000 (incl. VAT) if certain criteria are met.

Eutelsat Shareholders' Agreement

Please refer to paragraph 9.7 of Part 12 (*Summary of the Combination*) for further information regarding the Eutelsat

Shareholders' Agreement.

Tax Consolidation Agreement

The tax consolidation agreement entered into between Eutelsat, Eutelsat Konnect Services, Fransat S.A. and Konnect Africa France, was approved by the Eutelsat Board on 29 June 2007, and dated 2 July 2007, continued over the year ended 30 June 2023. In accordance with this agreement, Eutelsat recognised a tax income of c. €31,000 during the year ended 30 June 2023.

OneWeb Group

Save as disclosed in Note 22 of the notes to the audited consolidated financial statements for the OneWeb Group for the year ended 31 March 2023, Note 22 of the notes to the audited consolidated financial statements for the OneWeb Group for the year ended 31 March 2022 and Notes 23 and 24 of the notes to the audited consolidated financial statements for the OneWeb Group for the period 25 March 2020 to 31 March 2021 (as set out in Annexure B (*OneWeb Historical Financial Information*)), OneWeb entered into no transactions with related parties during the years ended 31 March 2023, 31 March 2022 and for the period 25 March 2020 to 31 March 2021.

For the period from and including 1 April 2023 and the Last Practicable Date, there were no related party transactions entered into by OneWeb, other than the Shareholder Loan (Please refer to paragraph 7.2 of Part 16 (*Operating and Financial Review of OneWeb*) of this Prospectus for further information regarding the Shareholder Loan).

21 Legal Proceedings

Eutelsat

Eutelsat is involved from time to time in legal proceedings and governmental investigations of a character normally incidental to its businesses, including claims and pending actions against the Eutelsat Group seeking damages, or clarification or prosecution of legal rights and regulatory inquiries regarding business practices. Insurance or other indemnification protection may offset the financial impact of any successful claim.

There are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened and of which Eutelsat is aware) during the 12 months prior to the date of this Prospectus, which may have, or have had in the recent past significant effects on Eutelsat's or the Eutelsat Group's financial position or profitability.

OneWeb

OneWeb is also involved from time to time in legal proceedings and governmental investigations of a character normally incidental to its business, on the basis described above in relation to the Eutelsat Group.

There are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened and of which Eutelsat is aware) during the 12 months prior to the date of this Prospectus, which may have, or have had in the recent past, a significant effect on OneWeb's or the OneWeb Group's financial position or profitability.

22 Consents

Rothschild & Co (in its capacity as financial adviser to Eutelsat) has given and not withdrawn its written consent to the inclusion in this Prospectus of its name in the form and context in which it is included and has authorised the contents of such parts of this Prospectus.

Ernst & Young et Autres and Mazars have each given and have not withdrawn their written consent to the inclusion in this Prospectus of its report as set out in Section B of Part 18 (*Unaudited Pro Forma Financial Information*) and has authorised the contents of this report as part of this Prospectus for the purposes of UK Prospectus Regulation Rule 5.3.2R(2)(f) and item 1.3 of Annex 1 of the UK Prospectus Delegated Regulation.

For the purposes of Rule 5.3.9R of the UK Prospectus Regulation Rules, Mr. Olivier Péronnet from Finexsi, the court-appointed contribution auditors in relation to the Combination, has authorised the contents of Annexure C of this Prospectus that comprise the Contribution Auditors Report.

Other than as specifically outlined above, each party referred to in this paragraph 22 has not caused or authorised the issue

of this Prospectus and does not make or purport to make any statement in this Prospectus or any statement on which a statement in this Prospectus is based and takes no responsibility for any part of this Prospectus other than any reference to its name. None of the parties referred to in this paragraph has a material interest in Eutelsat.

23 Rights of Holders Through CREST

Please refer to Part 20 (*CREST Depositary Interests*) of this Prospectus for further information regarding CDIs and rights of CDI holders.

24 Miscellaneous

Estimated transaction costs in connection with the Combination are €74.2 million (excluding integration costs and VAT). No such expenses or any commissions or fees will be charged by Eutelsat to any investors in Eutelsat Shares in connection with the Combination or Admission.

Eutelsat confirms that all third-party information contained in this Prospectus has been accurately reproduced and, so far as Eutelsat is aware and is able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where third-party information has been used in this Prospectus, the source of such information has also been identified. While industry surveys, publications, consultant surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, the accuracy and completeness of such information is not guaranteed. Eutelsat has not independently verified any of the data from third-party sources, nor has Eutelsat ascertained the underlying economic assumptions relied upon therein. Similarly, internal surveys, industry forecasts and market research, which Eutelsat believes to be reliable based upon the Directors' knowledge of the industry, have not been independently verified. Statements as to Eutelsat's market position are based on recently available data.

25 Documents available for inspection

Copies of the following documents may be inspected at the office of Eutelsat during normal business hours on any Business Day in England, United Kingdom as well as via Eutelsat's website (www.eutelsat.com) for the 12 months following the date of this Prospectus:

- the Certificate of Incorporation;
- the Eutelsat Articles;
- the consolidated financial statements of the Eutelsat Group for the financial years ended 30 June 2023, 30 June 2022 and 30 June 2021;
- the annual consolidated financial statements of the OneWeb Group for the period 25 March 2020 to 31 March 2021 and the financial years ended 31 March 2022 and 31 March 2023;
- the Consent Letter; and
- this Prospectus.

Part 23 Definitions and Glossary

2022 Combined Group Profit Forecast	has the meaning given to it in paragraph 1 of Part 19 (<i>Profit Forecast</i>) of this Prospectus
2003 Act	has the meaning given to it in paragraph 1.3 of Part 11 (<i>Regulatory Overview</i>) of this Prospectus
2023 Combined Group Profit Forecast	has the meaning given to it in paragraph 1 of Part 19 (<i>Profit Forecast</i>) of this Prospectus
2006 Act	has the meaning given to it in paragraph 1.3 of Part 11 (<i>Regulatory Overview</i>) of this Prospectus
2023 Annual Financial Statements	the financial statements of OneWeb as at and for the year ended 31 March 2023
Adjusted DFCF	has the meaning given to it under the subheading “ <i>Eutelsat</i> ” under “ <i>Financial KPIs</i> ” of Part 3 (<i>Presentation of Financial and Other Information</i>) of this Prospectus
Admission	the admission of all of the Eutelsat Shares to the standard segment of the Official List and to trading on the Main Market for listed securities
Alaska Communications	Alaska Communications Internet, LLC
Amended Convention	the amended convention of EUTELSAT IGO currently covering 49 European countries dated 15 July 1982 and amended on 20 May 1999
AMF	the French public market regulator (<i>Autorité des marchés financiers</i>)
ANFR	the French National Frequency Agency (<i>Agence nationale des fréquences</i>)
AOS	Airbus OneWeb Satellites LLC
AOS JV	has the meaning given to that term under subheading “ <i>Purchase contract with AOS</i> ” in paragraph 16.2 of Part 22 (<i>Additional Information</i>) of this Prospectus
ARCEP	the French Electronic Communications, Postal and Print Media Distribution Regulatory Authority (<i>Autorité de Régulation des Communications Electroniques, des Postes et de la Distribution de la Presse</i>)
ARCOM	the French Regulatory Authority for Audiovisual and Digital Communication (<i>Autorité de Régulation de la Communication Audiovisuelle et Numérique</i>)
Arrangement	has the meaning given to that term in paragraph 4.7 of Part 2 (<i>Risk Factors</i>) of this Prospectus
AVMS Directive	has the meaning given to that term in paragraph 3.1 of Part 11 (<i>Regulatory Overview</i>) of this Prospectus
Base Case CDSA	has the meaning given to that term under subheading “ <i>Joint venture agreement with NEOM T&D</i> ” in paragraph 16.2 of Part 22 (<i>Additional Information</i>) of this Prospectus
Basic Principles	has the meaning given to that term in paragraph 6.1 of Part 11 (<i>Regulatory Overview</i>) of this Prospectus
Bharti	Bharti Space Limited, a private limited company incorporated and registered in England and Wales (registration number 13228343) and whose registered office is at 53/54 Grosvenor Street, 2nd Floor, London, United Kingdom, W1K 3HU
Bharti Global	Bharti Global Limited
Board	the Directors acting as a board
Board Major Shareholders	has the meaning given to it in paragraph 9.7 of Part 12 (<i>Summary of the Combination</i>) of this Prospectus;
BPI	Bpifrance Participations, a French <i>société anonyme</i> incorporated under the laws of France, having its registered office located at 27-31, avenue du Général Leclerc, 94710 Maisons-Alfort, France, and whose identification number is 509 584 074 RCS Créteil
BSS	Broadcasting Satellite Service
Business Day in England, United Kingdom	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;
CAGR	compound annual growth rate;

Cash Capital Expenditure	has the meaning given to it in Part 3 (<i>Presentation of Financial and Other Information</i>) of this Prospectus
CDIs	has the meaning given to that term in paragraph 1 of C.1 of Part 1 (<i>Summary</i>) in the cover page of this Prospectus
CGU	cash-generating unit
Certificate of Incorporation	the certificate of incorporation of Eutelsat, as amended and restated from time to time
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGT	capital gains tax
Chair	the Chair of the Eutelsat Board from time to time
Closed Pension Fund	the pension fund managed by IGO for its staff members
CNES	has the meaning given to that term in paragraph 5.3 of Part 8 (<i>Overview of Eutelsat</i>) of this Prospectus
Combination	the transfer and acquisition of the OneWeb A Ordinary Shares and OneWeb Deferred Shares held by the Contributors pursuant to the Framework Agreement and the transfer and acquisition of OneWeb A Ordinary Shares held by the Minority Shareholders pursuant to the Minority Shareholders Contribution Agreement
Combination Consideration	has the meaning given to that term in paragraph 2 of B.1 of Part 1 (<i>Summary</i>) of this Prospectus
Combined Group	the group following Completion, which will comprise Eutelsat and its Subsidiaries (including OneWeb)
Combined Group Profit Forecast	has the meaning given to it in paragraph 1.11.9 of Part 19 (<i>Profit Forecast</i>) of this Prospectus
Communications Control Centre	has the meaning given to it in paragraph 1.9 of Part 2 (<i>Risk Factors</i>) of this Prospectus
Completion	completion of the Combination pursuant to the Framework Agreement
Completion Date	the date on which Completion occurs
Conditions	the conditions precedent to Completion as set out in the Framework Agreement and as detailed in paragraph 5 of Part 12 (<i>Summary of the Combination</i>) of this Prospectus
Consent Letter	the consent letter received from Rothschild & Co
Consideration Shares	has the meaning given to that term in paragraph 2 of B.1 of Part 1 (<i>Summary</i>) of this Prospectus
Contribution Auditor	has the meaning given to it in paragraph 9.6 of Part 12 (<i>Summary of the Combination</i>) of this Prospectus
Contributors	has the meaning given to that term in paragraph 2 of B.1 of Part 1 (<i>Summary</i>) of this Prospectus
Contribution	the contributions in kind by the Contributors and the Minority Shareholders of all of their OneWeb A Ordinary Shares to Eutelsat in return for New Eutelsat Shares, in accordance with the terms and conditions of the Framework Agreement and the Minority Shareholders Contribution Agreement
Contribution Agreement	has the meaning given to it in paragraph 9.6 of Part 12 (<i>Summary of the Combination</i>) of this Prospectus
CPCE	the Postal and Electronic Communications Code (<i>Code des postes et des communications électroniques</i>)
CREST Depository	has the meaning given to it in paragraph 1 of Part 20 (<i>CREST Depository Interests</i>) of this Prospectus
CREST Deed Poll	has the meaning given to it in paragraph 1 of Part 20 (<i>CREST Depository Interests</i>) of this Prospectus
CREST Manual	has the meaning given to it in paragraph 1 of Part 20 (<i>CREST Depository Interests</i>) of this Prospectus
CREST Member	has the meaning given to it in paragraph 1 of Part 20 (<i>CREST Depository Interests</i>) of this Prospectus
CREST Nominee	has the meaning given to it in paragraph 1 of Part 20 (<i>CREST Depository Interests</i>) of this Prospectus

CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended
CSG	has the meaning given to that term in paragraph 2.1 of Part 21 (<i>Taxation</i>) of this Prospectus
CSR	Corporate Social Responsibility
DCF	has the meaning given to that term in paragraph 10.2 of Part 12 (<i>Summary of the Combination</i>) of this Prospectus
Deferred Shares Consideration	has the meaning given to that term in paragraph 2 of B.1 of Part 1 (<i>Summary</i>) of this Prospectus
DFCF	has the meaning given to it under the subheading “ <i>Eutelsat</i> ” under “ <i>Financial KPIs</i> ” of Part 3 (<i>Presentation of Financial and Other Information</i>) of this Prospectus
Directors or Eutelsat Directors	the directors of Eutelsat from time to time, and who, as at the Completion Date, are expected to be those set out in paragraph 2.1 of Part 13 (<i>Corporate Governance</i>) of this Prospectus
Distribution Territories	has the meaning given to that term under subheading “ <i>Joint venture agreement with NEOM T&D</i> ” in paragraph 16.2 of Part 22 (<i>Additional Information</i>) of this Prospectus
Dividend Allowance	has the meaning given to that term in paragraph 1.2 of Part 21 (<i>Taxation</i>) of this Prospectus
DPAs	has the meaning given to that term in paragraph 2.1 of Part 16 (<i>Operating and Financial Review of OneWeb</i>) of this Prospectus
DPO	has the meaning given to that term in paragraph 4.5 of Part 13 (<i>Corporate Governance</i>) of this Prospectus
DSA	the Digital Services Act
DTR or Disclosure Guidance and Transparency Rules	the disclosure guidance and transparency rules made by the FCA under section 73A of FSMA, as amended
EBITDA	has the meaning given to it in Part 3 (<i>Presentation of Financial and Other Information</i>) of this Prospectus
ECTT	European Convention on Transfrontier Television
EMEA	Europe, Middle East, Africa and Russia
ESA	European Space Agency
ESG	environmental, social and governance
ETNC	has the meaning given to that term in paragraph 2.1 of Part 21 (<i>Taxation</i>) of this Prospectus
EU FTT	Directive for a common European tax on financial transactions
EU MAR	the European Union Market Abuse Regulation (596/2014) as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 and as amended
Euroclear UK	Euroclear UK & International Limited
Euronext Paris	Euronext Paris market operated by Euronext Paris S.A., the French securities market that qualifies as a regulated market in accordance with Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU
EU	the European Union
Eurobroadband	Eurobroadband Infrastructure Sàrl
Euro	EUR, €, Lawful currency of the eurozone
Eutelsat or the Company	Eutelsat Communications SA, a French société anonyme incorporated under the laws of France, having its registered office located at 32, boulevard Gallieni, 92130 Issy-les-Moulineaux, and whose identification number is 481 043 040 RCS Nanterre
Eutelsat Acquisition Proposal	has the meaning given to it in paragraph 6 of Part 12 (<i>Summary of the Combination</i>) of this Prospectus

Eutelsat Board	the directors of Eutelsat from time to time acting as a board
Eutelsat Articles	the articles of association of Eutelsat, as amended or replaced from time to time.
Eutelsat Group	Eutelsat and its Subsidiaries, which, following Completion, will include OneWeb, and a reference to ‘the Eutelsat Group Member’ or a ‘member of the Eutelsat Group’ is to Eutelsat or any of its subsidiaries
Eutelsat Historical Financial Information	has the meaning given to that term in paragraph 1 of B.2 of Part 1 (<i>Summary</i>) of this Prospectus
EUTELSAT IGO	the European Telecommunications Satellite Organisation, an intergovernmental organisation
Eutelsat Internal Rules	the new internal rules of the Eutelsat Board to be adopted on the Completion Date
Eutelsat Share Registry	Société Générale Securities Services, whose registered office is at 32 rue du Champ de Tir - CS 30812, 44308 Nantes Cedex 3 - France
Eutelsat Shareholder or Shareholder	a holder of Eutelsat Shares from time to time
Eutelsat Shareholder Approval	approval of the Eutelsat Shareholder Resolutions by Eutelsat Shareholders
Eutelsat Shareholders’ Agreement	the agreement between Contributors, BPI, FSP and Eutelsat setting out terms and conditions relating to the composition of the Eutelsat Board from the Completion Date and the rights and obligations in connection with the direct shareholdings in Eutelsat subject to Completion of the Combination
Eutelsat Shareholders’ Meeting	the meeting of Eutelsat shareholders to consider, amongst others, the Eutelsat Shareholder Resolutions
Eutelsat Shareholder Resolutions	the resolutions of Eutelsat Shareholders to approve: <ul style="list-style-type: none"> • the approval in a single resolution of: (i) the contribution in kind made by the Contributors pursuant to the Contribution Agreement and the Minority Shareholders pursuant to the Minority Shareholders Contribution Agreement; (ii) the provisions of the Contribution Agreement and the Minority Shareholders Contribution Agreement; (iii) the valuation of the contribution in kind; and (iv) the consideration provided for therein; • the approval, in a single resolution of: (i) the increase in the share capital of Eutelsat through the issue of the New Eutelsat Shares in consideration of the transfer to Eutelsat by the Contributors of their OneWeb A Ordinary Shares; and (ii) the increase in the share capital of Eutelsat through the issuance of the relevant number of New Eutelsat Shares in consideration of the transfer to Eutelsat of the relevant OneWeb A Ordinary Shares by as provided in the Minority Shareholders Contribution Agreement; • approval of the French version of the new Eutelsat Articles; and • the necessary appointments to the Eutelsat Board so that the Eutelsat is composed as described in paragraph 2 of Part 13 (<i>Corporate Governance</i>) of this Prospectus for the term of office of each director as detailed in the Eutelsat Shareholders’ Agreement.
Eutelsat Shares or Shares	has the meaning given to that term in paragraph A.2 of Part 1 (<i>Summary</i>) of this Prospectus
Exchange Ratio	has the meaning given to that term in paragraph 2 of B.1 of Part 1 (<i>Summary</i>) of this Prospectus
Executive Committee	Members’ of Eutelsat’s executive committee
Exim Bank	has the meaning given to it in paragraph 7.2 of Part 16 (<i>Operating and Financial Review of OneWeb</i>) of this Prospectus
Exim Facility	has the meaning given to it in paragraph 7.2 of Part 16 (<i>Operating and Financial Review of OneWeb</i>) of this Prospectus
Existing Eutelsat Shareholders	Eutelsat Shareholders immediately prior to Completion
Existing Eutelsat Shares	the Eutelsat Shares on issue immediately prior to Completion
FCA	the Financial Conduct Authority
FCA Listing Rules	the listing rules made by the FCA under section 73A of FSMA

FCC	the US Federal Communications Commission
Five Eyes Nations	Australia, Canada, New Zealand, the United Kingdom and the United States
FSP	Fonds Stratégique de Participations, a French <i>société d'investissement à capital variable</i> incorporated under the laws of France, having its registered office located at 9, rue Duphot, 75001 Paris, and whose identification number is 753 519 891 RCS Paris
Framework Agreement	has the meaning given to that term in paragraph 2 of B.1 of Part 1 (<i>Summary</i>) of this Prospectus
French Exemption Document	the information document filed with the AMF and published by Eutelsat in accordance with article L.621-18 IV of the French monetary and financial code and article 212-34 of the general regulation of the AMF
French FTT	French tax on financial transactions
French Works Council Condition	has the meaning given to it in paragraph 1 of Part 12 (<i>Summary of the Combination</i>) of this Prospectus
FSMA	the Financial Services and Markets Act 2000, as amended
FSS	Fixed Satellite Services
FSOA	the French Space Operations Act (<i>Loi sur les opérations spatiales</i>) French Law No. 2008-518 governing space operations, published in France's Journal officiel on 4 June 2008, and its application decrees published on 10 June 2009
FTC	French Tax Code
FY	(a) with respect to OneWeb, its financial year ended 31 March; and (b) with respect to Eutelsat, its financial year ended 30 June.
GBP	£, Lawful currency of the UK
GBPS	Gigabit per second
GDPR	has the meaning given to that term in paragraph 4.5 of Part 13 (<i>Corporate Governance</i>) of this Prospectus
GEN 1	has the meaning given to that term in paragraph 1 of B.3 of Part 1 (<i>Summary</i>) of this Prospectus
GEN 2	has the meaning given to that term in paragraph 1 of B.3 of Part 1 (<i>Summary</i>) of this Prospectus
GEO	has the meaning given to that term in paragraph 1 of B.1 of Part 1 (<i>Summary</i>) of this Prospectus
Hanwha	Hanwha Systems UK Limited, a private limited company incorporated and registered in England and Wales (registered number 13665238) and whose registered office is at Suite A, 6 Honduras Street, London, England, EC1Y 0TH
HD	High Definition
HMRC	His Majesty's Revenue and Customs
HSBC Facility	has the meaning given to that term in paragraph 7.2 of Part 16 (<i>Operating and Financial Review of OneWeb</i>) of this Prospectus
HTS	High Throughput Satellite
Hughes	Hughes Network Systems LLC
Hughes Agreement	has the meaning given to that term under subheading " <i>Hughes equipment sales agreement</i> " in paragraph 16.2 of Part 22 (<i>Additional Information</i>) of this Prospectus
IFRS	International Financial Reporting Standards as approved by the EU
IFT	has the meaning given to that term in paragraph 5.4 of Part 8 (<i>Overview of Eutelsat</i>) of this Prospectus
IGO	has the meaning given to that term in paragraph 2 of Part 8 (<i>Overview of Eutelsat</i>) of this Prospectus

Initial Committed Capacity	has the meaning given to that term under subheading “ <i>Joint venture agreement with NEOM T&D</i> ” in paragraph 16.2 of Part 22 (<i>Additional Information</i>) of this Prospectus
Internal Regulations	has the meaning given to that term in paragraph 2.2 of Part 13 (<i>Corporate Governance</i>) of this Prospectus
IoT	Internet of Things
ISIN	International Securities Identification Number
ISP	Internet Service Providers
ITU	the International Telecommunication Union
Key Documents	the MoU, the Framework Agreement and the Eutelsat Shareholders’ Agreement
KPIs	key performance indicators
Last Practicable Date	4 September 2023, being the last practicable date before the date of this Prospectus
LEO	has the meaning given to that term in paragraph 1 of B.1 of Part 1 (<i>Summary</i>) of this Prospectus
LeoLabs	LeoLabs Collision Avoidance
Letter-Agreement	has the meaning given to it in paragraph 4.7 of Part 2 (<i>Risk Factors</i>) of this Prospectus
LOS	has the meaning given to that term in paragraph 4 of Part 11 (<i>Regulatory Overview</i>) of this Prospectus
London Stock Exchange or LSE	London Stock Exchange plc, a public limited company incorporated in England & Wales with company number 02075721 and having its registered office at 10 Paternoster Square, London EC4M 7LS
LTE	long-term evolution
Main Market	the Main Market for listed securities of the London Stock Exchange
MEO	medium earth orbit satellites
Minority Shareholders	has the meaning given to that term in paragraph 1 of Part 12 (<i>Summary of the Combination</i>) of this Prospectus
Minority Shareholders Contribution Agreement	has the meaning given to that term in paragraph 1 of Part 12 (<i>Summary of the Combination</i>) of this Prospectus
MoU	has the meaning given to that term in paragraph 2 of B.1 of Part 1 (<i>Summary</i>) of this Prospectus
NAA	Network Access Associates Limited
NEOM JV	First Tech Web Company Limited
NEOM JVCo	First Tech Web Company Limited
NEOM Shareholders’ Agreement	has the meaning given to that term under subheading “ <i>Joint venture agreement with NEOM T&D</i> ” in paragraph 16.2 of Part 22 (<i>Additional Information</i>) of this Prospectus
NEOM Share Subscription and Purchase Agreement	has the meaning given to that term under subheading “ <i>Joint venture agreement with NEOM T&D</i> ” in paragraph 16.2 of Part 22 (<i>Additional Information</i>) of this Prospectus
NEOM T&D	NEOM Tech and Digital Company
New Eutelsat Shares	Eutelsat Shares to be issued on Completion as Consideration Shares to the Contributors
New Space India	New Space India Limited
NGO	non-governmental organisation
NGSO	Non-Geostationary-Satellite Orbit
Official List	the Official List of the FCA

Shareholder Loan	has the meaning given to that term in paragraph 7.2 of Part 16 (<i>Operating and Financial Review of OneWeb</i>) of this Prospectus
OneWeb	OneWeb Holdings Limited, a private limited company incorporated under the laws of England & Wales, having its registered office at West Works Building, 195 Wood Lane, London W12 7FQ, United Kingdom and company registration number 12534512
OneWeb A Ordinary Shares	the A Ordinary Shares in the capital of OneWeb
OneWeb Articles	the articles of association of Eutelsat, as amended or replaced from time to time.
OneWeb B Ordinary Share	the single B Ordinary Share in the capital of OneWeb
OneWeb Board	the directors of OneWeb from time to time acting as a board
OneWeb Deferred Shares	the Deferred Shares in the capital of OneWeb
OneWeb Directors	the board of directors of OneWeb and “OneWeb Director” means any of them as at the date of this Prospectus
OneWeb Group	OneWeb and its direct and indirect subsidiaries from time to time
OneWeb Group Member	a member of the OneWeb Group
OneWeb Historical Financial Information	has the meaning given to that term in paragraph 2 of B.2 of Part 1 (<i>Summary</i>) of this Prospectus
OneWeb Options	Options over OneWeb A Ordinary Shares which have been granted under the OneWeb Executive Share Option Scheme 2021
OneWeb Option Scheme	OneWeb Executive Share Option Scheme 2021
OneWeb Services	has the meaning given to that term under subheading “ <i>Take or pay distribution partner agreement</i> ” in paragraph 16.1 of Part 22 (<i>Additional Information</i>) of this Prospectus
OneWeb Shares	fully paid ordinary shares in the capital of OneWeb, including the OneWeb A Ordinary Shares, the OneWeb B Ordinary Share and the OneWeb Deferred Shares, the rights of which are set out in the OneWeb Articles, and “OneWeb Share” means each of them
OneWeb Shareholder Agreement	has the meaning given to that term in paragraph 9.5 of Part 12 (<i>Summary of the Combination</i>) of this Prospectus
OneWeb Shareholders	a holder of OneWeb Shares
Ordinary Agreements Internal Procedure	has the meaning given to that term in paragraph 4 of Part 13 (<i>Corporate Governance</i>) of this Prospectus
OWC	OneWeb Communications Limited
OWG	OneWeb Global Limited
OWT	OneWeb Technologies Inc.
PFNL	has the meaning given to that term in paragraph 2.1 of Part 21 (<i>Taxation</i>) of this Prospectus
PFR	has the meaning given to that term in paragraph 2.1 of Part 21 (<i>Taxation</i>) of this Prospectus
PGR	has the meaning given to that term in paragraph 10.3 of Part 12 (<i>Summary of the Combination</i>) of this Prospectus;
Radio Regulations	ITU Radio Regulations
Relevant Dividend Income	has the meaning given to that term in paragraph 1.2 of Part 21 (<i>Taxation</i>) of this Prospectus
Request for Coordination	has the meaning given to that term in paragraph 1.1 of Part 11 (<i>Regulatory Overview</i>) of this Prospectus
Rothschild & Co	Rothschild & Cie
Participating Member States	has the meaning given to that term in paragraph 6.7 of Part 2 of this Prospectus

PDI	Pacific Dataport Inc.
PoP	Point of Presence
Premium Listing	a listing on the premium segment of the Official List
Proposed Directors	the directors whose names are set out in paragraph 2.1 of Part 13 (<i>Corporate Governance</i>) as proposed directors and who, as at Completion Date, are expected to be an Eutelsat Director
Prospectus	the prospectus (together with any supplementary prospectus required to be published by Eutelsat pursuant to Article 23 of the UK Prospectus Regulation) prepared by Eutelsat in accordance with the UK Prospectus Regulation Rules in connection with the Admission
PSA	has the meaning given to that term in paragraph 2.5 of Part 16 (<i>Operating and Financial Review of OneWeb</i>) of this Prospectus
Purchase Contract	has the meaning given to that term under subheading “ <i>Purchase contract with AOS</i> ” in paragraph 16.2 of Part 22 (<i>Additional Information</i>) of this Prospectus
Qualcomm Agreement	has the meaning given to that term under subheading “ <i>Qualcomm engineering services agreement</i> ” in paragraph 16.2 of Part 22 (<i>Additional Information</i>) of this Prospectus
QT	Qualcomm Technologies Inc.
QT Term	has the meaning given to that term under subheading “ <i>Qualcomm engineering services agreement</i> ” in paragraph 16.2 of Part 22 (<i>Additional Information</i>) of this Prospectus
Qualcomm Agreement	has the meaning given to that term under subheading “ <i>Qualcomm engineering services agreement</i> ” in paragraph 16.2 of Part 22 (<i>Additional Information</i>) of this Prospectus
Reference Code	has the meaning given to that term in paragraph 1 of Part 7 (<i>Overview of the Combined Group</i>) of this Prospectus
Reported DFCF	has the meaning given to it under the subheading “ <i>Eutelsat</i> ” under “ <i>Financial KPIs</i> ” of Part 3 (<i>Presentation of Financial and Other Information</i>) of this Prospectus
Request for Coordination	has the meaning given to it in paragraph 1.1 of Part 11 (<i>Regulatory Overview</i>) of this Prospectus
RB	ITU Radio-communication Bureau
RSCC	Russian Satellite Communications Company
Sapin II Act	the French Sapin II Act 2016-1691 of 9 December 2016
Satellite Control Centre	has the meaning given to that term in paragraph 1.9 of Part 2 (<i>Risk Factors</i>) of this Prospectus
SCT	Mexico Transportation and Communications Ministry
SDRT	stamp duty reserve tax
SEAPAC	Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor Leste, and Vietnam
SEDOL	Stock Exchange Daily Official List
Share Dealing Code	has the meaning given to it in paragraph 4.2 of Part 13 (<i>Corporate Governance</i>) of this Prospectus
Shareholder Loan	has the meaning given to it in paragraph 7.2 of Part 16 (<i>Operating and Financial Review of OneWeb</i>) of this Prospectus
SNPs	Satellite Network Portals
SOCs	satellite operation centres
SoftBank	SoftBank Group Capital Limited, a private limited company incorporated and registered in England and Wales (registered number 09569889) and whose registered office is at 69 Grosvenor Street, London, United Kingdom, W1K 3JP

Standard Listing	a listing on the standard segment of the Official List
Subsidiaries	the subsidiaries (both direct and indirect) of Eutelsat from time to time, details of which are set out at Part 22 (<i>Additional Information</i>) of this Prospectus
Transformation	has the meaning given to that term in paragraph 2 of Part 8 (<i>Overview of Eutelsat</i>) of this Prospectus
TSR	Total Shareholder Return
TT&C	telemetry, tracking and command systems
UHD	Ultra High Definition
UK IFRS	IFRS as issued by the International Accounting Standards Board
UK Government	The Secretary of State for Science, Innovation and Technology whose registered office is at 100 Parliament Street, London, SW1A 2BQ, United Kingdom
UK MAR	the Market Abuse Regulation (596/2014) (MAR), as amended
UK Prospectus Delegated Regulation	Regulation (EU) 2019/980 supplementing the UK Prospectus Regulation, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 and as amended
UK Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and Council of 14 June 2017 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 and as amended
UK Prospectus Regulation Rules	the prospectus regulation rules made by the FCA under section 73A of FSMA, as amended
Unaudited Pro Forma Financial Information	has the meaning given to that term in paragraph 3 of B.2 of Part 1 (<i>Summary</i>) of this Prospectus
Unaudited Pro Forma Income Statements	has the meaning given to that term in paragraph 3 of B.2 of Part 1 (<i>Summary</i>) of this Prospectus
Unaudited Pro Forma Balance Sheet	has the meaning given to that term in paragraph 3 of B.2 of Part 1 (<i>Summary</i>) of this Prospectus
U.S. dollars	USD, US\$, lawful currency of the United States
VHTS	Very High Throughput Satellites
VIU	value in use
Voting Undertaking Agreements	has the meaning given to that term in paragraph 9.9 of Part 12 (<i>Summary of the Combination</i>) of this Prospectus;
VSAT	very small aperture terminal
VWAP	volume-weighted average prices
WACC	has the meaning given to that term in paragraph 10.3 of Part 12 (<i>Summary of the Combination</i>) of this Prospectus;
WAN	Wide Area Network
WVD	WorldVu Development LLC, a wholly owned subsidiary of OneWeb
WTO	World Trade Organisation

Part 24 Annexures

Annexure A – Eutelsat Historical Financial Information

- a) HISTORICAL FINANCIAL INFORMATION FOR YEAR ENDED 30 JUNE 2021
- b) HISTORICAL FINANCIAL INFORMATION FOR YEAR ENDED 30 JUNE 2022
- c) HISTORICAL FINANCIAL INFORMATION FOR YEAR ENDED 30 JUNE 2023

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 regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Eutelsat Communications

Year ended June 30, 2021

Statutory auditors' report on the consolidated financial statements

MAZARS
Tour Exaltis
61, rue Henri Regnault
92400 Courbevoie
S.A. à conseil de surveillance et directoire
au capital de € 8.320.000
784 824 153 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

ERNST & YOUNG et Autres
Tour First
TSA 14444
92037 Paris-La Défense
S.A.S à capital variable
438 476 913 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

Eutelsat Communications

Year ended June 30, 2021

Statutory auditors' report on the consolidated financial statements

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, 2021.

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, 2021 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 independence requirement rules required by the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors for the period from July 1st, 2020 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) N° 537/2014.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is this complex and evolving context that, 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 lives of satellites**

Risk identified	Our response
<p>As at June 30, 2021, the Group's fixed assets amounted to € 6.0 billion, compared to a total balance sheet of € 7.3 billion. These fixed assets consist mainly of goodwill and customer contracts and associated relationships accounted for in the context of business combinations, satellites in orbit or under construction, as well as ground equipment.</p> <p>Goodwill is monitored at Eutelsat's sole operating segment level. Cash-generating units correspond to orbital positions, carrying one or more satellites, as well as customer contracts and relationships.</p>	<p>We went over:</p> <ul style="list-style-type: none"> - the work performed by the Group to determine the useful life of the satellites and the consistency of the useful lives used with the available technical data; - the procedures for implementing the impairment tests, in particular the determination of the cash-generating units; - the methods used by the Group to estimate recoverable values of goodwill and the other assets of cash-generating units.

Notes 7.1.1, 7.1.2, 7.1.3 and 7.1.4 to the consolidated financial statements describe goodwill valuation methods, depreciation methods of customer contracts and associated relationships and in-orbit satellites, as well as the methodology applied to perform impairment tests.

We considered that the valuation of these assets and the determination of the depreciation period of satellites in orbit are key audit matters due to (i) their significant contribution 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.

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 and in the context of Covid-19 crisis, including market prospects, order books and past performances. We also assessed the relevance of the discount rates used, with the assistance of our financial valuation experts, and carried out sensitivity tests.

Finally, we assessed the appropriateness of the disclosures in notes 7.1.1, 7.1.2, 7.1.3 and 7.1.4 to the consolidated financial statements.

▪ **Revenue recognition and allowance for bad debt**

Risk identified	Our response
<p>As at June 30, 2021, the Group revenues amounted to € 1.2 billion and trade receivables and contract assets recorded in the Group's balance sheet amounted to € 0.3 billion. The Group deals with multiple customers in France and abroad. Revenues mainly relate to contracts with customers for the provision of satellite capacity. Contracts generally cover periods ranging from several months to several years.</p> <p>We considered that revenue recognition and the determination of allowance for bad debt and contract assets are key audit matters due to their significant contribution in the Group's financial statements, the diversity and volume of contracts between the Group and its clients, and the judgment required to assess the recoverability of trade receivables throughout the duration of the contracts.</p>	<p>Notes 6.1 and 7.2 to the consolidated financial statements describe the method for revenue recognition and for the valuation method for accounts receivable.</p> <p>Our audit approach related to revenue recognition and allowance for bad debt includes both internal controls' testing and substantive procedures on the accounts themselves.</p> <p>Our procedures on internal controls focused on contracting, billing, collection of receivables and revenue recognition. We considered the procedures implemented by the Group and tested certain identified key controls. We involved team members specialized in information systems in order to assess certain application controls around data integrated in the IT systems and used to recognize revenue.</p> <p>Our substantive procedures, related to revenue recognition and to allowance for bad debt, notably consisted in:</p>

-
- analyzing the contractual clauses on a sample of contracts, in particular the most significant new contracts of the period and certain specific transactions, in order to analyze the accounting treatment applicable;
 - assessing the assumptions used for the recognition of revenue;
 - examining with Management the reasons for late payment of certain clients and the forecasted collection of receivables in the context of the Covid-19 crisis by considering, among other things, factors such as security deposits, payment history and business relationships between these customers and the Group;
 - checking the calculation of the allowance for bad debt and its compliance with the Group's methodology.

We also assessed the appropriateness of disclosures made under Notes 6.1 and 7.2 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 Group's information given in the management report of the Board of Directors.

We have no matters to report as to their fair presentation and their 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 Group's management report, it being specified that, in accordance with article L. 823-10 of this 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 presentation of the financial statements intended to be included in the annual financial report**

In accordance with Article 222-3, III of the AMF General Regulation, the Company's management informed us of its decision to postpone the presentation of the consolidated financial statements in compliance with the European single electronic format as defined in the European Delegated Regulation No 2019/815 of 17 December 2018 to years beginning on or after January 1st, 2021. Therefore, this report does not include a conclusion on the compliance with this format of the

presentation 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).

- **Appointment of the Statutory Auditors**

We were appointed as statutory auditors of Eutelsat Communications by the Annual General Meetings held on November 10, 2009 for ERNST & YOUNG et Autres, and on July 20, 2005 for MAZARS.

As at June 30, 2021, ERNST & YOUNG et Autres and MAZARS were in the 12th and 16th year of total uninterrupted engagement (which are the 16th year since securities of the Company were admitted to trading on a regulated market) respectively.

Previously, ERNST & YOUNG Audit was 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 risks 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 taken 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 a report to the Audit Committee 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, if any, significant deficiencies 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) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such

as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (*code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Courbevoie and Paris-La Défense, August 3rd, 2021

The Statutory Auditors
French original signed by

MAZARS

ERNST & YOUNG et Autres

Achour MESSAS

Pierre-Henri PAGNON

Eutelsat Communications Group

“Société anonyme” with a capital of 230,544,995 euros

Registered office: 32, boulevard Gallieni, 92130 Issy-les-Moulineaux

481,043,040 R.C.S. Nanterre

CONSOLIDATED FINANCIAL STATEMENTS

AS OF 30 JUNE 2021

CONSOLIDATED INCOME STATEMENT

(in millions of euros, except per-share data)	Note	30 June 2020	30 June 2021
Revenues from operations	6.1	1,278.3	1,233.9
Operating costs	6.2	(89.7)	(94.7)
Selling, general and administrative expenses ⁽¹⁾	6.2	(203.6)	(217.3)
Depreciation expense	7.1.1, 7.1.2, 7.1.3	(530.9)	(507.7)
Other operating income and expenses	6.3	36.1	(67.0)
Operating income		490.2	347.2
Cost of net debt		(71.8)	(72.8)
Other financial income and expenses		(8.7)	(22.2)
Financial result	6.4	(80.5)	(95.0)
Net income before tax		409.7	252.3
Income tax ⁽¹⁾	6.5	(97.5)	(24.2)
Net income		312.2	228.1
Attributable to the Group		297.6	214.1
Attributable to non-controlling interests		14.6	14.0
Basic and diluted earnings per share attributable to Eutelsat Communications shareholders	6.6	1.283	0.930

⁽¹⁾The comparable financial statements as of 30 June 2020 have been the subject of a restatement concerning the CAVE (Contribution on Added Value of Enterprises/Cotisation sur la Valeur Ajoutée des Entreprises – CVAE), which has been reclassified from the line Selling, general and administrative expenses to the line Income tax, in the amount of 3.1 million euros, so as to align the presentation on the consolidated financial statements as of 30 June 2021 (see Note 6.5 "Income tax").

COMPREHENSIVE INCOME STATEMENT

(in millions of euros)	Note	30 June 2020	30 June 2021
Net income		312.2	228.1
Other recyclable items of gain or loss on comprehensive income			
Translation adjustment	7.5.4	(41.4)	(16.5)
Tax effect	7.5.4	11.9	(9.3)
Changes in fair value of hedging instruments ⁽¹⁾	7.5.3	9.9	1.6
Tax effect	7.5.3	(0.4)	15.0
Other non-recyclable items of gain or loss on comprehensive income			
Changes in post-employment benefits	7.6	14.4	20.1
Tax effect		(3.8)	(5.2)
Total of other items of gain or loss on comprehensive income		(9.3)	5.8
Total comprehensive income		302.9	233.9
Attributable to the Group		288.6	219.7
Attributable to non-controlling interests ⁽²⁾		14.3	14.2

⁽¹⁾ The changes in the fair value of hedging instruments concern only cash-flow hedges. Net foreign investment hedges are recorded as translation adjustments.

⁽²⁾ The portion attributable to non-controlling interests breaks down as follows:

- A net result of 14.6 million euros as of 30 June 2020 and 14.0 million euros as of 30 June 2021.
- Other recyclable items of gain or loss on comprehensive income of (0.7) million euros as of 30 June 2020 and (0.3) million euros as of 30 June 2021; and
- Other non-recyclable items of gain or loss on comprehensive income of 0.4 million euros as of 30 June 2020 and 0.5 million euros as of 30 June 2021.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in millions of euros)	Note	30 June 2020	30 June 2021
Assets			
Goodwill	7.1.1	1,209.2	1,246.5
Intangible assets	7.1.1	514.8	440.3
Tangible assets and construction in progress	7.1.2	3,856.7	3,730.4
Rights of use in respect of leases	7.1.3	556.3	517.5
Non-current financial assets	7.3.3	32.8	71.5
Non-current assets associated with customer contracts and costs to obtain and fulfil contracts	7.2	74.9	37.7
Deferred tax assets	7.7	36.3	7.6
Total non-current assets		6,280.9	6,051.5
Inventories		6.7	8.1
Accounts receivable	7.2.1	334.8	244.5
Current assets associated with customer contracts and costs to obtain and fulfil contracts	7.2	17.1	17.4
Other current assets		43.5	42.8
Current tax receivable		42.5	26.6
Current financial assets	7.3.3	23.6	27.0
Cash and cash equivalents	7.3.1	832.0	861.1
Total current assets		1,300.2	1,227.5
Total assets		7,581.1	7,279.0

(in millions of euros)	Note	30 June 2020	30 June 2021
Liabilities			
Share capital	7.5.1	230.5	230.5
Additional paid-in capital		718.1	718.0
Reserves and retained earnings		1,711.1	1,666.0
Non-controlling interests		144.8	76.2
Total shareholders' equity		2,804.6	2,690.7
Non-current financial debt	7.3.2	2,505.8	3 097.4
Non-current lease liabilities	7.3.3	418.7	411.6
Other non-current financial liabilities	7.3.3	85.6	89.0
Non-current payables to fixed asset suppliers	7.3.3	5.9	188.7
Non-current liabilities associated with customer contracts	7.2.3	120.6	117.5
Non-current provisions	7.6	106.6	83.0
Deferred tax liabilities	7.7	264.2	197.9
Total non-current liabilities		3,507.5	4,185.0
Current financial debt	7.3.2	858.1	45.5
Current lease liabilities	7.3.3	74.7	24.1
Other current payables and financial liabilities	7.3.3	111.9	121.4
Accounts payable		73.3	84.9
Current payables to fixed asset suppliers	7.3.3	45.0	25.0
Tax payable		22.8	20.8
Current liabilities associated with customer contracts	7.2.3	66.9	69.0
Current provisions	7.6	16.5	12.6
Total current liabilities		1,269.0	403.3
Total liabilities and shareholders' equity		7,581.1	7,279.0

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)	Note	30 June 2020	30 June 2021
Cash flow from operating activities			
Net income		312.2	228.1
Tax and interest expenses, other operating items		63.3	140.4
Depreciation, amortisation and provisions		573.4	502.7
Deferred taxes	7.7	8.0	(32.0)
Changes in accounts receivable		(72.4)	79.9
Changes in assets held under customer contracts and other assets		(17.5)	1.2
Changes in accounts payable		10.7	(7.3)
Changes in liabilities associated with customer contracts and other liabilities ⁽¹⁾		(2.5)	18.9
Taxes paid ⁽¹⁾		(96.2)	(42.8)
Net cash flows from operating activities		779.0	889.0
Cash flow from investing activities			
Acquisitions of satellites, other property and equipment, and intangible assets	7.1.1, 7.1.2	(220.3)	(183.4)
Insurance repayments		85.6	6.6
Sales ⁽²⁾		67.5	41.5
Acquisition of equity investments and other movements ⁽³⁾		(12.5)	(48.0)
Net cash flows from investing activities		(79.7)	(183.3)
Cash flow from financing activities			
Distributions		(315.7)	(204.9)
Increase in borrowings	7.3.2	300.0	1,200.0
Repayment of borrowings	7.3.2	(953.7)	(1,473.8)
Repayment of lease liabilities	7.3.3	(63.0)	(91.5)
Loan set-up fees		(1.2)	(5.2)
Interest and other fees paid		(83.2)	(80.0)
Purchase of own shares		(20.0)	-
Transactions relating to non-controlling interests ⁽⁴⁾		(35.0)	(8.8)
Premiums and termination indemnities on derivatives settled		(151.3)	(6.0)
Other changes		-	-
Net cash flow from financing activities		(1,323.1)	(670.1)
Impact of exchange rate on cash and cash equivalents		0.6	(6.5)
Increase/(Decrease) in cash and cash equivalents		(623.4)	29.1
Cash and cash equivalents, beginning of period		1,455.4	832.0
Cash and cash equivalents, end of period		832.0	861.1
<i>Including Cash and cash equivalents, end of period</i>	7.3.1	832.0	861.1
<i>Including Overdrafts included under debt, end of period</i>		-	-

⁽¹⁾ The comparable financial statements as of 30 June 2020 have been subject to a restatement concerning the CAVE (Contribution on Added Value of Enterprises/Cotisation sur la Valeur Ajoutée des Entreprises – CVAE), which has been reclassified from the line Changes in liabilities associated with customer contracts and other liabilities to the line Taxes paid, in the amount of 10.3 million euros, so as to align the presentation on the consolidated financial statements as of 30 June 2021 (see Note 6.5 "Income taxes").

⁽²⁾ As of 30 June 2020, sales include the payment of 67.5 million euros made in August 2019 following the divestment of the E25B satellite to its co-owner Es'Hailsat for 135 million euros. As of 30 June 2021, sales include the payment of 41.5 million euros linked to the divestment of Eurobroadband Infrastructure and its subsidiaries (see Note 3.2 "Main changes in the scope of consolidation").

⁽³⁾ As of 30 June 2020, acquisitions of equity investments include the payment of 10 million euros linked to the acquisition of an equity interest in Broadpeak. As of 30 June 2021, this line includes the payment of 48.2 million in respect of the acquisition of Big Blue Europe, of which 6.8 million euros into an escrow account (see Note 3.2 "Main changes in the scope of consolidation").

⁽⁴⁾ As of 30 June 2020, transactions relating to non-controlling interests include the payment of 35 million euros linked to the acquisition of the 49% minority interests in Eutelsat International and Eutelsat Networks. As of 30 June 2021, this line includes 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			Reserves and retained earnings	Shareholders' equity Group share	Non-controlling interests	Total
	Number	Amount	Additional paid in capital				
As of 30 June 2019	232,774,635	232.8	738.1	1,709.9	2,680.7	186.7	2,867.4
Net income for the period	-	-	-	297.6	297.6	14.6	312.2
Other items of gain or loss In comprehensive income ⁽¹⁾	-	-	-	(9.0)	(9.0)	(0.3)	(9.3)
Total comprehensive income	-	-	-	288.6	288.6	14.3	302.9
Transactions impacting the share capital	(2,229,640)	(2.2)	(20.1)	0.6	(21.7)	-	(21.7)
Dividend distributions	-	-	-	(295.2)	(295.2)	(20.6)	(315.8)
Transactions with non-controlling interests and others	-	-	-	7.0	7.1	(35.4)	(28.2)
As of 30 June 2020	230,544,995	230.5	718.0	1,711.1	2,659.8	144.8	2,804.6
Net income for the period	-	-	-	214.1	214.1	14.0	228.1
Other items of gain or loss In comprehensive income ⁽¹⁾	-	-	-	5.6	5.6	0.2	5.8
Total comprehensive income	-	-	-	219.7	219.7	14.2	233.9
Dividend distributions	-	-	-	(204.9)	(204.9)	-	(204.9)
Benefits for employees upon exercising options and free shares granted	-	-	-	0.5	0.5	-	0.5
Transactions with non-controlling interests and others ⁽²⁾	-	-	-	(60.3)	(60.3)	(82.8)	(143.1)
As of 30 June 2021	230,544,995	230.5	718.0	1,666.0	2,614.5	76.2	2,690.7

⁽¹⁾ The changes in other items of gain or loss on comprehensive income include actuarial gains and losses recognised on post-employment benefits and changes in the revaluation surplus of derivative instruments (see Note 7.5.3) and the translation reserve (see Note 7.5.4), net of the associated tax effects.

⁽²⁾ The transactions relating to non-controlling interests and others mainly relate to the disposal of EBI (see Note 2.2).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. GENERAL OVERVIEW	9
1.1 Business	9
1.2 Financial Year	9
1.3 Approval of the Financial Statements	9
Note 2. KEY EVENTS DURING THE FINANCIAL PERIOD	9
2.1 Acquisition of Bigblu Europe's Broadband Activities	9
2.2 Disposal of Euro Broadband Infrastructure	9
2.3 Agreement for the Acquisition of an Equity Interest in Oneweb	9
2.4 C-Band	9
2.5 Financing Transactions	10
2.6 Launch of the Konnect Service	10
2.7 Repercussions of Covid	10
Note 3. SCOPE OF CONSOLIDATION	11
3.1 Scope of Consolidation	11
3.2 Main Changes in the Scope of Consolidation	13
Note 4. ACCOUNTING PRINCIPLES AND VALUATION METHODS	14
4.1 Basis of Preparation of Financial Information	14
4.2 Financial Reporting Rules	14
4.3 Significant Accounting Judgements and Estimates	14
Note 5. SEGMENT INFORMATION	15
Note 6. NOTES TO THE INCOME STATEMENT	16
6.1 Revenues	16
6.2 Operating Expenses	17
6.3 Other Operating Income and Expenses	19
6.4 Financial Result	20
6.5 Income Tax	20
6.6 Earnings Per Share	21
Note 7. NOTES TO THE BALANCE SHEET	22
7.1 Fixed Assets	22
7.2 Receivables, Assets and Liabilities on Customer Contracts and Costs to Obtain and Fulfil Contracts	29
7.3 Financial Assets and Liabilities	32
7.4 Fair Value of Financial Instruments	40
7.5 Shareholders' Equity	42
7.6 Provisions	43
7.7 Tax Assets and Liabilities	46
Note 8. RELATED-PARTY TRANSACTIONS	48
Note 9. SUBSEQUENT EVENTS	49
Note 10. STATUTORY AUDITORS' FEES	49

Note 1. GENERAL OVERVIEW

1.1 Business

With capacity operated on 38 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 2021 have been established under the responsibility of the Board of Directors, which adopted them at its meeting of 29 July 2021. They will be submitted for approval to the Ordinary General Meeting of Shareholders taking place on 4 November 2021.

Note 2. KEY EVENTS DURING THE FINANCIAL PERIOD

2.1 Acquisition of Bigblu Europe's Broadband Activities

On 30 September 2020, the Group acquired Bigblu Broadband's European satellite broadband activities. Bigblu Broadband is the largest distributor of satellite broadband packages in Europe, having developed a well-established satellite broadband platform based on a unique network of installers and resellers. The European activities of Bigblu Broadband currently number several tens of thousands of subscribers across Europe, notably in the United Kingdom, Ireland, France, Germany, Italy, Spain, Portugal, Poland, Hungary and Greece.

The impacts of this acquisition are outlined in Note 3.2 "Main changes in the scope of consolidation".

2.2 Disposal of Euro Broadband Infrastructure

On 18 November 2020, Eutelsat signed an agreement to dispose of its 51% equity interest in Euro Broadband Infrastructure Sàrl (EBI), the company operating the KA SAT satellite, and its European broadband business to Viasat Inc, which is already a 49% shareholder in EBI. The disposal took place on 30 April 2021, after fulfilment of the usual conditions precedent.

The stake was sold for an initial consideration of 143 million euros. At the end of a two-year period following completion of the transaction, the sale price may be adjusted up or down by a maximum of 20 million euros, depending on the level of certain revenues generated by EBI's activities over this period. The impacts of this acquisition are presented in Note 3.2 "Main changes in the scope of consolidation".

Under the agreement, Eutelsat and its subsidiaries continue to provide transitional services to EBI, including the operation of the ground network for KA SAT, while EBI will provide service continuity to the KA SAT subscriber base of Bigblu Broadband Europe, acquired by Eutelsat in October 2020.

2.3 Agreement for the Acquisition of an Equity Interest in Oneweb

On 27 April 2021, the Group entered into an agreement with OneWeb for the acquisition of a c.19% equity interest (after taking into account the increase in the Bharti Global shareholding), thereby becoming one of this company's main shareholders alongside the UK government and Bharti Global. Eutelsat will invest 550 million dollars and the transaction is expected to close during the 2021 second half, subject to regulatory approval. The OneWeb constellation enjoys significant priority spectrum rights, backed by the International Telecommunication Union, and will operate 648 satellites in low orbit (LEO) offering low latency.

The Group plans to finance the totality of this investment from its liquidity position, and from the proceeds linked to the release of a portion of the C-Band spectrum in the United States. In that the Group expects to have a significant interest in the structure, this equity interest will be accounted for under the equity method. As of 30 June 2021, this agreement has no material impact on the Group's financial statements.

2.4 C-Band

Following the federal decision published by the Federal Communications Commission (FCC - US communications regulator) on 3 March 2020, within the framework of the release of spectrum in the 3.7-4 GHz range (C-band) across the US territory, the Group has 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 dollars for the first phase and 382 million dollars for the second phase. In view of the progress on its transition operations, the Group plans to finalise the two phases and obtain all the payments relating to this process, amounting to 507 million dollars (before tax), during the 2021-22 financial year.

In that, as this stage, the transaction has yet to be finalised, no assets have been recognised in this regard in the Group's consolidated financial statements as of 30 June 2021. Furthermore, since the transition costs already incurred should be reimbursed by the FCC, there is no impact on the annual consolidated financial statements as of 30 June 2021.

2.5 Financing Transactions

On 13 October 2020, on the regulated market of the Luxembourg Stock Exchange, the Group launched an issue of 8-year senior unsecured bonds maturing in 2028, raising a total of 600 million euros. This bond issue was realised by the Eutelsat S.A. subsidiary. These bonds bear a coupon of 1.500% per annum. This bond issue enabled Eutelsat to redeem the 500 million euros principal amount on the bonds issued on 23 June 2016, bearing a coupon of 1.125% and maturing in June 2021.

On 27 November 2020, the Group secured a fixed-rate loan from the European Investment Bank in the amount of 200 million euros for a term of eight years maturing in December 2028.

On 25 June 2021, the Group refinanced the Eutelsat Communications five-year term loan in the amount of 400 million euros, maturing in June 2026. This variable-rate loan includes two one-year extension options subject to the lenders' approval. This transaction enabled the Group to redeem, as of 25 June 2021, the previous term loan maturing in March 2022.

These three transactions enable the Group to extend its debt maturities under excellent conditions.

2.6 Launch of the Konnect Service

On 23 November 2020, following the entry into service of the Eutelsat Konnect satellite, the Group launched the Konnect retail distribution service. This next-generation of satellite broadband services across Europe and Africa is currently being rolled out across both continents, with broadband packages designed to address the needs of individuals, small & medium businesses and institutions currently operating beyond the fibre footprint. Two main contracts have notably been signed with European telecommunications operators concerning the capacity available in France and Italy.

2.7 Repercussions of Covid

While relatively resilient compared with other sectors, the Group's revenues have been adversely affected by the Covid-19 crisis since mid-March 2020, most notably:

- Mobile Connectivity (representing 5.5% of the Group's revenues in the financial year ended 30 June 2021) which continues to be affected by the effect of the crisis on maritime traffic and particularly on airline traffic.
- The crisis has seen a slowdown in the pace of new business, particularly in Broadcast.

The public health crisis has also been reflected in additional provisions for write-offs on accounts receivable to cover, in particular, the Group's exposure to third parties operating in the Mobility segment.

The assumptions used for the impairment tests performed on long-term assets, whose results are described in Note 7.1.4, as well as for the valuation of provisions for accounts receivable (see Note 7.2.1) have been updated on the basis of the information available as of the date of the accounting year end.

As of 30 June 2021, the Group has cash and cash equivalents and undrawn credit lines totalling more than 1.9 billion euros. Lastly, the net debt to EBITDA ratio - as defined in the covenants of the term loan and the structured debt agreements - is respected as of 30 June 2021 (see Note 7.3.2).

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 more than 20% of the shares are held by the Group.

3.1 Scope of Consolidation

As of 30 June 2021, the list of companies in the scope of consolidation is as follows:

Company	Country	Consolidation method	% control as of 30 June 2021	% interest as of 30 June 2021
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. of C.V. ⁽¹⁾	Mexico	FC	100.00%	96.38%
EAS Delaware Corp.	USA	FC	100.00%	96.38%
SMVS Administracion ⁽¹⁾	Mexico	FC	100.00%	96.38%
SMVS Servicios Tecnicos SMVS ⁽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%

Company	Country	Consolidation method	% control as of 30 June 2021	% interest as of 30 June 2021
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%
ES 172 LLC	USA	FC	100.00%	96.38%
EA 172 UK	United Kingdom	FC	100.00%	96.38%
ES 174E LTD	Cyprus	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	Ivory Coast	FC	100.00%	96.38%
Konnect South Africa Ltd	South Africa	FC	100.00%	96.38%
Konnect Africa RDC ⁽¹⁾	Democratic Republic of 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%
Sat Internet Services GmbH ⁽¹⁾	Germany	FC	100.00%	96.38%
Getinternet GmbH ⁽¹⁾	Germany	FC	100.00%	96.38%
Orbitcom GmbH ⁽¹⁾	Germany	FC	100.00%	96.38%
Europasat Iberica s.l ⁽²⁾	Spain	FC	100.00%	96.38%
Europasat France	France	FC	100.00%	96.38%
Bigblu Operations Limited ⁽²⁾	United Kingdom	FC	100.00%	96.38%
Bigblu Services Holding Limited ⁽²⁾	United Kingdom	FC	100.00%	96.38%
Bigblu Services Limited ⁽²⁾	United Kingdom	FC	100.00%	96.38%
BBE Bigblu Broadband Ellada ⁽²⁾	Greece	FC	100.00%	96.38%
Bigblu Broadband Ireland Limited ⁽²⁾	Ireland	FC	100.00%	96.38%
Open Sky S.p.A	Italy	FC	100.00%	96.38%
Europasat SP .Zo.o ⁽¹⁾	Poland	FC	100.00%	96.38%
Satelite de Sabedoria – Servicios de Internet Unipessoal LDA ⁽²⁾	Portugal	FC	100.00%	96.38%

FC: Full consolidation method

⁽¹⁾ Companies with financial years ending on 31 December for legal or historical reasons.

⁽²⁾ Companies with financial years ending on 30 November for historical reasons.

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 2021

Acquisition of BigBlu Operations Ltd

On 30 September 2020, the Group finalized the acquisition of 100% of BigBlu Operations Ltd for a consideration of 38 million pounds sterling (41.5 million euros), settled in cash. 6.2 million pounds sterling (6.8 million euros) was also paid into an escrow account. Pursuant to the contract, the final acquisition price will be determined after agreement between the parties on the price adjustment clauses. The company and its subsidiaries operated the BigBlu Broadband Group's European satellite broadband activities. This acquisition is in line with the Group's strategy consisting of developing its business in European satellite broadband.

The assessment of the goodwill as of 30 June 2021 is provisional and may change during the finalisation of the price adjustment phase still underway with the seller. The value of the customer relationships acquired in this transaction has been assessed separately and constitutes an intangible asset.

As of 1 October 2020, the provisional allocation of the acquisition price (based on the 38 million pounds sterling payment made to the benefit of the seller) is as follows:

	(in millions of pounds sterling)	(in millions of euros)
Customer relationships	4.7	5.2
Intangible assets	1.0	1.1
Tangible assets	4.0	4.5
Rights of use	0.8	0.8
Inventories	0.3	0.3
Accounts receivable	7.3	8.1
Assets associated with customer contracts	11.0	12.3
Cash and cash equivalents	0.2	0.2
Other assets	7.4	8.1
Total Assets	36.7	40.6
Lease liabilities	0.8	0.8
Accounts payable	22.9	25.1
Liabilities associated with customer contracts	12.2	13.5
Other debt	10.5	12.1
Deferred tax liabilities	0.9	1.0
Total liabilities	47.2	52.6
Provisional residual goodwill	48.3	53.2
Transferred counterparty	37.7	41.1
Acquisition consideration	37.7	41.1

Disposal of Euro Broadband Infrastructure

On 30 April 2021, the Group finalised the sale of its equity interest in Euro Broadband Infrastructure Sàrl (EBI).

This disposal was settled in cash for an initial consideration of 143 million euros. The net impact of this disposal in the Group's statement of cash flows stood at 41.5 million euros after, notably, taking into account the cash held by EBI as of the disposal date (which represented an amount of 100.9 million euros). Furthermore, tangible assets totalling an amount of 131.7 million euros, mainly composed of the KA SAT satellite operated by EBI, were withdrawn from the scope of consolidation following this disposal. The impacts of this transaction on the Group's results for the financial year ended 30 June 2021 are presented in Note 6.3 "Other operating income and expenses".

3.2.2 Financial year ended 30 June 2020

There were no significant changes to the Group's scope of consolidation during the financial year.

Note 4. ACCOUNTING PRINCIPLES AND VALUATION METHODS

4.1 Basis of Preparation of Financial Information

The consolidated financial statements as of 30 June 2021 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 2020, the Group has applied the following standards and interpretations which have been adopted by the European Union:

- Amendments to references to the conceptual framework in IFRS standards;
- Amendments to IAS 1 and IAS 8 regarding the changed definition of material;
- Amendment to IFRS 3 regarding the definition of a business;
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, linked to the reform of interbank offered rates;

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 are the euro.

Each subsidiary located outside the euro zone maintains its accounting records in the currency that is most representative of its economic environment. 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 capitalizable 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 US dollar. The closing exchange rate used is 1.189 US dollars for 1 euro and the average exchange rate for the period is 1.187 US 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 close down 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 2021, 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 CEO, the Deputy CEO 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 expense, and the EBITDA profit margin on turnover;
- 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, cash investments are understood to be net of the related insurance income, when applicable.
- 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.
- Net debt to EBITDA ratio (see Note 7.3.4 "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 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 recognized 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:

(in millions of euros)	30 June 2020	30 June 2021
Broadcast	784.6	741.0
Data & Professional Video	175.3	161.4
Government Services	161.1	151.4
Fixed Broadband	76.7	80.2
Mobile Connectivity	78.7	67.2
Total operating activities	1,276.3	1,201.2
Other Revenues	1.9	32.7
Total	1,278.3	1,233.9
<i>EUR/USD exchange rate</i>	<i>1.105</i>	<i>1.188</i>

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.

6.1.2 Revenues by geographical region

Revenues by geographical region based on the customer billing address are as follows:

(in millions of euros and as a percentage)	30 June 2020		30 June 2021	
Region	Amount	%	Amount	%
France	77.9	6.1	78.1	6.3
Italy	141.6	11.1	146.0	11.8
United Kingdom	70.1	5.5	66.2	5.4
Europe (others)	337.0	26.4	325.7	26.4
Americas	273.1	21.4	231.0	18.7
Middle East	251.9	19.7	241.3	19.6
Africa	98.2	7.7	94.1	7.6
Asia	38.2	3.0	35.2	2.9
Others ⁽¹⁾	(9.7)	(0.8)	16.4	1.3
Total	1,278.3	100.0	1,233.9	100.0

⁽¹⁾ Other revenues include mainly the impact of EUR/USD currency hedging amounting to 15.6 million euros for the financial year ended 30 June 2021 against (10.6) million euros for the financial year ended 30 June 2020.

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 2021, the backlog stands at 4.4 billion euros. The secured backlog, corresponding to the IFRS 15 requirements and excluding revenues subject to early termination clauses, stands at 3.4 billion euros. The amount of secured backlog within a five-year time horizon stands at 2.7 billion euros, of which 1.6 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 32.8 million euros as of 30 June 2021 (versus 22.6 million euros for the financial year ended 30 June 2020).

6.2.1 Staff costs

Staff costs (including mandatory employee profit-sharing) break down as follows:

(in millions of euros)	30 June 2020	30 June 2021
Operating costs	56.7	58.6
Selling, general and administrative expenses	91.1	95.2
Total	147.9	153.8

Eutelsat S.A. employees benefit from a Group Savings Plan (PEE) funded by voluntary contributions by employees, a Leave Bank (CET) and a three-year profit-sharing agreement based on targets revisable on a yearly basis.

6.2.2 Employee headcount

The Group has 1,132 full time equivalent employees at the balance sheet date of 30 June 2021 compared to 1,014 at the balance sheet date of 30 June 2020.

The average number of full-time equivalent employees during the reporting period is as follows:

	30 June 2020	30 June 2021
Operations	499	511
Selling, general and administrative	514	598
Total	1,013	1,109

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).

The Group granted free shares to the directors in November 2020 and phantom shares to some employees and directors in November 2018, November 2019 and November 2020. Generally, the allocation of these free shares and phantom shares is contingent on an attendance requirement and the achievement of performance conditions.

The recognised expense for these plans (excluding employer contributions) stands at 2.4 million euros for the financial year ended 30 June 2021 versus 0.7 million euros for the financial year ended 30 June 2020.

The key features of the plans are as follows:

Key features of the plans	November 2018 plan	November 2019 plan	November 2020 plan
Vesting period	July 2018 - June 2021	July 2019 - June 2022	July 2020 - June 2023
Payment method	Cash	Cash	Shares and cash
Maximum number of attributable shares at inception	323,221	328,804	512,560
Number of beneficiaries	254	255	30

Number of shares and performance conditions for the free share plans

Total number of outstanding shares	-	-	224,963
Performance conditions	-	-	Revenue, Discretionary Free Cash-Flow, Relative TSR ⁽¹⁾ and CSR

Number of shares and performance conditions for the phantom share plans

Total number of outstanding shares	261,389	159,072	249,084
Performance targets	Revenue, Discretionary Free-Cash-Flow and Relative TSR ⁽¹⁾	Revenue, Discretionary Free-Cash-Flow, Relative TSR ⁽¹⁾ and CSR	Revenue, Discretionary Free Cash-Flow and CSR

Fair value of shares at 30 June 2021

Fair value excluding TSR ⁽¹⁾	€10.28	€9.39	€6.63-€8.54
Fair value after TSR ⁽¹⁾	€0.00	€0.54	€4.97
Aggregate valuation of plan as of 30 June 2021 (in millions of euros) ⁽²⁾	2.4	1.1	3.3

Expense for the financial year

Expense for the financial year ended 30 June 2021 (in millions of euros) ⁽²⁾	1.0	0.3	1.1
--	------------	------------	------------

⁽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 2020	30 June 2021
Other operating income	100.2	1.3
Other operating expenses	(64.1)	(68.3)
Total	36.1	(67.0)

As of 30 June 2021, other operating expenses mainly include impairments on satellites amounting to 27.9 million euros (see Note 7.1) and costs relating to non-commercial litigation amounting to 13.9 million euros, the impact of the sale of EBI for 8.8 million euros and the restructuring of non-significant activities amounting to 6 million euros.

As of 30 June 2020, other operating income mainly included the 92.2 million euro insurance repayment in respect of the malfunction on the EUTELSAT 5 West B satellite. The other operating expenses related to the impairment of assets for 42.2 million euros (see Note 7.1) and the costs incurred on the malfunction of the EUTELSAT 5 West B satellite for 6.5 million euros.

6.4 Financial Result

(in millions of euros)	30 June 2020	30 June 2021
Interest expense after hedging	(69.5)	(68.1)
Interest on lease liabilities	(15.8)	(14.3)
Loan set-up fees and commissions	(7.3)	(7.7)
Capitalised interest	19.9	17.1
Cost of gross debt	(72.8)	(73.0)
Financial income	0.9	0.2
Cost of net debt	(71.8)	(72.8)
Changes in derivative financial instruments	(0.3)	-
Foreign-exchange impact	(4.0)	(16.1)
Others	(4.4)	(6.1)
Financial result	(80.5)	(95.0)

The interest expense as of 30 June 2020 and 30 June 2021 includes, respectively, 8.4 million euros and 9.2 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 2.38% as of 30 June 2021 versus 2.42% as of 30 June 2020.

Changes in the fair value of derivatives as of 30 June 2021 and 2020 mainly include changes in the fair value of derivatives that are not qualified or no longer qualify for hedge accounting, as well as 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:

(in millions of euros)	30 June 2020	30 June 2021
Current tax expense	(89.5)	(56.2)
Deferred tax income (expense)	(8.0)	32.0
Total income tax expense	(97.5)	(24.2)

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:

(in millions of euros)	30 June 2020	30 June 2021
Net income before tax	409.7	252.3
Standard French corporate tax rate	34.4%	32.0%
Theoretical income-tax expense	(141.0)	(80.8)
Non-taxable profit	78.5	72.5
Differences in corporation tax rates	3.2	3.1
Use of tax losses	1.0	-
CAVE (Contribution on Added Value of Enterprises)	(2.2)	(2.8)
Deferred tax generated during the previous period and recognised for the period	-	-
Other permanent differences	(37.0)	(16.2)
Tax expense	(97.5)	(24.2)
Effective tax rate	23.8%	9.6%

As of 30 June 2021, the other permanent differences mainly include the impact of exchange rate differences and inflation effects recorded by Satellites Mexicanos on the subsidiary's deferred tax positions for 15.2 million euros.

As of 30 June 2020, the other permanent differences mainly include the impact of exchange rate differences and inflation effects recorded by Satellites Mexicanos on the subsidiary's deferred tax positions for (18.2) million euros.

As of the financial year ended 30 June 2021, the Group has opted to allocate the CAVE (Contribution on Added Value of Enterprises/*Cotisation sur la Valeur Ajoutée des Entreprises – CVAE*) to income taxes to reflect the fact that this tax meets the definition of the tax basis and territoriality rules linked to those for corporation tax. As a result, this tax is presented as a component of the tax expense. The comparable financial year ended 30 June 2020 has consequently been restated. The CAVE included in the tax expense in respect of the financial year ended 30 June 2021 amounts to 4.1 million euros (3.1 million euros for the financial year ended 30 June 2020).

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. Own shares are not considered in determining earnings per share.

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):

(in millions of euros)	30 June 2020	30 June 2021
Net income	312.2	228.1
Income from subsidiaries attributable to non-controlling interests	(14.6)	(14.0)
Net earnings used to compute earnings per share	297.6	214.1
Average number of shares	231,999,682	230,196,636

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 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 years period.

Other intangibles

Other intangibles are composed of development, licence and orbital rights costs.

Development costs are capitalized and amortized over a period of 3 to 7 years if the Group can demonstrate:

- 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;
- There is likelihood that the intangible 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 amortized 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:

(in millions of euros)	Goodwill	Customer contracts and relationships	Eutelsat brand	Other intangibles	Total
Gross assets					
Gross value as of 30 June 2019	1,206.1	1,122.7	40.8	311.9	2 681.6
Acquisitions	-	-	-	20.6	20.6
Transfers	-	-	-	14.9	14.9
Foreign-exchange variation	3.1	2.0	-	0.6	5.6
Disposals and scrapping of assets	-	-	-	(15.0)	(15.0)
Gross value as of 30 June 2020	1,209.2	1,124.7	40.8	333.0	2,707.6
Acquisitions	-	-	-	21.2	21.2
Transfers	-	-	-	30.0	30.0
Foreign-exchange variation	(15.9)	(11.6)	-	(3.4)	(30.9)
Disposals and scrapping of assets	-	-	-	(5.3)	(5.3)
Entries into the scope	53.2	5.2	-	1.1	59.5
Exits from the scope	-	-	-	(6.3)	(6.3)
Gross value as of 30 June 2021	1,246.5	1,118.3	40.8	370.3	2,775.9
Depreciation and impairment					
Accumulated amortization as of 30 June 2019	-	(708.9)	-	(191.0)	(899.9)
Depreciation expense	-	(65.1)	-	(33.1)	(98.2)
Reversals (disposals)	-	-	-	14.8	14.8
Foreign-exchange variation	-	(0.2)	-	(0.1)	(0.3)
Accumulated amortization as of 30 June 2020	-	(774.2)	-	(209.4)	(983.6)
Depreciation expense	-	(64.6)	-	(38.8)	(103.4)
Transfers and others	-	-	-	(17.0)	(17.0)
Foreign-exchange variation	-	4.8	-	1.2	6.0
Reversals (disposals and scrapping of assets)	-	-	-	2.8	2.8
Exits from the scope	-	-	-	6.2	6.2
Accumulated amortization as of 30 June 2021	-	(833.9)	-	(255.1)	(1,089.0)
Net value as of 30 June 2019	1,206.1	413.8	40.8	120.8	1 781.7
Net value as of 30 June 2020	1,209.2	350.4	40.8	123.6	1 724.0
Net value as of 30 June 2021	1,246.5	284.3	40.8	115.2	1 686.9

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 2019	5,703.7	426.7	1,028.6	7,159.1
Acquisitions	25.1	5.1	345.3	375.5
Disposals	-	(0.3)	-	(0.3)
Scrapping of assets	-	(7.7)	-	(7.7)
Foreign-exchange variation	12.9	0.4	-	13.3
Transfers and others	285.4	13.4	(312.7)	(13.8)
Gross value as of 30 June 2020	6,027.1	437.7	1,061.2	7,526.0
Acquisitions	1.8	27.8	379.5	409.0
Disposals	-	(5.1)	-	(5.1)
Scrapping of assets	(119.6)	(14.6)	-	(134.2)
Foreign-exchange variation	(63.0)	(1.8)	(0.4)	(65.1)
Entries into the scope	-	4.5	-	4.5
Exits from the scope	(296.0)	(68.4)	-	(364.4)
Transfers and others	182.5	75.2	(226.0)	31.7
Gross value as of 30 June 2021	5,732.8	455.4	1,214.4	7,402.5
Depreciation and impairment				
Accumulated amortization as of 30 June 2019	(2,947.0)	(329.6)	(1.2)	(3,277.9)
Depreciation expense	(337.4)	(26.6)	-	(364.0)
Impairment	(32.6)	-	-	(32.6)
Reversals (disposals)	-	0.1	-	0.1
Reversals (scrapping of assets)	-	7.4	-	7.4
Foreign-exchange variation	(0.5)	(0.1)	-	(0.6)
Transfers and others	-	(2.0)	-	(2.0)
Accumulated amortization as of 30 June 2020	(3,317.5)	(350.7)	(1.2)	(3,669.4)
Depreciation expense	(312.4)	(27.0)	-	(339.4)
Impairment	(16.2)	-	-	(16.2)
Reversals (disposals)	-	5.0	-	5.0
Reversals (scrapping of assets)	119.6	13.3	-	132.9
Foreign-exchange variation	27.0	1.1	-	28.1
Exits from the scope	175.3	57.4	-	232.7
Transfers and others	(1.6)	(45.5)	1.2	(45.8)
Accumulated amortization as of 30 June 2021	(3,325.8)	(346.4)	-	(3,672.1)
Net value as of 30 June 2019	2,756.7	95.3	1,029.3	3,881.4
Net value as of 30 June 2020	2,709.7	87.0	1,060.0	3,856.7
Net value as of 30 June 2021	2,407.0	109.0	1,214.4	3,730.4

Transfers relating to satellites arising during the financial year ended 30 June 2021 correspond to the entry into commercial service of the Konnect satellite launched during the financial year ended 30 June 2020.

During the financial years ended 30 June 2021 and 30 June 2020, the Group recognised respective impairment losses of 16.2 million euros and 32.6 million euros on a satellite.

The expected launch dates for satellites under construction at the balance sheet date are as follows:

Projects	Years
Quantum	Calendar year 2021
Konnect VHTS, EUTELSAT 10B, Hotbird 13F and Hotbird 13G	Calendar year 2022
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 2021, the rights of use saw the following changes:

(in millions of euros)	Satellites	Other tangible assets	Total
Gross assets			
Gross value as of 30 June 2019	878.6	44.2	922.8
New contracts	-	4.7	4.7
Modifications and early termination of contracts	(23.4)	(13.5)	(36.9)
Scrapping of assets	(4.4)	(0.5)	(4.9)
Gross value as of 30 June 2020	850.9	34.8	885.7
New contracts	-	40.1	40.1
Modifications and early terminations of contracts	(3.2)	(12.7)	(15.9)
Scrapping of assets	-	(0.7)	(0.7)
Foreign-exchange variation	-	(0.4)	(0.4)
Entries into the scope	-	0.8	0.8
Gross value as of 30 June 2021	847.7	61.9	909.6
Depreciation and impairment			
Accumulated depreciation and impairment as of 30 June 2019	(255.8)	(9.1)	(264.9)
Depreciation expense	(59.6)	(9.4)	(68.9)
Impairment	(9.6)	-	(9.6)
Reversals (modifications and early terminations of contracts)	9.2	-	9.2
Reversals (scrapping of assets)	4.4	0.5	4.9
Accumulated depreciation and impairment as of 30 June 2020	(311.4)	(18.0)	(329.4)
Depreciation expense	(54.4)	(10.5)	(64.9)
Impairment	(11.7)	-	(11.7)
Reversals (modifications and early terminations of contracts)	1.6	11.5	13.1
Reversals (scrapping of assets)	-	0.7	0.7
Foreign-exchange variation	-	0.1	0.1
Accumulated depreciation and impairment as of 30 June 2021	(375.9)	(16.1)	(392.1)
Net value as of 30 June 2019	622.8	35.1	657.9
Net value as of 30 June 2020	539.5	16.8	556.3
Net value as of 30 June 2021	471.8	45.8	517.5

Satellite rights of use mainly relate to the Express AT1, Express AT2, Express AM6, Express 36C and Astra 2G leases. The durations 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.

During the financial years ended 30 June 2021 and 30 June 2020, the Group recognised respective impairment losses of 11.7 million euros and 9.6 million euros on its right to use certain satellite transponders,

ACCOUNTING PRINCIPLES

Goodwill and unamortized 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.

Amortizable 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 five-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 2021, 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 the Group's five-year business plan approved by the Board of Directors in January 2021, including the impacts of the Covid crisis, covering periods up to the financial year 2024-25, on the long-term plan defined on a constant basis for periods up to the financial year 2032-33, and on a terminal value. The Group considers that it is appropriate to use projections beyond 5 years, given the long-term visibility it has for a significant portion of its business and its expected growth profile, which the long term plan makes it easier to evaluate.

With respect to financial metrics such as the WACC (7.8% used as of 30 June 2021 versus 7.5% as of 30 June 2020) and the long-term growth rate used to calculate the terminal value, the sensitivity analyses show that an increase in the WACC of less than 114bp or a decline in the long-term growth rate of less than 303bp, or a nil growth rate to infinity, would not lead to a lower value in use than the Group's net present value as of 30 June 2021.

Furthermore, the main operational assumptions potentially impacting the recoverable amount of assets are the level of EBITDA and the amount of capex. 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. Sensitivity analyses show that a 5% decline in EBITDA would not lead to the recognition of an impairment loss on goodwill.

The impairment tests performed as of 30 June 2021 and 2020 on the basis of discounted cash flow forecasts did not lead to the recognition of any impairment charges. This is further evidenced by the external information available on estimated data provided by the financial analysts who monitor the Group.

Depreciable assets

Concerning the impairment tests carried out in respect of the satellites as of 30 June 2021, the cash flows used are based on a five-year business plan period approved by the Board of Directors in January 2021, then on the cash flows extended until the end of life of each satellite based on a normative growth rate. These tests resulted in the recognition of an impairment loss relating to a satellite under ownership amounting to respectively 16.5 million euros and 32.6 million euros at 30 June 2021 and 30 June 2020 (see Note 7.1.2 "Tangible assets and construction in progress") and 11.7 million euros and 9.6 million euros at 30 June 2021 and 30 June 2020 (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 595 million euros as of 30 June 2020 and 840 million euros as of 30 June 2021.

The following table lists the future payments in respect of these commitments as of 30 June 2020 and 30 June 2021:

(in millions of euros)	As of 30 June 2020	As of 30 June 2021
Maturity within 1 year	307	395
From 1 to 2 years	177	291
From 2 to 3 years	52	21
From 3 to 4 years	40	122
Maturity exceeding 4 years	19	11
Total	595	840

The Group has also granted a guarantee covering the payment of the amounts due in respect of the granting of orbital rights. The amount of this guarantee is unlimited and applies to the whole duration of the licence.

7.2 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 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 sales of terminals in the Broadband business and the consideration paid to the customer. Contract fulfillment 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:

(in millions of euros)	30 June 2020	30 June 2021
Assets		
Accounts receivable	334.8	244.5
Assets associated with customer contracts	42.8	40.3
Costs to fulfil contracts	26.9	5.4
Costs to obtain contracts	22.3	9.3
Total current and non-current assets	426.8	299.5
<i>Including non-current portion</i>	74.9	37.7
<i>Including current portion</i>	351.9	261.9
Liabilities		
Financial liabilities - Guarantees and commitments received	56.2	53.5
Liabilities associated with customer contracts	187.5	186.5
Total current and non-current liabilities	243.7	240.0
<i>Of which non-current portion</i>	152.8	153.0
<i>Of which current portion</i>	90.9	87.0

7.2.1 Accounts receivable

Accounts receivable (matured and non-matured) break down as follows:

(in millions of euros)	30 June 2020	30 June 2021
Non-matured receivables	145.1	111.7
Matured receivables between 0 and 90 days	58.1	42.6
Matured receivables between 90 and 365 days	97.5	58.7
Matured due for more than 365 days	153.3	128.0
Depreciation	(119.2)	(96.5)
Total	334.8	244.5

Receivables due for more than 365 days as of 30 June 2021 include receivables amounting to 15.5 million euros covered by collateral deposits (and 12.4 million euros at 30 June 2020). These do not involve any risk of depreciation in the income statement. The provision for impairment of 96.5 million euros as of 30 June 2021 represents 86% of the amount of receivables except collateral deposits due for more than 365 days and 41% of all matured 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.

Due to their short-term maturity, non-matured accounts receivable do not bear interest.

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. In addition, the Group has taken out a credit insurance policy.

Credit risk is mitigated by the following guarantees and commitments received:

(in millions of euros)	30 June 2020		30 June 2021	
	Value of accounts receivable	Value of guarantee	Value of accounts receivable	Value of guarantee
Guarantee deposits	120.0	18.1	82.4	20.8
Bank or insurance guarantees	49.1	31.9	15.0	25.1
Guarantees from the parent company	4.9	4.9	5.2	5.2
Total	174.0	54.9	102.6	51.0

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 35% of revenues as of 30 June 2021 (34% as of 30 June 2020). The top five account for 24% of revenues (23% at June 30, 2020).

The changes in impairment of trade receivables over the two financial years are as follows:

(in millions of euros)	Total
Value as of 30 June 2019	104.4
Net allowance (reversal)	22.1
Reversals (used)	(7.2)
Foreign-exchange variations	(0.1)
Value as of 30 June 2020	119.2
Net allowance (reversal)	25.6
Reversals (used)	(44.9)
Foreign exchange variations	(1.5)
Exits from the scope	(1.9)
Value as of 30 June 2021	96.5

7.2.2 Assets associated with customer contracts, costs to obtain and fulfil non-current contracts

(in millions of euros)	Total
Assets associated with customer contracts as of 30 June 2019	38.0
Use of assets associated with customer contracts during the period	(10.0)
New assets associated with customer contracts recorded during the period	15.7
Net depreciations (reversals)	(0.5)
Translation adjustment	(0.3)
Assets associated with customer contracts as of 30 June 2020	42.8
Use of assets associated with customer contracts during the period	(12.5)
New assets associated with customer contracts recorded during the period	9.3
Net reversals (depreciations)	1.6
Translation adjustment	(0.9)
Assets associated with customer contracts as of 30 June 2021	40.3

The costs to obtain and fulfil contracts are shown below:

(in millions of euros)	Total
Costs to obtain and fulfil customer contracts as of 30 June 2019	41.1
Use of costs to obtain and fulfil customer contracts during the period	(16.2)
New costs to obtain and fulfil customer contracts during the period	24.0
Costs to obtain and fulfil customer contracts as of 30 June 2020	49.2
Use of costs to obtain and fulfil customer contracts during the period	(14.6)
New costs to obtain and fulfil customer contracts during the period	8.2
Entries into the scope	12.3
Exits from the scope	(40.6)
Translation adjustment	0.2
Costs to obtain and fulfil customer contracts as of 30 June 2021	14.7

7.2.3 Liabilities associated with customer contracts

The liabilities associated with customer contracts break down as follows:

(in millions of euros)	Total
Liabilities associated with customer contracts as of 30 June 2019	188.5
Revenue recognition during the period	(73.9)
New liabilities associated with customer contracts recorded during the period	72.7
Translation adjustment	1.1
Reclassification	(0.9)
Liabilities associated with customer contracts as of 30 June 2020	187.5
Revenue recognition during the period	(42.5)
New liabilities associated with customer contracts recorded during the period	56.4
Translation adjustment	(4.1)
Entries into the scope	13.5
Exits from the scope	(24.5)
Liabilities associated with customer contracts as of 30 June 2021	186.4

7.3 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 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 net income in respect of the hedged item.

7.3.1 Cash and cash equivalents

Cash and cash equivalents are detailed as follows:

(in millions of euros)	30 June 2020	30 June 2021
Cash at bank and in hand	485.4	529.0
Cash equivalents	346.6	332.1
Total	832.0	861.1

7.3.2 Financial debt

The financial debt breaks down as follows:

(in millions of euros)	Rate	30 June 2020	30 June 2021	Maturity
Term loan 2022	Variable	600.0	-	March 2022
Term loan 2026	Variable	-	400.0	June 2026
Term loan EIB	Fixed	-	200.0	December 2028
Bond 2022	3.125%	300.0	300.0	October 2022
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	October 2028
Structured debts				
	Variable	71.2	14.2	May 2024
	Variable	61.3	67.0	July 2022
	Variable	77.8	80.0	July 2023
	Variable	12.0	53.0	July 2024
Sub-total of debt (non-current portion)		2,522.3	3,114.1	
Loan set-up fees and premiums		(16.5)	(16.7)	
Total of debt (non-current portion)		2,505.8	3,097.4	
Bond 2021	1.125%	500.0	-	June 2021
Structured debts	Variable	23.7	7.1	
RCF drawdown	Variable	300.0	-	September 2020
Accrued interest not yet due		34.3	38.4	
Total debt (current portion)		858.1	45.5	
Total		3,363.9	3,142.9	

The totality of the debt is denominated in euros.

The term loans and structured debts are subject to a financial covenant that provides for a total net debt to EBITDA ratio equal to or less than 4.0/1. Under the term loan covenants, each lender may also 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 2021, the Group was in compliance with all the banking covenants under its credit facilities.

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 liens 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 2021, the Group has active credit lines for an aggregate undrawn amount of 1,050.0 million euros (398.8 million euros as

of 30 June 2020). These lines are backed by banking covenants similar to those in place for the term loans and the structured debts.

The schedule of debt maturities, excluding issue costs and premiums and accrued interest not yet due, as of 30 June 2021 is as follows:

(in millions of euros)	Amount	Maturity within 1 year	Maturity between 1 and 5 years	Maturity exceeding 5 years
Term loan	400.0	-	400.0	-
Term loan BEI	200.0	-	-	200.0
Structured debts	221.2	7.1	214.1	-
Bond 2022	300.0	-	300.0	-
Bond 2025	800.0	-	800.0	-
Bond 2027	600.0	-	-	600.0
Bond 2028	600.0	-	-	600.0
Total	3,121.2	7.1	1,714.1	1,400.0

7.3.3 Financial assets and liabilities

The detailed breakdown of financial assets is as follows:

(in millions of euros)	30 June 2020	30 June 2021
Non-consolidated equity investments	14.7	14.7
Derivative financial instruments ⁽¹⁾	10.3	39.0
Other financial assets	31.4	44.8
Total	56.4	98.5
<i>Of which current portion</i>	23.6	27.0
<i>Of which non-current portion</i>	32.8	71.5

⁽¹⁾ See Note 7.3.5 "Derivative financial instruments".

The other debts and financial liabilities break down as follows:

(in millions of euros)	30 June 2020	30 June 2021
Lease liabilities	493.4	435.6
Other liabilities	86.6	103.4
Payables to fixed asset suppliers	50.9	213.7
Derivative financial instruments ⁽¹⁾	43.0	29.1
Liabilities for social contributions	52.3	55.2
Tax liabilities	15.6	22.7
Total	741.8	859.8
<i>Of which current portion</i>	231.6	170.5
<i>Of which non-current portion</i>	510.2	689.3

⁽¹⁾ See Note 7.3.5 "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. The non-current payables to fixed asset suppliers represent an amount of 188.7 million euros as of 30 June 2021 and include acceptances of milestone payments and payments by means of commercial paper maturing on delivery of the satellites amounting, respectively, to 154.4 million euros and 29.6 million euros.

The changes in lease liabilities during the period break down as follows:

(in millions of euros)	30 June 2020	New contracts	Cash flow	Early termination	Currency effects	Change in accrued interests	30 June 2021
Satellites	474.4	-	(84.4)	(3.9)	-	(2.2)	384.0
Real estate	11.4	41.0	(4.0)	(1.3)	0.1	-	47.1
Others	7.6	-	(3.1)	-	-	-	4.5
Total	493.4	41.0	(91.5)	(5.2)	0.1	(2.2)	435.6

The amounts shown for lease liabilities include accrued interest totalling 3.8 million euros as of 30 June 2020 and 2.2 million euros as of 30 June 2021.

7.3.4 Net debt

The net debt breaks down as follows:

(in millions of euros)	30 June 2020	30 June 2021
Term loan	600.0	400.0
Term loan EIB	-	200.0
Bonds	2,200.0	2,300.0
RCF drawdown	300.0	-
Structured debts	246.1	221.2
"Change" portion of cross-currency swap	(4.3)	(38.7)
Lease liabilities	489.6	434.0
Gross debt	3,831.4	3,516.5
Cash and cash equivalents	(832.0)	(861.1)
Net debt	2,999.4	2,655.5

The changes in the debt position between 30 June 2019 and 30 June 2020 are presented below:

(in millions of euros)	30 June 2019	Cash flow	Non-cash flow	Currency effects	Fair value change and others	30 June 2020
Term loan	600.0	-	-	-	-	600.0
Bonds	3,130.0	(930.0)	-	-	-	2,200.0
RCF drawdown	-	300.0	-	-	-	300.0
Structured debts	118.6	(23.7)	151.2	-	-	246.1
"Change" portion of cross-currency swap	99.8	(112.2)	-	-	8.1	(4.3)
Lease debt	579.8	(63.0)	(26.6)	(0.6)	-	489.6
Total	4,528.1	(828.9)	124.6	(0.6)	8.1	3,831.4

The net cash flow of 930 million euros on the bonds reflects the repayment of the bond loan maturing during the 2020 financial year.

The changes in the debt position between 30 June 2020 and 30 June 2021 are presented below:

(in millions of euros)	30 June 2020	Cash flow	Non-cash flow	Currency effects	Fair value change and others	30 June 2021
Term loans	600.0	(200.0)	-	-	-	400.0
Term loan EIB	-	200.0	-	-	-	200.0
Bonds	2,200.0	100.0	-	-	-	2,300.0
RCF drawdown	300.0	(300.0)	-	-	-	-
Structured debts	246.1	(73.7)	48.8	-	-	221.2
"Change" portion of cross-currency swap	(4.3)	-	-	-	(34.4)	(38.7)
Lease debt	489.6	(91.5)	34.9	0.1	0.8	434.0
Total	3,831.4	(365.2)	83.7	0.1	(33.6)	3,516.5

The net cash flow of 100 million euros from the bond loans reflects, firstly, the repayment of (500) million euros in respect of the bond loan maturing during the 2021 financial year and, secondly, a new bond issue in the amount of 600 million euros maturing in October 2028. The net cash flow of 200 million euros on the term loan corresponds, firstly, to the early repayment of the loan maturing in March 2022 amounting to (600.0) million euros and, secondly, to the implementation of another term loan in the amount of 400.0 million euros maturing in June 2026 (see Note 2.5).

7.3.5 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 2020	30 June 2021	30 June 2020	30 June 2021			
Synthetic forward transaction with knock-in option (Eutelsat S.A.)	244.7	235.5	5.8	(0.4)	(6.3)	-	(6.3)
Cross currency swap	612.0	572.0	(33.9)	10.3	44.2	-	44.2
Total forex derivatives	856.7	807.5	(28.1)	9.9	37.9	-	37.9
Pre-hedging swap ⁽¹⁾	300.0	-	(4.7)	-	4.7	-	(1.3)
Total interest rate derivatives	300.0	-	(4.7)	-	4.7	-	(1.3)
Total derivative instruments			(32.7)	9.9	42.7	-	36.6

⁽¹⁾ The pre-hedge Swap in a notional amount of 300 million euros was terminated in October 2020 and resulted in a cash payment of 6.0 million euros by Eutelsat S.A.

As of 30 June 2021, the cumulative fair value of the derivative financial instruments was positive at 39.0 million euros and negative at 29.1 million euros (see Note 7.3.3 "Financial assets and liabilities").

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 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 2020						
	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	(28.0)	5.9	-	-	-	(33.9)	-
Interest rate risk hedges	(4.7)	(4.7)	-	-	-	-	-
Net total at 30 June 2020	(32.7)	1.2	-	-	-	(33.9)	-

(in millions of euros)	Fair value recognised in equity and to be reclassified to income as of 30 June 2021						
	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	9.9	(0.4)	-	-	10.3	-	-
Net total at 30 June 2021	9.9	(0.4)	-	-	10.3	-	-

7.3.6 Risk management

The Group is exposed to market risks, principally in terms of currency and interest rates. To address this, the Group uses several 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 US dollar. Consequently, the Group is primarily exposed to the US 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 US 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 US 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) documented as net foreign investment hedges. The Group has thus developed a euro-US 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 US dollar/euro exchange rate (excluding foreign exchange derivatives) would generate a 34 million euro decline in the Group's revenue and a 5 million euro decline in operating expenses. It would also result in a 94 million euros negative variation in the Group's translation reserve and a 59 million euro 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 2021, an increase of ten basis points (+0.1%) over the EURIBOR interest rate would have no impact on the interest expense.

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 2021, 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 2020 (in millions of euros)	Balance-sheet value	Total contractual cash flows	Timelines as of 30 June 2020					
			Jun-20	Jun-21	Jun-22	Jun-23	Jun-24	More than 5 years
Term loan	(599.2)	(613.8)	(6.9)	(606.9)	-	-	-	-
Bonds	(2,194.4)	(2,438.9)	(545.6)	(38.9)	(338.9)	(29.5)	(29.5)	(1,456.5)
RCF drawdown	(300.0)	(300.7)	(300.7)	-	-	-	-	-
Structured debt	(242.7)	(253.7)	(26.4)	(87.5)	(103.3)	(36.5)	-	-
Lease debt	(493.4)	(493.4)	(73.8)	(47.2)	(44.6)	(44.6)	(45.9)	(237.3)
Qualified derivatives ⁽¹⁾	(43.0)	(43.0)	(4.7)	-	-	-	(38.3)	-
Total financial debt	(3,872.7)	(4,143.5)	(958.1)	(780.5)	(486.8)	(110.6)	(113.7)	(1,693.8)
Other financial liabilities	(154.5)	(154.5)	(107.1)	(47.4)	-	-	-	-
Total financial liabilities	(4,027.2)	(4,298.0)	(1,065.2)	(827.9)	(486.8)	(110.6)	(113.7)	(1,693.8)
Qualified derivatives ⁽¹⁾	10.3	10.3	5.9	-	-	-	4.3	-
Financial assets	46.2	46.2	17.7	28.5	-	-	-	-
Cash	485.4	485.4	485.4	-	-	-	-	-
Cash equivalents	346.6	346.6	346.6	-	-	-	-	-
Total financial assets	888.4	888.4	855.6	28.5	-	-	4.3	-
Net position	(3,138.8)	(3,409.6)	(209.6)	(799.4)	(486.8)	(110.6)	(109.4)	(1,693.8)

⁽¹⁾ The amounts broken down under derivative instruments are recognised at fair value (not as contractual cash flows).

Timelines as of 30 June 2021

As of 30 June 2021 (in millions of euros)	Balance- sheet value	Total con- tractual cash flows	Jun-22	Jun-23	Jun-24	Jun-25	Jun-26	More than 5 years
Term loan	(399.9)	(422.0)	(4.4)	(4.4)	(4.4)	(4.4)	(404.4)	-
Term loan EIB	(199.8)	(207.4)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(202.4)
Bonds	(2,286.8)	(2,555.9)	(47.9)	(338.5)	(38.5)	(38.5)	(838.5)	(1,254.0)
Structured debt	(218.1)	(227.3)	(9.9)	(76.3)	(88.1)	(53.0)	-	-
Lease debt	(434.0)	(434.0)	(0.3)	(22.2)	(46.5)	(50.4)	(51.8)	(262.8)
Qualified derivatives ⁽¹⁾	(28.8)	(28.8)	(0.4)	-	-	(28.4)	-	-
Total financial debt	(3,567.4)	(3,875.4)	(63.9)	(442.4)	(178.5)	(175.7)	(1,295.7)	(1,719.2)
Other financial liabilities	(181.3)	(181.3)	(120.7)	(60.6)	-	-	-	-
Total financial liabilities	(3,748.7)	(4,056.7)	(184.6)	(503.0)	(178.5)	(175.7)	(1,295.7)	(1,719.2)
Qualified derivatives ⁽¹⁾	38.7	38.7	-	-	-	38.7	-	-
Financial assets	59.5	59.5	26.7	32.8	-	-	-	-
Cash	529.0	529.0	529.0	-	-	-	-	-
Cash equivalents	332.1	332.1	332.1	-	-	-	-	-
Total financial assets	959.3	959.3	887.8	32.8	-	38.7	-	-
Net position	(2,789.4)	(3,097.4)	(703.2)	(470.2)	(178.5)	(137.0)	(1,295.7)	(1,719.2)

⁽¹⁾ The amounts broken down under derivative instruments are recognised at fair value (not as contractual cash flows).

7.4 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.

7.4.1 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)	Total	Net carrying amount as of 30 June 2020			
		Amortised cost	Fair value through other items of income	Fair value through the income	Fair value as of 30 June 2020
Non-current assets					
Long-term loans and advances	28.5	15.0	-	13.5	28.5
Non-current assets on customer contracts	35.6	35.6	-	-	35.6
Current assets					
Accounts receivable	334.8	334.8	-	-	334.8
Current assets on customer contracts	7.2	7.2	-	-	7.2
Other receivables	43.6	43.6	-	-	43.6
Derivative financial instruments ⁽¹⁾					
Qualified as hedges	10.3	-	10.3	-	10.3
Cash and cash equivalents ⁽²⁾					
Cash	485.4	-	-	485.4	485.4
Cash equivalent ⁽²⁾	346.6	-	-	346.6	346.6

⁽¹⁾ Fair value hierarchy: level 2 (observable inputs other than quoted prices in active markets).

⁽²⁾ Fair value hierarchy: level 1 (reflecting quoted prices).

(in millions of euros)	Total	Net carrying amount as of 30 June 2021			
		Amortised cost	Fair value through other items of income	Fair value through the income	Fair value as of 30 June 2021
Non-current assets					
Long-term loans and advances	32.8	18.1	-	14.7	32.8
Non-current assets on customer contracts	30.4	30.4	-	-	30.4
Current assets					
Accounts receivable	244.5	244.5	-	-	244.5
Current assets on customer contracts	9.8	9.8	-	-	9.8
Other receivables	42.8	42.8	-	-	42.8
Derivative financial instruments ⁽¹⁾					
Qualified as hedges	39.0	-	39.0	-	39.0
Cash and cash equivalents					
Cash	529.0	529.0	-	529.0	529.0
Cash equivalent ⁽²⁾	332.1	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).

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.

7.4.2 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:

(in millions of euros)	Net carrying amount as of 30 June 2020				Fair value as of 30 June 2020
	Total	Instruments measured at amortised cost	Derivative instruments qualified as hedges	Instruments measured at fair value through the income statement	
Financial debt					
Floating rate loans	1,169.5	1,169.5	-	-	1,169.5
Bond loans ⁽¹⁾	2,194.4	2,194.4	-	-	2,242.4
Fixed rate loans	-	-	-	-	-
Bank overdrafts	-	-	-	-	-
Other financial liabilities					
Non-current	466.0	466.0	-	-	466.0
Current	181.9	181.9	-	-	181.9
Derivative financial instruments ⁽²⁾					
Qualified as hedges	43.0	43.0	-	-	43.0
Accounts payable	73.1	73.1	-	-	73.1
Fixed assets payable	50.9	50.9	-	-	50.9

⁽¹⁾ Fair value hierarchy: level 1 (reflecting quoted prices).

⁽²⁾ Fair value hierarchy: level 2 (observable inputs other than quoted prices in active markets).

(in millions of euros)	Net carrying amount as of 30 June 2021				Fair value as of 30 June 2021
	Total	Instruments measured at amortised cost	Derivative instruments qualified as hedges	Instruments measured at fair value through the income statement	
Financial debt					
Floating rate loans	618.0	618.0	-	-	618.0
Bond loans ⁽¹⁾	2,286.8	2,286.8	-	-	2,453.4
Fixed rate loans	199.8	199.8	-	-	199.8
Bank overdrafts	-	-	-	-	-
Other financial liabilities					
Non-current	472.1	472.1	-	-	472.1
Current	146.0	146.0	-	-	146.0
Derivative financial instruments ⁽²⁾					
Qualified as hedges	29.1	29.1	-	-	29.1
Accounts payable	84.9	84.9	-	-	84.9
Fixed assets payable	213.7	213.7	-	-	213.7

⁽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 2020	30 June 2021
Bond 2021	501.5	-
Bond 2022	314.1	312.1
Bond 2025	817.7	856.9
Bond 2027	609.1	657.1
Bond 2028	-	627.3
Total	2,242.4	2,453.4

7.5 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.

7.5.1 Share capital

As of 30 June 2021, the share capital of Eutelsat Communications S.A. comprised 230,544,995 ordinary shares with a nominal value of 1 euro per share.

As of this same date, the Group holds 353,359 equity shares in the amount of 3.6 million euros acquired under a liquidity contract (394,290 equity shares in the amount of 3.8 million euros as of 30 June 2020). The aggregate amount of treasury stock is deducted from shareholders' equity.

7.5.2 Dividends

On 5 November 2020, the Ordinary and Extraordinary General Meeting of Shareholders decided to distribute a gross amount of 0.89 euros per share, i.e. a total of 204.9 million euros, taken in full from the income for the financial year ended 30 June 2020.

The amount of the distribution proposed to the General Meeting of Shareholders of 4 November 2021 in respect of the financial year ended 30 June 2021 is 214.1 million euros, i.e. 0.93 euro per share.

7.5.3 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:

(in millions of euros)	Total
Balance as of 30 June 2020	(52.4)
Changes in fair value within equity that can be reclassified to income	16.6
Balance as of 30 June 2021	(35.8)

7.5.4 Translation reserves

The translation reserve (tax effect included) has changed as follows over the year:

(in millions of euros)	Total
Balance as of 30 June 2020	128.4
Net change over the period	(25.8)
Balance as of 30 June 2021	102.6

The main currency generating translation differences is the US dollar.

As of 30 June 2021, the translation reserve includes 10.3 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.

7.6 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 2020 and 30 June 2021 are as follows:

(in millions of euros)	30 June 2020	Allow- ance	Reversal		Reclassified	Change in scope	Recogn- ised in equity	Currency variation	30 June 2021
			Utilised	Unused					
Financial guarantee granted to a pension fund	83.7	1.2	(4.1)	-	-	-	(21.0)	-	59.8
Retirement benefits	14.6	1.2	(2.0)	-	-	-	0.9	-	14.6
Other post-employment benefits ⁽¹⁾	6.2	0.3	(0.8)	-	-	(0.2)	-	-	5.5
Total post-employment benefits	104.4	2.7	(6.9)	-	-	(0.2)	(20.1)	-	80.0
Commercial, employee-related and tax litigation	18.6	4.9	(2.5)	(7.2)	-	2.0	-	(0.2)	15.6
Others	-	-	-	-	-	-	-	-	-
Total provisions	123.1	7.6	(9.4)	(7.2)	-	1.8	(20.1)	(0.2)	95.6
<i>Of which non-current portion</i>	106.6	-	-	-	-	-	-	-	83.0
<i>Of which current portion</i>	16.5	-	-	-	-	-	-	-	12.6

⁽¹⁾ The other post-employment benefits mainly relate to end-of-contract indemnity payments in various subsidiaries.

7.6.1 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 38 million euros as of 30 June 2021, 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 2020 and 30 June 2021 are as follows:

(in millions of euros)	30 June 2020	30 June 2021
Present value of the obligations at beginning of period	238.7	207.5
Service cost for the period	-	-
Financial cost	2.8	3.1
Actuarial differences related to financial assumptions: (gains)/losses	(26.9)	(4.6)
Benefits paid	(7.1)	(6.9)
Present value of the obligations at end of period	207.5	199.1

(in millions of euros)	30 June 2020	30 June 2021
Fair value of plan assets at beginning of period	134.6	123.9
Expected return on plan assets	1.6	1.8
Actuarial differences related to financial assumptions: gains/(losses)	(13.3)	16.4
Contributions paid	8.0	4.1
Benefits paid	(7.1)	(6.9)
Fair value of plan assets at end of period	123.9	139.3

The weighted average period of the obligation is 17 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 (11.6) million euros and 18.2 million euros as of 30 June 2020 and 30 June 2021 respectively.

The actuarial valuations were realised based on the following assumptions:

	30 June 2020	30 June 2021
Discount rate	1.50%	1.50%
Rate for pension increases	1.75%	1.75%

A 50-basis point decrease in discount rates would result in a 17 million euro increase to the provision.

The changes in provisions over the two financial years were as follows:

(in millions of euros)	30 June 2020	30 June 2021
Provision at beginning of period	100.1	83.7
Net expense on income statement	1.2	1.2
Actuarial (gains)/losses	(13.6)	(21.0)
Contributions paid	(4.0)	(4.1)
Provision at end of period	83.7	59.8

7.6.2 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 2020, and 30 June 2021, the position was as follows:

(in millions of euros)	30 June 2020	30 June 2021
Present value of the obligations at beginning of period	15.3	14.6
Service cost for the period	1.1	1.0
Financial cost	0.2	0.2
Actuarial differences	(0.8)	0.9
Termination indemnities paid	(1.2)	(2.0)
Present value of the obligations at end of period	14.6	14.6

The weighted average period of the obligation is 13 years.

The actuarial valuations were realised based on the following assumptions:

	30 June 2020	30 June 2021
Discount rate	1.25%	1.25%
Rate for salary growth	0% for 2 years then 2%	0% for 1 year then 2%

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 6.6 million euros and 6.3 million euros as of 30 June 2020 and 30 June 2021.

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 1.9 million euros and 2.0 million euros as of 30 June 2020 and 30 June 2021.

7.6.3 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.

7.7 Tax Assets and Liabilities

7.7.1 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 2020 and 30 June 2021 were as follows:

(in millions of euros)	30 June 2020	Foreign exchange impact and reclassification	Entries to scope	Exits from scope	Net income for the period	Recognised in equity	30 June 2021
Deferred tax assets							
Derivative instruments	28.9	2.2	-	-	8.9	6.3	46.3
Loss carry-forwards	12.4	3.1	-	-	(0.1)	-	15.4
Bad-debt provisions	16.7	(1.1)	-	-	6.8	-	22.3
Financial guarantee granted to the pension fund	16.3	-	-	-	(5.3)	(5.4)	5.6
Provisions for risks and expenses	4.0	3.6	-	-	(1.6)	-	6.0
Tangible and intangible assets	23.2	8.4	-	(0.6)	(2.5)	-	28.5
Others	25.5	(14.7)	-	(0.2)	(0.5)	-	10.1
Total deferred tax assets	127.0	1.4	-	(0.8)	(5.7)	0.9	134.2
Deferred tax liabilities							
Derivative financial instruments	-	(2.2)	-	-	(0.9)	(2.7)	(5.8)
Intangible assets	(68.2)	(0.7)	-	-	13.1	-	(55.9)
Tangible assets	(241.0)	2.4	(1.0)	0.5	14.9	-	(224.3)
Others	(45.7)	3.2	-	2.4	1.7	-	(38.4)
Total deferred tax liabilities	(355.0)	2.6	(1.0)	2.9	28.8	(2.7)	(324.4)
Net asset/(liability) position	(228.0)	4.1	(1.0)	2.1	34.4	(1.8)	(190.3)
Reflected as follows in the financial statements:							
Deferred tax assets	36.3						7.6
Deferred tax liabilities	(264.2)						(197.9)
Total	(228.0)						(190.3)

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:

(in millions of euros)	Amount	Maturity within 1 year	Maturity between 1 and 5 years	Maturity exceeding 5 years	Undefined
Timelines of activated tax loss carry-forwards	63.1	-	-	0.1	63.0
Total	63.1	-	-	0.1	63.0

Furthermore, the Group has a stock of unrecognised tax loss carry-forwards amounting to 131.6 million euros as of 30 June 2021 (141.5 million euros as of 30 June 2020) with the following maturity dates:

(in millions of euros)	Amount	Maturity within 1 year	Maturity between 1 and 5 years	Maturity exceeding 5 years	Undefined
Maturities of unrecognised tax loss carry-forwards	131.6	-	0.8	-	130.8
Total	131.6	-	0.8	-	130.8

7.7.2 Tax audit procedure

Eutelsat S.A., a company belonging to the tax consolidation group of which Eutelsat Communications S.A. is the integral parent company, underwent a tax audit in respect of the financial years ended 30 June 2012, 2013 and 2014. In December 2016, the company received a tax adjustment notification in respect of the financial periods ended 30 June 2013 and 30 June 2014. As a result of the pre-litigation appeals and subsequent discussions, the amounts claimed by the tax authorities were significantly reduced. There is still disagreement regarding some tax adjustments, for which Eutelsat believes that it can make a strong defensive case.

The company Eutelsat S.A. has also been the subject of a tax audit in respect of the financial years ended 30 June 2016 and 30 June 2017. In December 2019, it received an upwards tax adjustment notification relating to these two financial years. The company has responded to this proposal.

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:

(in millions of euros)	30 June 2020	30 June 2021
Compensation ⁽¹⁾	9.2	7.7
Total short-term benefits	9.2	7.7
Post-employment benefits ⁽²⁾	0.05	0.06
Share-based payments ⁽³⁾	0.9	0.4
Total long-term benefits	0.95	0.46

⁽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 CEO or the Deputy-CEO, a non-compete clause provides for payment of 50% of their fixed compensation over an 18 month period. Under this clause, the CEO and the Deputy-CEO are required to refrain from working directly or indirectly for any satellite operator.

The fees paid to the members of the Board of Directors in respect of the financial year ended 30 June 2021 amount to 0.8 million euros (1.0 million euros in respect of the financial year ended 30 June 2020).

8.2 Other Related Parties

The transactions with related parties other than key management personnel are summarised as follows:

(in millions of euros)	30 June 2020	30 June 2021
Revenues	22.1	22.0
Financial result	25.7	11.8
Gross receivables (including unbilled revenues)	9.9	10.5
Debt (including deferred payments)	509.1	346.2

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

None.

Note 10. STATUTORY AUDITORS' FEES

(In thousands of euros)	EY				Mazars				
	Amount N	%	Amount N-1	%	Amount N	%	Amount N-1	%	
Statutory audit, certification, review of separate and consolidated financial statements									
Eutelsat Communications	149	28%	219	31%	149	22%	219	30%	
Subsidiaries	351	66%	463	66%	482	72%	464	65%	
Sub-total	500	94%	682	97%	631	94%	683	95%	
Services other than certification of the financial statements									
Eutelsat Communications	30	6%	10	1%	30	5%	10	1%	
Subsidiaries	3	0%	13	2%	7	1%	24	3%	
Sub-total	33	6%	23	3%	37	6%	34	5%	
Total	533	100%	705	100%	668	100%	717	100%	

Services other than the certification of financial statements correspond essentially to the services linked with financing transactions (comfort letters).

MAZARS

ERNST & YOUNG et Autres

Eutelsat Communications

Exercice clos le 30 juin 2021

Rapport des commissaires aux comptes sur les comptes consolidés

MAZARS
Tour Exaltis
61, rue Henri Regnault
92400 Courbevoie
S.A. à directoire et conseil de surveillance
au capital de € 8 320 000
784 824 153 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

ERNST & YOUNG et Autres
Tour First
TSA 14444
92037 Paris-La Défense cedex
S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

Eutelsat Communications

Exercice clos le 30 juin 2021

Rapport des commissaires aux comptes sur les comptes consolidés

A l'Assemblée Générale de la société Eutelsat Communications,

Opinion

En exécution de la mission qui nous a été confiée par vos assemblées générales, nous avons effectué l'audit des comptes consolidés de la société Eutelsat Communications relatifs à l'exercice clos le 30 juin 2021, tels qu'ils sont joints au présent rapport.

Nous certifions que les comptes consolidés sont, au regard du référentiel IFRS tel qu'adopté dans l'Union européenne, réguliers et sincères et donnent une image fidèle du résultat des opérations de l'exercice écoulé ainsi que de la situation financière et du patrimoine, à la fin de l'exercice, de l'ensemble constitué par les personnes et entités comprises dans la consolidation.

L'opinion formulée ci-dessus est cohérente avec le contenu de notre rapport au comité d'audit.

Fondement de l'opinion

■ Référentiel d'audit

Nous avons effectué notre audit selon les normes d'exercice professionnel applicables en France. Nous estimons que les éléments que nous avons collectés sont suffisants et appropriés pour fonder notre opinion.

Les responsabilités qui nous incombent en vertu de ces normes sont indiquées dans la partie « Responsabilités des commissaires aux comptes relatives à l'audit des comptes consolidés » du présent rapport.

■ Indépendance

Nous avons réalisé notre mission d'audit dans le respect des règles d'indépendance prévues par le code de commerce et par le code de déontologie de la profession de commissaire aux comptes sur la période du 1^{er} juillet

2020 à la date d'émission de notre rapport, et notamment nous n'avons pas fourni de services interdits par l'article 5, paragraphe 1, du règlement (UE) n° 537/2014.

Justification des appréciations - Points clés de l'audit

La crise mondiale liée à la pandémie de COVID-19 crée des conditions particulières pour la préparation et l'audit des comptes de cet exercice. En effet, cette crise et les mesures exceptionnelles prises dans le cadre de l'état d'urgence sanitaire induisent de multiples conséquences pour les entreprises, particulièrement sur leur activité et leur financement, ainsi que des incertitudes accrues sur leurs perspectives d'avenir. Certaines de ces mesures, telles que les restrictions de déplacement et le travail à distance, ont également eu une incidence sur l'organisation interne des entreprises et sur les modalités de mise en œuvre des audits.

C'est dans ce contexte complexe et évolutif que, en application des dispositions des articles L. 823-9 et R. 823-7 du code de commerce relatives à la justification de nos appréciations, nous portons à votre connaissance les points clés de l'audit relatifs aux risques d'anomalies significatives qui, selon notre jugement professionnel, ont été les plus importants pour l'audit des comptes consolidés de l'exercice, ainsi que les réponses que nous avons apportées face à ces risques.

Les appréciations ainsi portées s'inscrivent dans le contexte de l'audit des comptes consolidés pris dans leur ensemble et de la formation de notre opinion exprimée ci-avant. Nous n'exprimons pas d'opinion sur des éléments de ces comptes consolidés pris isolément.

■ Evaluation des actifs immobilisés et durée d'utilisation des satellites

Risque identifié	Notre réponse
<p>Au 30 juin 2021, l'actif immobilisé de votre groupe s'élève à 6,0 milliards d'euros au regard d'un total de bilan de 7,3 milliards d'euros. Cet actif immobilisé est essentiellement composé des écarts d'acquisition et des contrats clients et relations associées comptabilisés dans le cadre de regroupements d'entreprises, des satellites en orbite ou en cours de construction, des droits d'utilisation ainsi que des équipements au sol.</p> <p>Les écarts d'acquisition sont suivis au niveau du seul segment opérationnel de la société. Les unités génératrices de trésorerie correspondent aux positions orbitales, portant un ou plusieurs satellites, ainsi que les contrats clients et relations associées.</p> <p>Les notes 7.1.1, 7.1.2, 7.1.3 et 7.1.4 de l'annexe aux comptes consolidés décrivent les modalités d'évaluation des écarts d'acquisition, d'amortissement des contrats clients et relations associées, et celles des satellites en orbite ainsi que les modalités de réalisation des tests de perte de valeur de ces actifs.</p> <p>Nous avons considéré que l'évaluation de ces actifs et la détermination de la durée d'amortissement des satellites en orbite sont des points clés de l'audit en raison (i) de leur importance significative dans les comptes de votre groupe, (ii) des estimations nécessaires pour déterminer</p>	<p>Nous avons examiné :</p> <ul style="list-style-type: none">▶ les travaux réalisés par votre groupe pour déterminer la durée d'utilité des satellites et la cohérence des durées retenues avec les données techniques disponibles ;▶ les modalités de mise en œuvre des tests de perte de valeur, en particulier la détermination des unités génératrices de trésorerie ;▶ les méthodes d'estimation de la valeur recouvrable des écarts d'acquisition et des autres actifs des unités génératrices de trésorerie. <p>Nous avons porté une attention particulière aux tests de dépréciation (i) des écarts d'acquisition ainsi que (ii) des unités génératrices de trésorerie pour lesquelles la valeur comptable est proche de la valeur recouvrable estimée et, celles dont l'historique de performance est limité compte tenu du caractère récent des lancements de satellites.</p> <p>Nous avons par ailleurs apprécié les principales estimations retenues par la direction pour établir les prévisions de flux de trésorerie, à partir des informations disponibles et dans le contexte de crise liée au Covid-19, dont les perspectives de marché, les carnets de commandes et les réalisations passées. Nous avons</p>

la durée d'utilisation attendue des satellites ainsi que l'horizon des flux de trésorerie d'exploitation qui reposent sur des évaluations techniques, (iii) du jugement nécessaire à la détermination des unités génératrices de trésorerie et (iv) des estimations et des hypothèses utilisées pour la détermination de leur valeur recouvrable, le plus souvent fondée sur des prévisions de flux de trésorerie actualisés dont la réalisation est par nature incertaine.

apprécié la pertinence des taux d'actualisation et des taux de croissance à long terme retenus, avec l'assistance de nos experts en évaluation financière et nous avons réalisé des calculs de sensibilité sur les valeurs recouvrables déterminées par la direction.

Nous avons également évalué le caractère approprié des informations fournies dans les notes 7.1.1, 7.1.2, 7.1.3 et 7.1.4 de l'annexe aux comptes consolidés.

■ Reconnaissance du chiffre d'affaires et dépréciation des créances clients

Risque identifié	Notre réponse
<p>Au 30 juin 2021, le chiffre d'affaires de votre groupe s'élève à 1,2 milliard d'euros et les créances clients et actifs sur contrats clients inscrits au bilan du groupe s'élèvent à 0,3 milliard d'euros. Votre groupe est amené à traiter avec de multiples clients en France et à l'étranger. Le chiffre d'affaires est principalement issu des contrats conclus avec les clients pour la fourniture de services de capacité satellitaire. Les contrats couvrent généralement des périodes allant de plusieurs mois à plusieurs années.</p> <p>Nous avons considéré que la reconnaissance du chiffre d'affaires et la détermination des provisions pour dépréciation des créances clients et actifs sur contrats clients sont un point clé de l'audit en raison de leur importance significative dans les comptes de votre groupe, de la diversité et du volume des contrats existant entre votre groupe et ses clients, ainsi que du jugement nécessaire à l'appréciation du caractère recouvrable des créances clients tout au long de la vie des contrats.</p>	<p>Les notes 6.1 et 7.2 de l'annexe aux comptes consolidés décrivent les modalités de comptabilisation du chiffre d'affaires et les modalités d'évaluation des créances clients.</p> <p>Notre approche d'audit sur la reconnaissance du chiffre d'affaires et la dépréciation des créances clients inclut à la fois des tests sur le contrôle interne et des contrôles de substance, sur les comptes en eux-mêmes.</p> <p>Nos travaux relatifs au contrôle interne ont porté principalement sur la contractualisation, la facturation, le recouvrement des créances clients et la comptabilisation du chiffre d'affaires. Nous avons examiné les procédures mises en œuvre par votre groupe et testé les contrôles clés identifiés. Par ailleurs, nous avons inclus dans nos équipes des membres ayant une compétence particulière en systèmes d'information de manière à évaluer certains contrôles généraux informatiques et contrôles applicatifs sur les données intégrées dans le système et servant à la reconnaissance du chiffre d'affaires.</p> <p>Nos contrôles de substance, relatifs au chiffre d'affaires et aux dépréciations des créances clients, ont notamment consisté à :</p> <ul style="list-style-type: none"> ▶ analyser les clauses contractuelles sur un échantillon de contrats, notamment les nouveaux contrats les plus significatifs de la période et les opérations particulières, afin d'examiner le traitement comptable applicable ; ▶ apprécier les hypothèses utilisées dans la reconnaissance du chiffre d'affaires ; ▶ examiner avec la direction les raisons du retard de paiement de certains clients et l'estimation des perspectives de recouvrement des créances dans le contexte de la crise liée au Covid-19, en considérant, entre autres, les facteurs tels que les dépôts de garantie, l'historique de paiement et les relations commerciales en cours entre ces clients et votre groupe ;

- ▶ contrôler le calcul de la provision pour dépréciation et sa conformité avec la méthodologie de votre groupe.

Enfin, nous avons examiné le caractère approprié des informations fournies dans les notes 6.1 et 7.2 de l'annexe aux comptes consolidés.

Vérifications spécifiques

Nous avons également procédé, conformément aux normes d'exercice professionnel applicables en France, aux vérifications spécifiques prévues par les textes légaux et réglementaires des informations relatives au groupe, données dans le rapport de gestion du conseil d'administration.

Nous n'avons pas d'observation à formuler sur leur sincérité et leur concordance avec les comptes consolidés.

Nous attestons que la déclaration consolidée de performance extra-financière prévue par l'article L. 225-102-1 du code de commerce figure dans les informations relatives au groupe données dans le rapport de gestion, étant précisé que, conformément aux dispositions de l'article L. 823-10 de ce code, les informations contenues dans cette déclaration n'ont pas fait l'objet de notre part de vérifications de sincérité ou de concordance avec les comptes consolidés et doivent faire l'objet d'un rapport par un organisme tiers indépendant.

Autres vérifications ou informations prévues par les textes légaux et réglementaires

■ Format de présentation des comptes consolidés destinés à être inclus dans le rapport financier annuel

Conformément au III de l'article 222-3 du règlement général de l'AMF, la direction de votre société nous a informés de sa décision de reporter l'application du format d'information électronique unique tel que défini par le règlement européen délégué n° 2019/815 du 17 décembre 2018 aux exercices ouverts à compter du 1er janvier 2021. En conséquence, le présent rapport ne comporte pas de conclusion sur le respect de ce format dans la présentation des comptes consolidés destinés à être inclus dans le rapport financier annuel mentionné au I de l'article L. 451-1-2 du code monétaire et financier.

■ Désignation des commissaires aux comptes

Nous avons été nommés commissaires aux comptes de la société Eutelsat Communications par les assemblées générales du 10 novembre 2009 pour le cabinet ERNST & YOUNG et Autres et du 20 juillet 2005 pour le cabinet MAZARS.

Au 30 juin 2021, le cabinet ERNST & YOUNG et Autres était dans la douzième année de sa mission et le cabinet MAZARS était dans la seizième année de sa mission sans interruption (dont seize années depuis que les titres de la société ont été admis aux négociations sur un marché réglementé).

Antérieurement, le cabinet ERNST & YOUNG Audit était commissaire aux comptes depuis 2005.

Responsabilités de la direction et des personnes constituant le gouvernement d'entreprise relatives aux comptes consolidés

Il appartient à la direction d'établir des comptes consolidés présentant une image fidèle conformément au référentiel IFRS tel qu'adopté dans l'Union européenne ainsi que de mettre en place le contrôle interne qu'elle estime nécessaire à l'établissement de comptes consolidés ne comportant pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs.

Lors de l'établissement des comptes consolidés, il incombe à la direction d'évaluer la capacité de la société à poursuivre son exploitation, de présenter dans ces comptes, le cas échéant, les informations nécessaires relatives à la continuité d'exploitation et d'appliquer la convention comptable de continuité d'exploitation, sauf s'il est prévu de liquider la société ou de cesser son activité.

Il incombe au comité d'audit de suivre le processus d'élaboration de l'information financière et de suivre l'efficacité des systèmes de contrôle interne et de gestion des risques, ainsi que le cas échéant de l'audit interne, en ce qui concerne les procédures relatives à l'élaboration et au traitement de l'information comptable et financière.

Les comptes consolidés ont été arrêtés par le conseil d'administration.

Responsabilités des commissaires aux comptes relatives à l'audit des comptes consolidés

■ Objectif et démarche d'audit

Il nous appartient d'établir un rapport sur les comptes consolidés. Notre objectif est d'obtenir l'assurance raisonnable que les comptes consolidés pris dans leur ensemble ne comportent pas d'anomalies significatives. L'assurance raisonnable correspond à un niveau élevé d'assurance, sans toutefois garantir qu'un audit réalisé conformément aux normes d'exercice professionnel permet de systématiquement détecter toute anomalie significative. Les anomalies peuvent provenir de fraudes ou résulter d'erreurs et sont considérées comme significatives lorsque l'on peut raisonnablement s'attendre à ce qu'elles puissent, prises individuellement ou en cumulé, influencer les décisions économiques que les utilisateurs des comptes prennent en se fondant sur ceux-ci.

Comme précisé par l'article L. 823-10-1 du code de commerce, notre mission de certification des comptes ne consiste pas à garantir la viabilité ou la qualité de la gestion de votre société.

Dans le cadre d'un audit réalisé conformément aux normes d'exercice professionnel applicables en France, le commissaire aux comptes exerce son jugement professionnel tout au long de cet audit. En outre :

- ▶ il identifie et évalue les risques que les comptes consolidés comportent des anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, définit et met en œuvre des procédures d'audit face à ces risques, et recueille des éléments qu'il estime suffisants et appropriés pour fonder son opinion. Le risque de non-détection d'une anomalie significative provenant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne ;
- ▶ il prend connaissance du contrôle interne pertinent pour l'audit afin de définir des procédures d'audit appropriées en la circonstance, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne ;
- ▶ il apprécie le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par la direction, ainsi que les informations les concernant fournies dans les comptes consolidés ;

- ▶ il apprécie le caractère approprié de l'application par la direction de la convention comptable de continuité d'exploitation et, selon les éléments collectés, l'existence ou non d'une incertitude significative liée à des événements ou à des circonstances susceptibles de mettre en cause la capacité de la société à poursuivre son exploitation. Cette appréciation s'appuie sur les éléments collectés jusqu'à la date de son rapport, étant toutefois rappelé que des circonstances ou événements ultérieurs pourraient mettre en cause la continuité d'exploitation. S'il conclut à l'existence d'une incertitude significative, il attire l'attention des lecteurs de son rapport sur les informations fournies dans les comptes consolidés au sujet de cette incertitude ou, si ces informations ne sont pas fournies ou ne sont pas pertinentes, il formule une certification avec réserve ou un refus de certifier ;
- ▶ il apprécie la présentation d'ensemble des comptes consolidés et évalue si les comptes consolidés reflètent les opérations et événements sous-jacents de manière à en donner une image fidèle ;
- ▶ concernant l'information financière des personnes ou entités comprises dans le périmètre de consolidation, il collecte des éléments qu'il estime suffisants et appropriés pour exprimer une opinion sur les comptes consolidés. Il est responsable de la direction, de la supervision et de la réalisation de l'audit des comptes consolidés ainsi que de l'opinion exprimée sur ces comptes.

■ Rapport au comité d'audit

Nous remettons au comité d'audit un rapport qui présente notamment l'étendue des travaux d'audit et le programme de travail mis en œuvre, ainsi que les conclusions découlant de nos travaux. Nous portons également à sa connaissance, le cas échéant, les faiblesses significatives du contrôle interne que nous avons identifiées pour ce qui concerne les procédures relatives à l'élaboration et au traitement de l'information comptable et financière.

Parmi les éléments communiqués dans le rapport au comité d'audit figurent les risques d'anomalies significatives, que nous jugeons avoir été les plus importants pour l'audit des comptes consolidés de l'exercice et qui constituent de ce fait les points clés de l'audit, qu'il nous appartient de décrire dans le présent rapport.

Nous fournissons également au comité d'audit la déclaration prévue par l'article 6 du règlement (UE) n° 537-2014 confirmant notre indépendance, au sens des règles applicables en France telles qu'elles sont fixées notamment par les articles L. 822-10 à L. 822-14 du code de commerce et dans le code de déontologie de la profession de commissaire aux comptes. Le cas échéant, nous nous entretenons avec le comité d'audit des risques pesant sur notre indépendance et des mesures de sauvegarde appliquées.

Courbevoie et Paris-La Défense, le 3 août 2021

Les commissaires aux comptes

MAZARS

ERNST & YOUNG et Autres

Achour Messas

Pierre-Henri Pagnon

*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 the information about the appointment of the statutory auditors or 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.*

Eutelsat Communications

Year ended June 30, 2022

Statutory auditors' report on the consolidated financial statements

MAZARS
Tour Exaltis
61, rue Henri Regnault
92075 Paris-La Défense cedex
S.A. à directoire et conseil de surveillance
au capital de € 8 320 000
784 824 153 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

ERNST & YOUNG et Autres
Tour First
TSA 14444
92037 Paris-La Défense cedex
S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

Eutelsat Communications

Year ended June 30, 2022

Statutory auditors' report on the consolidated financial statements

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, 2022.

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, 2022 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, 2021 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	Our response
<p>As at June 30, 2022, your Company's tangible and intangible assets amounted to € 5.8 billion and investments in equity-accounted companies amounted to € 0.6 billion, compared to a total balance sheet of € 7.6 billion. 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.</p> <p>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.</p> <p>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.</p> <p>Note 7.2 to the consolidated financial statement describes the procedures to recognize assets accounted on equity basis.</p>	<p>We considered:</p> <ul style="list-style-type: none">▶ 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. <p>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.</p> <p>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.</p>

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.

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	Our response
<p>As at June 30, 2022, your Group's revenue amounted to € 1.2 billion and trade receivables and contract assets recorded in the Group's balance sheet amounted to € 0.3 billion. 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.</p> <p>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.</p>	<p>Notes 6.1 and 7.3 to the consolidated financial statements describe the method for revenue recognition and the valuation method for trade receivable.</p> <p>Our audit approach related to revenue recognition and allowance for bad debt includes both internal control testing and substantive procedures on the accounts themselves.</p> <p>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.</p> <p>Our substantive procedures, related to revenue recognition and to allowance for bad debt, notably consisted in:</p> <ul style="list-style-type: none"> ▶ 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 17 December 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.

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 your annual general meetings held on July 20, 2005 for MAZARS and on November 10, 2009 for ERNST & YOUNG et Autres.

As at June 30, 2022, MAZARS and ERNST & YOUNG et Autres were in the seventeenth and thirteenth year of total uninterrupted engagement respectively.

Previously, ERNST & YOUNG Audit has 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, September 29, 2022

The Statutory Auditors
French original signed by

MAZARS

ERNST & YOUNG et Autres

Achour Messas

Nicolas Macé

Groupe Eutelsat Communications

Société anonyme au capital de 230 544 995 euros

Siège social : 32, boulevard Gallieni 92130 Issy-les-Moulineaux

481 043 040 R.C.S. Nanterre

ETATS FINANCIERS CONSOLIDES

AU 30 JUIN 2021

COMPTE DE RESULTAT CONSOLIDE

(en millions d'euros, sauf données par action)	Note	30 juin 2020	30 juin 2021
Produits des activités ordinaires	6.1	1 278,3	1 233,9
Coûts des opérations	6.2	(89,7)	(94,7)
Frais commerciaux et administratifs ⁽¹⁾	6.2	(203,6)	(217,3)
Dotations aux amortissements	7.1.1, 7.1.2, 7.1.3	(530,9)	(507,7)
Autres produits et charges opérationnelles	6.3	36,1	(67,0)
Résultat opérationnel		490,2	347,2
Coût de la dette nette		(71,8)	(72,8)
Autres produits et charges financiers		(8,7)	(22,2)
Résultat financier	6.4	(80,5)	(95,0)
Résultat net avant impôt		409,7	252,3
Impôts sur les sociétés ⁽¹⁾	6.5	(97,5)	(24,2)
Résultat net		312,2	228,1
Part attribuable au Groupe		297,6	214,1
Part attribuable aux participations ne donnant pas le contrôle		14,6	14,0
Résultat de base et dilué par action revenant aux actionnaires d'Eutelsat Communications	6.6	1,283	0,930

⁽¹⁾ Les comptes comparatifs au 30 juin 2020 ont fait l'objet d'un retraitement concernant la CVAE reclassée de la ligne Frais commerciaux et administratifs en Impôts sur les sociétés pour un montant de 3,1 millions d'euros afin d'aligner la présentation sur les comptes consolidés au 30 juin 2021, voir note 6.5 « Impôts sur les sociétés ».

ETAT DU RESULTAT GLOBAL

(en millions d'euros)	Note	30 juin 2020	30 juin 2021
Résultat net		312,2	228,1
Autres éléments recyclables de gains et pertes du résultat global			
Écart de conversion	7.5.4	(41,4)	(16,5)
Effet d'impôt	7.5.4	11,9	(9,3)
Variations de juste valeur des instruments de couverture ⁽¹⁾	7.5.3	9,9	1,6
Effet d'impôt	7.5.3	(0,4)	15,0
Autres éléments non recyclables de gains et pertes du résultat global			
Variations des engagements de retraite	7.6	14,4	20,1
Effet d'impôt		(3,8)	(5,2)
Total autres éléments de gains et pertes du résultat global		(9,3)	5,8
Total état du résultat global		302,9	233,9
Part attribuable au Groupe		288,6	219,7
Part attribuable aux participations ne donnant pas le contrôle ⁽²⁾		14,3	14,2

⁽¹⁾ Les variations de juste valeur des instruments de couverture ne concernent que les couvertures de flux de trésorerie, les couvertures d'investissement net à l'étranger étant présentées en écarts de conversion

⁽²⁾ La part attribuable aux participations ne donnant pas le contrôle se décompose comme suit :

- 14,6 millions d'euros de résultat net au 30 juin 2020 et 14,0 millions d'euros au 30 juin 2021

- (0,7) million d'euros d'autres éléments recyclables de gains et pertes du résultat global au 30 juin 2020 et (0,3) million d'euros au 30 juin 2021 et

- 0,4 million d'euros d'autres éléments non recyclables de gains et pertes du résultat global au 30 juin 2020 et 0,5 million d'euros au 30 juin 2021.

ETATS CONSOLIDES DE LA SITUATION FINANCIERE

(en millions d'euros)	Note	30 juin 2020	30 juin 2021
Actif			
Écarts d'acquisition	7.1.1	1 209,2	1 246,5
Immobilisations incorporelles	7.1.1	514,8	440,3
Immobilisations corporelles et immobilisations en cours	7.1.2	3 856,7	3 730,4
Droits d'utilisation sur contrats de location	7.1.3	556,3	517,5
Actifs financiers non courants	7.3.3	32,8	71,5
Actifs sur contrats clients et coûts d'obtention et d'exécution des contrats non courants	7.2	74,9	37,7
Actifs d'impôts différés	7.7	36,3	7,6
Total des actifs non courants		6 280,9	6 051,5
Stocks		6,7	8,1
Créances clients et comptes rattachés	7.2.1	334,8	244,5
Actifs sur contrats clients et coûts d'obtention et d'exécution des contrats courants	7.2	17,1	17,4
Autres actifs courants		43,5	42,8
Actif d'impôt exigible		42,5	26,6
Actifs financiers courants	7.3.3	23,6	27,0
Trésorerie et équivalents de trésorerie	7.3.1	832,0	861,1
Total des actifs courants		1 300,2	1 227,5
Total de l'actif		7 581,1	7 279,0

(en millions d'euros)	Note	30 juin 2020	30 juin 2021
Passif			
Capital social	7.5.1	230,5	230,5
Primes liées au capital		718,1	718,0
Réserves et résultat consolidés		1 711,1	1 666,0
Participations ne donnant pas le contrôle		144,8	76,2
Total capitaux propres		2 804,6	2 690,7
Dettes financières non courantes	7.3.2	2 505,8	3 097,4
Dettes locatives non courantes	7.3.3	418,7	411,6
Autres passifs financiers non courants	7.3.3	85,6	89,0
Dettes sur immobilisations non courantes	7.3.3	5,9	188,7
Passifs de contrats clients non courants	7.2.3	120,6	117,5
Provisions non courantes	7.6	106,6	83,0
Passifs d'impôts différés	7.7	264,2	197,9
Total des passifs non courants		3 507,5	4 185,0
Dettes financières courantes	7.3.2	858,1	45,5
Dettes locatives courantes	7.3.3	74,7	24,1
Autres dettes et passifs financiers courants	7.3.3	111,9	121,4
Fournisseurs et comptes rattachés		73,3	84,9
Dettes sur immobilisations courantes	7.3.3	45,0	25,0
Impôt à payer		22,8	20,8
Passifs de contrats clients courants	7.2.3	66,9	69,0
Provisions courantes	7.6	16,5	12,6
Total des passifs courants		1 269,0	403,3
Total du passif et des capitaux propres		7 581,1	7 279,0

TABLEAU DE FLUX DE TRESORERIE CONSOLIDE

(en millions d'euros)	Note	30 juin 2020	30 juin 2021
Flux d'exploitation			
Résultat net		312,2	228,1
Charges d'impôts et d'intérêts, autres éléments d'exploitation		63,3	140,4
Dotations aux amortissements et aux provisions		573,4	502,7
Impôts différés	7.7	8,0	(32,0)
Variations des clients et comptes rattachés		(72,4)	79,9
Variations des actifs sur contrats clients et autres actifs		(17,5)	1,2
Variations des fournisseurs et comptes rattachés		10,7	(7,3)
Variations des passifs de contrats clients et autres passifs ⁽¹⁾		(2,5)	18,9
Impôts payés ⁽¹⁾		(96,2)	(42,8)
Trésorerie provenant des opérations d'exploitation		779,0	889,0
Flux d'investissements			
Acquisitions de satellites et autres immobilisations corporelles et incorporelles	7.1.1, 7.1.2	(220,3)	(183,4)
Remboursements d'assurance		85,6	6,6
Cessions ⁽²⁾		67,5	41,5
Acquisitions de titres de participation et autres mouvements ⁽³⁾		(12,5)	(48,0)
Trésorerie utilisée par les opérations d'investissement		(79,7)	(183,3)
Flux de financement			
Distributions		(315,7)	(204,9)
Augmentation des emprunts	7.3.2	300,0	1 200,0
Remboursement des emprunts	7.3.2	(953,7)	(1 473,8)
Remboursement des dettes locatives	7.3.3	(63,0)	(91,5)
Frais d'émission d'emprunt		(1,2)	(5,2)
Intérêts et autres frais financiers payés		(83,2)	(80,0)
Rachat d'actions propres		(20,0)	-
Opérations relatives aux participations ne donnant pas le contrôle ⁽⁴⁾		(35,0)	(8,8)
Primes et soultes payées sur instruments financiers dérivés		(151,3)	(6,0)
Autres variations		-	-
Trésorerie utilisée par les opérations de financement		(1 323,1)	(670,1)
Incidence des variations de change sur la trésorerie		0,6	(6,5)
Augmentation/(Diminution) de la trésorerie		(623,4)	29,1
Trésorerie à l'ouverture de l'exercice		1 455,4	832,0
Trésorerie à la clôture de l'exercice		832,0	861,1
<i>dont Trésorerie et équivalents de trésorerie à clôture de l'exercice</i>	7.3.1	832,0	861,1
<i>dont Découverts compris dans les dettes à clôture de l'exercice</i>		-	-

⁽¹⁾ Les comptes comparatifs au 30 juin 2020 ont fait l'objet d'un retraitement concernant la CVAE reclassée de la ligne Variations des passifs de contrats clients et autres passifs en Impôts payés pour un montant de 10,3 millions d'euros afin d'aligner la présentation sur les comptes consolidés au 30 juin 2021 voir note 6.5 « Impôts sur les sociétés ».

⁽²⁾ Au 30 juin 2020, les cessions incluent le versement de 67,5 millions d'euros intervenu en août 2019 suite à la cession du satellite E25B à son copropriétaire, Es'Hailsat pour 135 millions d'euros. Au 30 juin 2021, elles comprennent le versement de 41,5 millions d'euros lié à la cession des d'Eurobroadband Infrastructure et ses filiales (voir note 3.2 « Principales évolutions du périmètre de consolidation »)

⁽³⁾ Au 30 juin 2020, les acquisitions de titres de participation incluent le paiement de 10 millions d'euros lié à l'acquisition d'une participation dans Broadpeak. Au 30 juin 2021, elles comprennent le versement de 48,2 millions d'euros au titre de l'acquisition de Big Blu Europe dont 6,8 millions d'euros en compte séquestre (voir note 3.2 « Principales évolutions du périmètre de consolidation »)

⁽⁴⁾ Au 30 juin 2020, les opérations relatives aux participations ne donnant pas le contrôle incluent le paiement de 35 millions d'euros lié au rachat des 49% d'intérêts minoritaires d'Eutelsat International et Eutelsat Networks. Au 30 juin 2021, elles comprennent le paiement d'un complément de prix lié à l'acquisition des parts minoritaires d'Eutelsat International intervenue sur l'exercice clos le 30 juin 2020.

TABLEAU DE VARIATION DES CAPITAUX PROPRES CONSOLIDES

(en millions d'euros sauf données par actions)	Capital social			Réserves et résultat	Capitaux propres part du Groupe	Participations ne donnant pas le contrôle	Total
	Nombre	Montant	Primes				
Au 30 juin 2019	232 774 635	232,8	738,1	1 709,9	2 680,7	186,7	2 867,4
Résultat net de la période	-	-	-	297,6	297,6	14,6	312,2
Autres éléments de gains et pertes du résultat global ⁽¹⁾	-	-	-	(9,0)	(9,0)	(0,3)	(9,3)
Total du résultat global	-	-	-	288,6	288,6	14,3	302,9
Opérations sur le capital	(2 229 640)	(2,2)	(20,1)	0,6	(21,7)	-	(21,7)
Distributions de dividendes	-	-	-	(295,2)	(295,2)	(20,6)	(315,8)
Transactions avec des participations ne donnant pas le contrôle et autres	-	-	-	7,0	7,1	(35,4)	(28,2)
Au 30 juin 2020	230 544 995	230,5	718,0	1 711,1	2 659,8	144,8	2 804,6
Résultat net de la période	-	-	-	214,1	214,1	14,0	228,1
Autres éléments de gains et pertes du résultat global ⁽¹⁾	-	-	-	5,6	5,6	0,2	5,8
Total du résultat global	-	-	-	219,7	219,7	14,2	233,9
Distributions de dividendes	-	-	-	(204,9)	(204,9)	-	(204,9)
Avantages aux salariés sur souscription d'actions et actions gratuites	-	-	-	0,5	0,5	-	0,5
Transactions avec des participations ne donnant pas le contrôle et autres ⁽²⁾	-	-	-	(60,3)	(60,3)	(82,8)	(143,1)
Au 30 juin 2021	230 544 995	230,5	718,0	1 666,0	2 614,5	76,2	2 690,7

⁽¹⁾ Les variations des autres éléments de gains et pertes du résultat global comprennent les gains et pertes actuariels constatés sur les avantages postérieurs à l'emploi ainsi que la variation de la réserve de réévaluation sur les instruments financiers (cf. Note 7.5.3) et de la réserve de conversion (cf. Note. 7.5.4), nets des effets d'impôts associés.

⁽²⁾ Les transactions avec des participations ne donnant pas le contrôle et autres correspondent principalement à la cession d'EBI voir note 2.2.

NOTES ANNEXES AUX ETATS FINANCIERS CONSOLIDES

NOTE 1. PRESENTATION GENERALE	9
1.1 Activité.....	9
1.2 Exercice fiscal	9
1.3 Approbation des comptes	9
NOTE 2. FAITS MARQUANTS DE L'EXERCICE	9
2.1 Acquisition des activités haut débit de Big Blu Europe.....	9
2.2 Cession d'Euro Broadband Infrastructure	9
2.3 Accord portant sur une prise de participation dans OneWeb	9
2.4 Bande C.....	9
2.5 Financements	10
2.6 Lancement de l'activité Konnect	10
2.7 Incidences du COVID	10
NOTE 3. PERIMETRE DE CONSOLIDATION	11
3.1 Périmètre de consolidation	11
3.2 Principales évolutions du périmètre de consolidation	13
NOTE 4. PRINCIPES COMPTABLES ET METHODES D'EVALUATION	14
4.1 Bases de préparation des comptes	14
4.2 Règles de présentation.....	14
4.3 Jugements comptables et estimations significatives	14
NOTE 5. INFORMATION SECTORIELLE	15
NOTE 6. NOTES ANNEXES DU COMPTE DE RESULTAT	16
6.1 Chiffre d'affaires	16
6.2 Charges opérationnelles.....	17
6.3 Autres produits et charges opérationnels.....	19
6.4 Résultat financier	20
6.5 Impôt sur les sociétés.....	20
6.6 Résultat par action	21
NOTE 7. NOTES ANNEXES DU BILAN	22
7.1 Actifs immobilisés.....	22
7.2 Créances, actifs et passifs sur contrats clients et coûts d'obtention et d'exécution des contrats.	29
7.3 Actifs et passifs financiers	33
7.4 Juste valeur des instruments financiers.....	40
7.5 Capitaux propres	43
7.6 Provisions	44
7.7 Actifs et passifs d'impôts.....	47
NOTE 8. PARTIES LIEES	48
NOTE 9. ÉVENEMENTS POSTERIEURS A LA CLOTURE	50
NOTE 10. HONORAIRES DES COMMISSAIRES AUX COMPTES	50

NOTE 1. PRESENTATION GENERALE

1.1 ACTIVITE

Exploitant de la capacité sur 38 satellites, le Groupe est l'un des leaders dans les services fixes par satellite. Il exploite et fournit principalement de la capacité pour des Services Vidéo, des Données Fixes, ainsi que des Services aux gouvernements et offre également de la capacité dans des applications de Connectivité (Haut Débit Fixe et Connectivité Mobile). Grâce à sa flotte de satellites, le Groupe couvre l'ensemble du continent européen, le Moyen-Orient et l'Afrique du Nord, ainsi que l'Afrique sub-saharienne, une partie importante des continents asiatiques et le continent américain.

1.2 EXERCICE FISCAL

L'exercice a une durée de 12 mois du 1^{er} juillet au 30 juin.

1.3 APPROBATION DES COMPTES

Les états financiers consolidés au 30 juin 2021 ont été établis sous la responsabilité du Conseil d'Administration qui les a arrêtés par une délibération en date du 29 juillet 2021. Ils seront soumis à l'approbation de l'Assemblée Générale ordinaire des actionnaires qui aura lieu le 4 novembre 2021.

NOTE 2. FAITS MARQUANTS DE L'EXERCICE

2.1 ACQUISITION DES ACTIVITES HAUT DEBIT DE BIG BLU EUROPE

Le 30 septembre 2020, le Groupe a acquis les activités haut débit par satellite en Europe de Bigblu Broadband. Bigblu Broadband est le principal distributeur de forfaits haut débit par satellite en Europe. S'appuyant sur un réseau d'installateurs et de revendeurs unique, Bigblu Broadband dispose d'une plateforme bien établie de l'internet haut débit par satellite. Les activités européennes de Bigblu Broadband comptent plusieurs dizaines de milliers d'abonnés répartis à travers l'Europe, notamment au Royaume-Uni, Irlande, France, Allemagne, Italie, Espagne, Portugal, Pologne, Hongrie et en Grèce.

Les impacts de cette acquisition sont présentés dans la Note 3.2 « Principales évolutions du périmètre de consolidation ».

2.2 CESSION D'EURO BROADBAND INFRASTRUCTURE

Le 18 novembre 2020, la société Eutelsat a signé un accord portant sur la cession de la participation de 51% qu'elle détenait dans Euro Broadband Infrastructure Sàrl (EBI), la société exploitant le satellite KA SAT et ses activités de haut débit en Europe à Viasat Inc, déjà actionnaire d'EBI à hauteur de 49%. La cession a été réalisée le 30 avril 2021, après accomplissement des conditions suspensives usuelles.

La participation a été cédée pour un montant initial de 143 millions d'euros. A l'issue d'une période de deux ans à compter de la finalisation de la transaction, le prix de cession pourra être revu à la hausse ou à la baisse à hauteur de 20 millions d'euros maximum, en fonction du montant de certains revenus générés par les activités d'EBI au cours de cette période. Les impacts de cette acquisition sont présentés dans la Note 3.2 « Principales évolutions du périmètre de consolidation ».

En vertu de l'accord, Eutelsat et ses filiales continuent à fournir des services transitoires à EBI, notamment l'exploitation des infrastructures terrestres de KA SAT, EBI assurant pour sa part la continuité de service auprès de la base d'abonnés de KA SAT de Bigblu Broadband Europe qu'Eutelsat a acheté en octobre 2020.

2.3 ACCORD PORTANT SUR UNE PRISE DE PARTICIPATION DANS ONEWEB

Le 27 avril 2021, le Groupe a conclu un accord avec OneWeb portant sur une prise de participation à hauteur d'environ 19% (après prise en compte de la prise de participation complémentaire de Bharti Global), et deviendrait ainsi l'un des principaux actionnaires de la société aux côtés du gouvernement britannique et de Bharti Global. Le montant de l'investissement du Groupe s'élèvera à 550 millions de dollars, et la finalisation de l'opération est attendue au second semestre 2021, sous réserve des autorisations réglementaires. La constellation OneWeb bénéficie de droits prioritaires importants en matière de fréquences, garantis par l'Union Internationale des Télécommunications, et opérera 648 satellites en orbite basse offrant une faible latence.

Le Groupe prévoit de financer cet investissement en totalité par les liquidités disponibles du Groupe, ainsi que par le produit lié à la libération d'une partie des fréquences de la bande C aux Etats-Unis. Cette participation sera consolidée en appliquant la méthode de la mise en équivalence, le Groupe prévoyant d'avoir une influence notable dans la structure. Au 30 juin 2021, cet accord n'a pas d'impact significatif dans les comptes du Groupe.

2.4 BANDE C

Dans le cadre de la libération des fréquences 3,7-4 GHz (bande C) sur le territoire américain faisant suite à la décision fédérale publiée par la FCC (le régulateur américain des communications) le 3 mars 2020, le Groupe a mis en place un plan de transition qui comporte deux phases correspondant chacune à la libération de certaines fréquences et donnant lieu au paiement d'incitations financières à hauteur de 125 millions de dollars pour la première phase et 382 millions de dollars pour la seconde phase. Compte tenu de l'avancement de ses opérations de transition, le Groupe prévoit de finaliser les deux phases et d'obtenir l'ensemble des paiements relatifs à ce processus, qui s'élèvent à 507 millions de dollars avant impôts, au cours de l'exercice 2021-22.

La transition n'étant à ce stade pas finalisée, aucun actif n'a été reconnu dans les comptes consolidés du Groupe à ce titre au 30 juin 2021. Par ailleurs, les coûts de transition déjà engagés devant être remboursée par la FCC, les comptes consolidés annuels au 30 juin 2021 ne sont pas impactés.

2.5 FINANCEMENTS

Le 13 octobre 2020, le Groupe a procédé à une émission obligataire d'un montant de 600 millions d'euros pour une durée de 8 ans arrivant à maturité en 2028 sur le marché réglementé de la Bourse du Luxembourg. Cette émission obligataire a été réalisée par la filiale Eutelsat S.A. L'emprunt obligataire porte un coupon annuel de 1,500%. Cette émission obligataire permet à Eutelsat de refinancer les obligations émises le 23 juin 2016 pour un nominal de 500 millions d'euros, portant un coupon de 1,125% et venant à échéance en juin 2021.

Le 27 novembre 2020, le Groupe a contracté un prêt auprès de la Banque Européenne d'Investissement d'un montant de 200 millions d'euros pour une durée de 8 ans arrivant à maturité en décembre 2028 à taux fixe.

Le 25 juin 2021, le Groupe a refinancé le crédit *in fine* d'Eutelsat Communications d'un montant de 400 millions d'euros pour une durée de 5 ans arrivant à maturité en juin 2026. Cet emprunt comporte une possibilité de deux extensions d'un an à la main des prêteurs, et est à taux variable. Il a permis au Groupe de rembourser le 25 juin 2021 le précédent crédit *in fine*, qui arrivait à maturité en mars 2022.

Ces trois opérations permettent au Groupe d'allonger la maturité de sa dette dans d'excellentes conditions.

2.6 LANCEMENT DE L'ACTIVITE KONNECT

Le Groupe a lancé la distribution du service Konnect le 23 novembre 2020 suite à la mise en service du satellite Eutelsat Konnect. Cette nouvelle génération de services haut débit par satellite à travers l'Europe et l'Afrique est en cours de déploiement sur les deux continents et propose des forfaits haut débit répondant aux besoins des particuliers, des PME et des organismes dont les activités se déroulent actuellement au-delà des régions couvertes par la fibre optique. Deux contrats principaux ont notamment été signés avec des opérateurs de télécommunications européens concernant la capacité disponible en France et en Italie.

2.7 INCIDENCES DU COVID

Le chiffre d'affaires du Groupe, bien que relativement résilient par rapport à d'autres secteurs, a été impacté négativement par la crise du Covid-19 depuis la mi-mars 2020, s'agissant en particulier :

- De la Connectivité Mobile (représentant 5,5% du chiffre d'affaires du Groupe sur l'exercice clos le 30 juin 2021) qui continue d'être touchée par l'effet de la crise sur le trafic maritime et plus encore aérien ;
- Du rythme de matérialisation des nouvelles opportunités commerciales qui est ralenti par la crise, notamment dans le Broadcast.

Par ailleurs, la crise sanitaire s'est ainsi traduite par une augmentation des dotations aux provisions pour dépréciations de créances clients, en particulier pour couvrir l'exposition du Groupe auprès de tiers opérant dans le domaine de la Mobilité.

Les hypothèses retenues pour les tests d'impairment des actifs long terme, dont les résultats sont décrits en Note 7.1.4, ainsi que pour l'évaluation des provisions sur créances clients (Voir Note 7.2.1) ont fait l'objet d'une mise à jour sur base des informations disponibles à la date d'arrêté des comptes.

Le Groupe dispose de trésorerie et équivalents de trésorerie ainsi que des lignes de crédits non utilisées pour un montant total de plus de 1,9 milliard d'euros au 30 juin 2021. Enfin, le ratio de dette nette rapportée à l'EBITDA au 30 juin 2021 - tel que défini dans les clauses de covenants des contrats d'emprunt *in fine* et dettes structurées – est respecté (voir Note 7.3.2).

NOTE 3. PERIMETRE DE CONSOLIDATION

Les états financiers consolidés comprennent la Société Eutelsat Communications S.A., ses filiales et les sociétés sur lesquelles elle exerce directement ou indirectement un contrôle conjoint ou une influence notable (l'ensemble constituant le « Groupe »).

PRINCIPES COMPTABLES

Les filiales sont toutes des entités dans lesquelles le Groupe exerce directement ou indirectement un contrôle. Le contrôle se caractérise par le pouvoir de diriger les politiques financières et opérationnelles, généralement mais pas systématiquement accompagné de la détention de plus de la moitié des droits de vote. L'existence et les effets des droits de votes potentiels qui sont actuellement exerçables ou convertibles, le pouvoir de nommer la majorité des membres des organes de direction et l'existence de droits de veto sont autant d'éléments pris en compte pour déterminer si le Groupe contrôle une entité. Les filiales sont consolidées selon la méthode de l'intégration globale, à compter de la date à laquelle le contrôle est transféré au Groupe. Elles sont déconsolidées à partir de la date où ce contrôle cesse d'exister. La part d'intérêt qui n'est pas attribuable directement ou indirectement au Groupe est comptabilisée en participations ne donnant pas le contrôle.

Les comptes des sociétés sous contrôle conjoint sont consolidés par mise en équivalence lorsque celles-ci sont qualifiées de coentreprises et suivant le pourcentage d'intérêt propre à chaque élément du bilan et du compte de résultat lorsqu'elles sont qualifiées d'activités conjointes.

Les comptes des entreprises associées dans lesquelles le Groupe exerce une influence notable sont consolidés selon la méthode de la mise en équivalence. L'influence notable est présumée lorsque la participation du Groupe est supérieure ou égale à 20%.

3.1 PERIMETRE DE CONSOLIDATION

Au 30 juin 2021, la liste des sociétés incluses dans le périmètre de consolidation est la suivante :

Sociétés	Pays	Méthode de consolidation	% de contrôle au 30 juin 2021	% d'intérêt au 30 juin 2021
Eutelsat Communications SA (société mère)	France	IG	100,00%	100,00%
Eutelsat S.A.	France	IG	100,00%	96,38%
Sous-groupe Eutelsat S.A.				
Eutelsat Konnect Services	France	IG	100,00%	96,38%
Fransat S.A.S	France	IG	100,00%	96,38%
Eutelsat do Brasil LTDA ⁽¹⁾	Brésil	IG	100,00%	96,38%
Eutelsat Participações LTDA ⁽²⁾	Brésil	IG	100,00%	96,38%
Satmex International BV ⁽¹⁾	Pays-Bas	IG	100,00%	96,38%
Satelites Mexicanos S.A. de C.V. ⁽¹⁾	Mexique	IG	100,00%	96,38%
EAS Delaware Corp.	Etats-Unis	IG	100,00%	96,38%
SMVS Administracion ⁽¹⁾	Mexique	IG	100,00%	96,38%
SMVS Servicios Tecnicos SMVS ⁽¹⁾	Mexique	IG	100,00%	96,38%
Satmex USA LLC ⁽¹⁾	Etats-Unis	IG	100,00%	96,38%
Eutelsat Servicos de Telecom. do Brasil Ltda ⁽¹⁾	Brésil	IG	100,00%	96,38%
Eutelsat Latam Corp.	Etats-Unis	IG	100,00%	96,38%
Skylogic S.p.A.	Italie	IG	100,00%	96,38%
Eutelsat Russia ⁽¹⁾	Russie	IG	100,00%	96,38%
Eutelsat Services & Beteiligungen GmbH	Allemagne	IG	100,00%	96,38%
Eutelsat Inc.	États-Unis	IG	100,00%	96,38%
Eutelsat America Corp.	États-Unis	IG	100,00%	96,38%

Sociétés	Pays	Méthode de consolidation	% de contrôle au 30 juin 2021	% d'intérêt au 30 juin 2021
Eutelsat UK Limited	Royaume-Uni	IG	100,00%	96,38%
Eutelsat Polska spZoo	Pologne	IG	100,00%	96,38%
Skylogic Mediterraneo S.r.l	Italie	IG	100,00%	96,38%
Eutelsat Madeira Unipessoal Lda	Madère	IG	100,00%	96,38%
Eutelsat Asia Pte.Ltd	Singapour	IG	100,00%	96,38%
ES 172 LLC	États-Unis	IG	100,00%	96,38%
EA 172 UK	Royaume-Uni	IG	100,00%	96,38%
ES 174E LTD	Chypre	IG	100,00%	96,38%
Eutelsat Australia Pty Ltd	Australie	IG	100,00%	96,38%
Eutelsat International Ltd	Chypre	IG	100,00%	96,38%
Eutelsat Networks LLC ⁽¹⁾	Russie	IG	100,00%	96,38%
Taurus Satellite Holding Limited	Royaume-Uni	IG	100,00%	96,38%
Broadband4Africa Limited	Royaume-Uni	IG	100,00%	96,38%
Konnnect Africa France	France	IG	100,00%	96,38%
BB4A Israel Ltd	Israël	IG	100,00%	96,38%
Konnnect Africa Côte d'Ivoire	Côte d'Ivoire	IG	100,00%	96,38%
Konnnect South Africa Ltd	Afrique du Sud	IG	100,00%	96,38%
Konnnect Africa RDC ⁽¹⁾	République démocratique du Congo	IG	100,00%	96,38%
Konnnect Broadband Tanzania Limited	Tanzanie	IG	100,00%	96,38%
Eutelsat BH D.O.O. SARAJEVO ⁽¹⁾	Bosnie	IG	100,00%	96,38%
Eutelsat Bulgaria ⁽¹⁾	Bulgarie	IG	100,00%	96,38%
Eutelsat MENA FZ-LLC	Dubai	IG	100,00%	96,38%
Noorsat Media City Ltd	Chypre	IG	100,00%	96,38%
Noor El Sharq Satellite	Jordanie	IG	100,00%	96,38%
Eutelsat Cyprus Ltd	Chypre	IG	100,00%	96,38%
Sat Internet Services Gmbh ⁽¹⁾	Allemagne	IG	100,00%	96,38%
Getinternet GmbH ⁽¹⁾	Allemagne	IG	100,00%	96,38%
Orbitcom GmbH ⁽¹⁾	Allemagne	IG	100,00%	96,38%
Europasat Iberica s.l ⁽²⁾	Espagne	IG	100,00%	96,38%
Europasat France	France	IG	100,00%	96,38%
Bigblu Operations Limited ⁽²⁾	Royaume-Uni	IG	100,00%	96,38%
Bigblu Services Holding Limited ⁽²⁾	Royaume-Uni	IG	100,00%	96,38%
Bigblu Services Limited ⁽²⁾	Royaume-Uni	IG	100,00%	96,38%
BBE Bigblu Broadband Ellada ⁽²⁾	Grèce	IG	100,00%	96,38%
Bigblu Broadband Ireland Limited ⁽²⁾	Irlande	IG	100,00%	96,38%
Open Sky S.p.A	Italie	IG	100,00%	96,38%
Europasat SP .Zo.o ⁽¹⁾	Pologne	IG	100,00%	96,38%
Satelite de Sabedoria – Servicios de Internet Unipessoal LDA ⁽²⁾	Portugal	IG	100,00%	96,38%

IG : Intégration globale

⁽¹⁾ Sociétés dont l'exercice fiscal est clos au 31 décembre pour des raisons légales ou historiques.

⁽²⁾ Sociétés dont l'exercice fiscal est clos au 30 novembre pour des raisons historiques.

Les autres sociétés ont un exercice fiscal clos au 30 juin.

3.2 PRINCIPALES EVOLUTIONS DU PERIMETRE DE CONSOLIDATION

3.2.1 Exercice clos le 30 juin 2021

Acquisition de BigBlu Operations Ltd

Le Groupe a finalisé le 30 septembre 2020 l'acquisition de 100% des titres de capital de BigBlu Operations Ltd réglés en numéraire pour 38 millions de livres sterling (41,5 millions d'euros), 6,2 millions de livres sterling (6,8 millions d'euros) ont par ailleurs été versés sur un compte séquestre. Conformément au contrat, le prix d'acquisition définitif sera déterminé après accord entre les parties sur les clauses d'ajustement de prix. La société et ses filiales opéraient les activités haut débit par satellite en Europe du groupe Bigblu Broadband. Cette acquisition s'inscrit dans la stratégie du Groupe consistant à se développer dans le domaine du haut-débit par satellite en Europe.

L'évaluation du goodwill au 30 juin 2021 est provisoire et pourrait être amenée à évoluer lors de la finalisation de la phase d'ajustement du prix d'acquisition toujours en cours avec le vendeur. La valeur de la relation clients acquise au cours de cette opération a été évaluée de façon distincte et constitue un actif incorporel.

L'allocation provisoire du prix d'acquisition (sur la base du versement réalisé au bénéfice du vendeur pour 38 millions de livres sterling) au 1er octobre 2020 s'établit comme suit :

	(en millions de livres sterling)	(en millions d'euros)
Relation client	4,7	5,2
Immobilisations incorporelles	1,0	1,1
Immobilisations corporelles	4,0	4,5
Droits d'utilisation	0,8	0,8
Stocks	0,3	0,3
Créances clients	7,3	8,1
Actifs liés aux contrats clients	11,0	12,3
Trésorerie et équivalents de trésorerie	0,2	0,2
Autres actifs	7,4	8,1
Total Actif	36,7	40,6
Dettes locatives	0,8	0,8
Dette fournisseurs	22,9	25,1
Passifs liés aux contrats clients	12,2	13,5
Autres dettes	10,5	12,1
Impôt différés passifs	0,9	1,0
Total Passif	47,2	52,6
Goodwill résiduel provisoire	48,3	53,2
Contrepartie transférée	37,7	41,1
Prix d'acquisition	37,7	41,1

Cession d'Euro Broadband Infrastructure

Le 30 avril 2021, le Groupe a finalisé la cession de sa participation dans Euro Broadband Infrastructure Sàrl (EBI).

Cette cession a été réglée en numéraire pour un montant initial de 143 millions d'euros. L'impact net résultant de cette cession dans le tableau de flux de trésorerie du Groupe s'élève à 41,5 millions d'euros, après prise en compte notamment de la trésorerie détenue par EBI à la date de la cession (qui représentait un montant de 100,9 millions d'euros). Par ailleurs, des immobilisations corporelles pour un montant total de 131,7 millions d'euros, constituées principalement du satellite KA SAT opéré par EBI, ont été sorties du périmètre de consolidation lors de cette cession. Les impacts de cette opération sur le résultat du Groupe au titre de l'exercice clos le 30 juin 2021 sont présentés dans la note 6.3 « Autres produits et charges opérationnels ».

3.2.2 Exercice clos le 30 juin 2020

Il n'y a pas eu d'évolution significative du périmètre de consolidation du Groupe au cours de l'exercice.

NOTE 4. PRINCIPES COMPTABLES ET METHODES D'EVALUATION

4.1 BASES DE PREPARATION DES COMPTES

Les états financiers consolidés au 30 juin 2021 sont établis selon le référentiel IFRS tel qu'approuvé par l'Union Européenne en vigueur à cette date et dont les textes sont disponibles à l'adresse Internet suivante : http://ec.europa.eu/commission/index_fr

Le Groupe applique depuis le 1^{er} juillet 2020 les nouvelles normes et interprétations décrites ci-dessous et adoptées par l'Union Européenne :

- Amendements des références au cadre conceptuel dans les normes IFRS ;
- Amendements à IAS 1 et IAS 8 portant sur la modification de la définition du terme significatif ;
- Amendement à IFRS 3 portant sur la définition d'une entreprise ;
- Amendements à IFRS 9, IAS 39, IFRS 7, IFRS 4 et IFRS 16, en lien avec la réforme des taux interbancaires de référence ;

Ces nouveaux textes n'ont pas eu d'effet significatif sur les états financiers du Groupe.

4.2 REGLES DE PRESENTATION

4.2.1 Conversion des états financiers et transactions en devises étrangères

La monnaie de référence et de présentation des états financiers est l'euro.

Les filiales situées dans des pays en dehors de la zone euro tiennent leurs comptabilités dans la devise la plus représentative de leurs environnements économiques respectifs. Les éléments bilanciaux sont convertis au taux de change de clôture. Les éléments du compte de résultat sont convertis au taux de change moyen de la période. Les écarts de conversion du bilan et du compte de résultat qui proviennent des variations de taux de change sont présentés en écarts de conversion dans les capitaux propres. Le Groupe ne consolide aucune société dont la devise fonctionnelle est celle d'une économie hyper inflationniste.

Les transactions libellées en monnaies étrangères sont converties en monnaie fonctionnelle aux taux de change des jours des transactions. Les gains et les pertes de change résultant du règlement de ces transactions et de la conversion au taux de change de clôture des actifs et des passifs monétaires libellés en monnaies étrangères sont comptabilisés en résultat de change.

Les pertes et gains de change résultant de la conversion des avances capitalisables consenties à des filiales étrangères et faisant partie de l'investissement net dans la filiale consolidée sont enregistrés directement en capitaux propres sous la rubrique écart de conversion.

La principale devise étrangère utilisée est le dollar U.S. Le taux de clôture retenu est de 1,189 dollar U.S. pour 1 euro et le taux moyen de la période est de 1,187 dollar U.S. pour 1 euro.

4.2.2 Présentation des actifs et passifs courants et non courants

Les actifs et les passifs courants sont ceux que le Groupe s'attend à réaliser, consommer ou régler durant le cycle d'exploitation normal, qui est inférieur à 12 mois. Tous les autres actifs et passifs sont non courants.

4.3 JUGEMENTS COMPTABLES ET ESTIMATIONS SIGNIFICATIVES

La préparation des états financiers consolidés du Groupe requiert le recours à des jugements et estimations susceptibles d'impacter certains éléments d'actif et de passif et les montants des produits et des charges qui figurent dans ces états financiers et les notes qui les accompagnent. La Direction est amenée à revoir ces estimations et appréciations de manière constante sur la base de l'expérience passée et des autres facteurs jugés pertinents au regard des conditions économiques. Le dénouement des opérations sous-jacentes à ces estimations et hypothèses pourrait résulter, en raison de l'incertitude attachée à ces dernières, en un ajustement significatif des montants comptabilisés au cours d'une période subséquente.

Dans le cadre de l'établissement des états financiers au 30 juin 2021, la Direction a exercé son jugement, notamment au regard de la valeur recouvrable des actifs, de la reconnaissance du chiffre d'affaires, de l'estimation des provisions et l'appréciation des passifs éventuels, de la comptabilisation des actifs et passifs d'impôt, et de l'évaluation du risque clients.

NOTE 5. INFORMATION SECTORIELLE

Le Groupe considère qu'il n'opère que dans un seul secteur opérationnel se fondant sur l'appréciation des services rendus et la nature des risques associés, plutôt que sur leur destination. Il s'agit de la fourniture de services de communications par satellite pour la vidéo, les réseaux d'entreprise et à haut débit, et les mobiles, principalement aux opérateurs de communications et diffuseurs internationaux, intégrateurs de réseaux d'entreprise et entreprises pour leurs besoins propres.

Les indicateurs de performance suivis par le Directeur général, le Directeur Général Délégué et la Directrice financière, qui forment le principal organe de décision opérationnel du Groupe, sont les suivants :

- le chiffre d'affaires ;
- l'EBITDA défini comme le résultat opérationnel avant dotations aux amortissements, dépréciations d'actifs, autres produits et charges opérationnels et le taux de marge de l'EBITDA par rapport au chiffre d'affaires ;
- les investissements cash couvrant les acquisitions de satellites, d'autres immobilisations corporelles et incorporelles ainsi que les paiements au titre des facilités de crédit à l'exportation et au titre des dettes locatives, les investissements cash s'entendent nets des produits d'assurance y afférent, le cas échéant ;
- le cash-flow discrétionnaire défini comme les flux de trésorerie provenant des opérations d'exploitation duquel sont soustraits les investissements cash ainsi que les intérêts et autres frais financiers payés nets des produits d'intérêt reçus ;
- le ratio de dette nette sur EBITDA (voir note 7.3.4 « Dette nette »).

Le reporting interne est une présentation du compte de résultat consolidé du Groupe suivant une répartition de postes différente des états financiers consolidés afin de faire ressortir ces indicateurs de performance mais dont les principaux agrégats sont identiques à ceux figurant dans les comptes consolidés du Groupe. Le reporting est établi conformément aux principes IFRS appliqués par le Groupe pour ses états financiers consolidés.

La majeure partie des actifs du Groupe est constituée des satellites en orbite, le reste des actifs étant principalement localisé en France, en Italie et au Mexique.

NOTE 6. NOTES ANNEXES DU COMPTE DE RESULTAT

6.1 CHIFFRE D'AFFAIRES

PRINCIPES COMPTABLES

La majorité des contrats concernent la fourniture de services de capacité satellitaire auprès de clients distributeurs (qui revendent la capacité à des utilisateurs finaux) et de clients utilisateurs (qui utilisent la capacité pour leurs propres besoins). Ces contrats couvrent généralement des périodes allant de plusieurs mois à plusieurs années à l'exception de certains contrats portant sur de la fourniture de capacité occasionnelle de courte durée. Pour l'ensemble de ces contrats, le chiffre d'affaires est reconnu à l'avancement, au fur et à mesure du transfert du contrôle de la capacité au client sur la période contractuelle en fonction du volume d'unités de capacité satellitaire vendu (exprimé en Mhz ou Mbps selon les contrats). Cette méthode permet de reconnaître le chiffre d'affaires correspondant au niveau de service rendu à nos clients pour une période donnée en tenant compte des éventuelles variations de volume d'unités vendues au cours du contrat.

Certains contrats incluent des contreparties variables telles que des prix variables ou des périodes de gratuité. Pour ces contrats, le Groupe estime le montant de contrepartie auquel il aura droit en échange de la fourniture des services promis au client et en tient compte dans la reconnaissance du chiffre d'affaires dès lors qu'il est hautement probable que la levée ultérieure de l'incertitude relative à la contrepartie variable ne donnera pas lieu à un ajustement à la baisse important du chiffre d'affaires comptabilisé.

Le Groupe prend parfois à sa charge des frais marketing (promotion, publicité, ...) ou techniques (principalement des achats et installations d'antennes) pour le compte de certains clients. Lorsque ces frais ne sont pas distincts du service transféré au client, ils constituent une même obligation de performance avec le service de capacité et la contrepartie payable au client est reconnue en réduction du chiffre d'affaires sur la durée du contrat. Lorsque la contrepartie payable au client est octroyée en contrepartie d'un service distinct de la part du client et correspond à la juste valeur du service pour le Groupe elle est comptabilisée en charges opérationnelles.

Certains contrats prévoient la possibilité d'une résiliation anticipée, moyennant le versement d'indemnités. Lorsque ces indemnités sont versées dans le cadre d'une modification de contrat qui ne porte pas sur des services distincts du contrat existant, les services du contrat amendé ne forment qu'une seule et même obligation de performance avec les services partiellement remplis à la date de modification. Ces indemnités sont alors étalées sur la durée de vie du contrat modifié.

Dans le cadre de son activité de Haut Débit Fixe, le Groupe vend à ses clients des terminaux en complément de la fourniture de capacité satellitaire. Suivant le type de terminal et le cadre contractuel qui peut varier suivant la zone géographique adressée et le type de client (distributeur ou utilisateur final), le Groupe détermine si la vente de terminal constitue une obligation de performance distincte de la fourniture de capacité, ou si elle ne forme, avec la fourniture de capacité, qu'une seule obligation de performance. Lorsque le terminal constitue une obligation de performance distincte du service de capacité, le chiffre d'affaires et la charge d'achat de l'équipement sont intégralement reconnus lors du transfert de contrôle du terminal. Dans le cas où la vente de terminal et de capacité constituent une même obligation de performance, le chiffre d'affaires du service de capacité est reconnu sur la durée moyenne de la relation client et celui du terminal sur la durée moyenne d'utilisation de l'équipement. La charge d'achat du terminal est étalée sur la même durée que la vente, en tant qu'un coût d'exécution du contrat. L'actif et le passif relatifs à l'étalement de l'achat et de la vente du terminal sont présentés de manière distincte en autres actifs et passifs de contrats clients.

6.1.1 Chiffre d'affaires par application

Le chiffre d'affaires par application se présente comme suit :

(en millions d'euros)	30 juin 2020	30 juin 2021
Broadcast	784,6	741,0
Données & Vidéo Professionnelle	175,3	161,4
Services aux gouvernements	161,1	151,4
Haut Débit Fixe	76,7	80,2
Connectivité Mobile	78,7	67,2
Total Activités opérationnelles	1 276,3	1 201,2
Autres Revenus	1,9	32,7
Total	1 278,3	1 233,9
<i>Taux de change EUR/USD</i>	<i>1,105</i>	<i>1,188</i>

Les autres revenus incluent l'effet de couverture de change euros / dollars, la rémunération de services de conseil ou d'ingénierie fournis à des tiers ainsi que des indemnités de fin de contrat.

6.1.2 Chiffre d'affaires par zone géographique

Le chiffre d'affaires par zone géographique, déterminé à partir des adresses de facturation des clients, se présente comme suit :

(en millions d'euros et pourcentage)	30 juin 2020		30 juin 2021	
Régions	Montant	%	Montant	%
France	77,9	6,1	78,1	6,3
Italie	141,6	11,1	146,0	11,8
Royaume-Uni	70,1	5,5	66,2	5,4
Europe (autres)	337,0	26,4	325,7	26,4
Amériques	273,1	21,4	231,0	18,7
Moyen-Orient	251,9	19,7	241,3	19,6
Afrique	98,2	7,7	94,1	7,6
Asie	38,2	3,0	35,2	2,9
Autres ⁽¹⁾	(9,7)	(0,8)	16,4	1,3
Total	1 278,3	100,0	1 233,9	100,0

⁽¹⁾ Les autres revenus incluent l'effet de couverture de change du chiffre d'affaires euros/dollars qui s'élève à 15,6 millions d'euros pour l'exercice clos le 30 juin 2021 contre (10,6) millions d'euros pour l'exercice clos le 30 juin 2020.

6.1.3 Carnet de commandes

Le carnet de commandes représente le chiffre d'affaires futur correspondant aux contrats d'attribution de capacité ou de services (y compris les contrats pour les satellites en cours d'approvisionnement). Il s'établit à 4,4 milliards d'euros au 30 juin 2021. Le carnet de commandes sécurisé, qui correspond aux exigences requises par IFRS 15 et excluant le chiffre d'affaires soumis à des clauses de rupture anticipées, s'élève à 3,4 milliards d'euros. Le montant du carnet de commande sécurisé à échéance à moins de 5 ans s'élève à 2,7 milliards d'euros, dont 1,6 milliard à moins de 2 ans.

6.2 CHARGES OPERATIONNELLES

Les coûts des opérations incluent principalement les coûts de personnel et les autres coûts liés au contrôle et à l'exploitation des satellites, ainsi que les primes d'assurance-vie en orbite des satellites.

Les frais commerciaux et administratifs comprennent essentiellement les coûts du personnel administratif et commercial, l'ensemble des dépenses de marketing et de publicité ainsi que les frais généraux rattachés.

Les charges opérationnelles relatives aux dépréciations sur les créances commerciales et les actifs sur contrat clients s'élèvent à 32,8 millions d'euros au 30 juin 2021 (contre 22,6 millions d'euros pour l'exercice clos le 30 juin 2020).

6.2.1 Charges de personnel

Les charges de personnel (y compris la participation légale des salariés) se ventilent comme suit :

(en millions d'euros)	30 juin 2020	30 juin 2021
Coûts des opérations	56,7	58,6
Charges commerciales et administratives	91,1	95,2
Total	147,9	153,8

Les salariés d'Eutelsat S.A. bénéficient d'un Plan d'Epargne d'Entreprise (PEE) alimenté par versements volontaires des salariés, d'un dispositif de Compte Epargne Temps (CET) et d'un accord d'intéressement conclu pour une durée de trois ans assis sur des objectifs révisables annuellement.

6.2.2 Effectifs

Le Groupe compte 1 132 salariés équivalent temps plein à la clôture au 30 juin 2021 contre 1 014 à la clôture au 30 juin 2020.

Le nombre moyen d'employés, en équivalent temps plein sur l'exercice, s'établit comme suit :

	30 juin 2020	30 juin 2021
Opérations	499	511
Fonctions commerciales et administratives	514	598
Total	1 013	1 109

6.2.3 Rémunération en actions et assimilés

PRINCIPES COMPTABLES

Les paiements fondés sur des actions sont évalués à leur juste valeur à la date d'attribution des plans et sont comptabilisés en charges de personnel sur la durée d'acquisition des droits représentatifs de l'avantage consenti, en contrepartie d'une augmentation des capitaux propres pour les plans dénoués en actions ou des autres passifs financiers pour les plans dénoués en trésorerie. Ils sont réévalués à chaque clôture afin de tenir compte de l'évolution des hypothèses d'acquisition des droits (taux de rotation du personnel, probabilité d'atteinte des critères de performance) et, pour les plans dénoués en trésorerie, de l'évolution des conditions de marché (cours de bourse).

Le Groupe a octroyé des actions gratuites aux mandataires sociaux en novembre 2020, ainsi que des actions fictives à certains salariés et mandataires sociaux en novembre 2018, novembre 2019 et novembre 2020. L'attribution de ces actions gratuites et fictives est généralement soumise à une condition de présence et à l'atteinte de conditions de performance.

La charge constatée au titre de ces plans (hors charges sociales) s'est élevée à 2,4 millions d'euros sur l'exercice clos le 30 juin 2021 contre 0,7 million d'euros pour l'exercice clos le 30 juin 2020.

Les caractéristiques des plans sont les suivantes :

Caractéristiques des plans	Plan novembre 2018	Plan novembre 2019	Plan novembre 2020
Période d'acquisition	Juillet 2018 - Juin 2021	Juillet 2019 - Juin 2022	Juillet 2020 - Juin 2023
Mode de règlement	Trésorerie	Trésorerie	Actions et trésorerie
Nombre maximal d'actions attribuables à l'origine	323 221	328 804	512 560
Nombre de bénéficiaires	254	255	30
Nombre d'actions et conditions de performance du plan d'actions gratuites			
Nombre d'actions total en circulation	-	-	224 963
Conditions de performance	-	-	Chiffres d'affaires, <i>cash-flow</i> libre discrétionnaire et TSR relatif ⁽¹⁾ et CSR
Nombre d'actions et conditions de performance des plans d'actions fictives			
Nombre d'actions total en circulation	261 389	159 072	249 084
Objectifs de performance	Chiffres d'affaires, <i>cash-flow</i> libre discrétionnaire et TSR relatif ⁽¹⁾	Chiffres d'affaires, <i>cash-flow</i> libre discrétionnaire et TSR relatif ⁽¹⁾ et CSR	Chiffres d'affaires, <i>cash-flow</i> libre discrétionnaire et CSR
Juste valeur des actions au 30 juin 2021			
Juste valeur hors TSR ⁽¹⁾	10,28€	9,39€	6,63€ - 8,54€
Juste valeur après prise en compte TSR ⁽¹⁾	0,00€	0,54€	4,97€
Valorisation totale du plan au 30 juin 2021 (en millions d'euros) ⁽²⁾	2,4	1,1	3,3
Charge de l'exercice			
Charge de l'exercice clos le 30 juin 2021 (en millions d'euros) ⁽²⁾	1,0	0,3	1,1

⁽¹⁾ Le TSR (*total shareholder return*) relatif mesure le taux de rentabilité de l'action Eutelsat par rapport à celui d'autres références ou indices. Cette condition de performance n'est applicable qu'aux mandataires sociaux.

⁽²⁾ Hors charges sociales

6.3 AUTRES PRODUITS ET CHARGES OPERATIONNELS

PRINCIPES COMPTABLES

Les autres produits et charges opérationnels sont constitués des produits et charges inhabituels, anormaux et peu fréquents. Ils comprennent notamment les dépréciations d'actifs, le coût des échecs au lancement et les remboursements d'assurance y afférant, les litiges non commerciaux nets des frais engagés, les frais de restructuration, les résultats de cession d'immobilisations et les conséquences des évolutions de périmètre (frais d'acquisitions et résultats de cession).

(en millions d'euros)	30 juin 2020	30 juin 2021
Autres produits opérationnels	100,2	1,3
Autres charges opérationnelles	(64,1)	(68,3)
Total	36,1	(67,0)

Au 30 juin 2021, les autres charges opérationnelles incluent principalement les dépréciations sur des satellites pour 27,9 millions d'euros (voir note 7.1) ainsi que des charges relatives à des litiges non commerciaux pour 13,9 millions d'euros, l'impact de la cession d'EBI pour 8,8 millions d'euros et la restructuration d'activités non significatives pour 6 millions d'euros.

Au 30 juin 2020, les autres produits opérationnels étaient principalement composés du remboursement d'assurance au titre de l'incident survenu sur le satellite EUTELSAT 5 West B pour 92,2 millions d'euros. Les autres charges opérationnelles comprenaient 42,2 millions d'euros de dépréciation d'actifs (voir note 7.1) et des coûts induits par la défaillance du satellite EUTELSAT 5 West B pour 6,5 millions d'euros.

6.4 RESULTAT FINANCIER

(en millions d'euros)	30 juin 2020	30 juin 2021
Charges d'intérêts après couverture	(69,5)	(68,1)
Intérêts sur dettes locatives	(15,8)	(14,3)
Frais d'émission d'emprunt & commissions	(7,3)	(7,7)
Intérêts capitalisés	19,9	17,1
Coût de la dette brute	(72,8)	(73,0)
Produits financiers	0,9	0,2
Coût de la dette nette	(71,8)	(72,8)
Variation des instruments financiers dérivés	(0,3)	-
Résultat de change	(4,0)	(16,1)
Autres	(4,4)	(6,1)
Résultat financier	(80,5)	(95,0)

La charge d'intérêts comprend respectivement 8,4 millions et 9,2 millions aux 30 juin 2020 et 2021 de charges liées à l'exercice et à la résiliation d'instruments de pré-couverture destinés à fixer le taux d'intérêt des émissions obligataires d'octobre 2018, de juin 2019 et octobre 2020.

Le montant des intérêts capitalisés est dépendant de l'avancement et du nombre des programmes de constructions satellitaires constatés au cours de l'exercice concerné. Le taux d'intérêt retenu pour la détermination des charges d'intérêts capitalisables est de 2,38% au 30 juin 2021 contre 2,42% au 30 juin 2020.

Les variations de juste valeur des instruments financiers dérivés aux 30 juin 2021 et 2020 incluent notamment la part inefficace de la valeur temps des instruments dérivés qualifiés dans une relation de couverture.

6.5 IMPOT SUR LES SOCIETES

La charge d'impôt du Groupe se décompose comme suit :

(en millions d'euros)	30 juin 2020	30 juin 2021
Charge d'impôt courant	(89,5)	(56,2)
Produit (charge) d'impôt différé	(8,0)	32,0
Total impôt sur les sociétés	(97,5)	(24,2)

Le rapprochement de la charge d'impôt théorique, calculée selon le taux de droit commun en France appliqué au résultat avant impôt, résultat des sociétés mises en équivalence, avec la charge d'impôt réelle, s'établit comme suit :

(en millions d'euros)	30 juin 2020	30 juin 2021
Résultat net avant impôt	409,7	252,3
Taux d'impôt de droit commun en France	34,4%	32,0%
Charge d'impôt théorique	(141,0)	(80,8)
Bénéfices non taxables	78,5	72,5
Différences de taux d'imposition	3,2	3,1
Utilisation de pertes fiscales	1,0	-
CVAE	(2,2)	(2,8)
Impôts différés nés au cours de l'exercice antérieur et reconnus sur la période	-	-
Autres différences permanentes	(37,0)	(16,2)
Charge d'impôt	(97,5)	(24,2)
Taux d'impôt effectif	23,8%	9,6%

Au 30 juin 2021, les autres différences permanentes intègrent principalement l'impact des différences de change et des effets d'inflation sur les positions d'impôts différés de la filiale Satellites Mexicanos pour 15,2 millions d'euros.

Au 30 juin 2020, les autres différences permanentes intègrent principalement l'impact des différences de change et des effets d'inflation sur les positions d'impôts différés de la filiale Satellites Mexicanos pour (18,2) millions d'euros.

A compter de l'exercice clos le 30 juin 2021, le Groupe a opté pour l'affectation de la CVAE en impôt sur le résultat afin de refléter que cette taxe obéit à des règles d'assiette et de territorialité liées à celles de l'impôt sur les sociétés. En conséquence, cette taxe est présentée comme une composante de la charge d'impôt. A ce titre, l'exercice comparatif clos le 30 juin 2020 a été retraité en conséquence. La CVAE incluse dans la charge d'impôts au titre de l'exercice clos le 30 juin 2021 s'élève à 4,1 millions d'euros (contre 3,1 millions d'euros pour l'exercice clos le 30 juin 2020).

6.6 RESULTAT PAR ACTION

PRINCIPES COMPTABLES

Le résultat net par action est calculé en divisant le résultat net de l'exercice attribuable aux actionnaires d'Eutelsat Communications par le nombre moyen pondéré d'actions en circulation durant chaque période considérée. Les actions propres ne sont pas prises en compte pour le calcul du résultat par action.

Le tableau ci-dessous présente la réconciliation entre le résultat net et les résultats nets (de base et dilué) revenant aux actionnaires utilisés pour le calcul des résultats par action (de base et dilué).

(en millions d'euros)	30 juin 2020	30 juin 2021
Résultat net	312,2	228,1
Quote-part de résultat des filiales rétrocédée aux participations ne donnant pas le contrôle	(14,6)	(14,0)
Résultat net utilisé pour le calcul du résultat par action	297,6	214,1
Nombre moyen d'actions	231 999 682	230 196 636

NOTE 7. NOTES ANNEXES DU BILAN

7.1 ACTIFS IMMOBILISES

7.1.1 Ecart d'acquisition et immobilisations incorporelles

PRINCIPES COMPTABLES

Ecart d'acquisition

Les regroupements d'entreprises sont comptabilisés selon la méthode de l'acquisition. La contrepartie transférée en échange du contrôle de l'entité acquise est évaluée à sa juste valeur et inclut les clauses de rémunération éventuelles en tenant compte de leur probabilité de survenance. Les actifs, passifs et passifs éventuels identifiables de l'entité acquise sont comptabilisés à leur juste valeur. Les coûts directement attribuables à l'acquisition sont exclus de la contrepartie transférée et sont inscrits en autres produits et charges opérationnels lorsqu'ils sont encourus.

Les participations ne donnant pas le contrôle peuvent, à la date d'acquisition, être évaluées à la juste valeur ou en quote-part des actifs et passifs identifiables de l'entité acquise. L'option pour l'application de l'une de ces deux méthodes est exerçable transaction par transaction.

Lors de la première consolidation, l'ensemble des actifs, passifs et passifs éventuels de la société acquise est estimé à sa juste valeur. Dans le cadre d'une prise de contrôle par achats successifs, la participation antérieurement détenue est réévaluée à sa juste valeur en date d'acquisition, le profit ou la perte en découlant est comptabilisé en résultat.

Les écarts d'acquisitions sont évalués dans la devise fonctionnelle de l'entité acquise, à la date du regroupement, pour un montant égal à la différence entre la somme de la juste valeur de la contrepartie versée et la juste valeur des actifs identifiables acquis et des passifs assumés. Ils font l'objet d'un test de dépréciation au moins une fois par an au niveau du seul segment opérationnel du Groupe.

Contrats clients et relations associées

Les contrats clients et relations associées, acquis dans le cadre de regroupement d'entreprises, sont comptabilisés à leur juste valeur à la date d'acquisition. La juste valeur est déterminée par référence aux méthodes généralement admises en la matière telles que celles fondées sur les revenus ou la valeur de marché. Ces actifs sont amortis linéairement sur leur durée de vie économique, estimée sur la base de la durée moyenne des relations contractuelles existant à la date d'acquisition et de taux de renouvellement attendus. La principale relation client reconnue dans les comptes du Groupe est celle d'Eutelsat SA, amortie sur une durée de 20 ans.

Autres immobilisations incorporelles

Les autres immobilisations incorporelles sont constituées de frais de développement capitalisés, de licences et de droits orbitaux.

Les frais de développement sont capitalisés et amortis sur une durée comprise entre 3 et 7 ans dès lors que le Groupe peut démontrer :

- la capacité technique à réaliser l'actif pour l'utiliser ou le vendre,
- l'intention et la capacité d'achever le développement de l'actif, et de l'utiliser ou de le vendre,
- la capacité à utiliser ou vendre l'actif,
- la probabilité que des avantages économiques futurs bénéficieront au Groupe du fait de cet actif,
- la disponibilité de ressources techniques, financières ou autres adéquates à la réalisation de l'actif,
- la capacité à mesurer de manière fiable les dépenses attribuables à l'actif durant sa phase de développement.

Les dépenses engagées au titre de la recherche (ou durant la phase de recherche d'un projet interne) sont reconnues en charges dans les frais commerciaux et administratifs lorsqu'elles sont encourues.

Les droits orbitaux et les licences sont amortis sur leur durée d'utilisation, généralement respectivement comprises entre 13 et 23 ans et entre 1 et 13 ans.

Les écarts d'acquisition et les immobilisations incorporelles ont évolué comme suit au cours des deux exercices :

(en millions d'euros)	Écarts d'acquisition	Contrats clients et relations associées	Marque Eutelsat	Autres immobilisations incorporelles	Total
Immobilisations brutes					
Valeur brute au 30 juin 2019	1 206,1	1 122,7	40,8	311,9	2 681,6
Acquisitions	-	-	-	20,6	20,6
Transferts	-	-	-	14,9	14,9
Variations de change	3,1	2,0	-	0,6	5,6
Cessions et mises au rebut	-	-	-	(15,0)	(15,0)
Valeur brute au 30 juin 2020	1 209,2	1 124,7	40,8	333,0	2 707,6
Acquisitions	-	-	-	21,2	21,2
Transferts	-	-	-	30,0	30,0
Variations de change	(15,9)	(11,6)	-	(3,4)	(30,9)
Cessions et mises au rebut	-	-	-	(5,3)	(5,3)
Entrée de périmètre	53,2	5,2	-	1,1	59,5
Sortie de périmètre	-	-	-	(6,3)	(6,3)
Valeur brute au 30 juin 2021	1 246,5	1 118,3	40,8	370,3	2 775,9
Amortissements et dépréciations					
Amortissements cumulés au 30 juin 2019	-	(708,9)	-	(191,0)	(899,9)
Dotations aux amortissements	-	(65,1)	-	(33,1)	(98,2)
Reprises (cessions)	-	-	-	14,8	14,8
Variations de change	-	(0,2)	-	(0,1)	(0,3)
Amortissements cumulés au 30 juin 2020	-	(774,2)	-	(209,4)	(983,6)
Dotations aux amortissements	-	(64,6)	-	(38,8)	(103,4)
Transferts et autres	-	-	-	(17,0)	(17,0)
Variations de change	-	4,8	-	1,2	6,0
Reprises (cessions et mises au rebut)	-	-	-	2,8	2,8
Sortie de périmètre	-	-	-	6,2	6,2
Amortissements cumulés au 30 juin 2021	-	(833,9)	-	(255,1)	(1 089,0)
Valeur nette au 30 juin 2019	1 206,1	413,8	40,8	120,8	1 781,7
Valeur nette au 30 juin 2020	1 209,2	350,4	40,8	123,6	1 724,0
Valeur nette au 30 juin 2021	1 246,5	284,3	40,8	115,2	1 686,9

La marque Eutelsat a été reconnue lors de l'acquisition d'Eutelsat S.A. par Eutelsat Communications en 2005.

PRINCIPES COMPTABLES

Les satellites et autres immobilisations corporelles sont évalués à leur coût d'acquisition comprenant tous les coûts directement attribuables à la préparation de leur utilisation, après déduction des amortissements cumulés et des éventuelles pertes de valeurs.

Le coût des satellites comprend toutes les dépenses encourues pour leur mise en service, notamment les coûts de construction, de lancement, d'assurance au lancement, les intérêts capitalisés, les primes d'intéressement et autres coûts directement attribuables à la supervision du programme (études, frais de personnel et prestations de conseil).

Les coûts d'emprunts relatifs au financement d'immobilisations corporelles sont capitalisés pour la part encourue au cours de la période de construction. En l'absence d'emprunt spécifiquement adossé à l'immobilisation en cours de construction, les intérêts capitalisés sont calculés à partir d'un taux de capitalisation égal à la moyenne pondérée des coûts d'emprunts du Groupe.

Les durées d'utilité retenues par le Groupe sont les suivantes :

- 12 à 24 ans pour les satellites,
- 5 à 10 ans pour les équipements de surveillance du trafic,
- 2 à 5 ans pour les équipements informatiques,
- 3 à 10 ans pour les aménagements et agencements des constructions.

Les satellites sont amortis à compter de leur mise en service technique. Le délai observé entre le lancement d'un satellite et sa mise en service technique peut varier entre un et neuf mois, suivant le mode de propulsion utilisé par le satellite.

Le Groupe revoit chaque année les durées d'utilité résiduelles de ses satellites en orbite, en se fondant à la fois sur leur utilisation prévue et sur l'évaluation technique de leur durée de vie. En cas de réduction ou d'allongement de la durée d'utilité, le plan d'amortissement est revu de façon prospective.

Les immobilisations en cours de construction comprennent principalement les jalons de paiements, représentatifs de l'avancement de la construction des satellites en cours, ainsi que les avances versées au titre des lanceurs et des assurances au lancement.

Les immobilisations corporelles ont évolué comme suit au cours des deux exercices :

(en millions d'euros)	Satellites	Autres immobili- sations corpo- relles	Immobilisations en cours	Total
Immobilisations brutes				
Valeur brute au 30 juin 2019	5 703,7	426,7	1 028,6	7 159,1
Acquisitions	25,1	5,1	345,3	375,5
Cessions	-	(0,3)	-	(0,3)
Mises au rebut	-	(7,7)	-	(7,7)
Variations de change	12,9	0,4	-	13,3
Transferts et autres	285,4	13,4	(312,7)	(13,8)
Valeur brute au 30 juin 2020	6 027,1	437,7	1 061,2	7 526,0
Acquisitions	1,8	27,8	379,5	409,0
Cessions	-	(5,1)	-	(5,1)
Mises au rebut	(119,6)	(14,6)	-	(134,2)
Variations de change	(63,0)	(1,8)	(0,4)	(65,1)
Entrée de périmètre	-	4,5	-	4,5
Sortie de périmètre	(296,0)	(68,4)	-	(364,4)
Transferts et autres	182,5	75,2	(226,0)	31,7
Valeur brute au 30 juin 2021	5 732,8	455,4	1 214,4	7 402,5
Amortissements et dépréciations				
Amortissements cumulés au 30 juin 2019	(2 947,0)	(329,6)	(1,2)	(3 277,9)
Dotations aux amortissements	(337,4)	(26,6)	-	(364,0)
Dépréciations	(32,6)	-	-	(32,6)
Reprises (cessions)	-	0,1	-	0,1
Reprises (mises au rebut)	-	7,4	-	7,4
Variations de change	(0,5)	(0,1)	-	(0,6)
Transferts et autres	-	(2,0)	-	(2,0)
Amortissements cumulés au 30 juin 2020	(3 317,5)	(350,7)	(1,2)	(3 669,4)
Dotations aux amortissements	(312,4)	(27,0)	-	(339,4)
Dépréciations	(16,2)	-	-	(16,2)
Reprises (cessions)	-	5,0	-	5,0
Reprises (mises au rebut)	119,6	13,3	-	132,9
Variations de change	27,0	1,1	-	28,1
Sortie de périmètre	175,3	57,4	-	232,7
Transferts et autres	(1,6)	(45,5)	1,2	(45,8)
Amortissements cumulés au 30 juin 2021	(3 325,8)	(346,4)	-	(3 672,2)
Valeur nette au 30 juin 2019	2 756,7	95,3	1 029,3	3 881,4
Valeur nette au 30 juin 2020	2 709,7	87,0	1 060,0	3 856,7
Valeur nette au 30 juin 2021	2 407,0	109,0	1 214,4	3 730,4

Les transferts portant sur les satellites au cours de l'exercice clos le 30 juin 2021 correspondent à la mise en service du satellite Konnect lancé au cours de l'exercice clos le 30 juin 2020.

Le Groupe a constaté une dépréciation sur un satellite pour respectivement 16,2 millions d'euros et 32,6 millions d'euros aux 30 juin 2021 et 30 juin 2020.

Les dates de lancement attendues des satellites en cours de construction à la date d'arrêté des comptes sont les suivantes :

Projets	Années
Quantum	Année calendaire 2021
Konnect VHTS, EUTELSAT 10B, Hotbird 13F et Hotbird 13G	Année calendaire 2022
EUTELSAT 36 D	Année calendaire 2024

7.1.3 Droits d'utilisation sur contrats de location

PRINCIPES COMPTABLES

Les contrats au travers desquels le Groupe dispose de l'utilisation d'un actif spécifique sont comptabilisés à l'actif du bilan sous la forme d'un droit d'utilisation, assortis d'une dette au passif, lorsque les conditions des contrats sont telles que ces derniers sont qualifiés de contrats de location, c'est-à-dire qu'ils transfèrent le contrôle du bien sur la totalité de la durée de la location.

Les droits d'utilisation sont généralement amortis sur la durée de la location correspondant à la période non résiliable, complétée le cas échéant des options de renouvellement dont l'exercice par le Groupe est raisonnablement certain.

Le taux d'actualisation utilisé pour calculer la valeur du droit d'utilisation et de la dette locative est déterminé, pour chaque contrat, en fonction du taux marginal d'endettement correspondant estimé.

Les actifs de faible valeur unitaire ainsi que les contrats de location d'une durée inférieure à 12 mois sont comptabilisés en charge.

Les droits d'utilisation ont évolué comme suit sur l'exercice clos le 30 juin 2021 :

(en millions d'euros)	Satellites	Autres immobilisations corporelles	Total
Immobilisations brutes			
Valeur brute au 30 juin 2019	878,6	44,2	922,8
Nouveaux contrats	-	4,7	4,7
Modifications et résiliations anticipées de contrats	(23,4)	(13,5)	(36,9)
Mises au rebut	(4,4)	(0,5)	(4,9)
Valeur brute au 30 juin 2020	850,9	34,8	885,7
Nouveaux contrats	-	40,1	40,1
Modifications de contrats et résiliations anticipées de contrats	(3,2)	(12,7)	(15,9)
Mises au rebut	-	(0,7)	(0,7)
Variation de change	-	(0,4)	(0,4)
Entrée de périmètre	-	0,8	0,8
Valeur brute au 30 juin 2021	847,7	61,9	909,6
Amortissements et dépréciations			
Amortissements et dépréciations cumulés au 30 juin 2019	(255,8)	(9,1)	(264,9)
Dotations aux amortissements	(59,6)	(9,4)	(68,9)
Dépréciations	(9,6)	-	(9,6)
Reprises (modifications et résiliations anticipées de contrats)	9,2	-	9,2
Reprises (mise au rebut)	4,4	0,5	4,9
Amortissements et dépréciations cumulés au 30 juin 2020	(311,4)	(18,0)	(329,4)
Dotations aux amortissements	(54,4)	(10,5)	(64,9)
Dépréciations	(11,7)	-	(11,7)
Reprises (modifications et résiliations anticipées de contrats)	1,6	11,5	13,1
Reprises (mise au rebut)	-	0,7	0,7
Variations de change	-	0,1	0,1
Amortissements et dépréciations cumulés au 30 juin 2021	(375,9)	(16,1)	(392,1)
Valeur nette au 30 juin 2019	622,8	35,1	657,9
Valeur nette au 30 juin 2020	539,5	16,8	556,3
Valeur nette au 30 juin 2021	471,8	45,8	517,5

Les droits d'utilisation des satellites portent essentiellement sur les contrats de location Express AT1, Express AT2, Express AM6, Express 36C et Astra 2G. Les durées de location sur ces contrats couvrent la durée de vie attendue de ce type de satellite, à ce titre, aucun de ces contrats ne comporte d'options d'achat au terme du contrat.

Aucune option de renouvellement n'a été retenue pour établir la durée des contrats de location.

Le Groupe a constaté des dépréciations sur des droits d'utilisation de répéteurs sur certains satellites pour respectivement 11,7 millions d'euros et 9,6 millions d'euros aux 30 juin 2021 et 30 juin 2020.

PRINCIPES COMPTABLES

Écarts d'acquisition et immobilisations incorporelles non amorties

Les écarts d'acquisition et les immobilisations incorporelles ayant une durée d'utilité indéfinie, telle que la marque, sont soumis à un test de dépréciation annuel, ou dès lors qu'un événement laisse à penser qu'ils pourraient avoir perdu de la valeur.

Actifs amortissables

Pour les immobilisations corporelles et les immobilisations incorporelles ayant une durée de vie définie, un test de dépréciation est réalisé lorsqu'il est relevé un indice externe ou interne indiquant que leurs valeurs recouvrables pourraient être inférieures à leurs valeurs comptables (par exemple la perte d'un client important ou un incident technique sur un satellite).

Le test de dépréciation consiste à apprécier la valeur recouvrable d'un actif qui est la valeur la plus élevée entre sa juste valeur nette des frais de cession et sa valeur d'utilité. Lorsqu'il n'est pas possible d'estimer la valeur recouvrable d'un actif en particulier, le Groupe détermine la valeur recouvrable de l'unité génératrice de trésorerie (UGT) à laquelle l'actif appartient, c'est-à-dire le plus petit groupe identifiable d'actifs qui génère des entrées de trésorerie largement indépendantes des entrées de trésorerie générées par d'autres actifs ou groupes d'actifs. En déterminant ses UGT, le Groupe prend en compte les conditions d'utilisation de sa flotte, et notamment la capacité de certains satellites à servir de *back-up* pour d'autres satellites.

Les UGT correspondent aux positions orbitales, portant un ou plusieurs satellites, ainsi que les contrats clients et relations associées (après prise en compte de l'interdépendance technique ou économique de leurs flux de trésorerie).

Afin de déterminer la valeur d'utilité, le Groupe s'appuie sur des estimations de flux de trésorerie futurs. Ces flux sont générés par l'actif ou par l'UGT sur sa durée d'utilité, actualisés en utilisant le WACC du Groupe défini pour le test de dépréciation, et construits à partir du plan moyen terme approuvé par la Direction générale et revu par le Conseil d'administration. Les revenus de ce plan sont établis à partir du carnet de commandes par satellite, des études de marché ainsi que du plan de déploiement des satellites existants et futurs. Les coûts du plan pris en compte dans le test de dépréciation comprennent essentiellement les coûts d'assurance en orbite, les coûts techniques et commerciaux directement attribuables aux satellites testés et la charge d'impôt. Au-delà d'une durée maximum de cinq ans, les flux de trésorerie sont estimés en appliquant des taux d'évolution constants.

La juste valeur diminuée des frais de cession correspond au montant qui pourrait être obtenu de la vente de l'actif (ou d'une unité) lors d'une opération, dans des conditions de concurrence normale entre des parties bien informées et consentantes, diminué des coûts d'opération.

Les pertes de valeur et les reprises de perte de valeur sont comptabilisées sous les rubriques autres produits autres charges opérationnels.

Écarts d'acquisition

Les écarts d'acquisition du Groupe sont suivis au niveau du seul segment opérationnel d'Eutelsat.

Au 30 juin 2021 la valeur boursière d'Eutelsat Communications étant inférieure à la valeur comptable des capitaux propres du Groupe, la valeur recouvrable des écarts d'acquisition a été estimée sur la base de la valeur d'utilité déterminée à partir d'une valorisation du Groupe fondée sur les flux de trésorerie futurs. Cette analyse intègre une part significative de jugement de la Direction du Groupe.

Les flux de trésorerie retenus sont basés sur le business plan à 5 ans du Groupe approuvé par le Conseil d'Administration en janvier 2021 incluant les impacts de la crise Covid couvrant les périodes allant jusqu'à l'exercice 2024-25, sur le plan à long terme défini de manière constante sur un horizon couvrant les périodes allant jusqu'à l'exercice 2032-33, et sur une valeur terminale. Le Groupe considère pertinent d'utiliser des projections au-delà de 5 ans, compte tenu de la visibilité long terme dont il dispose pour une part significative de son activité et de son profil de croissance attendu que le plan à long terme permet de mieux appréhender.

S'agissant des paramètres financiers tels que le WACC (retenu à 7,8% au 30 juin 2021, contre 7,5% au 30 juin 2020) et le taux de croissance à long terme utilisé dans la valeur terminale, les analyses de sensibilité montrent qu'une hausse du WACC de 114bp ou une baisse du taux de croissance à long terme de 303bp pourraient conduire à une valeur d'utilité inférieure à l'actif net comptable des actifs testés au 30 juin 2021. Un taux de croissance à l'infini nul ne conduirait pas à une valeur d'utilité inférieure à l'actif net comptable des actifs testés.

Par ailleurs, les principales hypothèses opérationnelles pouvant impacter la valeur recouvrable des actifs sont le niveau d'EBITDA et le montant d'investissement. Les hypothèses opérationnelles du plan à long terme se fondent sur des modèles de marché internes sur la trajectoire de chacun des segments d'activité du Groupe ainsi que sur des études stratégiques externes. Les analyses de sensibilité montrent qu'une diminution de l'EBITDA de 5% sur chaque année des plans utilisés et sur la valeur terminale n'entraînerait pas non plus de reconnaissance d'une dépréciation sur les écarts d'acquisition.

Les tests de dépréciation mis en œuvre au 30 juin 2021 et 2020 sur la base des flux de trésorerie prévisionnels actualisés n'ont pas conduit à enregistrer de charges de dépréciation. Ce résultat est par ailleurs corroboré par l'information externe disponible relative aux estimations publiées par les analystes financiers qui suivent le Groupe.

Actifs amortissables

Concernant les tests de dépréciation des satellites au 30 juin 2021, les flux de trésorerie utilisés sont fondés sur la période du plan d'affaires à 5 ans approuvé par le Conseil d'Administration en janvier 2021 puis sur des flux de trésorerie étendus jusqu'à la fin de vie de chaque satellite sur la base d'un taux normatif de croissance. Ces tests ont conduit à enregistrer une charge de dépréciation relative à un satellite détenu en propre pour

respectivement 16,5 millions d'euros et 32,6 millions d'euros aux 30 juin 2021 et 30 juin 2020 (voir Note 7.1.2 « Immobilisations corporelles et immobilisations en cours») et une charge de dépréciation sur des droits d'utilisation pour respectivement 11,7 millions d'euros et 9,6 millions d'euros aux 30 juin 2021 et 30 juin 2020 (voir Note 7.1.3 « Droits d'utilisation sur contrats de location »).

7.1.5 Engagements d'achats

En complément des éléments comptabilisés au bilan, le Groupe est engagé auprès de fournisseurs pour l'acquisition d'immobilisations (satellites et autres immobilisations) et la réalisation de prestations de services pour un montant total de 595 millions d'euros au 30 juin 2020 et pour 840 millions d'euros au 30 juin 2021.

L'échéancier aux 30 juin 2020 et 30 juin 2021 des paiements futurs au titre de ces engagements s'établit comme suit :

(en millions d'euros)	Au 30 juin 2020	Au 30 juin 2021
Echéance à moins de 1 an	307	395
Entre 1 et 2 ans	177	291
Entre 2 et 3 ans	52	21
Entre 3 et 4 ans	40	122
Echéance à plus de 4 ans	19	11
Total	595	840

Le groupe a par ailleurs octroyé une garantie couvrant le paiement des sommes dues au titre de l'octroi des droits orbitaux. Cette garantie est sans limite de montant et pour toute la durée de la licence.

7.2 CREANCES, ACTIFS ET PASSIFS SUR CONTRATS CLIENTS ET COÛTS D'OBTENTION ET D'EXECUTION DES CONTRATS

PRINCIPES COMPTABLES

Les créances clients sont comptabilisées à leur valeur nominale. Elles font l'objet de dépréciations, comptabilisées en frais commerciaux et administratifs, afin de couvrir les risques de pertes attendues. Ces dépréciations sont établies sur la base d'une approche statistique des pertes de crédit attendues par marché et par région, après prise en compte des dépôts et garanties reçus, et complétées, le cas échéant, par une dépréciation spécifique en cas de manquement à des paiements contractuels ou de difficultés financières significatives d'un client.

Les actifs de contrats clients incluent les actifs relatifs au chiffre d'affaires reconnu au titre des prix variables ou des périodes de gratuité non encore facturés au client. Les coûts d'obtention des contrats correspondent aux contreparties payées au client. Les coûts d'exécution des contrats incluent l'étalement des coûts des ventes de terminaux de l'activité Haut Débit.

Les passifs de contrats sont composés des avances reçues des clients ou facturées en amont de la fourniture des services.

Les créances clients, actifs et passifs de contrats clients et coûts d'obtention et d'exécution des contrats se synthétisent comme suit :

(en millions d'euros)	30 juin 2020	30 juin 2021
Actifs		
Créances clients et comptes rattachés	334,8	244,5
Actifs sur contrats clients	42,8	40,3
Coûts d'exécution des contrats	26,9	5,4
Coûts d'obtention des contrats	22,3	9,3
Total actifs courants et non courants	426,8	299,5
<i>Dont part non courante</i>	74,9	37,7
<i>Dont part courante</i>	351,9	261,9
Passifs		
Passifs financiers - Garanties et engagements reçus	56,2	53,5
Passifs de contrats clients	187,5	186,5
Total passifs courants et non courants	243,7	240,0
<i>Dont part non courante</i>	152,8	153,0
<i>Dont part courante</i>	90,9	87,0

Créances clients

Les créances clients échues et non échues se décomposent comme suit :

(en millions d'euros)	30 juin 2020	30 juin 2021
Créances non échues	145,1	111,7
Créances échues entre 0 et 90 jours	58,1	42,6
Créances échues entre 90 et 365 jours	97,5	58,7
Créances échues depuis plus de 365 jours	153,3	128,0
Dépréciation	(119,2)	(96,5)
Total	334,8	244,5

Les créances échues depuis plus de 365 jours comprennent des facturations de dépôts de garantie pour un montant de 15,5 millions d'euros au 30 juin 2021 (contre 12,4 millions d'euros au 30 juin 2020). Celles-ci ne présentent pas de risque de dépréciation au compte de résultat. La provision de dépréciation d'un montant de 96,5 millions d'euros au 30 juin 2021 couvre 86% des créances échues depuis plus de 365 jours hors dépôts facturés et représente 42% de la totalité des créances échues.

Par ailleurs, étant donné la nature des activités et des géographies dans lesquels il opère, le Groupe est amené régulièrement à recouvrer des créances échues depuis plus d'un an.

Le risque de crédit, lié au fait qu'un client n'honore pas sa dette à l'échéance fixée, est suivi au niveau de chaque entité sous la supervision des responsables financiers assistés pour les plus importantes d'entre elles par un credit manager et conformément aux instructions communiquées par le service recouvrement du Groupe. Ce suivi s'appuie principalement sur l'analyse des créances échues et peut être complété par une étude plus approfondie de la solvabilité de certains débiteurs. Selon l'appréciation des responsables financiers, les entités peuvent être conduites à se couvrir contre le risque de crédit en obtenant de la part des clients des garanties bancaires auprès d'établissements financiers de premier rang et des compagnies d'assurance et des dépôts de garantie. Par ailleurs, le Groupe a souscrit un contrat d'assurance-crédit.

Le risque de crédit est réduit par les garanties et engagements reçus suivants :

(en millions d'euros)	30 juin 2020		30 juin 2021	
	Valeur des créances	Valeur de la garantie	Valeur des créances	Valeur de la garantie
Dépôts de garantie reçus	120,0	18,1	82,4	20,8
Garanties bancaires ou cautions d'assurances	49,1	31,9	15,0	25,1
Garanties maison-mère	4,9	4,9	5,2	5,2
Total	174,0	54,9	102,6	51,0

Les dépôts de garantie sont comptabilisés en passifs financiers. Les garanties bancaires et garanties de maisons-mères n'apparaissent pas au bilan.

Les 10 premiers clients du Groupe représentent 35 % du chiffre d'affaires au 30 juin 2021 (34 % au 30 juin 2020). Les cinq premiers représentent 24 % du chiffre d'affaires (23 % au 30 juin 2020).

Les dépréciations des créances clients ont évolué comme suit au cours des deux exercices :

(en millions d'euros)	Total
Valeur au 30 juin 2019	104,4
Dotations (reprises) nettes	22,1
Reprises utilisées	(7,2)
Variations de change	(0,1)
Valeur au 30 juin 2020	119,2
Dotations (reprises) nettes	25,6
Reprises utilisées	(44,9)
Variations de change	(1,5)
Sortie de périmètre	(1,9)
Valeur au 30 juin 2021	96,5

Actifs de contrats clients, coûts d'obtention et d'exécution des contrats non courants

(en millions d'euros)	Total
Actifs de contrats clients au 30 juin 2019	38,0
Consommation d'actifs de contrats clients sur la période	(10,0)
Nouveaux actifs de contrats clients comptabilisés sur la période	15,7
Dépréciations (reprises) nettes	(0,5)
Ecart de conversion	(0,3)
Actifs de contrats clients au 30 juin 2020	42,8
Consommation d'actifs de contrats clients sur la période	(12,5)
Nouveaux actifs de contrats clients comptabilisés sur la période	9,3
Dépréciations (reprises) nettes	1,6
Ecart de conversion	(0,9)
Actifs de contrats clients au 30 juin 2021	40,3

Les coûts d'obtention et d'exécution des contrats se présentent comme suit :

(en millions d'euros)	Total
Coûts d'obtention et d'exécution de contrats clients au 30 juin 2019	41,1
Consommation des coûts d'obtention et d'exécution de contrats clients sur la période	(16,2)
Nouveaux coûts d'obtention et d'exécution de contrats clients comptabilisés sur la période	24,0
Coûts d'obtention et d'exécution de contrats clients au 30 juin 2020	49,2
Consommation des coûts d'obtention et d'exécution de contrats clients sur la période	(14,6)
Nouveaux coûts d'obtention et d'exécution de contrats clients comptabilisés sur la période	8,2
Entrée de périmètre	12,3
Sortie de périmètre	(40,6)
Ecart de conversion	0,2
Coûts d'obtention et d'exécution de contrats clients au 30 juin 2021	14,7

7.2.3 Passifs de contrats clients

Les passifs de contrats clients se présentent comme suit :

(en millions d'euros)	Total
Passifs de contrats clients au 30 juin 2019	188,5
Reconnaissance du chiffre d'affaires sur la période	(73,9)
Nouveaux passifs de contrats clients comptabilisés sur la période	72,7
Ecart de conversion	1,1
Reclassement	(0,9)
Passifs de contrats clients au 30 juin 2020	187,5
Reconnaissance du chiffre d'affaires sur la période	(42,5)
Nouveaux passifs de contrats clients comptabilisés sur la période	56,4
Ecart de conversion	(4,1)
Entrée de périmètre	13,5
Sortie de périmètre	(24,5)
Passifs de contrats clients au 30 juin 2021	186,4

PRINCIPES COMPTABLES

Trésorerie et équivalents de trésorerie

La trésorerie est constituée des comptes de caisse et des dépôts à vue bancaires. Les équivalents de trésorerie comprennent essentiellement les dépôts à court terme à échéance de moins de trois mois à l'origine, les comptes à terme, ainsi que des parts d'OPCVM facilement convertibles en un montant connu de trésorerie, la valeur liquidative étant établie et publiée quotidiennement et soumise à un risque négligeable de changement de valeur. Les parts d'OPCVM sous option de juste valeur par le biais du compte de résultat sont comptabilisées à leur juste valeur, les gains et pertes, réalisés ou latents, liés au changement de la juste valeur de ces actifs étant comptabilisés dans le résultat financier.

Dettes financières

Les dettes financières sont constituées d'emprunts bancaires, d'emprunts obligataires et de dettes structurées. Elles sont comptabilisées initialement à la juste valeur de la contrepartie reçue, diminuée des coûts de transaction directement attribuables à l'opération. Ces coûts sont présentés en frais et primes d'émission et étalés sur la durée de l'emprunt.

Actifs financiers

A l'exception des instruments financiers dérivés et des titres non consolidés, les actifs financiers sont comptabilisés en coût amorti. Une dépréciation est constatée au compte de résultat lorsqu'il existe un indicateur de perte de valeur. Les titres non consolidés sont valorisés à la juste valeur.

Passifs financiers

Les dettes locatives reconnues en contrepartie des droits d'utilisation correspondent à la somme des paiements futurs actualisés des contrats de location. Le taux d'actualisation retenu pour évaluer ces dettes est déterminé par contrat en fonction du taux marginal d'endettement estimé de l'entité qui porte le contrat.

Lorsque le Groupe octroie des promesses d'achat fermes ou conditionnelles de leur participation à des actionnaires minoritaires, le montant correspondant des participations ne donnant pas le contrôle est reclassé en passif financier pour la juste valeur de l'engagement. Le passif financier est réévalué à chaque clôture en contrepartie des capitaux propres, en l'absence de précisions apportées par les normes IFRS.

Instruments financiers dérivés

Les instruments dérivés qui ne sont pas désignés comme des instruments de couverture sont comptabilisés à leur juste valeur, les variations ultérieures de juste valeur étant enregistrées en résultat financier. Les instruments dérivés qualifiés d'instruments de couverture sont évalués et comptabilisés conformément aux critères de la comptabilité de couverture.

Les opérations de couverture s'effectuent en ayant recours à des instruments financiers dérivés, dont les variations de juste valeur ont pour but de compenser l'exposition des éléments couverts à ces mêmes variations. Les variations de la juste valeur sont comptabilisées en capitaux propres, dans les autres éléments recyclables de gains et pertes du résultat global, pour ce qui concerne la partie efficace de la relation de couverture tandis que les variations de la juste valeur relatives à la partie inefficace sont constatées en résultat financier. Le Groupe dispose d'instruments financiers dérivés destinés à couvrir des flux de trésorerie (*forwards* et *forwards KI*) ainsi que l'investissement net de ses filiales au Mexique, à Singapour et à Dubaï (*cross currency swap*). Les options *forwards*, *forwards KI*, et la composante taux du *cross currency swap* sont présentées en actif ou passif financier selon la position et la composante change est incluse dans la dette nette du Groupe.

Les variations cumulées de la juste valeur de l'instrument de couverture précédemment comptabilisées en capitaux propres sont transférées dans le compte de résultat lorsque la transaction couverte affecte ce dernier. Les gains et pertes ainsi transférés sont comptabilisés dans le résultat au niveau de l'élément couvert.

7.3.1 Trésorerie et équivalents de trésorerie

La trésorerie et les équivalents de trésorerie se présentent comme suit :

(en millions d'euros)	30 juin 2020	30 juin 2021
Trésorerie	485,4	529,0
Équivalents de trésorerie	346,6	332,1
Total	832,0	861,1

7.3.2 Dettes financières

Les dettes financières se décomposent comme suit :

(en millions d'euros)	Taux	30 juin 2020	30 juin 2021	Échéance
Crédit <i>in fine</i> 2022	Variable	600,0	-	Mars 2022
Crédit <i>in fine</i> 2026	Variable	-	400,0	Juin 2026
Crédit <i>in fine</i> BEI	Fixe	-	200,0	Décembre 2028
Emprunt obligataire 2022	3,125 %	300,0	300,0	Octobre 2022
Emprunt obligataire 2025	2,000 %	800,0	800,0	Octobre 2025
Emprunt obligataire 2027	2,250 %	600,0	600,0	Juillet 2027
Emprunt obligataire 2028	1,500 %	-	600,0	Octobre 2028
Dettes structurées				
	Variable	71,2	14,2	Mai 2024
	Variable	61,3	67,0	Juillet 2022
	Variable	77,8	80,0	Juillet 2023
	Variable	12,0	53,0	Juillet 2024
Sous-total des dettes (part non courante)		2 522,3	3 114,1	
Frais et primes d'émission		(16,5)	(16,7)	
Total des dettes (part non courante)		2 505,8	3 097,4	
Emprunt obligataire 2021	1,125 %	500,0	-	Juin 2021
Dettes structurées	Variable	23,7	7,1	
Tirage RCF	Variable	300,0	-	Septembre 2020
Intérêts courus non échus		34,3	38,4	
Total des dettes (part courante)		858,1	45,5	
Total		3 363,9	3 142,9	

La totalité de l'endettement est libellée en euros.

Le crédit *in fine* et les dettes structurées sont assortis d'un covenant financier qui prévoit un rapport entre l'endettement total net et EBITDA inférieur ou égal à 4,0 pour 1. Les covenants des crédits *in fine* prévoient également pour chaque prêteur la possibilité de demander le remboursement anticipé de l'intégralité des sommes dues en cas d'un changement de contrôle d'Eutelsat S.A ou d'Eutelsat Communications. Les obligations sont également assorties d'un covenant bancaire qui prévoit pour chaque prêteur la possibilité de demander le remboursement anticipé de l'intégralité des sommes dues en cas d'un changement de contrôle d'Eutelsat S.A ou d'Eutelsat Communications accompagné d'une dégradation de la notation d'Eutelsat SA. Au 30 juin 2021, le Groupe respecte l'ensemble des covenants bancaires.

Les contrats de crédit ne comportent ni garantie du Groupe ni nantissement d'actifs au profit des prêteurs mais comportent des clauses restrictives (sous réserve d'exceptions usuelles prévues dans ce type de contrat de prêt) limitant la capacité d'Eutelsat Communications et de ses filiales, notamment à consentir des sûretés, contracter des dettes supplémentaires, céder des actifs, s'engager dans des fusions, des acquisitions, des ventes d'actifs et des opérations de crédit-bail (à l'exception de celles réalisées à l'intérieur du Groupe et expressément prévues dans le contrat de prêt) et modifier la nature de l'activité de la Société et de ses filiales.

Les contrats de crédit comportent un engagement de conserver des polices d'assurance « Lancement plus un an » pour tout satellite localisé à 13° Est et, pour tout autre satellite, l'engagement de ne pas avoir plus d'un seul satellite qui ne soit pas couvert par une police d'assurance lancement.

Par ailleurs, le Groupe dispose au 30 juin 2021 de lignes de crédit actives d'un montant total non tiré de 1 050,0 millions d'euros (398,8 millions d'euros au 30 juin 2020). Ces lignes sont assorties de covenants bancaires de même type que ceux existants sur le crédit *in fine* et les dettes structurées.

L'échéancier des dettes, hors frais et primes d'émission et intérêts courus non échus, au 30 juin 2021 est le suivant :

(en millions d'euros)	Montant	Échéance à moins de 1 an	Échéance à plus de 1 an et à moins de 5 ans	Échéance à plus de 5 ans
Crédit <i>in fine</i>	400,0	-	400,0	-
Crédit <i>in fine</i> BEI	200,0	-	-	200,0
Dettes structurées	221,2	7,1	214,1	-
Emprunt obligataire 2022	300,0	-	300,0	-
Emprunt obligataire 2025	800,0	-	800,0	-
Emprunt obligataire 2027	600,0	-	-	600,0
Emprunt obligataire 2028	600,0	-	-	600,0
Total	3 121,2	7,1	1 714,1	1 400,0

7.3.3 Autres actifs et passifs financiers

Les autres actifs financiers se détaillent comme suit :

(en millions d'euros)	30 juin 2020	30 juin 2021
Titres de participation non consolidés	14,7	14,7
Instruments financiers dérivés ⁽¹⁾	10,3	39,0
Autres actifs financiers	31,4	44,8
Total	56,4	98,5
<i>Dont part courante</i>	23,6	27,0
<i>Dont part non courante</i>	32,8	71,5

⁽¹⁾ Voir Note 7.3.5 « Instruments financiers dérivés ».

Les autres dettes et passifs financiers se présentent comme suit :

(en millions d'euros)	30 juin 2020	30 juin 2021
Dettes locatives	493,4	435,6
Autres créiteurs	86,6	103,4
Dettes sur immobilisations	50,9	213,7
Instruments financiers dérivés ⁽¹⁾	43,0	29,1
Dettes sociales	52,3	55,2
Dettes fiscales	15,6	22,7
Total	741,8	859,8
<i>Dont part courante</i>	231,6	170,5
<i>Dont part non courante</i>	510,2	689,3

⁽¹⁾ Voir Note 7.3.5 « Instruments financiers dérivés ».

Au fur et à mesure de la construction de certains satellites, des acceptations de jalons entraînent la reconnaissance d'une immobilisation en cours et d'une dette fournisseurs. Les dettes sur immobilisation non courantes représentent un montant de 188,7 millions d'euros au 30 juin 2021 et incluent les acceptations de jalons ainsi que les paiements par effet de commerce ayant pour échéance la livraison des satellites, pour des montants de respectivement 154,4 millions d'euros et 29,6 millions d'euros.

La variation des dettes locatives sur la période se décompose ainsi :

(en millions d'euros)	30 juin 2020	Nouveaux contrats	Flux de trésorerie	Résiliation anticipée	Effets de change	Variation des intérêts courus	30 juin 2021
Satellites	474,4	-	(84,4)	(3,9)	-	(2,2)	384,0
Immobilier	11,4	41,0	(4,0)	(1,3)	0,1	-	47,1
Autres	7,6	-	(3,1)	-	-	-	4,5
Total	493,4	41,0	(91,5)	(5,2)	0,1	(2,2)	435,6

Les dettes locatives comprennent les intérêts courus de 3,8 millions d'euros au 30 juin 2020 et de 2,2 millions d'euros au 30 juin 2021.

7.3.4 Dette nette

La dette nette se présente comme suit :

(en millions d'euros)	30 juin 2020	30 juin 2021
Crédit <i>in fine</i>	600,0	400,0
Crédit <i>in fine</i> BEI	-	200,0
Emprunts obligataires	2 200,0	2 300,0
Tirage RCF	300,0	-
Dettes structurées	246,1	221,2
Part change du <i>cross currency swap</i>	(4,3)	(38,7)
Dettes locatives	489,6	434,0
Dette brute	3 831,4	3 516,5
Trésorerie et équivalents de trésorerie	(832,0)	(861,1)
Dette nette	2 999,4	2 655,5

L'évolution de la dette entre le 30 juin 2019 et le 30 juin 2020 se présente comme suit :

(en millions d'euros)	30 juin 2019	Flux de trésorerie	Flux non cash	Effets de change	Var. de juste valeur et autres	30 juin 2020
Crédit <i>in fine</i>	600,0	-	-	-	-	600,0
Emprunts obligataires	3 130,0	(930,0)	-	-	-	2 200,0
Tirage RCF	-	300,0	-	-	-	300,0
Dettes structurées	118,6	(23,7)	151,2	-	-	246,1
Part change du <i>cross currency swap</i>	99,8	(112,2)	-	-	8,1	(4,3)
Dettes locatives	579,8	(63,0)	(26,6)	(0,6)	-	489,6
Total	4 528,1	(828,9)	124,6	(0,6)	8,1	3 831,4

Le flux de trésorerie de 930 millions d'euros sur les emprunts obligataires correspond au remboursement de l'emprunt obligataire échu au cours de l'exercice 2020.

L'évolution de la dette entre le 30 juin 2020 et le 30 juin 2021 se présente comme suit :

(en millions d'euros)	30 juin 2020	Flux de trésorerie	Flux non cash	Effets de change	var. de juste valeur et autres	30 juin 2021
Crédit <i>in fine</i>	600,0	(200,0)	-	-	-	400,0
Crédit <i>in fine</i> BEI	-	200,0	-	-	-	200,0
Emprunts obligataires	2 200,0	100,0	-	-	-	2 300,0
Tirage RCF	300,0	(300,0)	-	-	-	-
Dettes structurées	246,1	(73,7)	48,8	-	-	221,2
Part change du <i>cross currency swap</i>	(4,3)	-	-	-	(34,4)	(38,7)
Dettes locatives	489,6	(91,5)	34,9	0,1	0,8	434,0
Total	3 831,4	(365,2)	83,7	0,1	(33,6)	3 516,5

Le flux de trésorerie de 100 millions d'euros sur les emprunts obligataires correspond, d'une part, au remboursement de l'emprunt obligataire échu au cours de l'exercice 2021 pour (500,0) millions d'euros, et, d'autre part, à une nouvelle émission obligataire pour 600,0 millions d'euros arrivant à échéance en octobre 2028. Le flux de trésorerie 200 millions d'euros sur le crédit *in fine* correspond, d'une part, au remboursement par anticipation de l'emprunt arrivant à échéance en mars 2022 pour (600,0) millions d'euros, et d'autre part à la mise en place d'un nouveau crédit *in fine* pour un montant de 400,0 millions d'euros, arrivant à échéance en juin 2026. (voir Note 2.5)

7.3.5 Instruments financiers dérivés

Les instruments financiers dérivés font l'objet d'une évaluation par un expert indépendant qui est rapprochée des valorisations transmises par les contreparties bancaires. Le tableau ci-après présente les montants contractuels ou notionnels ainsi que les justes valeurs des instruments financiers dérivés par type de contrat :

(en millions d'euros)	Notionnels		Justes valeurs		Variation de juste valeur sur la période	Impact résultat (hors coupons)	Impact capitaux propres (hors coupons)
	30 juin 2020	30 juin 2021	30 juin 2020	30 juin 2021			
Vente à terme synthétique à barrière active (Eutelsat S.A.)	244,7	235,5	5,8	(0,4)	(6,3)	-	(6,3)
Cross Currency Swap	612,0	572,0	(33,9)	10,3	44,2	-	44,2
Total des instruments de change	856,7	807,5	(28,1)	9,9	37,9	-	37,9
Swap pré-hedge ⁽¹⁾	300,0	-	(4,7)	-	4,7	-	(1,3)
Total des instruments de taux d'intérêt	300,0	-	(4,7)	-	4,7	-	(1,3)
Total instruments financiers dérivés			(32,7)	9,9	42,7	-	36,6

⁽¹⁾ Le Swap pré-hedge couvrant un notionnel de 300 millions d'euros a été résilié en octobre 2020 et s'est soldé par un règlement en trésorerie de 6,0 millions d'euros par Eutelsat S.A.

Au 30 juin 2021, le montant cumulé des justes valeurs des instruments financiers dérivés ressort en positif pour 39,0 millions d'euros et en négatif pour 29,1 millions d'euros (voir Note 7.3.3 « Actifs et passifs financiers »).

Les coupons des instruments de taux qualifiés de couverture de flux de trésorerie futurs sont comptabilisés directement en résultat. La variation comptabilisée en capitaux propres au titre de ces instruments correspond à la variation de juste valeur hors coupon. Les coupons du *cross currency swap* qualifié de couverture d'investissement net à l'étranger, ainsi que la variation de juste valeur hors-coupon, sont comptabilisés directement en capitaux propres.

La juste valeur et les échéances des instruments dérivés qualifiés de couverture se présentent comme suit :

(en millions d'euros)	Juste valeur différée en capitaux propres et à reprendre en résultat au 30 juin 2020						
	Total	À 1 an au plus	De 1 à 2 ans	De 2 à 3 ans	De 3 à 4 ans	De 4 à 5 ans	À plus de 5 ans
Couverture du risque de change	(28,0)	5,9	-	-	-	(33,9)	-
Couverture du risque de taux	(4,7)	(4,7)	-	-	-	-	-
Total net au 30 juin 2020	(32,7)	1,2	-	-	-	(33,9)	-

(en millions d'euros)	Juste valeur différée en capitaux propres et à reprendre en résultat au 30 juin 2021						
	Total	À 1 an au plus	De 1 à 2 ans	De 2 à 3 ans	De 3 à 4 ans	De 4 à 5 ans	À plus de 5 ans
Couverture du risque de change	9,9	(0,4)	-	-	10,3	-	-
Total net au 30 juin 2021	9,9	(0,4)	-	-	10,3	-	-

7.3.6 Gestion des risques

Le Groupe est exposé au risque de marché, notamment en ce qui concerne le risque de change et de taux d'intérêt. Pour y faire face, le Groupe a recours à un certain nombre d'instruments financiers dérivés. Le Groupe n'effectue aucune transaction financière présentant un risque qui ne puisse être quantifié lors de sa conclusion, autrement dit il ne saurait vendre des actifs sans les posséder ou sans savoir s'il les possédera à l'avenir. L'objectif est de réduire, là où cela lui semble approprié, les fluctuations de revenus et des flux de trésorerie suite à des variations des taux d'intérêts et des cours de change.

Risque de change

Par ses opérations de vente de capacité satellitaire, le Groupe est principalement receveur de devises, et majoritairement de dollar U.S. Le Groupe est donc majoritairement exposé au risque de change dollar U.S./euro.

Afin de se couvrir contre les risques liés à la fluctuation des taux de change, le Groupe peut être amené à utiliser des ventes à terme ou des ventes à termes synthétiques à barrière activante de dollars U.S. contre euros, exercées ou non en fonction du taux de change à leur date d'expiration. Le Groupe ne peut néanmoins garantir qu'il parviendra à couvrir systématiquement tous ses contrats libellés en dollar U.S. Par ailleurs, afin de couvrir le risque de conversion, le Groupe peut également avoir recours à la création de passifs libellés dans la devise des flux de trésorerie générés par ces actifs. Parmi les instruments de couverture utilisés, le Groupe peut avoir recours à des produits dérivés de change (*cross currency swaps*) documentés en couverture d'investissement net à l'étranger. Le Groupe a ainsi mis en place un swap de devises euro dollar U.S. pour un notional de 680 millions de dollars afin de couvrir son investissement net dans deux filiales basées au Mexique, à Singapour et à Dubaï.

Compte tenu de son exposition au risque de change, le Groupe estime qu'une hausse de 10% de la valeur du taux dollar U.S./euro générerait (hors instruments de change) une baisse du chiffre d'affaires de 34 millions d'euros et une baisse des charges opérationnelles de 5 millions d'euros. Elle entraînerait également une variation négative de 94 millions d'euros de la réserve de conversion du Groupe et une hausse de 59 millions d'euros sur la part change du *cross currency swap* comptabilisée en dettes financières.

Risque de taux

Le Groupe gère son exposition aux variations de taux d'intérêt en conservant une partie de sa dette à taux fixe (emprunts obligataires d'Eutelsat S.A.) et si nécessaire par une politique de couverture ou de pré-couverture.

Compte tenu de l'ensemble des instruments financiers dont dispose le Groupe au 30 juin 2021, une augmentation de dix points de base (+0,1%) du taux d'intérêt EURIBOR n'aurait pas d'impact sur la charge d'intérêts.

Risque de contrepartie

Le risque de contrepartie inclut le risque lié à l'émetteur de titres, le risque d'exécution sur produits financiers dérivés ou produits monétaires ainsi que le risque de crédit sur les liquidités et les placements à terme. Le Groupe minimise son exposition au risque lié à l'émetteur et son exposition au risque d'exécution et de crédit en acquérant des produits financiers auprès de banques et d'établissements financiers de premier rang. L'exposition à ces risques est étroitement surveillée.

Le Groupe n'anticipe aucune perte qui résulterait de la défaillance de ses contreparties quant à leurs obligations prévues au contrat.

Au 30 juin 2021, le risque de contrepartie n'est pas significatif sur ces opérations.

Risque de liquidité

Le Groupe gère le risque de liquidité en tenant compte de la maturité des investissements financiers, des actifs financiers et des estimations de flux de trésorerie futurs liés aux activités opérationnelles.

L'objectif du Groupe est de maintenir l'équilibre entre la continuité des financements et leur flexibilité grâce à l'utilisation de découverts, d'emprunts bancaires *in fine*, de lignes de crédit bancaire *revolving*, d'emprunts obligataires et de contrats de location de satellites.

La maturité contractuelle de la dette du Groupe se présente comme suit :

Au 30 juin 2020 (en millions d'euros)	Valeur au bilan	Total des flux contractuels	Echéancier au 30 juin 2020					
			juin-20	juin-21	juin-22	juin-23	juin-24	Au-delà de 5 ans
Crédit <i>in fine</i>	(599,2)	(613,8)	(6,9)	(606,9)	-	-	-	-
Emprunts obligataires	(2 194,4)	(2 438,9)	(545,6)	(38,9)	(338,9)	(29,5)	(29,5)	(1 456,5)
Tirage RCF	(300,0)	(300,7)	(300,7)	-	-	-	-	-
Dettes structurées	(242,7)	(253,7)	(26,4)	(87,5)	(103,3)	(36,5)	-	-
Dettes locatives	(493,4)	(493,4)	(73,8)	(47,2)	(44,6)	(44,6)	(45,9)	(237,3)
Instruments dérivés qualifiés ⁽¹⁾	(43,0)	(43,0)	(4,7)	-	-	-	(38,3)	-
Total dettes financières	(3 872,7)	(4 143,5)	(958,1)	(780,5)	(486,8)	(110,6)	(113,7)	(1 693,8)
Autres passifs financiers	(154,5)	(154,5)	(107,1)	(47,4)	-	-	-	-
Total passifs financiers	(4 027,2)	(4 298,0)	(1 065,2)	(827,9)	(486,8)	(110,6)	(113,7)	(1 693,8)
Instruments dérivés qualifiés ⁽¹⁾	10,3	10,3	5,9	-	-	-	4,3	-
Actifs financiers	46,2	46,2	17,7	28,5	-	-	-	-
Trésorerie	485,4	485,4	485,4	-	-	-	-	-
Equivalent de trésorerie	346,6	346,6	346,6	-	-	-	-	-
Total actifs financiers	888,4	888,4	855,6	28,5	-	-	4,3	-
Position nette	(3 138,8)	(3 409,6)	(209,6)	(799,4)	(486,8)	(110,6)	(109,4)	(1 693,8)

⁽¹⁾ Les montants « ventilés » au titre des instruments dérivés correspondent à des justes valeurs (et non à des flux contractuels).

Au 30 juin 2021 (en millions d'euros)	Valeur au bilan	Total des flux contractuels	Echéancier au 30 juin 2021					Au-delà de 5 ans
			juin-22	juin-23	juin-24	juin-25	juin-26	
Crédit <i>in fine</i>	(399,9)	(422,0)	(4,4)	(4,4)	(4,4)	(4,4)	(404,4)	-
Crédit <i>in fine</i> BEI	(199,8)	(207,4)	(1,0)	(1,0)	(1,0)	(1,0)	(1,0)	(202,4)
Emprunts obligataires	(2 286,8)	(2 555,9)	(47,9)	(338,5)	(38,5)	(38,5)	(838,5)	(1 254,0)
Dettes structurées	(218,1)	(227,3)	(9,9)	(76,3)	(88,1)	(53,0)	-	-
Dettes locatives	(434,0)	(434,0)	(0,3)	(22,2)	(46,5)	(50,4)	(51,8)	(262,8)
Instruments dérivés qualifiés ⁽¹⁾	(28,8)	(28,8)	(0,4)	-	-	(28,4)	-	-
Total dettes financières	(3 567,4)	(3 875,4)	(63,9)	(442,4)	(178,5)	(175,7)	(1 295,7)	(1 719,2)
Autres passifs financiers	(181,3)	(181,3)	(120,7)	(60,6)	-	-	-	-
Total passifs financiers	(3 748,7)	(4 056,7)	(184,6)	(503,0)	(178,5)	(175,7)	(1 295,7)	(1 719,2)
Instruments dérivés qualifiés ⁽¹⁾	38,7	38,7	-	-	-	38,7	-	-
Actifs financiers	59,5	59,5	26,7	32,8	-	-	-	-
Trésorerie	529,0	529,0	529,0	-	-	-	-	-
Equivalent de trésorerie	332,1	332,1	332,1	-	-	-	-	-
Total actifs financiers	959,3	959,3	887,8	32,8	-	38,7	-	-
Position nette	(2 789,4)	(3 097,4)	(703,2)	(470,2)	(178,5)	(137,0)	(1 295,7)	(1 719,2)

⁽¹⁾ Les montants « ventilés » au titre des instruments dérivés correspondent à des justes valeurs (et non à des flux contractuels).

7.4 JUSTE VALEUR DES INSTRUMENTS FINANCIERS

La juste valeur est le montant pour lequel un actif financier pourrait être échangé, ou un passif éteint, entre parties bien informées, consentantes et agissant dans des conditions de concurrence normale.

7.4.1 Juste valeur des actifs

Les tableaux suivants ventilent chaque actif composé d'instruments financiers en indiquant sa juste valeur, que l'instrument soit ou non comptabilisé au bilan à la juste valeur :

(en millions d'euros)	Total	Valeur nette comptable au 30 juin 2020			
		Coût amorti	Juste valeur par le biais des autres éléments du résultat global	Juste valeur par le résultat	Juste valeur au 30 juin 2020
Actifs non courants					
Prêts et avances à long terme	28,5	15,0	-	13,5	28,5
Actifs sur contrats clients	35,6	35,6	-	-	35,6
Actifs courants					
Créances clients	334,8	334,8	-	-	334,8
Actifs sur contrats clients	7,2	7,2	-	-	7,2
Autres créances	43,6	43,6	-	-	43,6
Instruments financiers dérivés ⁽¹⁾					
Qualifiés de couverture	10,3	-	10,3	-	10,3
Trésorerie et équivalents de trésorerie					
Trésorerie	485,4	-	-	485,4	485,4
Equivalent de trésorerie ⁽²⁾	346,6	-	-	346,6	346,6

⁽¹⁾ Hiérarchie de la juste valeur : niveau 2 (données observables autres qu'un prix coté sur un marché)

⁽²⁾ Hiérarchie de la juste valeur : niveau 1 (prix coté sur un marché)

(en millions d'euros)	Total	Valeur nette comptable au 30 juin 2021			
		Coût amorti	Juste valeur par le biais des autres éléments du résultat global	Juste valeur par le résultat	Juste valeur au 30 juin 2021
Actifs non courants					
Prêts et avances à long terme	32,8	18,1	-	14,7	32,8
Actifs sur contrats clients	30,4	30,4	-	-	30,4
Actifs courants					
Créances clients	244,5	244,5	-	-	244,5
Actifs sur contrats clients	9,8	9,8	-	-	9,8
Autres créances	42,8	42,8	-	-	42,8
Instruments financiers dérivés ⁽¹⁾					
Qualifiés de couverture	39,0	-	39,0	-	39,0
Trésorerie et équivalents de trésorerie					
Trésorerie	529,0	529,0	-	529,0	529,0
Equivalent de trésorerie ⁽²⁾	332,1	332,1	-	332,1	332,1

⁽¹⁾ Hiérarchie de la juste valeur : niveau 2 (données observables autres qu'un prix coté sur un marché)

⁽²⁾ Hiérarchie de la juste valeur : niveau 1 (prix coté sur un marché)

A l'exception des instruments financiers dérivés et des titres non consolidés, la valeur comptable des actifs constitue une approximation satisfaisante de leur juste valeur.

7.4.2 Juste valeur des passifs

Les tableaux suivants ventilent chaque passif composé d'instruments financiers en indiquent sa juste valeur, que l'instrument soit ou non comptabilisé au bilan à la juste valeur :

(en millions d'euros)	Valeur nette comptable au 30 juin 2020				Juste valeur au 30 juin 2020
	Total	Instruments évalués au coût amorti	Instruments dérivés qualifiés de couverture	Instruments évalués à la juste valeur par le biais du compte de résultat	
Dettes financières					
Emprunts à taux variable	1 169,5	1 169,5	-	-	1 169,5
Emprunt obligataire ⁽¹⁾	2 194,4	2 194,4	-	-	2 242,4
Emprunts à taux fixe	-	-	-	-	-
Découverts bancaires	-	-	-	-	-
Autres passifs financiers					
Non courants	466,0	466,0	-	-	466,0
Courants	181,9	181,9	-	-	181,9
Instruments financiers dérivés ⁽²⁾					
Qualifiés de couverture	43,0	43,0	-	-	43,0
Fournisseurs et comptes rattachés	73,1	73,1	-	-	73,1
Dette sur immobilisations	50,9	50,9	-	-	50,9

⁽¹⁾ Hiérarchie de la juste valeur : niveau 1 (prix coté sur un marché)

⁽²⁾ Hiérarchie de la juste valeur : niveau 2 (données observables autres qu'un prix coté sur un marché).

(en millions d'euros)	Valeur nette comptable au 30 juin 2021				Juste valeur au 30 juin 2021
	Total	Instruments évalués au coût amorti	Instruments dérivés qualifiés de couverture	Instruments évalués à la juste valeur par le biais du compte de résultat	
Dettes financières					
Emprunts à taux variable	618,0	618,0	-	-	618,0
Emprunt obligataire ⁽¹⁾	2 286,8	2 286,8	-	-	2 453,4
Emprunts à taux fixe	199,8	199,8	-	-	199,8
Découverts bancaires	-	-	-	-	-
Autres passifs financiers					
Non courants	472,1	472,1	-	-	472,1
Courants	146,0	146,0	-	-	146,0
Instruments financiers dérivés ⁽²⁾					
Qualifiés de couverture	29,1	29,1	-	-	29,1
Fournisseurs et comptes rattachés	84,9	84,9	-	-	84,9
Dette sur immobilisations	213,7	213,7	-	-	213,7

⁽¹⁾ Hiérarchie de la juste valeur : niveau 1 (prix coté sur un marché)

⁽²⁾ Hiérarchie de la juste valeur : niveau 2 (données observables autres qu'un prix coté sur un marché).

A l'exception des emprunts obligataires et des instruments financiers dérivés, la valeur comptable des passifs financiers constitue une approximation satisfaisante de leur juste valeur.

Les justes valeurs des emprunts obligataires de niveau 1 (prix coté sur un marché) se présentent comme suit :

(En millions d'euros)	30 juin 2020	30 juin 2021
Emprunt obligataire 2021	501,5	-
Emprunt obligataire 2022	314,1	312,1
Emprunt obligataire 2025	817,7	856,9
Emprunt obligataire 2027	609,1	657,1
Emprunt obligataire 2028	-	627,3
Total	2 242,4	2 453,4

7.5 CAPITAUX PROPRES

PRINCIPES COMPTABLES

Frais d'augmentation de capital

Les frais externes directement liés à des augmentations ou réduction de capital sont imputés sur la prime d'émission et d'apport, nets d'impôt lorsqu'une économie d'impôt est générée.

Actions propres

Les actions propres sont comptabilisées en diminution des capitaux propres sur la base de leur coût d'acquisition. Lors de leur cession, les gains et pertes sont inscrits directement dans les réserves consolidées pour leurs montants nets d'impôt et ne contribuent pas au résultat de l'exercice.

7.5.1 Capital social

Au 30 juin 2021, le capital social d'Eutelsat Communications S.A. est composé de 230 544 995 actions, d'une valeur nominale de 1 euro.

À cette même date, le Groupe détient 353 359 actions propres d'un montant de 3,6 millions d'euros acquises dans le cadre d'un contrat de liquidité (394 290 actions propres d'un montant de 3,8 millions d'euros au 30 juin 2020). L'ensemble de ces actions est présenté en déduction des capitaux propres.

7.5.2 Dividendes

Le 5 novembre 2020, les actionnaires réunis en Assemblée Générale Mixte ont décidé de distribuer un montant brut de 0,89 euro par action, soit un montant total de 204,9 millions d'euros totalement prélevé sur le résultat de l'exercice clos au 30 juin 2020.

Le montant de la distribution proposé à l'Assemblée Générale du 4 novembre 2021 au titre de l'exercice clos au 30 juin 2021 est de 214,1 millions d'euros, soit 0,93 euro par action.

7.5.3 Variation de la réserve de réévaluation des instruments dérivés

La réserve de réévaluation des instruments dérivés qualifiés de couverture (incluant l'effet d'impôt) a évolué comme suit sur l'exercice :

(en millions d'euros)	Total
Solde au 30 juin 2020	(52,4)
Variations de juste valeur en capitaux propres recyclables en résultat	16,6
Solde au 30 juin 2021	(35,8)

7.5.4 Réserves de conversion

La réserve de conversion (incluant l'effet d'impôt) a évolué comme suit sur l'exercice :

(en millions d'euros)	Total
Solde au 30 juin 2020	128,4
Variation nette sur la période	(25,8)
Solde au 30 juin 2021	102,6

La principale devise générant des écarts de conversion est le dollar US.

La réserve de conversion au 30 juin 2021 inclut 10,3 millions d'euros au titre du *cross currency swap* documenté en couverture d'investissement net à l'étranger ainsi que (112,2) millions d'euros relatifs au *cross currency swap* échu.

7.6 PROVISIONS

PRINCIPES COMPTABLES

Une provision est constituée lorsque, à la date de clôture, le Groupe a une obligation juridique ou implicite résultant d'un événement passé et dont il est probable qu'elle engendrera une sortie de ressources représentatives d'avantages économiques dont le montant peut être estimé de façon fiable. Le montant comptabilisé en provision représente la meilleure estimation de la dépense nécessaire à l'extinction de l'obligation actuelle à la date de clôture.

Si l'effet de la valeur temps de l'argent est significatif, le montant de la provision comptabilisée correspond à la valeur actualisée des dépenses attendues jugées nécessaires pour éteindre l'obligation correspondante. L'augmentation des provisions enregistrée pour refléter l'écoulement du temps et relative à l'actualisation est comptabilisée en charges financières.

L'évolution des provisions entre le 30 juin 2020 et le 30 juin 2021 se présente comme suit :

(en millions d'euros)	30 juin 2020	Dotation		Reprise		Reclassement	Variation de périmètre	Constat en capitaux propres	Variation de change	30 juin 2021
		Utilisée	Non utilisée	Utilisée	Non utilisée					
Garantie financière donnée à un fonds de pension	83,7	1,2	(4,1)	-	-	-	(21,0)	-	-	59,8
Indemnités de départ en retraite	14,6	1,2	(2,0)	-	-	-	0,9	-	-	14,6
Autres avantages postérieurs à l'emploi ⁽¹⁾	6,2	0,3	(0,8)	-	-	(0,2)	-	-	-	5,5
Total avantages postérieurs à l'emploi	104,4	2,7	(6,9)	-	-	(0,2)	(20,1)	-	-	80,0
Litiges commerciaux, salariaux et fiscaux	18,6	4,9	(2,5)	(7,2)	-	2,0	-	(0,2)	-	15,6
Autres	-	-	-	-	-	-	-	-	-	-
Total provisions	123,1	7,6	(9,4)	(7,2)	-	1,8	(20,1)	(0,2)	-	95,6
<i>Dont part non courante</i>	106,6	-	-	-	-	-	-	-	-	83,0
<i>Dont part courante</i>	16,5	-	-	-	-	-	-	-	-	12,6

⁽¹⁾ Les autres avantages postérieurs à l'emploi concernent essentiellement des indemnités de fin de contrat dans diverses filiales.

7.6.1 Garantie financière donnée à un fonds de pension

Eutelsat S.A. a donné une garantie financière au fonds de pension en charge du régime de retraite mis en place par l'Organisation Inter Gouvernementale (OIG) lors de l'apport par cette dernière de son activité opérationnelle à Eutelsat S.A. en 2001. Ce régime de retraite à prestations définies a été fermé et les droits acquis gelés préalablement à l'apport. La garantie financière octroyée par Eutelsat S.A. est évaluée et comptabilisée de manière similaire à un engagement de retraite à prestations définies bien que le Groupe n'ait pas repris directement les engagements souscrits auprès l'OIG au plan juridique. Cette garantie peut être exercée à certaines conditions en complément de sous-financements futurs, sans qu'il existe de seuil quantitatif déclenchant l'appel de cette garantie.

En 2017, la garantie financière a été appelée pour un montant de 35,9 millions d'euros sur la base des projections de déficit du régime et un accord a été conclu avec le fonds de pension pour neuf paiements de 4,0 millions d'euros répartis entre le 30 juin 2017 et le 30 juin 2025.

En 2021, un nouvel accord remplaçant le précédent a été conclu avec le fonds de pension, portant le montant total des paiements dus au fonds au 30 juin 2021 à 38 millions d'euros, avec un échéancier allant jusqu'au 30 juin 2029.

Ces paiements pourront évoluer en fonction des futures situations financières établies annuellement.

L'évolution des obligations et des actifs du régime entre le 30 juin 2020 et le 30 juin 2021 se présente comme suit :

(en millions d'euros)	30 juin 2020	30 juin 2021
Valeur actualisée des obligations à l'ouverture	238,7	207,5
Coût des services rendus au cours de l'exercice	-	-
Coût financier	2,8	3,1
Écarts actuariels liés aux hypothèses financières : (gains)/pertes	(26,9)	(4,6)
Prestations versées	(7,1)	(6,9)
Valeur actualisée des obligations à la clôture	207,5	199,1

(en millions d'euros)	30 juin 2020	30 juin 2021
Juste valeur des actifs du fonds à l'ouverture	134,6	123,9
Rendement attendu des actifs du régime	1,6	1,8
Écarts actuariels liés aux hypothèses financières : (gains)/pertes	(13,3)	16,4
Contributions versées	8,0	4,1
Prestations versées	(7,1)	(6,9)
Juste valeur des actifs du fonds à la clôture	123,9	139,3

La durée moyenne pondérée des obligations est de 17 ans.

Les montants inclus dans la juste valeur des actifs du régime n'incluent aucun instrument financier émis par Eutelsat S.A. ni aucun bien immobilier ou mobilier détenu ou utilisé par Eutelsat S.A. Le rendement effectif des actifs du régime s'élève à (11,6) millions d'euros et 18,2 millions d'euros aux 30 juin 2020 et 2021, respectivement.

Les évaluations actuarielles ont été réalisées sur la base des hypothèses suivantes :

	30 juin 2020	30 juin 2021
Taux d'actualisation	1,50%	1,50%
Taux d'augmentation des pensions	1,75%	1,75%

Une baisse de 50 points de base des taux d'actualisation entraînerait une augmentation de la provision de 17 millions d'euros.

Les provisions ont évolué comme suit au cours des deux exercices :

(en millions d'euros)	30 juin 2020	30 juin 2021
Provision à l'ouverture de l'exercice	100,1	83,7
Charge nette comptabilisée en résultat	1,2	1,2
(Gains) / pertes actuarielles	(13,6)	(21,0)
Contributions versées	(4,0)	(4,1)
Provision à la clôture de l'exercice	83,7	59,8

7.6.2 Indemnités de départ retraite et assimilés

PRINCIPES COMPTABLES

Les régimes de retraite du Groupe sont constitués de régimes à cotisations définies et de régimes à prestations définies.

Les charges liées aux régimes à cotisations définies sont constatées en « Charges de personnel » sur la base des cotisations versées ou dues au titre de l'exercice où les services sont rendus par les bénéficiaires des régimes.

Les régimes à prestations définies concernent les plans dans lesquels le Groupe s'est engagé à garantir à terme un montant ou un niveau de prestations. L'évaluation de ces prestations s'effectue sur la base de la méthode actuarielle des *unités de crédit projetées* consistant à projeter les montants des paiements futurs attendus sur la base d'hypothèses démographiques (rotation du personnel, mortalité, âge de départ à la retraite) et financières (augmentation des salaires et actualisation). La charge de l'exercice correspondant au coût des services rendus est constatée en « Charges de personnel » et les effets de l'actualisation dans le résultat financier. Les écarts actuariels résultant des changements d'hypothèses actuarielles ou des écarts d'expérience sont comptabilisés en « Autres éléments du résultat global ».

Régimes à prestations définies

Les engagements de retraite à prestations définies du Groupe sont principalement constitués du régime d'indemnités de départ en retraite des salariés d'Eutelsat S.A.

Aux 30 juin 2020 et 2021, la situation du régime se présente comme suit :

(en millions d'euros)	30 juin 2020	30 juin 2021
Valeur actualisée des obligations à l'ouverture	15,3	14,6
Coût des services rendus au cours de l'exercice	1,1	1,0
Coût financier	0,2	0,2
Écarts actuariels	(0,8)	0,9
Indemnités versées	(1,2)	(2,0)
Valeur actualisée des obligations à la clôture	14,6	14,6

La durée moyenne pondérée des obligations est de 13 ans.

L'évaluation actuarielle effectuée a été effectuée sur la base des hypothèses suivantes :

	30 juin 2020	30 juin 2021
Taux d'actualisation	1,25%	1,25%
Taux d'augmentation des salaires	0% durant 2 ans puis 2%	0% durant 1 an puis 2%

Le taux d'actualisation est déterminé sur la base d'obligations privées de première catégorie (AA et AAA) d'une durée cohérente avec celle du régime valorisé.

Régimes à cotisations définies

Les cotisations patronales versées au régime de retraite obligatoire en France au cours de l'exercice à ce titre s'élèvent à 6,6 millions d'euros et 6,3 millions d'euros aux 30 juin 2020 et 2021 respectivement.

Les salariés, à l'exception des mandataires sociaux salariés, bénéficient par ailleurs d'une retraite sur-complémentaire par capitalisation, à contributions définies, financée par des cotisations salariales et patronales égales à 6% du salaire annuel brut dans la limite de huit fois le plafond de la Sécurité sociale française. Les cotisations patronales versées au cours de l'exercice à ce titre s'élèvent à 1,9 million d'euros et 2,0 millions d'euros aux 30 juin 2020 et 2021 respectivement.

7.6.3 Litiges et passifs éventuels

PRINCIPES COMPTABLES

Dans le cadre de ses activités, le Groupe est impliqué dans des actions judiciaires et des litiges commerciaux. Le Groupe exerce son jugement au cas par cas dans l'évaluation des risques encourus, et constitue une provision dès lors qu'il s'attend à une sortie probable de ressources. Dans les cas jugés sans fondement ou trop peu étayés, aucune provision n'a été comptabilisée.

7.7 ACTIFS ET PASSIFS D'IMPOTS

7.7.1 Actifs et passifs d'impôts différés

PRINCIPES COMPTABLES

Les impôts différés résultent des différences temporelles entre la valeur comptable des actifs et passifs et leur valeur fiscale. Ils sont calculés par entité fiscale et comptabilisés sur toutes les différences temporelles, sauf exceptions en utilisant la méthode bilancielle du report variable.

Ainsi, tous les passifs d'impôt différé sont comptabilisés :

- pour toute différence temporelle imposable sauf quand le passif d'impôt différé résulte de la dépréciation non déductible fiscalement de l'écart d'acquisition ou de la comptabilisation initiale d'un actif ou d'un passif dans une opération qui n'est pas un regroupement d'entreprises et qui, à la date de l'opération, n'affecte ni le bénéfice comptable, ni le bénéfice imposable ou la perte fiscale ; et
- pour des différences temporelles taxables liées à des participations dans les filiales sauf lorsque le Groupe contrôle le renversement de la différence et qu'il est probable que la différence temporelle ne s'inversera pas dans un avenir prévisible.

Des actifs d'impôt différé sont comptabilisés pour toute différence temporelle déductible, reports en avant de pertes fiscales et crédit d'impôt non utilisés, dans la mesure où il est probable qu'un bénéfice imposable sera disponible, sur lequel ces différences temporelles pourront être imputées. Toutefois, aucun actif d'impôt différé n'est constaté s'il résulte d'une différence temporelle déductible générée par la comptabilisation initiale d'un actif ou d'un passif dans une opération qui n'est pas un regroupement d'entreprises et qui, à la date de l'opération, n'affecte ni le bénéfice comptable, ni le bénéfice imposable ou la perte fiscale.

Les actifs et passifs d'impôt différé sont évalués aux taux d'impôt dont l'application est attendue sur l'exercice au cours duquel l'actif sera réalisé ou le passif réglé, sur la base des taux d'impôt (et réglementations fiscales) qui ont été adoptés ou quasi adoptés à la date de clôture.

La valeur comptable des actifs d'impôt différé est revue à chaque date de clôture et réduite dans la mesure où il n'est pas probable qu'un bénéfice imposable suffisant sera disponible pour permettre l'utilisation de l'avantage de tout ou partie de ces actifs d'impôt différé.

Les impôts différés ne sont pas actualisés et sont classés en actifs et passifs non courants.

Les impôts différés par nature ont évolué de la manière suivante entre le 30 juin 2020 et le 30 juin 2021 :

(en millions d'euros)	30 juin 2020	Variation de change et reclassements	Entrée de périmètre	Sortie de périmètre	Résultat de la période	Constat en capitaux propres	30 juin 2021
Impôts différés actifs							
Instruments financiers dérivés	28,9	2,2	-	-	8,9	6,3	46,3
Déficits reportables	12,4	3,1	-	-	(0,1)	-	15,4
Provisions client	16,7	(1,1)	-	-	6,8	-	22,3
Garantie financière donnée au fonds de pension	16,3	-	-	-	(5,3)	(5,4)	5,6
Provisions pour risques et charges	4,0	3,6	-	-	(1,6)	-	6,0
Actifs incorporels et corporels	23,2	8,4	-	(0,6)	(2,5)	-	28,5
Autres	25,5	(14,7)	-	(0,2)	(0,5)	-	10,1
Total impôts différés actifs	127,0	1,4	-	(0,8)	(5,7)	0,9	134,2
Impôts différés passifs							
Instruments financiers dérivés	-	(2,2)	-	-	(0,9)	(2,7)	(5,8)
Actifs incorporels	(68,2)	(0,7)	-	-	13,1	-	(55,9)
Actifs corporels	(241,0)	2,4	(1,0)	0,5	14,9	-	(224,3)
Autres	(45,7)	3,2	-	2,4	1,7	-	(38,4)
Total impôts différés passifs	(355,0)	2,6	(1,0)	2,9	28,8	(2,7)	(324,4)
Position nette active / (passive)	(228,0)	4,1	(1,0)	2,1	34,4	(1,8)	(190,3)
Reflété comme suit dans les comptes :							
Impôts différés actifs	36,3						7,6
Impôts différés passifs	(264,2)						(197,9)
Total	(228,0)						(190,3)

L'actif ou le passif d'impôt différé correspond à la somme des positions nettes des entités consolidées.

Les impôts différés passifs portent essentiellement sur les différences temporelles taxables générées par :

- la comptabilisation à la juste valeur des contrats clients et relations associées et des autres immobilisations incorporelles dans le cadre des acquisitions d'Eutelsat S.A. et de Satmex ;
- les amortissements accélérés pratiqués sur les satellites au niveau fiscal.

L'échéancier de recouvrement des actifs d'impôts différés sur déficits reportables est présenté dans le tableau ci-après :

(en millions d'euros)	Montant	Échéance à moins de 1 an	Échéance à plus de 1 an et à moins de 5 ans	Échéance à plus de 5 ans	Indéfinie
Echéanciers des pertes fiscales reportables activées	63,1	-	-	0,1	63,0
Total	63,1	-	-	0,1	63,0

Par ailleurs, le Groupe dispose d'un stock de pertes fiscales reportables non reconnues pour un montant de 131,6 millions d'euros au 30 juin 2021 (141,5 millions d'euros au 30 juin 2020) dont les dates d'expiration sont les suivantes :

(en millions d'euros)	Montant	Échéance à moins de 1 an	Échéance à plus de 1 an et à moins de 5 ans	Échéance à plus de 5 ans	Indéfinie
Dates d'expiration des pertes fiscales reportables non reconnues	131,6	-	0,8	-	130,8
Total	131,6	-	0,8	-	130,8

7.7.2 Procédure de vérification

La société Eutelsat S.A., appartenant au groupe d'intégration fiscale dont Eutelsat Communications S.A. est la société mère intégrante, a fait l'objet d'une procédure de vérification de comptabilité sur les exercices clos aux 30 juin 2012, 2013 et 2014. En décembre 2016, elle a reçu une proposition de rehaussement relative aux exercices clos aux 30 juin 2013 et 2014. Suite à l'exercice de recours précontentieux et aux discussions qui s'en sont suivies, les montants réclamés par l'administration fiscale ont été sensiblement réduits. Un désaccord persiste sur certains rehaussements, sur lesquels Eutelsat estime disposer d'arguments solides en défense.

La société Eutelsat S.A. a également fait l'objet d'une procédure de vérification de comptabilité au titre des exercices clos aux 30 juin 2016 et 2017 et a reçu en décembre 2019 une proposition de rehaussements relative à ces deux exercices. Une réponse à cette proposition a été apportée par la société.

NOTE 8. PARTIES LIEES

Les parties liées sont composées :

- des actionnaires directs ou indirects, et leurs filiales, qui exercent une influence notable, laquelle est présumée en cas de détention de plus de 20 % ou dès lors que l'investisseur bénéficie d'une présence au Conseil d'administration d'une entité du Groupe ;
- des actionnaires minoritaires des entités que le Groupe consolide selon la méthode de l'intégration globale ; et
- des principaux dirigeants.

8.1 Principaux dirigeants

Le Groupe considère que la notion de principaux dirigeants regroupe, dans le contexte de gouvernance d'Eutelsat, le Comité exécutif présidé par le Directeur Général ainsi que les membres du Conseil d'Administration.

Les rémunérations allouées au Comité exécutif se présentent comme suit :

(en millions d'euros)	30 juin 2020	30 juin 2021
Rémunérations ⁽¹⁾	9,2	7,7
Total avantages court terme	9,2	7,7
Avantages postérieurs à l'emploi ⁽²⁾	0,05	0,06
Paielements fondés sur les actions ⁽³⁾	0,9	0,4
Total avantages long terme	0,95	0,46

⁽¹⁾ Elles incluent les salaires bruts y compris part variable, les primes, les avantages en nature, l'intéressement, la participation et les charges sociales versés.

⁽²⁾ Ils correspondent au coût des services passés des régimes de retraite à prestations définies.

⁽³⁾ Ils correspondent à la charge enregistrée au compte de résultat au titre des rémunérations en actions.

En cas de fin de mandat du Directeur général et du Directeur général délégué, il est prévu un engagement de non-concurrence, rémunéré par le versement pendant 18 mois de 50% de la rémunération fixe. Cet engagement prévoit que le Directeur général et le Directeur général délégué s'abstiennent pendant cette durée de travailler directement ou indirectement pour tout opérateur de satellites.

Les rétributions des membres du Conseil d'administration perçues au titre de l'exercice clos au 30 juin 2021 s'élèvent à 0,8 million d'euros (1,0 million d'euros au titre de l'exercice clos au 30 juin 2020).

8.2 Autres parties liées

Les transactions avec les parties liées autres que les principaux dirigeants se résument comme suit :

(en millions d'euros)	30 juin 2020	30 juin 2021
Chiffre d'affaires	22,1	22,0
Résultat financier	25,7	11,8
Créances brutes (y compris factures à établir)	9,9	10,5
Dettes (y compris factures à recevoir)	509,1	346,2

Le chiffre d'affaires porte sur la fourniture de services liés au suivi et au contrôle des satellites.

Les dettes comprennent les contrats de location au titre des satellites Express AT1, Express AT2, Express AM6 et Eutelsat 36C.

NOTE 9. ÉVÉNEMENTS POSTÉRIEURS A LA CLOTURE

Néant

NOTE 10. HONORAIRES DES COMMISSAIRES AUX COMPTES

(en milliers d'euros)	EY				Mazars				
	Montant N	%	Montant N-1	%	Montant N	%	Montant N-1	%	
Commissariat aux comptes, certification, examen des comptes individuels consolidés									
Eutelsat Communications	149	28%	219	31%	149	22%	219	30%	
Filiales	351	66%	463	66%	482	72%	464	65%	
Sous-total	500	94%	682	97%	631	94%	683	95%	
Services autres que la certification des comptes									
Eutelsat Communications	30	6%	10	1%	30	5%	10	1%	
Filiales	3	0%	13	2%	7	1%	24	3%	
Sous-total	33	6%	23	3%	37	6%	34	5%	
Total	533	100%	705	100%	668	100%	717	100%	

Les services autres que la certification des comptes correspondent essentiellement aux travaux réalisés dans le cadre d'opérations de financement (émission de lettres de confort).

*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 the information about the appointment of the statutory auditors or 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.*

Eutelsat Communications

Year ended June 30, 2022

Statutory auditors' report on the consolidated financial statements

MAZARS
Tour Exaltis
61, rue Henri Regnault
92075 Paris-La Défense cedex
S.A. à directoire et conseil de surveillance
au capital de € 8 320 000
784 824 153 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

ERNST & YOUNG et Autres
Tour First
TSA 14444
92037 Paris-La Défense cedex
S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

Eutelsat Communications

Year ended June 30, 2022

Statutory auditors' report on the consolidated financial statements

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, 2022.

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, 2022 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, 2021 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	Our response
<p>As at June 30, 2022, your Company's tangible and intangible assets amounted to € 5.8 billion and investments in equity-accounted companies amounted to € 0.6 billion, compared to a total balance sheet of € 7.6 billion. 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.</p> <p>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.</p> <p>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.</p> <p>Note 7.2 to the consolidated financial statement describes the procedures to recognize assets accounted on equity basis.</p>	<p>We considered:</p> <ul style="list-style-type: none">▶ 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. <p>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.</p> <p>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.</p>

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.

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	Our response
<p>As at June 30, 2022, your Group's revenue amounted to € 1.2 billion and trade receivables and contract assets recorded in the Group's balance sheet amounted to € 0.3 billion. 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.</p> <p>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.</p>	<p>Notes 6.1 and 7.3 to the consolidated financial statements describe the method for revenue recognition and the valuation method for trade receivable.</p> <p>Our audit approach related to revenue recognition and allowance for bad debt includes both internal control testing and substantive procedures on the accounts themselves.</p> <p>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.</p> <p>Our substantive procedures, related to revenue recognition and to allowance for bad debt, notably consisted in:</p> <ul style="list-style-type: none"> ▶ 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 17 December 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.

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 your annual general meetings held on July 20, 2005 for MAZARS and on November 10, 2009 for ERNST & YOUNG et Autres.

As at June 30, 2022, MAZARS and ERNST & YOUNG et Autres were in the seventeenth and thirteenth year of total uninterrupted engagement respectively.

Previously, ERNST & YOUNG Audit has 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, September 29, 2022

The Statutory Auditors
French original signed by

MAZARS

ERNST & YOUNG et Autres

Achour Messas

Nicolas Macé

Eutelsat Communications Group

“Société anonyme” with a capital of 230,544,995 euros

Registered office: 32, boulevard Gallieni, 92130 Issy-les-Moulineaux

481,043,040 R.C.S. Nanterre

CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2022

CONSOLIDATED INCOME STATEMENT

(in millions of euros, except per-share data)	Note	30 June 2021	30 June 2022
Revenues from operations	6.1	1,233.9	1,151.6
Operating costs	6.2	(94.7)	(93.2)
Selling, general and administrative expenses	6.2	(217.3)	(196.8)
Depreciation expense	7.1.1, 7.1.2, 7.1.3	(507.7)	(481.7)
Other operating income and expenses	6.3	(67.0)	44.9
Operating income		347.2	424.8
Cost of net debt		(72.8)	(63.1)
Other financial income and expenses		(22.2)	(1.8)
Financial result	6.4	(95.0)	(64.9)
Current income before tax		252.3	359.9
Income tax	6.5	(24.2)	(48.6)
Share of result of associates	7.2	-	(71.5)
Net income		228.1	239.8
Attributable to the Group		214.1	230.8
Attributable to non-controlling interests		14.0	9.1
Basic and diluted earnings per share attributable to Eutelsat Communications shareholders	6.6	0.930	1.002

COMPREHENSIVE INCOME STATEMENT

(in millions of euros)	Note	30 June 2021	30 June 2022
Net income		228.1	239.8
Other recyclable items of gain or loss on comprehensive income			
Translation adjustment	7.6.4	(16.5)	117.3
Tax effect	7.6.4	(9.3)	21.0
Changes in fair value of hedging instruments ⁽¹⁾	7.6.3	1.6	(43.3)
Tax effect	7.6.3	15.0	10.6
Other non-recyclable items of gain or loss on comprehensive income			
Changes in post-employment benefits	7.7	20.1	56.8
Tax effect		(5.2)	(14.7)
Total of other items of gain or loss on comprehensive income		5.8	147.7
Total comprehensive income		233.9	387.5
Attributable to the Group		219.7	373.1
Attributable to non-controlling interests ⁽²⁾		14.2	14.4

⁽¹⁾ The changes in the fair value of hedging instruments concern only cash-flow hedges. Net foreign investment hedges are recorded as translation adjustments.

⁽²⁾ The portion attributable to non-controlling interests breaks down as follows:

- A net result of 14.0 million euros as of 30 June 2021 and 9.0 million euros as of 30 June 2022.
- Other recyclable items of gain or loss on comprehensive income of (0.3) million euros as of 30 June 2021 and (1.9) million euros as of 30 June 2022; and
- Other non-recyclable items of gain or loss on comprehensive income of 0.5 million euros as of 30 June 2021 and 7.3 million euros as of 30 June 2022.

CONSOLIDATED STAFULTEMENTS OF FINANCIAL POSITION

(in millions of euros)	Note	30 June 2021	30 June 2022
Assets			
Goodwill	7.1.1	1,246.5	1,295.2
Intangible assets	7.1.1	440.3	377.4
Tangible assets and construction in progress	7.1.2	3,730.4	3,677.5
Rights of use in respect of leases	7.1.3	517.5	452.9
Investments in associates	7.2	-	605.7
Non-current financial assets	7.4.3	71.5	43.0
Non-current assets associated with customer contracts and costs to obtain and fulfil contracts	7.3	37.7	34.0
Deferred tax assets	7.8	7.6	1.4
Total non-current assets		6,051.5	6,487.0
Inventories		8.1	12.9
Accounts receivable	7.3.1	244.5	246.9
Current assets associated with customer contracts and costs to obtain and fulfil contracts	7.3	17.4	18.8
Other current assets		42.8	32.6
Current tax receivable		26.6	29.7
Current financial assets	7.4.3	27.0	65.1
Cash and cash equivalents	7.4.1	861.1	680.5
Total current assets		1,227.5	1,086.5
Total assets		7,279.0	7,573.6

(in millions of euros)	Note	30 June 2021	30 June 2022
Liabilities			
Share capital	7.6.1	230.5	230.5
Additional paid-in capital		718.0	718.0
Reserves and retained earnings		1,666.0	1,828.8
Non-controlling interests		76.2	83.4
Total shareholders' equity		2,690.7	2,860.7
Non-current financial debt	7.4.2	3,097.4	2,718.1
Non-current lease liabilities	7.4.3	411.6	365.9
Other non-current financial liabilities	7.4.3	89.0	94.7
Non-current payables to fixed asset suppliers	7.4.3	188.7	134.1
Non-current liabilities associated with customer contracts	7.3.3	117.5	159.2
Non-current provisions	7.7	83.0	17.6
Deferred tax liabilities	7.8	197.9	184.8
Total non-current liabilities		4,185.0	3,674.5
Current financial debt	7.4.2	45.5	338.5
Current lease liabilities	7.4.3	24.1	59.8
Other current payables and financial liabilities	7.4.3	121.4	302.4
Accounts payable		84.9	78.3
Current payables to fixed asset suppliers	7.4.3	25.0	163.3
Tax payable		20.8	23.6
Current liabilities associated with customer contracts	7.3.3	69.0	65.2
Current provisions	7.7	12.6	7.1
Total current liabilities		403.3	1,038.3
Total liabilities and shareholders' equity		7,279.0	7,573.6

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)	Note	30 June 2021	30 June 2022
Cash flow from operating activities			
Net income		228.1	239.8
Income from associates		-	71.5
Tax and interest expenses, other operating items		140.4	(17.3)
Depreciation, amortisation and provisions		502.7	492.6
Deferred taxes	7.8	(32.0)	0.2
Changes in accounts receivable		79.9	5.8
Changes in assets held under customer contracts and other assets		1.2	4.0
Changes in accounts payable		(7.3)	(1.2)
Changes in liabilities associated with customer contracts and other liabilities		18.9	30.8
Taxes paid		(42.8)	(25.2)
Net cash flows from operating activities		889.0	800.9
Cash flow from investing activities			
Acquisitions of satellites, other property and equipment, and intangible assets	7.1.1, 7.1.2	(183.4)	(177.2)
Insurance repayments		6.6	-
Sales ⁽¹⁾		41.5	-
C-Band transition plan	2.2	-	86.1
Acquisition of equity investments and other movements ⁽²⁾		(48.0)	(491.9)
Net cash flows from investing activities		(183.3)	(583.0)
Cash flow from financing activities			
Distributions		(204.9)	(221.5)
Increase in borrowings	7.4.2	1,200.0	-
Repayment of borrowings	7.4.2	(1,473.8)	(88.2)
Repayment of lease liabilities	7.4.3	(91.5)	(14.1)
Loan set-up fees		(5.2)	(4.4)
Interest and other fees paid		(80.0)	(78.3)
Transactions relating to non-controlling interests ⁽³⁾		(8.8)	-
Premiums and termination indemnities on derivatives settled		(6.0)	(6.7)
Other changes		-	0.1
Net cash flow from financing activities		(670.1)	(413.3)
Impact of exchange rate on cash and cash equivalents		(6.5)	14.7
Increase/(Decrease) in cash and cash equivalents		29.1	(180.6)
Cash and cash equivalents, beginning of period		832.0	861.1
Cash and cash equivalents, end of period		861.1	680.5
<i>Including Cash and cash equivalents, end of period</i>	7.4.1	861.1	680.5
<i>Including Overdrafts included under debt, end of period</i>		-	-

(1) As of 30 June 2021, sales include the payment of 41.5 million euros linked to the divestment of Eurobroadband Infrastructure and its subsidiaries.

(2) As of 30 June 2021, acquisitions of equity investments include the payment of 48.2 million euros in respect of the acquisition of Big Blu Europe, of which 6.8 million euros into an escrow account. 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 Blg Blu Europe (see Note 3.2.2).

(3) As of 30 June 2021, 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			Reserves and retained earnings	Shareholders' equity Group share	Non-controlling interests	Total
	Number	Amount	Additional paid in capital				
As of 30 June 2020	230,544,995	230.5	718.0	1,711.1	2,659.8	144.8	2,804.6
Net income for the period	-	-	-	214.1	214.1	14.0	228.1
Other items of gain or loss in comprehensive income ⁽¹⁾	-	-	-	5.6	5.6	0.2	5.8
Total comprehensive income	-	-	-	219.7	219.7	14.2	233.9
Dividend distributions	-	-	-	(204.9)	(204.9)	-	(204.9)
Employee benefits involving free shares and subscription to shares	-	-	-	0.5	0.5	-	0.5
Transactions with non-controlling interests and others ⁽²⁾	-	-	-	(60.3)	(60.3)	(82.8)	(143.1)
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	239.9
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
Other	-	-	-	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	2,860.9

⁽¹⁾ The changes in other items of gain or loss on 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⁾ As of 30 June 2021, the transactions relating to non-controlling interests and others mainly relate to the disposal of EBI.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1.	GENERAL OVERVIEW	9
1.1	Business	9
1.2	Financial Year	9
1.3	Approval of the Financial Statements	9
Note 2.	KEY EVENTS DURING THE FINANCIAL PERIOD	9
2.1	Acquisition of an equity interest in OneWeb Holdings Ltd	9
2.2	C-Band transition plan	9
2.3	Launch and entry into service of the Eutelsat Quantum satellite	9
2.4	Impacts of the Russo-Ukrainian war	10
Note 3.	SCOPE OF CONSOLIDATION	11
3.1	Scope of consolidation	11
3.2	Main changes in the scope of consolidation	13
Note 4.	ACCOUNTING PRINCIPLES AND VALUATION METHODS	15
4.1	Basis of preparation of financial information	15
4.2	Financial reporting rules.....	15
4.3	Significant accounting judgements and estimates	15
Note 5.	SEGMENT INFORMATION	16
Note 6.	NOTES TO THE INCOME STATEMENT	17
6.1	Revenues	17
6.2	Operating expenses.....	18
6.3	Other operating income and expenses	20
6.4	Financial result	21
6.5	Income tax.....	21
6.6	Earnings per share	22
Note 7.	NOTES TO THE BALANCE SHEET	23
7.1	Fixed assets.....	23
7.2	Investments in associates.....	29
7.3	Receivables, assets and liabilities on customer contracts and costs to obtain and fulfil contracts	30
7.4	Financial assets and liabilities	34
7.5	Fair value of financial instruments	42
7.6	Shareholders' equity	44
7.7	Provisions	45
7.8	Tax assets and liabilities	48
Note 8.	RELATED-PARTY TRANSACTIONS	50
8.1	Key management personnel	50
8.2	Other related parties.....	51
Note 9.	SUBSEQUENT EVENTS	51
Note 10.	STATUTORY AUDITORS' FEES	51

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 2022 have been established under the responsibility of the Board of Directors, which adopted them at its meeting of 25 July 2022. They will be submitted for approval to the Ordinary General Meeting of Shareholders taking place on 10 November 2022.

Note 2. KEY EVENTS DURING THE FINANCIAL PERIOD

2.1 Acquisition of an equity interest in OneWeb Holdings Ltd

On 27 April 2021, the Group announced the acquisition of an equity interest in OneWeb Holdings Ltd for 550 million dollars. The transaction was finalised on 8 September 2021. The OneWeb constellation enjoys significant priority spectrum rights, backed by the International Telecommunication Union, and will operate 648 satellites in low orbit (LEO) offering low latency. On 29 June 2021, Bharti Global also exercised a securities call option for an amount of 350 million dollars, increasing Eutelsat's equity interest to 20.52% at the close of the transaction on 8 September 2021.

On 5 October 2021, Eutelsat announced its participation in a portion of Bharti's 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%.

This shareholding which was financed totally from the Group's available cash, has been consolidated using the equity method as of 30 June 2022, the Group having a notable influence in the structure.

The impacts of this acquisition are outlined in Note 3.2 "Main changes in the scope of consolidation".

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 US dollars for the first phase and 382 million US 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 dollars has been booked in Other operating income. The corresponding funds were received in December 2021. The work relating to the second phase of the transition plan has been completed for the terrestrial stations claimed by the Group and remains subject to approval by the FCC.

2.3 Launch and entry into service of the Eutelsat Quantum satellite

On Friday 30 July 2021 the Eutelsat Quantum satellite was successfully launched and entered commercial service on 10 November 2021. Positioned at 48° East, the satellite heralds a new era in commercial satellite services. Its in-orbit reprogrammable features set a new standard in flexibility that enables users, particularly those operating in the governmental and mobility markets, to actively define and shape performance and reach thanks to its software-based design.

2.4 Impacts of the Russo-Ukrainian war

In the 2021-22 financial year, 6.7% of Eutelsat's revenues were exposed to Russian customers. The Group had no significant exposure to Ukraine in terms of revenues. The Group also leases capacity on four satellites owned by the Russian operator RSCC, mainly serving the Russian customers mentioned above and representing a discounted liability of 319 million as of 30 June 2022. While the Group has two subsidiaries in Russia, almost all transactions with Russian customers and suppliers are carried out by subsidiaries outside the Russian territory. The Group has no material payment arrears with its Russian customers as of 30 June 2022.

As of 30 June 2022, Eutelsat S.A. had a receivable of 37 million dollars from a supplier of fixed assets, ILS, following the termination of a launcher contract. The ability to recover this receivable will be reassessed at regular intervals as required by developments in the situation.

In addition, the low earth orbit constellation OneWeb, in which Eutelsat has a 22.9% stake, had to suspend the six remaining launches planned from the Baikonur Cosmodrome. Since then, OneWeb has signed agreements with SpaceX and New Space India in order to resume satellite launches.

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 more than 20% of the shares are held by the Group.

3.1 Scope of consolidation

As of 30 June 2022, the list of companies in the scope of consolidation is as follows:

Company	Country	Consolidation method	% control as of 30 June 2022	% interest as of 30 June 2022
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 Servicios 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%

Company	Country	Consolidation method	% control as of 30 June 2022	% interest as of 30 June 2022
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%
ES 172 LLC	USA	FC	100.00%	96.38%
EA 172 UK	United Kingdom	FC	100.00%	96.38%
ES 174E LTD	Cyprus	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	Ivory Coast	FC	100.00%	96.38%
Konnect South Africa Ltd	South Africa	FC	100.00%	96.38%
Konnect Africa RDC ⁽¹⁾	Democratic Republic of 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%
Sat Internet Services Gmbh ⁽¹⁾	Germany	FC	100.00%	96.38%
Getinternet GmbH ⁽¹⁾	Germany	FC	100.00%	96.38%
Orbitcom GmbH ⁽¹⁾	Germany	FC	100.00%	96.38%
Europasat Iberica s.l ⁽²⁾	Spain	FC	100.00%	96.38%
Europasat France	France	FC	100.00%	96.38%
Bigblu Operations Limited ⁽²⁾	United Kingdom	FC	100.00%	96.38%
Bigblu Services Holding Limited ⁽²⁾	United Kingdom	FC	100.00%	96.38%
Bigblu Services Limited ⁽²⁾	United Kingdom	FC	100.00%	96.38%
BBE Bigblu Broadband Ellada ⁽²⁾	Greece	FC	100.00%	96.38%
Bigblu Broadband Ireland Limited ⁽²⁾	Ireland	FC	100.00%	96.38%
Open Sky S.p.A	Italy	FC	100.00%	96.38%
Europasat SP .Zo.o ⁽¹⁾	Poland	FC	100.00%	96.38%
Satelite de Sabedoria – Servicos de Internet Unipessoal LDA	Portugal	FC	100.00%	96.38%
OneWeb Holdings Limited ⁽³⁾	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⁾ Companies with financial years ending on 30 November for historical reasons.

⁽³⁾ 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 2022

Investment in OneWeb

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 at 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 assessment of the goodwill as of 30 June 2022 is preliminary. The allocation of the acquisition price as of 8 September 2021 is as follows:

Balance sheet at 100%	As of 8 September 2021	
	(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 preliminary goodwill of 8.4 million euros.

Acquisition of BigBlu Operations Ltd

On 30 September 2020, the Group finalised the acquisition of 100% of BigBlu Operations Ltd for a consideration of 40 million pounds sterling (44 million euros), settled in cash. The company and its subsidiaries operate the BigBlu Broadband Group's European satellite broadband activities. This acquisition is in line with the Group's strategy consisting of developing its business in European satellite broadband.

The assessment of the goodwill was finalised within 12 months of taking control and includes, notably, the value of the customer relationships acquired with this transaction which has been assessed separately and constitutes an intangible asset.

As of 30 June 2022, the allocation of the acquisition consideration (based on the payment of 40 million pounds sterling made to the benefit of the seller) was as follows:

	(in millions of pounds sterling)	(in millions of euros)
Customer relationships	4.7	5.2
Intangible assets	1.1	1.2
Tangible assets	4.0	4.4
Rights of use	0.8	0.8
Inventories	0.3	0.3
Accounts receivable	6.6	7.3
Assets associated with customer contracts	11.0	12.1
Cash and cash equivalents	0.2	0.2
Other assets	7.1	7.8
Total Assets	35.9	39.4
Lease liabilities	0.8	0.8
Accounts payable	22.8	25.1
Liabilities associated with customer contracts	12.2	13.4
Other debt	10.4	12.2
Deferred tax liabilities	0.9	1.0
Total Liabilities	47.1	52.6
Goodwill	51.5	57.0
Transferred counterparty	40.2	43.8
Acquisition price	40.2	43.8

The values attributed to BigBlu Operations Ltd's identifiable assets and liabilities were not subject to any material adjustments during the period ended 30 June 2022. The acquisition price was the subject of an adjustment amounting to 2.8 million pounds sterling, paid in January 2022.

As of 30 June 2021, the preliminary allocation of the acquisition price was as follows:

	(in millions of pounds sterling)	(in millions of euros)
Customer relationships	4.7	5.2
Intangible assets	1.0	1.1
Tangible assets	4.0	4.5
Rights of use	0.8	0.8
Inventories	0.3	0.3
Accounts receivable	7.3	8.1
Assets associated with customer contracts	11.0	12.3
Cash and cash equivalents	0.2	0.2
Other assets	7.4	8.1
Total Assets	36.7	40.6
Lease liabilities	0.8	0.8
Accounts payable	22.9	25.1
Liabilities associated with customer contracts	12.2	13.5
Other debt	10.5	12.1
Deferred tax liabilities	0.9	1.0
Total Liabilities	47.2	52.6
Preliminary residual goodwill	48.3	53.2
Transferred counterparty	37.7	41.1
Acquisition price	37.7	41.1

3.2.2 Financial year ended 30 June 2021

Disposal of Euro Broadband Infrastructure

On 30 April 2021, the Group finalised the sale of its equity interest in Euro Broadband Infrastructure Sàrl (EBI).

This disposal was settled in cash for an initial consideration of 143 million euros. The net impact of this disposal in the Group's statement of cash flows stood at 41.5 million euros after, notably, taking into account the cash held by EBI as of the disposal date (which represented an amount of 100.9 million euros). Furthermore, tangible assets totalling an amount of 131.7 million euros, mainly composed of the KA SAT satellite operated by EBI, were withdrawn from the scope of consolidation following this disposal. The impacts of this transaction on the Group's results for the financial year ended 30 June 2021 are presented in Note 6.3 "Other operating income and expenses".

Note 4. ACCOUNTING PRINCIPLES AND VALUATION METHODS

4.1 Basis of preparation of financial information

The consolidated financial statements as of 30 June 2022 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 2021, the Group has applied the following new standards and interpretations which have been adopted by the European Union:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, linked to the Interest Rate Benchmark Reform - Phase II
- Amendments to IAS 1 Presentation of financial statements - Presentation of accounting policies
- Amendments to IFRS 16 Leases: Covid-19 – Rent concessions
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates.

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 are the euro.

Each subsidiary located outside the euro zone maintains its accounting records in the currency that is most representative of its economic environment. 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 capitalizable 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 US dollar. The closing exchange rate used is 1.051 US dollars for 1 euro and the average exchange rate for the period is 1.138 US 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 2022, 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 expense, 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, cash investments are understood to be net of the related insurance income, when applicable;
- 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;
- 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 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:

(in millions of euros)	30 June 2021	30 June 2022
Broadcast	741.0	696.9
Data & Professional Video	161.4	158.5
Government Services	151.4	144.4
Fixed Broadband	80.2	68.7
Mobile Connectivity	67.2	79.9
Total operating activities	1,201.2	1,148.3
Other Revenues	32.7	3.3
Total	1,233.9	1,151.6
<i>EUR/USD exchange rate</i>	<i>1.188</i>	<i>1.138</i>

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.

6.1.2 Revenues by geographical region

Revenues by geographical region based on the customer billing address are as follows:

(in millions of euros and as a percentage)	30 June 2021		30 June 2022	
	Amount	%	Amount	%
Region				
France	78.1	6.3	71.0	6.2
Italy	146.0	11.8	129.7	11.3
United Kingdom	66.2	5.4	68.9	6.0
Europe (others)	325.7	26.4	310.1	26.9
Americas	231.0	18.7	235.1	20.4
Middle East	241.3	19.6	214.5	18.6
Africa	94.1	7.6	99.5	8.6
Asia	35.2	2.9	33.9	2.9
Others ⁽¹⁾	16.4	1.3	(10.9)	(1.0)
Total	1,233.9	100.0	1,151.6	100.0

⁽¹⁾ Other revenues include mainly the impact of EUR/USD currency hedging amounting to (11.8) million euros for the financial year ended 30 June 2022 against 15.6 million euros for the financial year ended 30 June 2021.

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 2022, the backlog stands at 4.0 billion euros. The secured backlog, corresponding to the IFRS 15 requirements and excluding revenues subject to early termination clauses, stands at 3.2 billion euros. The amount of secured backlog within a five-year time horizon stands at 2.5 billion euros, of which 1.6 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 23.5 million euros as of 30 June 2022 (versus 32.8 million euros for the financial year ended 30 June 2021).

6.2.1 Staff costs

Staff costs (including mandatory employee profit-sharing) break down as follows:

(in millions of euros)	30 June 2021	30 June 2022
Operating costs	58.6	54.9
Selling, general and administrative expenses	95.2	84.5
Total	153.8	139.4

Eutelsat S.A. employees benefit from a Group Savings Plan (PEE) funded by voluntary contributions by employees, a Leave Bank (CET) and a three-year profit-sharing agreement based on targets revisable on a yearly basis.

6.2.2 Employee headcount

The Group has 1,093 full-time equivalent employees at the date of 30 June 2022 compared to 1,132 at the date of 30 June 2021.

The average number of full-time equivalent employees during the reporting period is as follows:

	30 June 2021	30 June 2022
Operations	511	510
Selling, general and administrative	598	602
Total	1,109	1,112

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).

The Group granted free shares to the directors in January 2022, November 2021 and November 2020, and phantom shares to some employees and directors in November 2019, November 2020, November 2021 and January 2022. Generally, the allocation of these free shares and phantom shares is contingent on an attendance requirement and the achievement of performance conditions.

The recognised expense for these plans (excluding employer contributions) stands at 1.6 million euros for the financial year ended 30 June 2022 versus 2.4 million euros for the financial year ended 30 June 2021.

The key features of the plans are as follows:

Key features of the plans	November 2019 plan	November 2020 plan	November 2021 plan	January 2022 plan
Vesting period	July 2019 - June 2022	July 2020 - June 2023	July 2021 - June 2024	January 2022 – December 2024
Payment method	Cash	Cash and shares	Cash and shares	Shares
Maximum number of attributable shares at inception	328,804	512,560	264,675	75,736
Number of beneficiaries	255	30	25	1
Number of shares and performance conditions for the free share plan				
Total number of shares in circulation	-	93,834	58,581	75,736
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
Number of shares and performance conditions for the phantom share plans				
Total number of shares in circulation	90,113	235,592	176,121	-
Performance targets	Revenue, Discretionary Free-Cash-Flow, Relative TSR ⁽¹⁾ 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 2022				
Fair value excl. TSR ⁽¹⁾ (shares)	-	€6.63	€9.98	€8.87
Fair value excl. TSR ⁽¹⁾ (cash)	€10.96	€10.20	€9.51	-
Fair value after TSR ⁽¹⁾	€0	€4.97	€9.71	€9.21
Aggregate valuation of plan as of 30 June 2022 (in millions of euros) ⁽²⁾	0.9	1.7	0.7	0.1
Expense for the financial year				
Expense for the financial year ended 30 June 2022 (in millions of euros)⁽²⁾	0.2	0.6	0.7	0.1

⁽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 2021	30 June 2022
Other operating income	1.3	108.0
Other operating expenses	(68.3)	(63.1)
Total	(67.0)	44.9

As of 30 June 2022, other operating income includes the proceeds of 106.6 million euros on phase 1 of the C-Band transition plan (see Note 2.2). Other operating expenses mainly include 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.

As of 30 June 2021, other operating expenses mainly include impairments on satellites amounting to 27.9 million euros and costs relating to non-commercial litigation amounting to 13.9 million euros, the impact of the sale of EBI for 8.8 million euros and the restructuring of non-significant activities amounting to 6 million euros.

6.4 Financial result

(in millions of euros)	30 June 2021	30 June 2022
Interest expense after hedging	(68.1)	(64.4)
Interest on lease liabilities	(14.3)	(11.9)
Loan set-up fees and commissions	(7.7)	(10.1)
Capitalised interest	17.1	16.2
Cost of gross debt	(73.0)	(70.2)
Financial income	0.2	7.0
Cost of net debt	(72.8)	(63.1)
Changes in derivative financial instruments	-	(0.9)
Foreign-exchange impact	(16.1)	16.6
Others	(6.1)	(17.5)
Financial result	(95.0)	(64.9)

The interest expense as of 30 June 2021 and 30 June 2022 includes, respectively, 9.2 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 2.55% as of 30 June 2022 versus 2.38% as of 30 June 2021.

Changes in the fair value of derivatives as of 30 June 2022 and 2021 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:

(in millions of euros)	30 June 2021	30 June 2022
Current tax expense	(56.2)	(48.4)
Deferred tax income (expense)	32.0	(0.2)
Total income tax expense	(24.2)	(48.6)

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:

(in millions of euros)	30 June 2021	30 June 2022
Current income before tax	252.3	359.9
Standard French corporate tax rate	32.0%	28.41%
Theoretical income-tax expense	(80.8)	(102.2)
Non-taxable profit	72.5	62.6
Differences in corporation tax rates	3.1	1.7
Use of tax losses	-	-
CVAE (Contribution on Added Value of Enterprises)	(2.8)	(2.2)
Deferred tax generated during the previous period and recognised for the period	-	0.5
Other permanent differences	(16.2)	(8.9)
Tax expense	(24.2)	(48.6)
Effective tax rate	9.6%	13.5%

The other permanent differences mainly include the impact of exchange rate differences and inflation effects recorded by Satellites Mexicanos on the subsidiary's deferred tax positions for respectively 15.2 million euros and (5.3) million euros as of 30 June 2021 and 30 June 2022.

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. Own shares are not considered in determining earnings per share.

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):

(in millions of euros)	30 June 2021	30 June 2022
Net income	228.1	239.8
Income from subsidiaries attributable to non-controlling interests	(14.0)	(9.1)
Net earnings used to compute earnings per share	214.1	230.8
Average number of shares	230,196,636	230,322,045

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 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:

- 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;
- There is likelihood that the intangible 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:

(in millions of euros)	Goodwill	Customer contracts and relationships	Eutelsat brand	Other intangibles	Total
Gross assets					
Gross value as of 30 June 2020	1,209.2	1,124.7	40.8	333.0	2,707.6
Acquisitions	-	-	-	21.2	21.2
Transfers	-	-	-	30.0	30.0
Foreign-exchange variation	(15.9)	(11.6)	-	(3.4)	(30.9)
Disposals and scrapping of assets	-	-	-	(5.3)	(5.3)
Entries into the scope	53.2	5.2	-	1.1	59.5
Exits from the scope	-	-	-	(6.3)	(6.3)
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
Depreciation and impairment					
Accumulated amortization as of 30 June 2020		(774.2)		(209.4)	(983.6)
Depreciation expense	-	(64.6)	-	(38.8)	(103.4)
Transfers and others	-	-	-	(17.0)	(17.0)
Foreign-exchange variation	-	4.8	-	1.2	6.0
Reversals (disposals and scrapping of assets)	-	-	-	2.8	2.8
Exits from the scope	-	-	-	6.2	6.2
Accumulated amortization 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 amortization as of 30 June 2022		(917.0)		(292.5)	(1,209.5)
Net value as of 30 June 2020	1,209.2	350.4	40.8	123.6	1,724.0
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

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 2020	6,027.1	437.7	1,061.2	7,526.0
Acquisitions	1.8	27.8	379.5	409.0
Disposals	-	(5.1)	-	(5.1)
Scrapping of assets	(119.6)	(14.6)	-	(134.2)
Foreign-exchange variation	(63.0)	(1.8)	(0.4)	(65.1)
Entries into the scope	-	4.5	-	4.5
Exits from the scope	(296.0)	(68.4)	-	(364.4)
Transfers and others	182.5	75.2	(226.0)	31.7
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

Depreciation and impairment				
Accumulated amortization as of 30 June 2020	(3,317.5)	(350.7)	(1.2)	(3,669.4)
Depreciation expense	(312.4)	(27.0)	-	(339.4)
Impairment	(16.2)	-	-	(16.2)
Reversals (disposals)	-	5.0	-	5.0
Reversals (scrapping of assets)	119.6	13.3	-	132.9
Foreign-exchange variation	27.0	1.1	-	28.1
Exits from the scope	175.3	57.4	-	232.7
Transfers and others	(1.6)	(45.5)	1.2	(45.8)
Accumulated amortization 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)
Transfers and others	-	0.4	-	0.4
Accumulated amortization as of 30 June 2022	(3,623.9)	(376.9)	-	(4,000.8)
Net value as of 30 June 2020	2,709.7	87.0	1,060.0	3,856.7
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

Transfers relating to satellites arising during the period ended 30 June 2022 correspond to the entry into commercial service of the Eutelsat Quantum satellite launched during the period. As of 30 June 2022, the line "Transfers and others" relating to construction in progress reflects the impacts of the termination of two launcher contracts for assets amounting to 90 million euros.

During the financial years ended 30 June 2022 and 30 June 2021, the Group recognised respective impairment losses of 12.0 million euros and 16.2 million euros on a satellite.

The expected dates of entry into service for satellites under construction at the balance sheet date are as follows:

Projects	Years
Konnect VHTS, EUTELSAT 10B, Hotbird 13F and Hotbird 13G	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 2022, the rights of use saw the following changes:

(in millions of euros)	Satellites	Other tangible assets	Total
Gross assets			
Gross value as of 30 June 2020	850.9	34.8	885.7
New contracts	-	40.1	40.1
Modifications and early termination of contracts	(3.2)	(12.7)	(15.9)
Scrapping of assets	-	(0.7)	(0.7)
Foreign-exchange variation	-	(0.4)	(0.4)
Entries into the scope	-	0.8	0.8
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
Depreciation and impairment			
Accumulated depreciation and impairment as of 30 June 2020	(311.4)	(18.0)	(329.4)
Depreciation expense	(54.4)	(10.5)	(64.9)
Impairment	(11.7)	-	(11.7)
Reversals (modifications and early terminations of contracts)	1.6	11.5	13.1
Reversals (scrapping of assets)	-	0.7	0.7
Foreign-exchange variation	-	0.1	0.1
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)
Net value as of 30 June 2020	539.5	16.8	556.3
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

Satellite rights of use mainly relate to the Express AT1, Express AT2, Express AM6, Express 36C and Astra 2G leases. The durations 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.

During the financial years ended 30 June 2022 and 30 June 2021, the Group recognised respective impairment losses of 4.3 million euros and 11.7 million euros on its rights of use on certain satellite transponders.

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.

Amortizable 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 five-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 2022, 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 five-year business plan approved by the Board of Directors in February 2022 and updated in July 2022 and covering the periods through to the 2025-26 financial year, on the long-term plan defined on an ongoing basis over a horizon covering the periods through to the 2033-34 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 (7.86% used) and the long-term growth rate used to calculate the terminal value, the sensitivity analyses show that a 44bp increase in the WACC or a 103bp 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 2022. A perpetual zero-growth rate 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 2.7% 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 2022 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 2022, the cash flows used are based on the period of the updated five-year business plan approved by the Board of Directors in February 2022 and updated in July 2022, 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 2022 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. These tests resulted in the recognition of impairment losses relating to a satellite under ownership amounting to a respective 12.0 million euros as of 30 June 2022 and 16.5 million euros as of 30 June 2021 (see Note 7.1.2 "Tangible assets and construction in progress") and an impairment loss on rights of use amounting to respectively 4.3 million euros and 11.7 million euros as of 30 June 2022 and 30 June 2021 (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 840 million euros as of 30 June 2021 and 574 million euros as of 30 June 2022.

The following table lists the future payments in respect of these commitments as of 30 June 2021 and 30 June 2022:

(in millions of euros)	As of 30 June 2021	As of 30 June 2022
Maturity within 1 year	395	300
From 1 to 2 years	291	109
From 2 to 3 years	21	23
From 3 to 4 years	122	126
Maturity exceeding 4 years	11	16
Total	840	574

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 amounts.

Value of the investment in OneWeb Holdings Ltd.

As of 30 June 2022, 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.

(in millions of euros)	30 June 2021	30 June 2022
Equity interests at the opening date	-	-
Purchases of shares	-	613.3
Share of result of associates	-	(71.5)
Translation adjustment	-	63.9
Equity interests at the closing date	-	605.7

In the context of the Russo-Ukrainian war, the OneWeb low-orbit constellation had to suspend six launches planned from the Baïkonour cosmodrome. An impairment test on the investment in OneWeb Holdings Ltd. has been carried out to determine whether its recoverable value was above its book value. No impairment has been booked as of 30 June 2022.

The main financial information from OneWeb Holdings Ltd based on the latest accounting period ended 31 March 2022 is as follows:

(in millions of dollars)	31 March 2022
Net result	(388.8)
Balance sheet	
Non-current assets	2,021.7
Current assets	1,161.0
Shareholders' equity	2,794.2
Non-current liabilities	281.0
Current liabilities	107.5
(in millions of euros)	31 March 2022
Group share of the net assets	
Net asset value	2,511.4
Percentage held	22.91%
Group share in net asset value	575.4
Goodwill	16.8
Adjustment of the Group share in net asset value	(0.4)
Book value of the Group's equity interest as of 31 March 2022	591.7
Share of net result from March to June 2022	(19.6)
Translation adjustment	33.5
Book value of the Group's equity interest as of 30 June 2022	605.7

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:

(in millions of euros)	30 June 2021	30 June 2022
Assets		
Accounts receivable	244.5	246.9
Assets associated with customer contracts	40.3	41.7
Costs to fulfil contracts	5.4	3.2
Costs to obtain contracts	9.3	7.9
Total current and non-current assets	299.5	299.7
<i>Including non-current portion</i>	<i>37.7</i>	<i>34.0</i>
<i>Including current portion</i>	<i>261.9</i>	<i>265.7</i>
Liabilities		
Financial liabilities - Guarantees and commitments received	53.5	40.1
Liabilities associated with customer contracts	186.5	224.4
Total current and non-current liabilities	240.0	264.5
<i>Of which non-current portion</i>	<i>153.0</i>	<i>186.9</i>
<i>Of which current portion</i>	<i>87.0</i>	<i>77.6</i>

7.3.1 Accounts receivable

Accounts receivable (matured and non-matured) break down as follows:

(in millions of euros)	30 June 2021	30 June 2022
Non-matured receivables	111.7	116.7
Matured receivables between 0 and 90 days	42.6	42.5
Matured receivables between 90 and 365 days	58.7	48.9
Matured due for more than 365 days	128.0	130.2
Depreciation	(96.5)	(91.3)
Total	244.5	246.9

The account receivables due for more than 365 days as of 30 June 2022 include receivables amounting to 10.7 million euros covered by collateral deposits (versus 15.5 million euros at 30 June 2021). These do not involve any risk of impairment in the income statement. The provision for impairment of 91.3 million euros as of 30 June 2022 represents 76% of the receivables due for more than 365 days except collateral deposits and 41% 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:

(in millions of euros)	30 June 2021		30 June 2022	
	Value of accounts receivable	Value of guarantee	Value of accounts receivable	Value of guarantee
Guarantee deposits	82.4	20.8	64.1	14.1
Bank or insurance guarantees	15.0	25.1	18.6	20.4
Guarantees from the parent company	5.2	5.2	2.9	2.9
Total	102.6	51.0	85.6	37.4

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 35% of revenues as of 30 June 2022 (35% as of 30 June 2021). The top five account for 20% of revenues (24% as of 30 June 2021).

The changes in impairment of trade receivables over the two financial years are as follows:

(in millions of euros)	Total
Value as of 30 June 2020	119.2
Net allowance (reversal)	25.6
Reversals (used)	(44.9)
Foreign-exchange variations	(1.5)
Exits from the scope	(1.9)
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

7.3.2 Assets associated with customer contracts, costs to obtain and fulfil non-current contracts

(in millions of euros)	Total
Assets associated with customer contracts as of 30 June 2020	42.8
Use of assets associated with customer contracts during the period	(12.5)
New assets associated with customer contracts recorded during the period	9.3
Net reversals (depreciations)	1.6
Translation adjustment	(0.9)
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

The costs to obtain and fulfil contracts are shown below:

(in millions of euros)	Total
Costs to obtain and fulfil customer contracts as of 30 June 2020	49.2
Use of costs to obtain and fulfil customer contracts during the period	(14.6)
New costs to obtain and fulfil customer contracts during the period	8.2
Entries into the scope	12.3
Exits from the scope	(40.6)
Translation adjustment	0.2
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
Costs to obtain and fulfil customer contracts as of 30 June 2022	11.1

7.3.3 Liabilities associated with customer contracts

The liabilities associated with customer contracts break down as follows:

(in millions of euros)	Total
Liabilities associated with customer contracts as of 30 June 2020	187.5
Revenue recognition during the period	(42.5)
New liabilities associated with customer contracts recorded during the period	56.4
Translation adjustment	(4.1)
Entries into the scope	13.5
Exits from the scope	(24.5)
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
Liabilities associated with customer contracts as of 30 June 2022	224.4

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 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:

(in millions of euros)	30 June 2021	30 June 2022
Cash at bank and in hand	529.0	596.9
Cash equivalents	332.1	83.6
Total	861.1	680.5

7.4.2 Financial debt

The financial debt breaks down as follows:

(in millions of euros)	Rate	30 June 2021	30 June 2022	Maturity
EIB term loan 2022	0.488%	200.0	200.0	December 2028
Term loan 2026	Variable	400.0	400.0	June 2026
Bond 2022	3.125%	300.0	-	October 2022
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			-	
	Variable	14.2	0.0	May 2024
	0.65%	67.0	0.0	June 2022
	0.75%	80.0	80.0	June 2023
	0.90%	53.0	53.0	June 2024
Sub-total of debt (non-current portion)		3,114.1	2,733.0	
Loan set-up fees and premiums		(16.7)	(14.9)	
Total of debt (non-current portion)		3,097.4	2,718.1	
Structured debts	Variable	7.1	-	
Bond 2022	3.125%	-	300.0	October 2022
Accrued interest not yet due		38.4	38.5	
Total debt (current portion)		45.5	338.5	
Total		3,142.9	3,056.6	

The totality of the debt is denominated in euros.

The term loans and structured debts are subject to a financial covenant that provides for a total net debt to EBITDA ratio equal to or less than 4.0/1. Under the term loan covenants, each lender may also 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 2022, the Group was in compliance with all the banking covenants under its credit facilities.

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 liens 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 2022, the Group has active credit lines for an aggregate undrawn amount of 1,209.0 million euros (1,050.0 million euros as of 30 June 2021). These lines are backed by banking covenants similar to those in place for the term loans and the structured debts.

The schedule of debt maturities, excluding issue costs and premiums and accrued interest not yet due, as of 30 June 2022 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	133.0	-	133.0	-
Bond 2022	300.0	300.0	-	-
Bond 2025	800.0	-	800.0	-
Bond 2027	600.0	-	-	600.0
Bond 2028	600.0	-	-	600.0
Total	3,033.0	300.0	1,333.0	1,400.0

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 2021	30 June 2022
Non-consolidated equity investments	14.7	17.7
Derivative financial instruments ⁽¹⁾	39.0	-
Other financial assets	44.8	90.3
Total	98.5	108.1
<i>Of which current portion</i>	<i>27.0</i>	<i>65.1</i>
<i>Of which non-current portion</i>	<i>71.5</i>	<i>43.0</i>

⁽¹⁾ See Note 7.4.5 "Derivative financial instruments".

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 were terminated.

The other debts and financial liabilities break down as follows:

(in millions of euros)	30 June 2021	30 June 2022
Lease liabilities	435.6	425.7
Other liabilities	103.4	225.9
Payables to fixed asset suppliers	213.7	297.5
Derivative financial instruments ⁽¹⁾	29.1	105.7
Liabilities for social contributions	55.2	46.6
Tax liabilities	22.7	18.9
Total	859.8	1,120.3
<i>Of which current portion</i>	<i>170.5</i>	<i>525.5</i>
<i>Of which non-current portion</i>	<i>689.3</i>	<i>594.8</i>

⁽¹⁾ See Note 7.4.5 "Derivative financial instruments".

The other liabilities include capital uncalled by OneWeb Holdings Ltd as of 30 June 2022, in the amount of 128.4 million euros.

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. The non-current payables to fixed asset suppliers represent an amount of 134.1 million euros as of 30 June 2022 and include acceptances of milestone payments maturing on delivery of the satellites.

The changes in lease liabilities during the period break down as follows:

(in millions of euros)	30 June 2021	New contracts	Cash flow	Others	Currency effects	Change in accrued interests	30 June 2022
Satellites	384.0	-	(8.2)	(0.1)	-	3.5	379.2
Real estate	47.1	0.1	(2.3)	(0.1)	0.7	-	45.6
Others	4.5	-	(3.6)	-	-	-	0.9
Total	435.6	0.1	(14.1)	(0.2)	0.7	3.5	425.7

The amounts shown for lease liabilities include accrued interest totalling 2.2 million euros as of 30 June 2021 and 3.5 million euros as of 30 June 2022.

7.4.4 Net debt

The net debt breaks down as follows:

(in millions of euros)	30 June 2021	30 June 2022
Term loan	400.0	400.0
EIB term loan	200.0	200.0
Bonds	2,300.0	2,300.0
Structured debts	221.2	133.0
"Change" portion of cross-currency swap	(38.7)	41.3
Lease liabilities	434.0	420.6
Gross debt	3,516.5	3,494.9
Cash and cash equivalents	(861.1)	(680.5)
Net debt	2,655.5	2,814.4

The changes in the debt position between 30 June 2020 and 30 June 2021 are presented below:

(in millions of euros)	30 June 2020	Cash flow	Non-cash flow	Currency effects	Fair value change and others	30 June 2021
Term loans	600.0	(200.0)	-	-	-	400.0
EIB term loan	-	200.0	-	-	-	200.0
Bonds	2,200.0	100.0	-	-	-	2,300.0
RCF drawdown	300.0	(300.0)	-	-	-	-
Structured debts	246.1	(73.7)	48.8	-	-	221.2
"Change" portion of cross-currency swap	(4.3)	-	-	-	(34.4)	(38.7)
Lease debt	489.6	(91.5)	34.9	0.1	0.8	434.0
Total	3,831.4	(365.2)	83.7	0.1	(33.6)	3,516.5

The net cash flow of 100 million euros from the bond loans reflects, firstly, the repayment of (500) million euros in respect of the bond loan maturing during the 2021 financial year and, secondly, a new bond issue in the amount of 600 million euros maturing in October 2028. The net cash flow of 200 million euros on the term loan corresponds, firstly, to the early repayment of the loan maturing in March 2022 amounting to (600.0) million euros and, secondly, to the implementation of another term loan in the amount of 400.0 million euros maturing in June 2026.

The changes in the debt position between 30 June 2021 and 30 June 2022 are presented below:

(in millions of euros)	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
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

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 2021	30 June 2022	30 June 2021	30 June 2022			
Synthetic forward transaction with knock-in option (Eutelsat S.A.)	235.5	487.8	(0.4)	(47.4)	(47.0)	(0.9)	(46.1)
Cross currency swap	572.0	646.8	10.3	(58.3)	(68.6)	-	(68.6)
Total forex derivatives	807.5	1,134.6	9.9	(105.7)	(115.6)	(0.9)	(114.7)
Pre-hedging swap	-	-	-	-	-	-	-
Total interest rate derivatives	-	-	-	-	-	-	-
Total derivative instruments	807.5	1,134.6	9.9	(105.7)	(115.6)	(0.9)	(114.7)

As of 30 June 2022, the cumulative fair value of the derivative financial instruments was negative at 105.7 million euros (see Note 7.4.3 "Financial assets and liabilities").

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 2021						
	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	9.9	(0.4)	-	-	10.3	-	-
Net total at 30 June 2021	9.9	(0.4)	-	-	10.3	-	-

(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)	-	-	-

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 several 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 US dollar. Consequently, the Group is primarily exposed to the US 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 US 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 US 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) documented as net foreign investment hedges. The Group has thus developed a euro-US 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/US dollar exchange rate (excluding foreign exchange derivatives) would generate a 43.8 million euro decline in the Group's revenue and a 4.9 million euro decline in operating expenses. It would also result in a 162 million euros negative variation in the Group's translation reserve and a 62 million euro 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 2022 an increase of ten 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 2022, 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 2021 (in millions of euros)	Balance-sheet value	Total contractual cash flows	Timelines as of 30 June 2021					
			Jun-22	Jun-23	Jun-24	Jun-25	Jun-26	More than 5 years
Term loan	(399.9)	(422.0)	(4.4)	(4.4)	(4.4)	(4.4)	(404.4)	-
EIB term loan	(199.8)	(207.4)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(202.4)
Bonds	(2,286.8)	(2,555.9)	(47.9)	(338.5)	(38.5)	(38.5)	(838.5)	(1,254.0)
Structured debt	(218.1)	(227.3)	(9.9)	(76.3)	(88.1)	(53.0)	-	-
Lease debt	(434.0)	(434.0)	(0.3)	(22.2)	(46.5)	(50.4)	(51.8)	(262.8)
Qualified derivatives ⁽¹⁾	(28.8)	(28.8)	(0.4)	-	-	(28.4)	-	-
Total financial debt	(3,567.4)	(3,875.4)	(63.9)	(442.4)	(178.5)	(175.7)	(1,295.7)	(1,719.2)
Other financial liabilities	(181.3)	(181.3)	(120.7)	(60.6)	-	-	-	-
Total financial liabilities	(3,748.7)	(4,056.7)	(184.6)	(503.0)	(178.5)	(175.7)	(1,295.7)	(1,719.2)
Qualified derivatives ⁽¹⁾	38.7	38.7	-	-	-	38.7	-	-
Financial assets	59.5	59.5	26.7	32.8	-	-	-	-
Cash	529.0	529.0	529.0	-	-	-	-	-
Cash equivalents	332.1	332.1	332.1	-	-	-	-	-
Total financial assets	959.3	959.3	887.8	32.8	-	38.7	-	-
Net position	(2,789.4)	(3,097.4)	(703.2)	(470.2)	(178.5)	(137.0)	(1,295.7)	(1,719.2)

⁽¹⁾ The amounts broken down under derivative instruments are recognised at fair value (not as contractual cash flows).

Timelines as of 30 June 2022

As of 30 June 2022 (in millions of euros)	Balance- sheet value	Total con- tractual cash flows	Jun-23	Jun-24	Jun-25	Jun-26	Jun-27	More than 5 years
Term loan	(398.2)	(426.4)	(4.4)	(4.4)	(4.4)	(4.4)	(4.4)	(404.4)
EIB 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 (and not as contractual cash flows).

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)	Total	Net carrying amount as of 30 June 2021			
		Amortised cost	Fair value through other items of income	Fair value through the income	Fair value as of 30 June 2021
Non-current assets					
Long-term loans and advances	32.8	18.1	-	14.7	32.8
Non-current assets on customer contracts	30.4	30.4	-	-	30.4
Current assets					
Accounts receivable	244.5	244.5	-	-	244.5
Current assets on customer contracts	9.8	9.8	-	-	9.8
Other receivables	42.8	42.8	-	-	42.8
Derivative financial instruments ⁽¹⁾					
Qualified as hedges	39.0	-	39.0	-	39.0
Cash and cash equivalents					
Cash	529.0	529.0	-	529.0	529.0
Cash equivalent ⁽²⁾	332.1	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)	Total	Net carrying amount as of 30 June 2022			
		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 equivalent ⁽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).

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.

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:

(in millions of euros)	Net carrying amount as of 30 June 2021				Fair value as of 30 June 2021
	Total	Instruments measured at amortised cost	Derivative instruments qualified as hedges	Instruments measured at fair value through the income statement	
Financial debt					
Floating rate loans	618.0	618.0	-	-	618.0
Bond loans ⁽¹⁾	2,286.8	2,286.8	-	-	2,453.4
Fixed rate loans	199.8	199.8	-	-	199.8
Bank overdrafts	-	-	-	-	-
Other financial liabilities					
Non-current	472.1	472.1	-	-	472.1
Current	146.0	146.0	-	-	146.0
Derivative financial instruments ⁽²⁾					
Qualified as hedges	29.1	-	29.1	-	29.1
Accounts payable	84.9	84.9	-	-	84.9
Fixed assets payable	213.7	213.7	-	-	213.7

⁽¹⁾ Fair value hierarchy: level 1 (reflecting quoted prices).

⁽²⁾ Fair value hierarchy: level 2 (observable inputs other than quoted prices in active markets).

(in millions of euros)	Net carrying amount as of 30 June 2022				Fair value as of 30 June 2022
	Total	Instruments measured at amortised cost	Derivative instruments qualified as hedges	Instruments measured at fair value through the income statement	
Financial debt					
Floating rate loans	530.5	530.5	-	-	530.5
Bond loans ⁽¹⁾	2,289.6	2,289.6	-	-	2,156.5
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).

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 2021	30 June 2022
Bond 2022	312.1	302.3
Bond 2025	856.9	776.3
Bond 2027	657.1	561.2
Bond 2028	627.3	516.7
Total	2,453.4	2,156.5

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 2022, the share capital of Eutelsat Communications S.A. comprised 230,544,995 ordinary shares with a nominal value of 1 euro per share.

As of this same date, the Group holds 222,950 equity shares in the amount of 2.4 million euros acquired under a liquidity contract (353,359 equity shares in the amount of 3.6 million euros as of 30 June 2021). The aggregate amount of treasury stock is deducted from shareholders' equity.

7.6.2 Dividends

On 4 November 2021, the Ordinary and Extraordinary General Meeting of Shareholders decided to distribute a gross amount of 0.93 euros per share, i.e. a total of 214.4 million euros, taken in full from the income for the financial year ended 30 June 2021.

The amount of the distribution proposed to the General Meeting of Shareholders of 10 November 2022 in respect of the financial year ended 30 June 2022 is 214.4 million euros, i.e. 0.93 euro per share.

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:

(in millions of euros)	Total
Balance as of 30 June 2021	(35.8)
Changes in fair value within equity that can be reclassified to income	(32.7)
Balance as of 30 June 2022	(68.5)

The revaluation reserve for the derivative instruments includes (6.6) 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:

(in millions of euros)	Total
Balance as of 30 June 2021	102.6
Net change over the period	138.3
Balance as of 30 June 2022	240.9

The main currency generating translation differences is the US dollar.

As of 30 June 2022, the translation reserve includes (58.3) 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 2021 and 30 June 2022 are as follows:

(in millions of euros)	30 June 2021	Allowance		Reclassified	Change in scope	Recognised in equity	Currency variation	30 June 2022
		Utilised	Unused					
Financial guarantee granted to a pension fund	59.8	0.9	(4.3)	-	-	(55.4)	-	1.1
Retirement benefits	14.6	1.3	(0.2)	-	(3.1)	(1.4)	-	11.2
Other post-employment benefits ⁽¹⁾	5.4	0.2	(0.1)	(0.2)	-	-	-	5.3
Total post-employment benefits	80.0	2.4	(4.6)	(0.2)	(3.1)	(56.8)	-	17.6
Commercial, employee-related and tax litigation	15.6	0.9	(3.3)	(6.8)	(0.1)	-	0.7	7.1
Others	-	-	-	-	-	-	-	-
Total provisions	95.6	3.4	(7.9)	(7.0)	(3.2)	(56.8)	0.7	24.7
<i>Of which non-current portion</i>	83.0							17.6
<i>Of which current portion</i>	12.6							7.1

⁽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 38 million euros as of 30 June 2022, 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 2021 and 30 June 2022 are as follows:

(in millions of euros)	30 June 2021	30 June 2022
Present value of the obligations at beginning of period	207.5	199.1
Service cost for the period	-	-
Financial cost	3.1	3.0
Actuarial differences related to financial assumptions: (gains)/losses	(4.6)	(48.2)
Benefits paid	(6.9)	(7.9)
Present value of the obligations at end of period	199.1	146.0

(in millions of euros)	30 June 2021	30 June 2022
Fair value of plan assets at beginning of period	123.9	139.3
Expected return on plan assets	1.8	2.0
Actuarial differences related to financial assumptions: gains/(losses)	16.4	7.2
Contributions paid	4.1	4.3
Benefits paid	(6.9)	(7.9)
Fair value of plan assets at end of period	139.3	145.0

The weighted average period of the obligation is 14.3 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 18.2 million euros and 9.2 million euros as of 30 June 2021 and 30 June 2022 respectively.

The actuarial valuations were realised based on the following assumptions:

	30 June 2021	30 June 2022
Discount rate	1.50%	3.35%
Rate for pension increases	1.75%	2.00%

A 25-basis point decrease in discount rates would result in a 5.2 million euro increase to the provision.

The changes in provisions over the two financial years were as follows:

(in millions of euros)	30 June 2021	30 June 2022
Provision at beginning of period	83.7	59.8
Net expense on income statement	1.2	0.9
Actuarial (gains)/losses	(21.0)	(55.4)
Contributions paid	(4.1)	(4.3)
Provision at end of period	59.8	1.1

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 2021 and 30 June 2022, the position was as follows:

(in millions of euros)	30 June 2021	30 June 2022
Present value of the obligations at beginning of period	14.6	14.6
Service cost for the period	1.0	1.1
Financial cost	0.2	0.2
Actuarial differences	0.9	(1.4)
Termination indemnities paid	(2.0)	(0.2)
Others	-	(3.1)
Present value of the obligations at end of period	14.6	11.2

The weighted average period of the obligation is 11.4 years.

The actuarial valuations were realised based on the following assumptions:

	30 June 2021	30 June 2022
Discount rate	1.25%	3.25%
Rate for salary growth	0% for 2 years then 2%	0% for 1 year then 2.0%

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 6.3 million euros as of 30 June 2021 and 30 June 2022.

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 2021 and 30 June 2022.

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 2021 and 30 June 2022 were as follows:

(in millions of euros)	30 June 2021	Foreign exchange impact and reclassification	Net income for the period	Recognised in equity	30 June 2022
Deferred tax assets					
Derivative instruments	46.3	(2.7)	(8.9)	28.6	63.3
Loss carry-forwards	15.4	0.4	(11.3)	-	4.4
Bad-debt provisions	22.3	0.1	3.7	-	26.1
Financial guarantee granted to the pension fund	5.6	-	0.3	(14.3)	(8.4)
Provisions for risks and expenses	6.0	0.1	(1.3)	-	4.8
Tangible and intangible assets	28.5	1.0	(12.6)	-	16.8
Others	10.1	2.3	5.8	-	18.2
Total deferred tax assets	134.2	1.2	(24.3)	14.3	125.3
Deferred tax liabilities					
Derivative financial instruments	(5.8)	2.7	(0.6)	0.1	(3.7)
Intangible assets	(55.9)	-	12.0	-	(43.9)
Tangible assets	(224.3)	(8.5)	11.4	-	(221.4)
Others	(38.4)	(4.9)	3.6	-	(39.7)
Total deferred tax liabilities	(324.4)	(10.7)	26.4	0.1	(308.7)
Net asset/(liability) position	(190.3)	(9.5)	2.0	14.3	(183.4)
Reflected as follows in the financial statements:					
Deferred tax assets	7.6				1.4
Deferred tax liabilities	(197.9)				(184.8)
Total	(190.3)				(183.4)

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:

(in millions of euros)	Amount	Maturity within 1 year	Maturity between 1 and 5 years	Maturity exceeding 5 years	Undefined
Timelines of activated tax loss carry-forwards	14.9	10.5	-	0.2	4.3
Total	14.9	10.5	-	0.2	4.3

Furthermore, the Group has a stock of unrecognised tax loss carry-forwards amounting to 146.3 million euros as of 30 June 2022 (131.6 million euros as of 30 June 2021) with the following maturity dates:

(in millions of euros)	Amount	Maturity within 1 year	Maturity between 1 and 5 years	Maturity exceeding 5 years	Undefined
Maturities of unrecognised tax loss carry-forwards	146.6	-	1.0	1.2	144.4
Total	146.6	-	1.0	1.2	144.4

7.8.2 Tax audit procedure

Eutelsat S.A., a company belonging to the tax consolidation group of which Eutelsat Communications S.A. is the integral parent company, underwent a tax audit in respect of the financial years ended 30 June 2012, 2013 and 2014. In December 2016, the company received a tax adjustment notification in respect of the financial periods ended 30 June 2013 and 30 June 2014. As a result of the pre-litigation appeals and subsequent discussions, the amounts claimed by the tax authorities were significantly reduced. There is still disagreement regarding some tax adjustments, for which Eutelsat believes that it can make a strong defensive case.

The company has also been the subject of a tax audit in respect of the financial years ended 30 June 2015, 30 June 2016 and 30 June 2017. In December 2018 then in December 2019, it received proposed upwards tax adjustment notifications relating to these two financial years. The company has responded to these proposed increases and has contested virtually all the grounds for the adjustments. At the end of May 2022, the tax audit department responded to the company's comments, indicating that it was maintaining most of the initial adjustments. The company is contesting this position and has initiated all the pre-trial appeals to this end.

A tax audit of the company is also under way in respect of the financial years ended 30 June 2018, 2019 and 2020. The company has received a Notice of Deficiency which extends the statute of limitations relating to the financial year ended 30 June 2018 which it has contested in its entirety. The audit operations are ongoing with regard to the 2019 and 2020 financial years.

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:

(in millions of euros)	30 June 2021	30 June 2022
Compensation ⁽¹⁾	7.7	11.0
Total short-term benefits	7.7	11.0
Post-employment benefits ⁽²⁾	0.06	0.06
Share-based payments ⁽³⁾	0.4	0.7
Total long-term benefits	0.46	0.76

⁽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 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.

The fees paid to the members of the Board of Directors in respect of the financial year ended 30 June 2022 amount to 0.9 million euros (0.8 million euros in respect of the financial year ended 30 June 2021).

8.2 OTHER RELATED PARTIES

The transactions with related parties other than key management personnel are summarised as follows:

(in millions of euros)	30 June 2021	30 June 2022
Revenues	22.0	4.7
Financial result	11.8	12.8
Gross receivables (including unbilled revenues)	10.5	16.4
Debt (including deferred payments)	346.2	315.1

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

None.

Note 10. STATUTORY AUDITORS' FEES

(in thousands of euros)	EY				Mazars			
	Amount N	%	Amount N-1	%	Amount N	%	Amount N-1	%
Statutory audit, certification, review of separate and consolidated financial statements								
Eutelsat Communications	143	22%	149	28%	143	22%	149	22%
Subsidiaries	417	66%	351	66%	491	76%	482	72%
Sub-total	560	88%	500	94%	634	98%	631	94%
Services other than certification of the financial statements								
Eutelsat Communications	-	0%	30	6%	-	0%	30	5%
Subsidiaries	71	12%	3	0%	10	2%	7	1%
Sub-total	71	12%	33	6%	10	2%	37	6%
Total	631	100%	533	100%	644	100%	668	100%

Services other than the certification of financial statements correspond essentially to the services linked with financing transactions (comfort letters).

MAZARS

ERNST & YOUNG et Autres

Eutelsat Communications

Exercice clos le 30 juin 2022

Rapport des commissaires aux comptes sur les comptes consolidés

MAZARS
Tour Exaltis
61, rue Henri Regnault
92075 Paris-La Défense cedex
S.A. à directoire et conseil de surveillance
au capital de € 8 320 000
784 824 153 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

ERNST & YOUNG et Autres
Tour First
TSA 14444
92037 Paris-La Défense cedex
S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

Eutelsat Communications

Exercice clos le 30 juin 2022

Rapport des commissaires aux comptes sur les comptes consolidés

A l'Assemblée Générale de la société Eutelsat Communications,

Opinion

En exécution de la mission qui nous a été confiée par vos assemblées générales, nous avons effectué l'audit des comptes consolidés de la société Eutelsat Communications relatifs à l'exercice clos le 30 juin 2022, tels qu'ils sont joints au présent rapport.

Nous certifions que les comptes consolidés sont, au regard du référentiel IFRS tel qu'adopté dans l'Union européenne, réguliers et sincères et donnent une image fidèle du résultat des opérations de l'exercice écoulé ainsi que de la situation financière et du patrimoine, à la fin de l'exercice, de l'ensemble constitué par les personnes et entités comprises dans la consolidation.

L'opinion formulée ci-dessus est cohérente avec le contenu de notre rapport au comité d'audit.

Fondement de l'opinion

■ Référentiel d'audit

Nous avons effectué notre audit selon les normes d'exercice professionnel applicables en France. Nous estimons que les éléments que nous avons collectés sont suffisants et appropriés pour fonder notre opinion.

Les responsabilités qui nous incombent en vertu de ces normes sont indiquées dans la partie « Responsabilités des commissaires aux comptes relatives à l'audit des comptes consolidés » du présent rapport.

■ Indépendance

Nous avons réalisé notre mission d'audit dans le respect des règles d'indépendance prévues par le Code de commerce et par le Code de déontologie de la profession de commissaire aux comptes sur la période du 1^{er} juillet 2021 à la date d'émission de notre rapport, et notamment nous n'avons pas fourni de services interdits par l'article 5, paragraphe 1, du règlement (UE) n° 537/2014.

Justification des appréciations - Points clés de l'audit

En application des dispositions des articles L. 823-9 et R. 823-7 du Code de commerce relatives à la justification de nos appréciations, nous portons à votre connaissance les points clés de l'audit relatifs aux risques d'anomalies significatives qui, selon notre jugement professionnel, ont été les plus importants pour l'audit des comptes consolidés de l'exercice, ainsi que les réponses que nous avons apportées face à ces risques.

Les appréciations ainsi portées s'inscrivent dans le contexte de l'audit des comptes consolidés pris dans leur ensemble et de la formation de notre opinion exprimée ci-avant. Nous n'exprimons pas d'opinion sur des éléments de ces comptes consolidés pris isolément.

■ Evaluation des actifs immobilisés et durée d'utilisation des satellites

Risque identifié	Notre réponse
<p>Au 30 juin 2022, les immobilisations corporelles et incorporelles de votre société s'élèvent à 5,8 milliards d'euros et les titres des sociétés mises en équivalence s'élèvent à 0,6 milliard d'euros au regard d'un total du bilan de 7,6 milliards d'euros. Cet actif immobilisé est essentiellement composé des écarts d'acquisitions et des contrats clients et relations associées comptabilisés dans le cadre de regroupements d'entreprises, des satellites en orbite ou en cours de construction, des droits d'utilisation et des équipements au sol, ainsi que des participations du groupe dans des sociétés consolidées selon la méthode de la mise en équivalence.</p> <p>Les écarts d'acquisition sont suivis au niveau du seul segment opérationnel de la société. Les unités génératrices de trésorerie correspondent aux positions orbitales, portant un ou plusieurs satellites, ainsi que les contrats clients et relations associées.</p> <p>Les notes 7.1.1, 7.1.2, 7.1.3 et 7.1.4 de l'annexe aux comptes consolidés décrivent les modalités d'évaluation des écarts d'acquisition, d'amortissement des contrats clients et relations associées et celles des satellites en orbite ainsi que les modalités de réalisation des tests de perte de valeur de ces actifs.</p> <p>La note 7.2 de l'annexe aux comptes consolidés décrit les modalités de comptabilisation des titres mis en équivalence.</p> <p>Nous avons considéré que l'évaluation de ces actifs et la détermination de la durée d'amortissement des satellites</p>	<p>Nous avons examiné :</p> <ul style="list-style-type: none">▶ les travaux réalisés par votre groupe pour déterminer la durée d'utilité des satellites et la cohérence des durées retenues avec les données techniques disponibles ;▶ les modalités de mise en œuvre des tests de perte de valeur, en particulier la détermination des unités génératrices de trésorerie ;▶ les méthodes d'estimation de la valeur recouvrable des écarts d'acquisition et des autres actifs des unités génératrices de trésorerie. <p>Nous avons porté une attention particulière aux tests de dépréciation (i) des écarts d'acquisition ainsi que (ii) des unités génératrices de trésorerie pour lesquelles la valeur comptable est proche de la valeur recouvrable estimée et celles dont l'historique de performance est limité compte tenu du caractère récent des lancements de satellites.</p> <p>Nous avons par ailleurs apprécié les principales estimations retenues par la direction pour établir les prévisions de flux de trésorerie, à partir des informations disponibles dont les perspectives de marché, les carnets de commandes et les réalisations passées. Nous avons apprécié la pertinence des taux d'actualisation et des taux de croissance long terme retenus, avec l'assistance de nos experts en évaluation financière et nous avons réalisé des calculs de sensibilité sur les valeurs recouvrables déterminées par la direction.</p>

en orbite sont des points clés de l'audit en raison (i) de leur importance significative dans les comptes de votre groupe, (ii) des estimations nécessaires pour déterminer la durée d'utilisation attendue des satellites ainsi que l'horizon des flux de trésorerie d'exploitation qui reposent sur des évaluations techniques, (iii) du jugement nécessaire à la détermination des unités génératrices de trésorerie, et (iv) des estimations et des hypothèses utilisées pour la détermination de leur valeur recouvrable, le plus souvent fondée sur des prévisions de flux de trésorerie actualisés dont la réalisation est par nature incertaine.

Nous avons également évalué le caractère approprié des informations fournies dans les notes 7.1.1, 7.1.2, 7.1.3, 7.1.4 et 7.2 de l'annexe aux comptes consolidés.

■ Reconnaissance du chiffre d'affaires et dépréciation des créances clients

Risque identifié	Notre réponse
<p>Au 30 juin 2022, le chiffre d'affaires de votre groupe s'élève à 1,2 milliard d'euros et les créances clients et les actifs sur contrats clients inscrits au bilan du groupe s'élèvent à 0,3 milliard d'euros. Votre groupe est amené à traiter avec de multiples clients en France et à l'étranger. Le chiffre d'affaires est principalement issu des contrats conclus avec les clients pour la fourniture de services de capacité satellitaire. Les contrats couvrent généralement des périodes allant de plusieurs mois à plusieurs années.</p> <p>Nous avons considéré que la reconnaissance du chiffre d'affaires et la détermination des provisions pour dépréciation des créances clients et actifs sur contrats clients sont un point clé de l'audit en raison de leur importance significative dans les comptes de votre groupe, de la diversité et du volume des contrats existant entre votre groupe et ses clients, ainsi que du jugement nécessaire à l'appréciation du caractère recouvrable des créances clients tout au long de la vie des contrats.</p>	<p>Les notes 6.1 et 7.3 de l'annexe aux comptes consolidés décrivent les modalités de comptabilisation du chiffre d'affaires et les modalités d'évaluation des créances clients.</p> <p>Notre approche d'audit sur la reconnaissance du chiffre d'affaires et la dépréciation des créances clients inclut à la fois des tests sur le contrôle interne et des contrôles de substance, sur les comptes en eux-mêmes.</p> <p>Nos travaux relatifs au contrôle interne ont porté principalement sur la contractualisation, la facturation, le recouvrement des créances clients et la comptabilisation du chiffre d'affaires. Nous avons examiné les procédures mises en œuvre par votre groupe et testé les contrôles clés identifiés. Par ailleurs, nous avons également inclus dans nos équipes des membres ayant une compétence particulière en systèmes d'information de manière à évaluer certains contrôles généraux informatiques et contrôles applicatifs sur les données intégrées dans le système et servant à la reconnaissance du chiffre d'affaires.</p> <p>Nos contrôles de substance, relatifs au chiffre d'affaires et aux dépréciations des créances clients, ont notamment consisté à :</p> <ul style="list-style-type: none"> ▶ analyser les clauses contractuelles sur un échantillon de contrats, notamment les nouveaux contrats les plus significatifs de la période et les opérations particulières, afin d'examiner le traitement comptable applicable ; ▶ apprécier les hypothèses utilisées dans la reconnaissance du chiffre d'affaires ; ▶ examiner avec la direction les raisons du retard de paiement de certains clients et l'estimation des perspectives de recouvrement des créances dans le contexte de la crise ukrainienne, en considérant, entre autres, les facteurs tels que les dépôts de

garantie, les plans de paiement négociés, l'historique de paiement et les relations commerciales en cours entre ces clients et votre groupe ;

- ▶ contrôler le calcul de la provision pour dépréciation et sa conformité avec la méthodologie de votre groupe.

Enfin, nous avons apprécié le caractère approprié des informations fournies dans les notes 6.1 et 7.3 de l'annexe aux comptes consolidés.

Vérifications spécifiques

Nous avons également procédé, conformément aux normes d'exercice professionnel applicables en France, aux vérifications spécifiques prévues par les textes légaux et réglementaires des informations relatives au groupe, données dans le rapport de gestion du conseil d'administration.

Nous n'avons pas d'observation à formuler sur leur sincérité et leur concordance avec les comptes consolidés.

Nous attestons que la déclaration consolidée de performance extra-financière prévue par l'article L. 225-102-1 du Code de commerce figure dans les informations relatives au groupe données dans le rapport de gestion, étant précisé que, conformément aux dispositions de l'article L. 823-10 de ce Code, les informations contenues dans cette déclaration n'ont pas fait l'objet de notre part de vérifications de sincérité ou de concordance avec les comptes consolidés et doivent faire l'objet d'un rapport par un organisme tiers indépendant.

Autres vérifications ou informations prévues par les textes légaux et réglementaires

■ Format de présentation des comptes consolidés destinés à être inclus dans le rapport financier annuel

Nous avons également procédé, conformément à la norme d'exercice professionnel sur les diligences du commissaire aux comptes relatives aux comptes annuels et consolidés présentés selon le format d'information électronique unique européen, à la vérification du respect de ce format défini par le règlement européen délégué n° 2019/815 du 17 décembre 2018 dans la présentation des comptes consolidés destinés à être inclus dans le rapport financier annuel mentionné au I de l'article L. 451-1-2 du Code monétaire et financier, établis sous la responsabilité de la directrice générale. S'agissant de comptes consolidés, nos diligences comprennent la vérification de la conformité du balisage de ces comptes au format défini par le règlement précité.

Sur la base de nos travaux, nous concluons que la présentation des comptes consolidés destinés à être inclus dans le rapport financier annuel respecte, dans tous ses aspects significatifs, le format d'information électronique unique européen.

Il ne nous appartient pas de vérifier que les comptes consolidés qui seront effectivement inclus par votre société dans le rapport financier annuel déposé auprès de l'AMF correspondent à ceux sur lesquels nous avons réalisé nos travaux.

■ Désignation des commissaires aux comptes

Nous avons été nommés commissaires aux comptes de la société Eutelsat Communications par vos assemblées générales du 20 juillet 2005 pour le cabinet MAZARS et du 10 novembre 2009 pour le cabinet ERNST & YOUNG et Autres.

Au 30 juin 2022, le cabinet MAZARS était dans la dix-septième année de sa mission sans interruption et le cabinet ERNST & YOUNG et Autres dans la treizième année.

Antérieurement, le cabinet ERNST & YOUNG Audit était commissaire aux comptes depuis 2005.

Responsabilités de la direction et des personnes constituant le gouvernement d'entreprise relatives aux comptes consolidés

Il appartient à la direction d'établir des comptes consolidés présentant une image fidèle conformément au référentiel IFRS tel qu'adopté dans l'Union européenne ainsi que de mettre en place le contrôle interne qu'elle estime nécessaire à l'établissement de comptes consolidés ne comportant pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs.

Lors de l'établissement des comptes consolidés, il incombe à la direction d'évaluer la capacité de la société à poursuivre son exploitation, de présenter dans ces comptes, le cas échéant, les informations nécessaires relatives à la continuité d'exploitation et d'appliquer la convention comptable de continuité d'exploitation, sauf s'il est prévu de liquider la société ou de cesser son activité.

Il incombe au comité d'audit de suivre le processus d'élaboration de l'information financière et de suivre l'efficacité des systèmes de contrôle interne et de gestion des risques, ainsi que le cas échéant de l'audit interne, en ce qui concerne les procédures relatives à l'élaboration et au traitement de l'information comptable et financière.

Les comptes consolidés ont été arrêtés par le conseil d'administration.

Responsabilités des commissaires aux comptes relatives à l'audit des comptes consolidés

■ Objectif et démarche d'audit

Il nous appartient d'établir un rapport sur les comptes consolidés. Notre objectif est d'obtenir l'assurance raisonnable que les comptes consolidés pris dans leur ensemble ne comportent pas d'anomalies significatives. L'assurance raisonnable correspond à un niveau élevé d'assurance, sans toutefois garantir qu'un audit réalisé conformément aux normes d'exercice professionnel permet de systématiquement détecter toute anomalie significative. Les anomalies peuvent provenir de fraudes ou résulter d'erreurs et sont considérées comme significatives lorsque l'on peut raisonnablement s'attendre à ce qu'elles puissent, prises individuellement ou en cumulé, influencer les décisions économiques que les utilisateurs des comptes prennent en se fondant sur ceux-ci.

Comme précisé par l'article L. 823-10-1 du Code de commerce, notre mission de certification des comptes ne consiste pas à garantir la viabilité ou la qualité de la gestion de votre société.

Dans le cadre d'un audit réalisé conformément aux normes d'exercice professionnel applicables en France, le commissaire aux comptes exerce son jugement professionnel tout au long de cet audit.

En outre :

- ▶ il identifie et évalue les risques que les comptes consolidés comportent des anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, définit et met en œuvre des procédures d'audit face à ces risques, et recueille des éléments qu'il estime suffisants et appropriés pour fonder son opinion. Le risque de non-détection d'une anomalie significative provenant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne ;
- ▶ il prend connaissance du contrôle interne pertinent pour l'audit afin de définir des procédures d'audit appropriées en la circonstance, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne ;
- ▶ il apprécie le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par la direction, ainsi que les informations les concernant fournies dans les comptes consolidés ;
- ▶ il apprécie le caractère approprié de l'application par la direction de la convention comptable de continuité d'exploitation et, selon les éléments collectés, l'existence ou non d'une incertitude significative liée à des événements ou à des circonstances susceptibles de mettre en cause la capacité de la société à poursuivre son exploitation. Cette appréciation s'appuie sur les éléments collectés jusqu'à la date de son rapport, étant toutefois rappelé que des circonstances ou événements ultérieurs pourraient mettre en cause la continuité d'exploitation. S'il conclut à l'existence d'une incertitude significative, il attire l'attention des lecteurs de son rapport sur les informations fournies dans les comptes consolidés au sujet de cette incertitude ou, si ces informations ne sont pas fournies ou ne sont pas pertinentes, il formule une certification avec réserve ou un refus de certifier ;
- ▶ il apprécie la présentation d'ensemble des comptes consolidés et évalue si les comptes consolidés reflètent les opérations et événements sous-jacents de manière à en donner une image fidèle ;
- ▶ concernant l'information financière des personnes ou entités comprises dans le périmètre de consolidation, il collecte des éléments qu'il estime suffisants et appropriés pour exprimer une opinion sur les comptes consolidés. Il est responsable de la direction, de la supervision et de la réalisation de l'audit des comptes consolidés ainsi que de l'opinion exprimée sur ces comptes.

■ Rapport au comité d'audit

Nous remettons au comité d'audit un rapport qui présente notamment l'étendue des travaux d'audit et le programme de travail mis en œuvre, ainsi que les conclusions découlant de nos travaux. Nous portons également à sa connaissance, le cas échéant, les faiblesses significatives du contrôle interne que nous avons identifiées pour ce qui concerne les procédures relatives à l'élaboration et au traitement de l'information comptable et financière.

Parmi les éléments communiqués dans le rapport au comité d'audit figurent les risques d'anomalies significatives, que nous jugeons avoir été les plus importants pour l'audit des comptes consolidés de l'exercice et qui constituent de ce fait les points clés de l'audit, qu'il nous appartient de décrire dans le présent rapport.

Nous fournissons également au comité d'audit la déclaration prévue par l'article 6 du règlement (UE) n° 537/2014 confirmant notre indépendance, au sens des règles applicables en France telles qu'elles sont fixées notamment par les articles L. 822-10 à L. 822-14 du Code de commerce et dans le Code de déontologie de la profession de commissaire aux comptes. Le cas échéant, nous nous entretenons avec le comité d'audit des risques pesant sur notre indépendance et des mesures de sauvegarde appliquées.

Paris-La Défense, le 29 septembre 2022

Les Commissaires aux Comptes

MAZARS

ERNST & YOUNG et Autres

Achour Messas

Nicolas Macé

Groupe Eutelsat Communications

Société anonyme au capital de 230 544 995 euros

Siège social : 32, boulevard Gallieni 92130 Issy-les-Moulineaux

481 043 040 R.C.S. Nanterre

ETATS FINANCIERS CONSOLIDES

AU 30 JUIN 2022

COMPTE DE RESULTAT CONSOLIDE

(en millions d'euros, sauf données par action)	Note	30 juin 2021	30 juin 2022
Produits des activités ordinaires	6.1	1 233,9	1 151,6
Coûts des opérations	6.2	(94,7)	(93,2)
Frais commerciaux et administratifs	6.2	(217,3)	(196,8)
Dotations aux amortissements	7.1.1, 7.1.2, 7.1.3	(507,7)	(481,7)
Autres produits et charges opérationnelles	6.3	(67,0)	44,9
Résultat opérationnel		347,2	424,8
Coût de la dette nette		(72,8)	(63,1)
Autres produits et charges financiers		(22,2)	(1,8)
Résultat financier	6.4	(95,0)	(64,9)
Résultat courant avant impôt		252,3	359,9
Impôts sur les sociétés	6.5	(24,2)	(48,6)
Quote-part de résultat des sociétés mises en équivalence	7.2	-	(71,5)
Résultat net		228,1	239,8
Part attribuable au Groupe		214,1	230,8
Part attribuable aux participations ne donnant pas le contrôle		14,0	9,1
Résultat de base et dilué par action revenant aux actionnaires d'Eutelsat Communications	6.6	0,930	1,002

ETAT DU RESULTAT GLOBAL

(en millions d'euros)	Note	30 juin 2021	30 juin 2022
Résultat net		228,1	239,8
Autres éléments recyclables de gains et pertes du résultat global			
Écart de conversion	7.6.4	(16,5)	117,3
Effet d'impôt	7.6.4	(9,3)	21,0
Variations de juste valeur des instruments de couverture ⁽¹⁾	7.6.3	1,6	(43,3)
Effet d'impôt	7.6.3	15,0	10,6
Autres éléments non recyclables de gains et pertes du résultat global			
Variations des engagements de retraite	7.7	20,1	56,8
Effet d'impôt		(5,2)	(14,7)
Total autres éléments de gains et pertes du résultat global		5,8	147,7
Total état du résultat global		233,9	387,5
Part attribuable au Groupe		219,7	373,1
Part attribuable aux participations ne donnant pas le contrôle ⁽²⁾		14,2	14,4

⁽¹⁾ Les variations de juste valeur des instruments de couverture ne concernent que les couvertures de flux de trésorerie, les couvertures d'investissement net à l'étranger étant présentées en écarts de conversion

⁽²⁾ La part attribuable aux participations ne donnant pas le contrôle se décompose comme suit :

- 14,0 millions d'euros de résultat net au 30 juin 2021 et 9,0 millions d'euros au 30 juin 2022
- (0,3) million d'euros d'autres éléments recyclables de gains et pertes du résultat global au 30 juin 2021 et (1,9) million d'euros au 30 juin 2022 et
- 0,5 million d'euros d'autres éléments non recyclables de gains et pertes du résultat global au 30 juin 2021 et 7,3 millions d'euros au 30 juin 2022.

ETATS CONSOLIDES DE LA SITUATION FINANCIERE

(en millions d'euros)	Note	30 juin 2021	30 juin 2022
Actif			
Écarts d'acquisition	7.1.1	1 246,5	1 295,2
Immobilisations incorporelles	7.1.1	440,3	377,4
Immobilisations corporelles et immobilisations en cours	7.1.2	3 730,4	3 677,5
Droits d'utilisation sur contrats de location	7.1.3	517,5	452,9
Titres des sociétés mises en équivalence	7.2	-	605,7
Actifs financiers non courants	7.4.3	71,5	43,0
Actifs sur contrats clients et coûts d'obtention et d'exécution des contrats non courants	7.3	37,7	34,0
Actifs d'impôts différés	7.8	7,6	1,4
Total des actifs non courants		6 051,5	6 487,0
Stocks		8,1	12,9
Créances clients et comptes rattachés	7.3.1	244,5	246,9
Actifs sur contrats clients et coûts d'obtention et d'exécution des contrats courants	7.3	17,4	18,8
Autres actifs courants		42,8	32,6
Actif d'impôt exigible		26,6	29,7
Actifs financiers courants	7.4.3	27,0	65,1
Trésorerie et équivalents de trésorerie	7.4.1	861,1	680,5
Total des actifs courants		1 227,5	1 086,5
Total de l'actif		7 279,0	7 573,6

(en millions d'euros)	Note	30 juin 2021	30 juin 2022
Passif			
Capital social	7.6.1	230,5	230,5
Primes liées au capital		718,0	718,0
Réserves et résultat consolidés		1 666,0	1 828,8
Participations ne donnant pas le contrôle		76,2	83,4
Total capitaux propres		2 690,7	2 860,7
Dettes financières non courantes	7.4.2	3 097,4	2 718,1
Dettes locatives non courantes	7.4.3	411,6	365,9
Autres passifs financiers non courants	7.4.3	89,0	94,7
Dettes sur immobilisations non courantes	7.4.3	188,7	134,1
Passifs de contrats clients non courants	7.3.3	117,5	159,2
Provisions non courantes	7.7	83,0	17,6
Passifs d'impôts différés	7.8	197,9	184,8
Total des passifs non courants		4 185,0	3 674,5
Dettes financières courantes	7.4.2	45,5	338,5
Dettes locatives courantes	7.4.3	24,1	59,8
Autres dettes et passifs financiers courants	7.4.3	121,4	302,4
Fournisseurs et comptes rattachés		84,9	78,3
Dettes sur immobilisations courantes	7.4.3	25,0	163,3
Impôt à payer		20,8	23,6
Passifs de contrats clients courants	7.3.3	69,0	65,2
Provisions courantes	7.7	12,6	7,1
Total des passifs courants		403,3	1 038,3
Total du passif et des capitaux propres		7 279,0	7 573,6

TABLEAU DE FLUX DE TRESORERIE CONSOLIDE

(en millions d'euros)	Note	30 juin 2021	30 juin 2022
Flux d'exploitation			
Résultat net		228,1	239,8
Résultat des sociétés mises en équivalence		-	71,5
Charges d'impôts et d'intérêts, autres éléments d'exploitation		140,4	(17,3)
Dotations aux amortissements et aux provisions		502,7	492,6
Impôts différés	7.8	(32,0)	0,2
Variations des clients et comptes rattachés		79,9	5,8
Variations des actifs sur contrats clients et autres actifs		1,2	4,0
Variations des fournisseurs et comptes rattachés		(7,3)	(1,2)
Variations des passifs de contrats clients et autres passifs		18,9	30,8
Impôts payés		(42,8)	(25,2)
Trésorerie provenant des opérations d'exploitation		889,0	800,9
Flux d'investissements			
Acquisitions de satellites et autres immobilisations corporelles et incorporelles	7.1.1, 7.1.2	(183,4)	(177,2)
Remboursements d'assurance		6,6	-
Cessions ⁽¹⁾		41,5	-
Produit de libération de la bande C	2.2	-	86,1
Acquisitions de titres de participation et autres mouvements ⁽²⁾		(48,0)	(491,9)
Trésorerie utilisée par les opérations d'investissement		(183,3)	(583,0)
Flux de financement			
Distributions		(204,9)	(221,5)
Augmentation des emprunts	7.4.2	1 200,0	-
Remboursement des emprunts	7.4.2	(1 473,8)	(88,2)
Remboursement des dettes locatives	7.4.3	(91,5)	(14,1)
Frais d'émission d'emprunt		(5,2)	(4,4)
Intérêts et autres frais financiers payés		(80,0)	(78,3)
Opérations relatives aux participations ne donnant pas le contrôle ⁽³⁾		(8,8)	-
Primes et soultes payées sur instruments financiers dérivés		(6,0)	(6,7)
Autres variations		-	0,1
Trésorerie utilisée par les opérations de financement		(670,1)	(413,3)
Incidence des variations de change sur la trésorerie		(6,5)	14,7
Augmentation/(Diminution) de la trésorerie		29,1	(180,6)
Trésorerie à l'ouverture de l'exercice		832,0	861,1
Trésorerie à la clôture de l'exercice		861,1	680,5
<i>dont Trésorerie et équivalents de trésorerie à clôture de l'exercice</i>	7.4.1	861,1	680,5
<i>dont Découverts compris dans les dettes à clôture de l'exercice</i>		-	-

⁽¹⁾ Au 30 juin 2021, les cessions incluent le versement de 41,5 millions d'euros d'euros lié à la cession des d'Eurobroadband Infrastructure et ses filiales.

⁽²⁾ Au 30 juin 2021, les acquisitions de titres de participation incluent le paiement de 48,2 millions d'euros au titre de l'acquisition de Big Blu Europe dont 6,8 millions d'euros en compte séquestre. Au 30 juin 2022, elles incluent le paiement de 494,9 millions d'euros lié à l'acquisition de participations dans OneWeb Holdings Limited (voir note 3.2.1) ainsi que le remboursement du compte séquestre au titre de l'acquisition de Big Blu Europe pour 3,9 millions d'euros (voir note 3.2.2).

⁽³⁾ Au 30 juin 2021, les opérations relatives aux participations ne donnant pas le contrôle incluent le paiement d'un complément de prix lié à l'acquisition des parts minoritaires d'Eutelsat International intervenue sur l'exercice clos le 30 juin 2020.

TABLEAU DE VARIATION DES CAPITAUX PROPRES CONSOLIDES

(en millions d'euros sauf données par actions)	Capital social			Réserves et résultat	Capitaux propres part du Groupe	Participations ne donnant pas le contrôle	Total
	Nombre	Montant	Primes				
Au 30 juin 2020	230 544 995	230,5	718,0	1 711,1	2 659,8	144,8	2 804,6
Résultat net de la période	-	-	-	214,1	214,1	14,0	228,1
Autres éléments de gains et pertes du résultat global ⁽¹⁾	-	-	-	5,6	5,6	0,2	5,8
Total du résultat global	-	-	-	219,7	219,7	14,2	233,9
Distributions de dividendes	-	-	-	(204,9)	(204,9)	-	(204,9)
Avantages aux salariés sur souscription d'actions et actions gratuites	-	-	-	0,5	0,5	-	0,5
Transactions avec des participations ne donnant pas le contrôle et autres ⁽²⁾	-	-	-	(60,3)	(60,3)	(82,8)	(143,1)
Au 30 juin 2021	230 544 995	230,5	718,0	1 666,0	2 614,5	76,2	2 690,7
Résultat net de la période	-	-	-	230,8	230,8	9,1	239,9
Autres éléments de gains et pertes du résultat global ⁽¹⁾	-	-	-	142,3	142,3	5,4	147,7
Total du résultat global	-	-	-	373,1	373,1	14,4	387,5
Distributions de dividendes	-	-	-	(214,2)	(214,2)	(7,3)	(221,5)
Avantages aux salariés sur souscription d'actions et actions gratuites	-	-	-	0,2	0,2	-	0,2
Autres	-	-	-	3,7	3,7	0,2	3,9
Au 30 juin 2022	230 544 995	230,5	718,0	1 828,8	2 777,3	83,5	2 860,9

⁽¹⁾ Les variations des autres éléments de gains et pertes du résultat global comprennent les gains et pertes actuariels constatés sur les avantages postérieurs à l'emploi ainsi que la variation de la réserve de réévaluation sur les instruments financiers (cf. Note 7.6.3) et de la réserve de conversion (cf. Note. 7.6.4), nets des effets d'impôts associés.

⁽²⁾ Au 30 juin 2021, les transactions avec des participations ne donnant pas le contrôle et autres correspondent principalement à la cession d'EBI

NOTES ANNEXES AUX ETATS FINANCIERS CONSOLIDES

NOTE 1. PRESENTATION GENERALE	9
1.1 Activité.....	9
1.2 Exercice fiscal	9
1.3 Approbation des comptes	9
NOTE 2. FAITS MARQUANTS DE L'EXERCICE	9
2.1 Prise de participation dans ONEWeb Holdings Ltd.....	9
2.2 Processus de libération de la Bande C	9
2.3 Lancement et mise en service du satellite Eutelsat Quantum.....	9
2.4 Impacts du conflit russo-ukrainien.....	10
NOTE 3. PERIMETRE DE CONSOLIDATION	11
3.1 Périmètre de consolidation	11
3.2 Principales évolutions du périmètre de consolidation	13
NOTE 4. PRINCIPES COMPTABLES ET METHODES D'EVALUATION	15
4.1 Bases de préparation des comptes	15
4.2 Règles de présentation.....	15
4.3 Jugements comptables et estimations significatives	15
NOTE 5. INFORMATION SECTORIELLE	16
NOTE 6. NOTES ANNEXES DU COMPTE DE RESULTAT	17
6.1 Chiffre d'affaires	17
6.2 Charges opérationnelles.....	18
6.3 Autres produits et charges opérationnels.....	21
6.4 Résultat financier	21
6.5 Impôt sur les sociétés.....	22
6.6 Résultat par action	22
NOTE 7. NOTES ANNEXES DU BILAN	23
7.1 Actifs immobilisés.....	23
7.2 Titres mis en équivalence.....	30
7.3 Créances, actifs et passifs sur contrats clients et coûts d'obtention et d'exécution des contrats.	31
7.4 Actifs et passifs financiers	35
7.5 Juste valeur des instruments financiers.....	43
7.6 Capitaux propres	45
7.7 Provisions	46
7.8 Actifs et passifs d'impôts.....	49
NOTE 8. PARTIES LIEES	50
NOTE 9. ÉVENEMENTS POSTERIEURS A LA CLOTURE	52
NOTE 10. HONORAIRES DES COMMISSAIRES AUX COMPTES	52

NOTE 1. PRESENTATION GENERALE

1.1 ACTIVITE

Exploitant de la capacité sur 36 satellites, le Groupe est l'un des leaders dans les services fixes par satellite. Il exploite et fournit principalement de la capacité pour des Services Vidéo, des Données Fixes, ainsi que des Services aux gouvernements et offre également de la capacité dans des applications de Connectivité (Haut Débit Fixe et Connectivité Mobile). Grâce à sa flotte de satellites, le Groupe couvre l'ensemble du continent européen, le Moyen-Orient et l'Afrique du Nord, ainsi que l'Afrique sub-saharienne, une partie importante des continents asiatiques et le continent américain.

1.2 EXERCICE FISCAL

L'exercice a une durée de 12 mois du 1^{er} juillet au 30 juin.

1.3 APPROBATION DES COMPTES

Les états financiers consolidés au 30 juin 2022 ont été établis sous la responsabilité du Conseil d'Administration qui les a arrêtés par une délibération en date du 25 juillet 2022. Ils seront soumis à l'approbation de l'Assemblée Générale ordinaire des actionnaires qui aura lieu le 10 novembre 2022.

NOTE 2. FAITS MARQUANTS DE L'EXERCICE

2.1 PRISE DE PARTICIPIATION DANS ONEWEB HOLDINGS LTD

Le 27 avril 2021, le Groupe a annoncé une prise de participation de 550 millions de dollars dans OneWeb Holdings Ltd. L'opération a été finalisée le 8 septembre 2021. La constellation OneWeb bénéficie de droits prioritaires importants en matière de fréquences, garantis par l'Union Internationale des Télécommunications, et opèrera 648 satellites en orbite basse offrant une faible latence. Le 29 juin 2021, Bharti Global a également exercé une option d'achat de titres pour un montant de 350 millions de dollars amenant la participation d'Eutelsat à 20,52% une fois l'opération close le 8 septembre 2021.

Le 5 octobre 2021, Eutelsat a annoncé sa participation à une partie de la dernière option d'achat de Bharti Global dans OneWeb Holdings Ltd pour un montant total de 165 millions de dollars. Cette opération a porté, une fois les autorisations réglementaires obtenues le 22 décembre 2021, la participation d'Eutelsat à 25,13 %.

Le 28 février 2022, Hanwha Systems UK Ltd a finalisé sa prise de participation à hauteur de 300 millions de dollars portant la participation d'Eutelsat à 22,91 %.

Cette participation, financée en totalité par les liquidités disponibles du Groupe, est consolidée au 30 juin 2022 en appliquant la méthode de la mise en équivalence, le Groupe détenant une influence notable dans la structure.

Les impacts de cette acquisition sont présentés dans la Note 3.2 « Principales évolutions du périmètre de consolidation ».

2.2 PROCESSUS DE LIBERATION DE LA BANDE C

Dans le cadre de la libération des fréquences 3,7-4 GHz (bande C) sur le territoire américain faisant suite à la décision fédérale publiée par la FCC (le régulateur américain des communications) le 3 mars 2020, le Groupe a mis en place un plan de transition qui comporte deux phases correspondant chacune à la libération de certaines fréquences et donnant lieu au paiement d'incitations financières à hauteur de 125 millions de dollars U.S. pour la première phase et 382 millions de dollars U.S. pour la seconde phase.

En Octobre 2021, la FCC a validé la certification de la première phase du plan de transition du Groupe. Un produit de 125 millions de dollars a dans ce cadre été comptabilisé en autres produits opérationnels. Les fonds correspondants ont été reçus en Décembre 2021. Les travaux relatifs au plan de transition de la seconde phase sont finalisés pour les stations terrestres revendiquées par le Groupe et doivent encore faire l'objet d'une validation par la FCC.

2.3 LANCEMENT ET MISE EN SERVICE DU SATELLITE EUTELSAT QUANTUM

Le satellite EUTELSAT QUANTUM a été lancé avec succès le vendredi 30 juillet 2021 et mis en service le 10 Novembre 2021. Positionné à 48° Est, ce satellite ouvre une nouvelle ère dans les services satellitaires commerciaux. Grâce à sa programmation par logiciel, le satellite est doté d'une flexibilité en orbite qui permet à ses utilisateurs, en particulier ceux opérant sur les marchés gouvernementaux et de la mobilité, de définir et de paramétrer eux-mêmes les performances et la couverture de leurs services.

2.4 IMPACTS DU CONFLIT RUSSO-UKRAINIEN

Eutelsat est exposé à hauteur de 6,7% de son chiffre d'affaires de l'exercice 2021-22 à des clients russes et n'a pas d'exposition significative à l'Ukraine en termes de chiffre d'affaires. Le Groupe loue également de la capacité sur quatre satellites appartenant à l'opérateur russe RSCC desservant principalement les clients russes mentionnés ci-dessus et représentant une dette actualisée de 319 millions d'euros au 30 juin 2022. Bien que le Groupe possède deux filiales en Russie, la quasi-totalité des opérations avec les clients et fournisseurs russes sont portées par des filiales situées en dehors du territoire russe. Le Groupe ne présente pas d'arriérés de paiement significatifs avec ses clients russes au 30 juin 2022.

Au 30 juin 2022, Eutelsat SA détient une créance de 37 millions de dollars vis-à-vis du fournisseur d'immobilisations ILS suite à la résiliation d'un contrat de lanceur. Sa recouvrabilité sera à réévaluer régulièrement en fonction de l'évolution de la situation.

De plus, la constellation en orbite basse OneWeb, dans laquelle Eutelsat détient une participation de 22,9 %, a dû suspendre les six lancements restants prévus à partir du cosmodrome de Baïkonour. Depuis, OneWeb a conclu des accords avec SpaceX et New Space India lui permettant de reprendre les lancements de satellites.

NOTE 3. PERIMETRE DE CONSOLIDATION

Les états financiers consolidés comprennent la Société Eutelsat Communications S.A., ses filiales et les sociétés sur lesquelles elle exerce directement ou indirectement un contrôle conjoint ou une influence notable (l'ensemble constituant le « Groupe »).

PRINCIPES COMPTABLES

Les filiales sont toutes des entités dans lesquelles le Groupe exerce directement ou indirectement un contrôle. Le contrôle se caractérise par le pouvoir de diriger les politiques financières et opérationnelles, généralement mais pas systématiquement accompagné de la détention de plus de la moitié des droits de vote. L'existence et les effets des droits de votes potentiels qui sont actuellement exerçables ou convertibles, le pouvoir de nommer la majorité des membres des organes de direction et l'existence de droits de veto sont autant d'éléments pris en compte pour déterminer si le Groupe contrôle une entité. Les filiales sont consolidées selon la méthode de l'intégration globale, à compter de la date à laquelle le contrôle est transféré au Groupe. Elles sont déconsolidées à partir de la date où ce contrôle cesse d'exister. La part d'intérêt qui n'est pas attribuable directement ou indirectement au Groupe est comptabilisée en participations ne donnant pas le contrôle.

Les comptes des sociétés sous contrôle conjoint sont consolidés par mise en équivalence lorsque celles-ci sont qualifiées de coentreprises et suivant le pourcentage d'intérêt propre à chaque élément du bilan et du compte de résultat lorsqu'elles sont qualifiées d'activités conjointes.

Les comptes des entreprises associées dans lesquelles le Groupe exerce une influence notable sont consolidés selon la méthode de la mise en équivalence. L'influence notable est présumée lorsque la participation du Groupe est supérieure ou égale à 20%.

3.1 PERIMETRE DE CONSOLIDATION

Au 30 juin 2022, la liste des sociétés incluses dans le périmètre de consolidation est la suivante :

Sociétés	Pays	Méthode de consolidation	% de contrôle au 30 juin 2022	% d'intérêt au 30 juin 2022
Eutelsat Communications SA (société mère)	France	IG	100,00%	100,00%
Eutelsat S.A.	France	IG	100,00%	96,38%
Sous-groupe Eutelsat S.A.				
Eutelsat Konnect Services	France	IG	100,00%	96,38%
Fransat S.A.S	France	IG	100,00%	96,38%
Eutelsat do Brasil LTDA ⁽¹⁾	Brésil	IG	100,00%	96,38%
Eutelsat Participações LTDA ⁽²⁾	Brésil	IG	100,00%	96,38%
Satmex International BV ⁽³⁾	Pays-Bas	IG	100,00%	96,38%
Satelites Mexicanos S.A. de C.V. ⁽⁴⁾	Mexique	IG	100,00%	96,38%
EAS Delaware Corp.	Etats-Unis	IG	100,00%	96,38%
SMVS Administracion S de R.L de C.V. ⁽¹⁾	Mexique	IG	100,00%	96,38%
SMVS Servicios Tecnicos S de R.L de C.V ⁽²⁾	Mexique	IG	100,00%	96,38%
Satmex USA LLC ⁽¹⁾	Etats-Unis	IG	100,00%	96,38%
Eutelsat Servicos de Telecom. do Brasil Ltda ⁽¹⁾	Brésil	IG	100,00%	96,38%
Eutelsat Latam Corp.	Etats-Unis	IG	100,00%	96,38%
Skylogic S.p.A.	Italie	IG	100,00%	96,38%
Eutelsat Russia ⁽¹⁾	Russie	IG	100,00%	96,38%
Eutelsat Services & Beteiligungen GmbH	Allemagne	IG	100,00%	96,38%
Eutelsat Inc.	États-Unis	IG	100,00%	96,38%
Eutelsat America Corp.	États-Unis	IG	100,00%	96,38%
ES 172 LLC	États-Unis	IG	100,00%	96,38%
EA 172 UK	Royaume-Uni	IG	100,00%	96,38%
ES 174E LTD	Chypre	IG	100,00%	96,38%

Sociétés	Pays	Méthode de consolidation	% de contrôle au 30 juin 2022	% d'intérêt au 30 juin 2022
Eutelsat UK Limited	Royaume-Uni	IG	100,00%	96,38%
Eutelsat Polska spZoo	Pologne	IG	100,00%	96,38%
Skylogic Mediterraneo S.r.l	Italie	IG	100,00%	96,38%
Eutelsat Madeira Unipessoal Lda	Madère	IG	100,00%	96,38%
Eutelsat Asia Pte.Ltd	Singapour	IG	100,00%	96,38%
Eutelsat Australia Pty Ltd	Australie	IG	100,00%	96,38%
Eutelsat International Ltd	Chypre	IG	100,00%	96,38%
Eutelsat Networks LLC ⁽¹⁾	Russie	IG	100,00%	96,38%
Taurus Satellite Holding Limited	Royaume-Uni	IG	100,00%	96,38%
Broadband4Africa Limited	Royaume-Uni	IG	100,00%	96,38%
Konnect Africa France	France	IG	100,00%	96,38%
BB4A Israel Ltd	Israël	IG	100,00%	96,38%
Konnect Africa Côte d'Ivoire	Côte d'Ivoire	IG	100,00%	96,38%
Konnect South Africa Ltd	Afrique du Sud	IG	100,00%	96,38%
Konnect Africa RDC ⁽¹⁾	République démocratique du Congo	IG	100,00%	96,38%
Konnect Broadband Tanzania Limited	Tanzanie	IG	100,00%	96,38%
Eutelsat BH D.O.O. SARAJEVO ⁽²⁾	Bosnie	IG	100,00%	96,38%
Eutelsat Bulgaria ⁽²⁾	Bulgarie	IG	100,00%	96,38%
Eutelsat MENA FZ-LLC	Dubaï	IG	100,00%	96,38%
Noorsat Media City Ltd	Chypre	IG	100,00%	96,38%
Noor El Sharq Satellite	Jordanie	IG	100,00%	96,38%
Eutelsat Cyprus Ltd	Chypre	IG	100,00%	96,38%
Sat Internet Services Gmbh	Allemagne	IG	100,00%	96,38%
Getinternet GmbH	Allemagne	IG	100,00%	96,38%
Orbitcom GmbH	Allemagne	IG	100,00%	96,38%
Europasat Iberica s.l	Espagne	IG	100,00%	96,38%
Europasat France	France	IG	100,00%	96,38%
Bigblu Operations Limited ⁽²⁾	Royaume-Uni	IG	100,00%	96,38%
Bigblu Services Holding Limited ⁽²⁾	Royaume-Uni	IG	100,00%	96,38%
Bigblu Services Limited ⁽²⁾	Royaume-Uni	IG	100,00%	96,38%
BBE Bigblu Broadband Ellada ⁽²⁾	Grèce	IG	100,00%	96,38%
Bigblu Broadband Ireland Limited ⁽²⁾	Irlande	IG	100,00%	96,38%
Open Sky S.p.A	Italie	IG	100,00%	96,38%
Europasat SP .Zo.o ⁽¹⁾	Pologne	IG	100,00%	96,38%
Satelite de Sabedoria – Servicios de Internet Unipessoal LDA	Portugal	IG	100,00%	96,38%
OneWeb Holdings Limited ⁽³⁾	Royaume-Uni	MEE	22,91%	22,08%

IG : Intégration globale

MEE : Mise en équivalence

⁽¹⁾ Sociétés dont l'exercice fiscal est clos au 31 décembre pour des raisons légales ou historiques.

⁽²⁾ Sociétés dont l'exercice fiscal est clos au 30 novembre pour des raisons historiques.

⁽³⁾ Société dont l'exercice fiscal est clos au 31 mars.

Les autres sociétés ont un exercice fiscal clos au 30 juin.

3.2 PRINCIPALES EVOLUTIONS DU PERIMETRE DE CONSOLIDATION

3.2.1 Exercice clos le 30 juin 2022

Investissement dans OneWeb Holdings Ltd.

Le 8 septembre 2021, le Groupe a finalisé une prise de participation de 550 millions de dollars dans la société OneWeb Holdings Ltd. La constellation OneWeb bénéficie de droits prioritaires importants en matière de fréquences et opérera 648 satellites en orbite basse offrant une faible latence. Concomitamment, Bharti Global a exercé une option d'achat de titres pour un montant de 350 millions de dollars, amenant la participation d'Eutelsat à 20,52% une fois l'opération close le 8 septembre 2021.

Le 6 octobre 2021, Eutelsat a annoncé sa participation à une partie de la dernière option d'achat de Bharti Global dans OneWeb Holdings Ltd pour un montant total de 165 millions de dollars. Cette opération a porté, une fois les autorisations réglementaires obtenues le 22 décembre 2021, la participation d'Eutelsat à 25,13 %.

Le 28 février 2022, Hanwha Systems UK Ltd a finalisé sa prise de participation à hauteur de 300 millions de dollars portant la participation d'Eutelsat à 22,91 %.

Le Groupe exerce une influence notable dans OneWeb Holdings Ltd : le Groupe dispose de sièges au conseil d'administration de la société, participe aux décisions relatives au pilotage de la société et lui amène une expertise technique essentielle. En conséquence, cette participation est consolidée par mise en équivalence.

L'évaluation du goodwill au 30 juin 2022 est provisoire. L'allocation du prix d'acquisition au 8 septembre 2021 s'établit comme suit :

Bilan à 100%	Au 8 septembre 2021	
	(en millions d'euros)	(en millions de dollar)
Actifs non courant	1 541.1	1 827.7
Actifs courants	970.8	1 151.3
Total Actif	2 511.8	2 979.0
Passif non courant	120.3	142.7
Passif courant	164.6	195.3
Total Passif	284.9	337.9
Situation nette (100%)	2 226.9	2 641.1
Quote-part acquise du Groupe dans la situation nette	457.0	542.0
Goodwill résiduel provisoire	7.6	9.0
Contrepartie transférée	464.5	550.9
Prix d'acquisition	464.5	550.9

La seconde augmentation de capital du 22 décembre 2021 a conduit à un goodwill complémentaire préliminaire de 8,4 millions d'euros.

Acquisition de BigBlu Operations Ltd

Le Groupe a finalisé le 30 septembre 2020 l'acquisition de 100% des titres de capital de BigBlu Operations Ltd réglés en numéraire pour 40 millions de livres sterling (44 millions d'euros). La société et ses filiales opèrent les activités haut débit par satellite en Europe du groupe Bigblu Broadband. Cette acquisition s'inscrit dans la stratégie du Groupe consistant à se développer dans le domaine du haut-débit par satellite en Europe.

L'évaluation du goodwill a été finalisée dans les 12 mois suivant la prise de contrôle et intègre notamment la valeur de la relation clients acquise au cours de cette opération a été évaluée de façon distincte et qui constitue un actif incorporel.

L'allocation du prix d'acquisition (sur la base du versement réalisé au bénéfice du vendeur pour 40 millions de livres sterling) au 30 Juin 2022 s'établit comme suit :

	(en millions de livres sterling)	(en millions d'euros)
Relation client	4,7	5,2
Immobilisations incorporelles	1,1	1,2
Immobilisations corporelles	4,0	4,4
Droits d'utilisation	0,8	0,8
Stocks	0,3	0,3
Créances clients	6,6	7,3
Actifs liés aux contrats clients	11,0	12,1
Trésorerie et équivalents de trésorerie	0,2	0,2
Autres actifs	7,1	7,8
Total Actif	35,9	39,4
Dettes locatives	0,8	0,8
Dette fournisseurs	22,8	25,1
Passifs liés aux contrats clients	12,2	13,4
Autres dettes	10,4	12,2
Impôt différés passifs	0,9	1,0
Total Passif	47,1	52,6
Goodwill	51,5	57,0
Contrepartie transférée	40,2	43,8
Prix d'acquisition	40,2	43,8

Les valeurs attribuées aux actifs et passifs identifiables de BigBlu Operations Ltd, n'ont pas fait l'objet d'ajustements significatifs au cours de l'exercice clos au 30 Juin 2022. Le prix d'acquisition a fait l'objet d'un ajustement de 2,8 millions de livres sterling versé en Janvier 2022.

Au 30 juin 2021, l'allocation provisoire du prix d'acquisition s'établissait comme suit :

	(en millions de livres sterling)	(en millions d'euros)
Relation client	4,7	5,2
Immobilisations incorporelles	1,0	1,1
Immobilisations corporelles	4,0	4,5
Droits d'utilisation	0,8	0,8
Stocks	0,3	0,3
Créances clients	7,3	8,1
Actifs liés aux contrats clients	11,0	12,3
Trésorerie et équivalents de trésorerie	0,2	0,2
Autres actifs	7,4	8,1
Total Actif	36,7	40,6
Dettes locatives	0,8	0,8
Dette fournisseurs	22,9	25,1
Passifs liés aux contrats clients	12,2	13,5
Autres dettes	10,5	12,1
Impôt différés passifs	0,9	1,0
Total Passif	47,2	52,6
Goodwill résiduel provisoire	48,3	53,2
Contrepartie transférée	37,7	41,1
Prix d'acquisition	37,7	41,1

3.2.2 Exercice clos le 30 juin 2021

Cession d'Euro Broadband Infrastructure

Le 30 avril 2021, le Groupe a finalisé la cession de sa participation dans Euro Broadband Infrastructure Sàrl (EBI). Cette cession a été réglée en numéraire pour un montant initial de 143 millions d'euros. L'impact net résultant de cette cession dans le tableau de flux de trésorerie du Groupe s'élève à 41,5 millions d'euros, après prise en compte notamment de la trésorerie détenue par EBI à la date de la cession (qui représentait un montant de 100,9 millions d'euros). Par ailleurs, des immobilisations corporelles pour un montant total de 131,7 millions d'euros, constituées principalement du satellite KA SAT opéré par EBI, ont été sorties du périmètre de consolidation lors de cette cession. Les impacts de cette opération sur le résultat du Groupe au titre de l'exercice clos le 30 juin 2021 sont présentés dans la note 6.3 « Autres produits et charges opérationnels ».

NOTE 4. PRINCIPES COMPTABLES ET METHODES D'EVALUATION

4.1 BASES DE PREPARATION DES COMPTES

Les états financiers consolidés au 30 juin 2022 sont établis selon le référentiel IFRS tel qu'approuvé par l'Union Européenne en vigueur à cette date et dont les textes sont disponibles à l'adresse Internet suivante : http://ec.europa.eu/commission/index_fr

Le Groupe applique depuis le 1er juillet 2021 les nouvelles normes et interprétations décrites ci-dessous et adoptées par l'Union Européenne :

- Amendements à IFRS 9, IAS 39, IFRS 7, IFRS 4 et IFRS 16, en lien avec la réforme des taux interbancaires de référence – Phase II
- Amendements à IAS 1 Présentation des états financiers : présentation des principes comptables ;
- Amendements à l'IFRS 16 Contrats de location : Covid-19 – Loyers ;
- Amendements à IAS 8 Principes comptables : définition des estimations comptables.

Ces nouveaux textes n'ont pas eu d'effet significatif sur les états financiers du Groupe.

4.2 REGLES DE PRESENTATION

4.2.1 Conversion des états financiers et transactions en devises étrangères

La monnaie de référence et de présentation des états financiers est l'euro.

Les filiales situées dans des pays en dehors de la zone euro tiennent leurs comptabilités dans la devise la plus représentative de leurs environnements économiques respectifs. Les éléments bilanciaux sont convertis au taux de change de clôture. Les éléments du compte de résultat sont convertis au taux de change moyen de la période. Les écarts de conversion du bilan et du compte de résultat qui proviennent des variations de taux de change sont présentés en écarts de conversion dans les capitaux propres. Le Groupe ne consolide aucune société dont la devise fonctionnelle est celle d'une économie hyper inflationniste.

Les transactions libellées en monnaies étrangères sont converties en monnaie fonctionnelle aux taux de change des jours des transactions. Les gains et les pertes de change résultant du règlement de ces transactions et de la conversion au taux de change de clôture des actifs et des passifs monétaires libellés en monnaies étrangères sont comptabilisés en résultat de change.

Les pertes et gains de change résultant de la conversion des avances capitalisables consenties à des filiales étrangères et faisant partie de l'investissement net dans la filiale consolidée sont enregistrés directement en capitaux propres sous la rubrique écart de conversion.

La principale devise étrangère utilisée est le dollar U.S. Le taux de clôture retenu est de 1,051 dollar U.S. pour 1 euro et le taux moyen de la période est de 1,138 dollar U.S. pour 1 euro.

4.2.2 Présentation des actifs et passifs courants et non courants

Les actifs et les passifs courants sont ceux que le Groupe s'attend à réaliser, consommer ou régler durant le cycle d'exploitation normal, qui est inférieur à 12 mois. Tous les autres actifs et passifs sont non courants.

4.3 JUGEMENTS COMPTABLES ET ESTIMATIONS SIGNIFICATIVES

La préparation des états financiers consolidés du Groupe requiert le recours à des jugements et estimations susceptibles d'impacter certains éléments d'actif et de passif et les montants des produits et des charges qui figurent dans ces états financiers et les notes qui les accompagnent. La Direction est amenée à revoir ces estimations et appréciations de manière constante sur la base de l'expérience passée et des autres facteurs jugés pertinents au regard des conditions économiques. Le dénouement des opérations sous-jacentes à ces estimations et hypothèses pourrait résulter, en raison de l'incertitude attachée à ces dernières, en un ajustement significatif des montants comptabilisés au cours d'une période subséquente.

Dans le cadre de l'établissement des états financiers au 30 juin 2022, la Direction a exercé son jugement, notamment au regard de la valeur recouvrable des actifs, de la reconnaissance du chiffre d'affaires, de l'estimation des provisions et l'appréciation des passifs éventuels, de la comptabilisation des actifs et passifs d'impôt, et de l'évaluation du risque clients.

NOTE 5. INFORMATION SECTORIELLE

Le Groupe considère qu'il n'opère que dans un seul secteur opérationnel se fondant sur l'appréciation des services rendus et la nature des risques associés, plutôt que sur leur destination. Il s'agit de la fourniture de services de communications par satellite pour la vidéo, les réseaux d'entreprise et à haut débit, et les mobiles, principalement aux opérateurs de communications et diffuseurs internationaux, intégrateurs de réseaux d'entreprise et entreprises pour leurs besoins propres.

Les indicateurs de performance suivis par la Directrice générale et la Directrice financière, qui forment le principal organe de décision opérationnel du Groupe, sont les suivants :

- le chiffre d'affaires ;
- l'EBITDA défini comme le résultat opérationnel avant dotations aux amortissements, dépréciations d'actifs, autres produits et charges opérationnels et le taux de marge de l'EBITDA par rapport au chiffre d'affaires ;
- les investissements cash couvrant les acquisitions de satellites, d'autres immobilisations corporelles et incorporelles ainsi que les paiements au titre des facilités de crédit à l'exportation et au titre des dettes locatives, les investissements cash s'entendent nets des produits d'assurance y afférent, le cas échéant ;
- le cash-flow discrétionnaire défini comme les flux de trésorerie provenant des opérations d'exploitation duquel sont soustraits les investissements cash ainsi que les intérêts et autres frais financiers payés nets des produits d'intérêt reçus ;
- le ratio de dette nette sur EBITDA (voir note 7.4.4 « Dette nette »).

Le reporting interne est une présentation du compte de résultat consolidé du Groupe suivant une répartition de postes différente des états financiers consolidés afin de faire ressortir ces indicateurs de performance mais dont les principaux agrégats sont identiques à ceux figurant dans les comptes consolidés du Groupe. Le reporting est établi conformément aux principes IFRS appliqués par le Groupe pour ses états financiers consolidés.

La majeure partie des actifs du Groupe est constituée des satellites en orbite, le reste des actifs étant principalement localisé en France, en Italie et au Mexique.

NOTE 6. NOTES ANNEXES DU COMPTE DE RESULTAT

6.1 CHIFFRE D'AFFAIRES

PRINCIPES COMPTABLES

La majorité des contrats concernent la fourniture de services de capacité satellitaire auprès de clients distributeurs (qui revendent la capacité à des utilisateurs finaux) et de clients utilisateurs (qui utilisent la capacité pour leurs propres besoins). Ces contrats couvrent généralement des périodes allant de plusieurs mois à plusieurs années à l'exception de certains contrats portant sur de la fourniture de capacité occasionnelle de courte durée. Pour l'ensemble de ces contrats, le chiffre d'affaires est reconnu à l'avancement, au fur et à mesure du transfert du contrôle de la capacité au client sur la période contractuelle en fonction du volume d'unités de capacité satellitaire vendu (exprimé en Mhz ou Mbps selon les contrats). Cette méthode permet de reconnaître le chiffre d'affaires correspondant au niveau de service rendu à nos clients pour une période donnée en tenant compte des éventuelles variations de volume d'unités vendues au cours du contrat.

Certains contrats incluent des contreparties variables telles que des prix variables ou des périodes de gratuité. Pour ces contrats, le Groupe estime le montant de contrepartie auquel il aura droit en échange de la fourniture des services promis au client et en tient compte dans la reconnaissance du chiffre d'affaires dès lors qu'il est hautement probable que la levée ultérieure de l'incertitude relative à la contrepartie variable ne donnera pas lieu à un ajustement à la baisse important du chiffre d'affaires comptabilisé.

Le Groupe prend parfois à sa charge des frais marketing (promotion, publicité, ...) ou techniques (principalement des achats et installations d'antennes) pour le compte de certains clients. Lorsque ces frais ne sont pas distincts du service transféré au client, ils constituent une même obligation de performance avec le service de capacité et la contrepartie payable au client est reconnue en réduction du chiffre d'affaires sur la durée du contrat. Lorsque la contrepartie payable au client est octroyée en contrepartie d'un service distinct de la part du client et correspond à la juste valeur du service pour le Groupe elle est comptabilisée en charges opérationnelles.

Certains contrats prévoient la possibilité d'une résiliation anticipée, moyennant le versement d'indemnités. Lorsque ces indemnités sont versées dans le cadre d'une modification de contrat qui ne porte pas sur des services distincts du contrat existant, les services du contrat amendé ne forment qu'une seule et même obligation de performance avec les services partiellement remplis à la date de modification. Ces indemnités sont alors étalées sur la durée de vie du contrat modifié.

Dans le cadre de son activité de Haut Débit Fixe, le Groupe vend à ses clients des terminaux en complément de la fourniture de capacité satellitaire. Suivant le type de terminal et le cadre contractuel qui peut varier suivant la zone géographique adressée et le type de client (distributeur ou utilisateur final), le Groupe détermine si la vente de terminal constitue une obligation de performance distincte de la fourniture de capacité, ou si elle ne forme, avec la fourniture de capacité, qu'une seule obligation de performance. Lorsque le terminal constitue une obligation de performance distincte du service de capacité, le chiffre d'affaires et la charge d'achat de l'équipement sont intégralement reconnus lors du transfert de contrôle du terminal. Dans le cas où la vente de terminal et de capacité constitue une même obligation de performance, le chiffre d'affaires du service de capacité est reconnu sur la durée moyenne de la relation client et celui du terminal sur la durée moyenne d'utilisation de l'équipement. La charge d'achat du terminal est étalée sur la même durée que la vente, en tant qu'un coût d'exécution du contrat. L'actif et le passif relatifs à l'étalement de l'achat et de la vente du terminal sont présentés de manière distincte en autres actifs et passifs de contrats clients.

6.1.1 Chiffre d'affaires par application

Le chiffre d'affaires par application se présente comme suit :

(en millions d'euros)	30 juin 2021	30 juin 2022
Broadcast	741,0	696,9
Données & Vidéo Professionnelle	161,4	158,5
Services aux gouvernements	151,4	144,4
Haut Débit Fixe	80,2	68,7
Connectivité Mobile	67,2	79,9
Total Activités opérationnelles	1 201,2	1 148,3
Autres Revenus	32,7	3,3
Total	1 233,9	1 151,6
Taux de change EUR/USD	1,188	1,138

Les autres revenus incluent l'effet de couverture de change euros / dollars, la rémunération de services de conseil ou d'ingénierie fournis à des tiers ainsi que des indemnités de fin de contrat.

6.1.2 Chiffre d'affaires par zone géographique

Le chiffre d'affaires par zone géographique, déterminé à partir des adresses de facturation des clients, se présente comme suit :

(en millions d'euros et pourcentage)	30 juin 2021		30 juin 2022	
Régions	Montant	%	Montant	%
France	78,1	6,3	71,0	6,2
Italie	146,0	11,8	129,7	11,3
Royaume-Uni	66,2	5,4	68,9	6,0
Europe (autres)	325,7	26,4	310,1	26,9
Amériques	231,0	18,7	235,1	20,4
Moyen-Orient	241,3	19,6	214,5	18,6
Afrique	94,1	7,6	99,5	8,6
Asie	35,2	2,9	33,9	2,9
Autres ⁽¹⁾	16,4	1,3	(10,9)	(1,0)
Total	1 233,9	100,0	1 151,6	100,0

⁽¹⁾ Les autres revenus incluent l'effet de couverture de change du chiffre d'affaires euros/dollars qui s'élève à (11,8) millions d'euros pour l'exercice clos le 30 juin 2022 contre 15,6 millions d'euros pour l'exercice clos le 30 juin 2021.

6.1.3 Carnet de commandes

Le carnet de commandes représente le chiffre d'affaires futur correspondant aux contrats d'attribution de capacité ou de services (y compris les contrats pour les satellites en cours d'approvisionnement). Il s'établit à 4,0 milliards d'euros au 30 juin 2022. Le carnet de commandes sécurisé, qui correspond aux exigences requises par IFRS 15 et excluant le chiffre d'affaires soumis à des clauses de rupture anticipées, s'élève à 3,2 milliards d'euros. Le montant du carnet de commande sécurisé à échéance à moins de 5 ans s'élève à 2,5 milliards d'euros, dont 1,6 milliard à moins de 2 ans.

6.2 CHARGES OPERATIONNELLES

Les coûts des opérations incluent principalement les coûts de personnel et les autres coûts liés au contrôle et à l'exploitation des satellites, ainsi que les primes d'assurance-vie en orbite des satellites.

Les frais commerciaux et administratifs comprennent essentiellement les coûts du personnel administratif et commercial, l'ensemble des dépenses de marketing et de publicité ainsi que les frais généraux rattachés.

Les charges opérationnelles relatives aux dépréciations sur les créances commerciales et les actifs sur contrat clients s'élèvent à 23,5 millions d'euros au 30 juin 2022 (contre 32,8 millions d'euros pour l'exercice clos le 30 juin 2021).

6.2.1 Charges de personnel

Les charges de personnel (y compris la participation légale des salariés) se ventilent comme suit :

(en millions d'euros)	30 juin 2021	30 juin 2022
Coûts des opérations	58,6	54,9
Charges commerciales et administratives	95,2	84,5
Total	153,8	139,4

Les salariés d'Eutelsat S.A. bénéficient d'un Plan d'Epargne d'Entreprise (PEE) alimenté par versements volontaires des salariés, d'un dispositif de Compte Epargne Temps (CET) et d'un accord d'intéressement conclu pour une durée de trois ans assis sur des objectifs révisables annuellement.

6.2.2 Effectifs

Le Groupe compte 1 093 salariés équivalent temps plein à la clôture au 30 juin 2022 contre 1 132 à la clôture au 30 juin 2021.

Le nombre moyen d'employés, en équivalent temps plein sur l'exercice, s'établit comme suit :

	30 juin 2021	30 juin 2022
Opérations	511	510
Fonctions commerciales et administratives	598	602
Total	1 109	1 112

6.2.3 Rémunération en actions et assimilés

PRINCIPES COMPTABLES

Les paiements fondés sur des actions sont évalués à leur juste valeur à la date d'attribution des plans et sont comptabilisés en charges de personnel sur la durée d'acquisition des droits représentatifs de l'avantage consenti, en contrepartie d'une augmentation des capitaux propres pour les plans dénoués en actions ou des autres passifs financiers pour les plans dénoués en trésorerie. Ils sont réévalués à chaque clôture afin de tenir compte de l'évolution des hypothèses d'acquisition des droits (taux de rotation du personnel, probabilité d'atteinte des critères de performance) et, pour les plans dénoués en trésorerie, de l'évolution des conditions de marché (cours de bourse).

Le Groupe a octroyé des actions gratuites aux mandataires sociaux en janvier 2022, novembre 2021, en novembre 2020 ainsi que des actions fictives à certains salariés et mandataires sociaux en novembre 2019, novembre 2020 et en novembre 2021. L'attribution de ces actions gratuites et fictives est généralement soumise à une condition de présence et à l'atteinte de conditions de performance.

La charge constatée au titre de ces plans (hors charges sociales) s'est élevée à 1,6 millions d'euros sur l'exercice clos le 30 juin 2022 contre 2,4 millions d'euros pour l'exercice clos le 30 juin 2021.

Les caractéristiques des plans sont les suivantes :

Caractéristiques des plans	Plan novembre 2019	Plan novembre 2020	Plan novembre 2021	Plan janvier 2022
Période d'acquisition	Juillet 2019 - Juin 2022	Juillet 2020 - Juin 2023	Juillet 2021 - Juin 2024	Janvier 2022 - Décembre 2024
Mode de règlement	Trésorerie	Actions et trésorerie	Actions et trésorerie	Actions
Nombre maximal d'actions attribuables à l'origine	328 804	512 560	264 675	75 736
Nombre de bénéficiaires	255	30	25	1
Nombre d'actions et conditions de performance du plan d'actions gratuites				
Nombre d'actions total en circulation	-	93 834	58 581	75 736
Conditions de performance	-	Chiffre d'affaires, <i>cash-flow</i> libre discrétionnaire et TSR relatif ⁽¹⁾ et CSR	Chiffre d'affaires, <i>cash-flow</i> libre discrétionnaire et TSR relatif ⁽¹⁾ et CSR	Chiffre d'affaires, <i>cash-flow</i> libre discrétionnaire et TSR relatif ⁽¹⁾ et CSR
Nombre d'actions et conditions de performance des plans d'actions fictives				
Nombre d'actions total en circulation	90 113	235 592	176 121	-
Objectifs de performance	Chiffre d'affaires, <i>cash-flow</i> libre discrétionnaire et TSR relatif ⁽¹⁾ et CSR	Chiffre d'affaires, <i>cash-flow</i> libre discrétionnaire et CSR	Chiffre d'affaires, <i>cash-flow</i> libre discrétionnaire et CSR	-
Juste valeur des actions au 30 juin 2022				
Juste valeur hors TSR ⁽¹⁾ (actions)	-	6,63€	9,98€	8,87€
Juste valeur hors TSR ⁽²⁾ (trésorerie)	10,96€	10,20€	9,51€	-
Juste valeur après prise en compte TSR ⁽¹⁾	0€	4,97€	9,71€	9,21€
Valorisation totale du plan au 30 juin 2022 (en millions d'euros) ⁽²⁾	0,9	1,7	0,7	0,1
Charge de l'exercice				
Charge de l'exercice clos le 30 juin 2022 (en millions d'euros)⁽²⁾	0,2	0,6	0,7	0,1

⁽¹⁾ Le TSR (*total shareholder return*) relatif mesure le taux de rentabilité de l'action Eutelsat par rapport à celui d'autres références ou indices. Cette condition de performance n'est applicable qu'aux mandataires sociaux.

⁽²⁾ Hors charges sociales

6.3 AUTRES PRODUITS ET CHARGES OPERATIONNELS

PRINCIPES COMPTABLES

Les autres produits et charges opérationnels sont constitués des produits et charges inhabituels, anormaux et peu fréquents. Ils comprennent notamment les dépréciations d'actifs, le coût des échecs au lancement et les remboursements d'assurance y afférant, les litiges non commerciaux nets des frais engagés, les frais de restructuration, les résultats de cession d'immobilisations et les conséquences des évolutions de périmètre (frais d'acquisitions et résultats de cession).

(en millions d'euros)	30 juin 2021	30 juin 2022
Autres produits opérationnels	1,3	108,0
Autres charges opérationnelles	(68,3)	(63,1)
Total	(67,0)	44,9

Au 30 juin 2022, les autres produits opérationnels comprennent le produit de libération de la phase 1 de la bande C pour 106,6 millions d'euros (voir note 2.2). Les autres charges opérationnelles incluent principalement les dépréciations sur des satellites et lanceurs pour 33,8 millions d'euros, des coûts de restructuration pour 7,2 millions d'euros et un ajustement de l'impact de cession d'EBI pour 10,9 millions d'euros.

Au 30 juin 2021, les autres charges opérationnelles incluent principalement les dépréciations sur des satellites pour 27,9 millions ainsi que des charges relatives à des litiges non commerciaux pour 13,9 millions d'euros, l'impact de la cession d'EBI pour 8,8 millions d'euros et la restructuration d'activités non significatives pour 6 millions d'euros.

6.4 RESULTAT FINANCIER

(en millions d'euros)	30 juin 2021	30 juin 2022
Charges d'intérêts après couverture	(68,1)	(64,4)
Intérêts sur dettes locatives	(14,3)	(11,9)
Frais d'émission d'emprunt & commissions	(7,7)	(10,1)
Intérêts capitalisés	17,1	16,2
Coût de la dette brute	(73,0)	(70,2)
Produits financiers	0,2	7,0
Coût de la dette nette	(72,8)	(63,1)
Variation des instruments financiers dérivés	-	(0,9)
Résultat de change	(16,1)	16,6
Autres	(6,1)	(17,5)
Résultat financier	(95,0)	(64,9)

La charge d'intérêts comprend respectivement 9,2 millions d'euros et 9,5 millions d'euros aux 30 juin 2021 et 2022 de charges liées à l'exercice et à la résiliation d'instruments de pré-couverture destinés à fixer le taux d'intérêt des émissions obligataires d'octobre 2018, de juin 2019 et octobre 2020.

Le montant des intérêts capitalisés est dépendant de l'avancement et du nombre des programmes de constructions satellitaires constatés au cours de l'exercice concerné. Le taux d'intérêt retenu pour la détermination des charges d'intérêts capitalisables est de 2,55% au 30 juin 2022 contre 2,38% au 30 juin 2021.

Les variations de juste valeur des instruments financiers dérivés aux 30 juin 2022 et 2021 incluent notamment la part inefficace de la valeur temps des instruments dérivés qualifiés dans une relation de couverture.

6.5 IMPOT SUR LES SOCIETES

La charge d'impôt du Groupe se décompose comme suit :

(en millions d'euros)	30 juin 2021	30 juin 2022
Charge d'impôt courant	(56,2)	(48,4)
Produit (charge) d'impôt différé	32,0	(0,2)
Total impôt sur les sociétés	(24,2)	(48,6)

Le rapprochement de la charge d'impôt théorique, calculée selon le taux de droit commun en France appliqué au résultat avant impôt, résultat des sociétés mises en équivalence, avec la charge d'impôt réelle, s'établit comme suit :

(en millions d'euros)	30 juin 2021	30 juin 2022
Résultat courant avant impôt	252,3	359,9
Taux d'impôt de droit commun en France	32,0%	28,41%
Charge d'impôt théorique	(80,8)	(102,2)
Bénéfices non taxables	72,5	62,6
Différences de taux d'imposition	3,1	1,7
Utilisation de pertes fiscales	-	-
CVAE	(2,8)	(2,2)
Impôts différés nés au cours de l'exercice antérieur et reconnus sur la période	-	0,5
Autres différences permanentes	(16,2)	(8,9)
Charge d'impôt	(24,2)	(48,6)
Taux d'impôt effectif	9,6%	13,5%

Les autres différences permanentes intègrent principalement l'impact des différences de change et des effets d'inflation sur les positions d'impôts différés de la filiale Satellites Mexicanos pour respectivement 15,2 millions d'euros et (5,3) millions d'euros aux 30 juin 2021 et 2022.

6.6 RESULTAT PAR ACTION

PRINCIPES COMPTABLES

Le résultat net par action est calculé en divisant le résultat net de l'exercice attribuable aux actionnaires d'Eutelsat Communications par le nombre moyen pondéré d'actions en circulation durant chaque période considérée. Les actions propres ne sont pas prises en compte pour le calcul du résultat par action.

Le tableau ci-dessous présente la réconciliation entre le résultat net et les résultats nets (de base et dilué) revenant aux actionnaires utilisés pour le calcul des résultats par action (de base et dilué).

(en millions d'euros)	30 juin 2021	30 juin 2022
Résultat net	228,1	239,8
Quote-part de résultat des filiales rétrocédée aux participations ne donnant pas le contrôle	(14,0)	(9,1)
Résultat net utilisé pour le calcul du résultat par action	214,1	230,8
Nombre moyen d'actions	230 196 636	230 322 045

NOTE 7. NOTES ANNEXES DU BILAN

7.1 ACTIFS IMMOBILISES

7.1.1 Ecart d'acquisition et immobilisations incorporelles

PRINCIPES COMPTABLES

Ecart d'acquisition

Les regroupements d'entreprises sont comptabilisés selon la méthode de l'acquisition. La contrepartie transférée en échange du contrôle de l'entité acquise est évaluée à sa juste valeur et inclut les clauses de rémunération éventuelles en tenant compte de leur probabilité de survenance. Les actifs, passifs et passifs éventuels identifiables de l'entité acquise sont comptabilisés à leur juste valeur. Les coûts directement attribuables à l'acquisition sont exclus de la contrepartie transférée et sont inscrits en autres produits et charges opérationnels lorsqu'ils sont encourus.

Les participations ne donnant pas le contrôle peuvent, à la date d'acquisition, être évaluées à la juste valeur ou en quote-part des actifs et passifs identifiables de l'entité acquise. L'option pour l'application de l'une de ces deux méthodes est exerçable transaction par transaction.

Lors de la première consolidation, l'ensemble des actifs, passifs et passifs éventuels de la société acquise est estimé à sa juste valeur. Dans le cadre d'une prise de contrôle par achats successifs, la participation antérieurement détenue est réévaluée à sa juste valeur en date d'acquisition, le profit ou la perte en découlant est comptabilisé en résultat.

Les écarts d'acquisitions sont évalués dans la devise fonctionnelle de l'entité acquise, à la date du regroupement, pour un montant égal à la différence entre la somme de la juste valeur de la contrepartie versée et la juste valeur des actifs identifiables acquis et des passifs assumés. Ils font l'objet d'un test de dépréciation au moins une fois par an au niveau du seul segment opérationnel du Groupe.

Contrats clients et relations associées

Les contrats clients et relations associées, acquis dans le cadre de regroupement d'entreprises, sont comptabilisés à leur juste valeur à la date d'acquisition. La juste valeur est déterminée par référence aux méthodes généralement admises en la matière telles que celles fondées sur les revenus ou la valeur de marché. Ces actifs sont amortis linéairement sur leur durée de vie économique, estimée sur la base de la durée moyenne des relations contractuelles existant à la date d'acquisition et de taux de renouvellement attendus. La principale relation client reconnue dans les comptes du Groupe est celle d'Eutelsat SA, amortie sur une durée de 20 ans.

Autres immobilisations incorporelles

Les autres immobilisations incorporelles sont constituées de frais de développement capitalisés, de licences et de droits orbitaux.

Les frais de développement sont capitalisés et amortis sur une durée comprise entre 3 et 7 ans dès lors que le Groupe peut démontrer :

- la capacité technique à réaliser l'actif pour l'utiliser ou le vendre,
- l'intention et la capacité d'achever le développement de l'actif, et de l'utiliser ou de le vendre,
- la capacité à utiliser ou vendre l'actif,
- la probabilité que des avantages économiques futurs bénéficieront au Groupe du fait de cet actif,
- la disponibilité de ressources techniques, financières ou autres adéquates à la réalisation de l'actif,
- la capacité à mesurer de manière fiable les dépenses attribuables à l'actif durant sa phase de développement.

Les dépenses engagées au titre de la recherche (ou durant la phase de recherche d'un projet interne) sont reconnues en charges dans les frais commerciaux et administratifs lorsqu'elles sont encourues.

Les droits orbitaux et les licences sont amortis sur leur durée d'utilisation, généralement respectivement comprises entre 13 et 23 ans et entre 1 et 13 ans.

Les écarts d'acquisition et les immobilisations incorporelles ont évolué comme suit au cours des deux exercices :

(en millions d'euros)	Écarts d'acquisition	Contrats clients et relations associées	Marque Eutelsat	Autres immobilisations incorporelles	Total
Immobilisations brutes					
Valeur brute au 30 juin 2020	1 209,2	1 124,7	40,8	333,0	2 707,6
Acquisitions	-	-	-	21,2	21,2
Transferts	-	-	-	30,0	30,0
Variations de change	(15,9)	(11,6)	-	(3,4)	(30,9)
Cessions et mises au rebut	-	-	-	(5,3)	(5,3)
Entrée de périmètre	53,2	5,2	-	1,1	59,5
Sortie de périmètre	-	-	-	(6,3)	(6,3)
Valeur brute au 30 juin 2021	1 246,5	1 118,3	40,8	370,3	2 775,9
Acquisitions	-	0,2	-	12,2	12,4
Transferts	-	-	-	11,5	11,5
Variations de change	44,9	28,8	-	8,2	81,9
Cessions et mises au rebut	-	-	-	(3,2)	(3,2)
Entrée de périmètre	3,7	-	-	-	3,7
Valeur brute au 30 juin 2022	1 295,2	1 147,2	40,8	398,9	2 882,1
Amortissements et dépréciations					
Amortissements cumulés au 30 juin 2020	-	(774,2)	-	(209,4)	(983,6)
Dotations aux amortissements	-	(64,6)	-	(38,8)	(103,4)
Transferts et autres	-	-	-	(17,0)	(17,0)
Variations de change	-	4,8	-	1,2	6,0
Reprises (cessions et mises au rebut)	-	-	-	2,8	2,8
Sortie de périmètre	-	-	-	6,2	6,2
Amortissements cumulés au 30 juin 2021	-	(833,9)	-	(255,1)	(1 089,0)
Dotations aux amortissements	-	(64,5)	-	(35,7)	(100,3)
Transferts et autres	-	0,1	-	0,2	0,3
Variations de change	-	(15,6)	-	(3,2)	(18,8)
Reprises (cessions et mises au rebut)	-	-	-	1,5	1,5
Dépréciation	-	(3,2)	-	-	(3,2)
Amortissements cumulés au 30 juin 2022	-	(917,2)	-	(292,3)	(1 209,5)
Valeur nette au 30 juin 2020	1 209,2	350,4	40,8	123,6	1 724,0
Valeur nette au 30 juin 2021	1 246,5	284,3	40,8	115,2	1 686,9
Valeur nette au 30 juin 2022	1 295,2	230,0	40,8	106,6	1 672,6

La marque Eutelsat a été reconnue lors de l'acquisition d'Eutelsat S.A. par Eutelsat Communications en 2005.

PRINCIPES COMPTABLES

Les satellites et autres immobilisations corporelles sont évalués à leur coût d'acquisition comprenant tous les coûts directement attribuables à la préparation de leur utilisation, après déduction des amortissements cumulés et des éventuelles pertes de valeurs.

Le coût des satellites comprend toutes les dépenses encourues pour leur mise en service, notamment les coûts de construction, de lancement, d'assurance au lancement, les intérêts capitalisés, les primes d'intéressement et autres coûts directement attribuables à la supervision du programme (études, frais de personnel et prestations de conseil).

Les coûts d'emprunts relatifs au financement d'immobilisations corporelles sont capitalisés pour la part encourue au cours de la période de construction. En l'absence d'emprunt spécifiquement adossé à l'immobilisation en cours de construction, les intérêts capitalisés sont calculés à partir d'un taux de capitalisation égal à la moyenne pondérée des coûts d'emprunts du Groupe.

Les durées d'utilité retenues par le Groupe sont les suivantes :

- 12 à 24 ans pour les satellites,
- 5 à 10 ans pour les équipements de surveillance du trafic,
- 2 à 5 ans pour les équipements informatiques,
- 3 à 10 ans pour les aménagements et agencements des constructions.

Les satellites sont amortis à compter de leur mise en service technique. Le délai observé entre le lancement d'un satellite et sa mise en service technique peut varier entre un et neuf mois, suivant le mode de propulsion utilisé par le satellite.

Le Groupe revoit chaque année les durées d'utilité résiduelles de ses satellites en orbite, en se fondant à la fois sur leur utilisation prévue et sur l'évaluation technique de leur durée de vie. En cas de réduction ou d'allongement de la durée d'utilité, le plan d'amortissement est revu de façon prospective.

Les immobilisations en cours de construction comprennent principalement les jalons de paiements, représentatifs de l'avancement de la construction des satellites en cours, ainsi que les avances versées au titre des lanceurs et des assurances au lancement.

Les immobilisations corporelles ont évolué comme suit au cours des deux exercices :

(en millions d'euros)	Satellites	Autres immobilisations corporelles	Immobilisations en cours	Total
Immobilisations brutes				
Valeur brute au 30 juin 2020	6 027,1	437,7	1 061,2	7 526,0
Acquisitions	1,8	27,8	379,5	409,0
Cessions	-	(5,1)	-	(5,1)
Mises au rebut	(119,6)	(14,6)	-	(134,2)
Variations de change	(63,0)	(1,8)	(0,4)	(65,1)
Entrée de périmètre	-	4,5	-	4,5
Sortie de périmètre	(296,0)	(68,4)	-	(364,4)
Transferts et autres	182,5	75,2	(226,0)	31,7
Valeur brute au 30 juin 2021	5 732,8	455,4	1 214,4	7 402,5
Acquisitions	7,6	26,0	276,5	310,0
Cessions	-	(1,2)	-	(1,2)
Mises au rebut	(86,7)	(2,1)	(1,7)	(90,4)
Variations de change	155,0	5,3	0,4	160,7
Entrée de périmètre	-	-	-	-
Sortie de périmètre	-	-	-	-
Transferts et autres	167,7	10,3	(281,5)	(103,5)
Valeur brute au 30 juin 2022	5 976,4	493,8	1 208,1	7 678,2
Amortissements et dépréciations				
Amortissements cumulés au 30 juin 2020	(3 317,5)	(350,7)	(1,2)	(3 669,4)
Dotations aux amortissements	(312,4)	(27,0)	-	(339,4)
Dépréciations	(16,2)	-	-	(16,2)
Reprises (cessions)	-	5,0	-	5,0
Reprises (mises au rebut)	119,6	13,3	-	132,9
Variations de change	27,0	1,1	-	28,1
Sortie de périmètre	175,3	57,4	-	232,7
Transferts et autres	(1,6)	(45,5)	1,2	(45,8)
Amortissements cumulés au 30 juin 2021	(3 325,8)	(346,4)	-	(3 672,2)
Dotations aux amortissements	(290,2)	(29,7)	-	(319,8)
Dépréciations	(12,0)	-	-	(12,0)
Reprises (cessions)	-	1,0	-	1,0
Reprises (mises au rebut)	86,7	0,9	-	87,6
Variations de change	(82,6)	(3,1)	-	(85,8)
Transferts et autres	-	0,4	-	0,4
Amortissements cumulés au 30 juin 2022	(3 623,9)	(376,9)	-	(4 000,8)
Valeur nette au 30 juin 2020	2 709,7	87,0	1 060,0	3 856,7
Valeur nette au 30 juin 2021	2 407,0	109,0	1 214,4	3 730,4
Valeur nette au 30 juin 2022	2 352,6	116,9	1 208,1	3 677,5

Les transferts portant sur les satellites au cours de la période close le 30 juin 2022 correspondent à la mise en service du satellite Eutelsat Quantum lancé au cours de la période. Au 30 juin 2022, la ligne « Transferts et autres » relative aux immobilisations en cours reflète les impacts de la résiliation de deux contrats de lanceurs pour un montant d'actifs de 90 millions d'euros.

Le Groupe a constaté une dépréciation sur un satellite pour respectivement 12,0 millions d'euros et 16,2 millions d'euros aux 30 juin 2022 et 30 juin 2021.

Les dates d'entrée en service attendues des satellites en cours de construction à la date d'arrêté des comptes sont les suivantes :

Projets	Années
Konnect VHTS, EUTELSAT 10B, Hotbird 13F et Hotbird 13G	Année calendaire 2023
EUTELSAT 36 D	Année calendaire 2024

7.1.3 Droits d'utilisation sur contrats de location

PRINCIPES COMPTABLES

Les contrats au travers desquels le Groupe dispose de l'utilisation d'un actif spécifique sont comptabilisés à l'actif du bilan sous la forme d'un droit d'utilisation, assortis d'une dette au passif, lorsque les conditions des contrats sont telles que ces derniers sont qualifiés de contrats de location, c'est-à-dire qu'ils transfèrent le contrôle du bien sur la totalité de la durée de la location.

Les droits d'utilisation sont généralement amortis sur la durée de la location correspondant à la période non résiliable, complétée le cas échéant des options de renouvellement dont l'exercice par le Groupe est raisonnablement certain.

Le taux d'actualisation utilisé pour calculer la valeur du droit d'utilisation et de la dette locative est déterminé, pour chaque contrat, en fonction du taux marginal d'endettement correspondant estimé.

Les actifs de faible valeur unitaire ainsi que les contrats de location d'une durée inférieure à 12 mois sont comptabilisés en charge.

Les droits d'utilisation ont évolué comme suit sur l'exercice clos le 30 juin 2022 :

(en millions d'euros)	Satellites	Autres immobilisations corporelles	Total
Immobilisations brutes			
Valeur brute au 30 juin 2020	850,9	34,8	885,7
Nouveaux contrats	-	40,1	40,1
Modifications de contrats et résiliations anticipées de contrats	(3,2)	(12,7)	(15,9)
Mises au rebut	-	(0,7)	(0,7)
Variation de change	-	(0,4)	(0,4)
Entrée de périmètre	-	0,8	0,8
Valeur brute au 30 juin 2021	847,7	61,9	909,6
Nouveaux contrats	-	0,1	0,1
Modifications de contrats et résiliations anticipées de contrats	-	0,3	0,3
Mises au rebut	-	-	-
Variation de change	-	1,0	1,0
Entrée de périmètre	-	-	-
Valeur brute au 30 juin 2022	847,7	63,4	911,0
Amortissements et dépréciations			
Amortissements et dépréciations cumulés au 30 juin 2020	(311,4)	(18,0)	(329,4)
Dotations aux amortissements	(54,4)	(10,5)	(64,9)
Dépréciations	(11,7)	-	(11,7)
Reprises (modifications et résiliations anticipées de contrats)	1,6	11,5	13,1
Reprises (mise au rebut)	-	0,7	0,7
Variations de change	-	0,1	0,1
Amortissements et dépréciations cumulés au 30 juin 2021	(375,9)	(16,1)	(392,1)
Dotations aux amortissements	(53,0)	(8,9)	(61,9)
Dépréciations	(4,3)	-	(4,3)
Reprises (modifications et résiliations anticipées de contrats)	-	0,1	0,1
Reprises (mise au rebut)	0,4	-	0,4
Variations de change	-	(0,4)	(0,4)
Amortissements et dépréciations cumulés au 30 juin 2022	(432,8)	(25,3)	(458,1)
Valeur nette au 30 juin 2020	539,5	16,8	556,3
Valeur nette au 30 juin 2021	471,8	45,8	517,5
Valeur nette au 30 juin 2022	414,9	38,1	452,9

Les droits d'utilisation des satellites portent essentiellement sur les contrats de location Express AT1, Express AT2, Express AM6, Express 36C et Astra 2G. Les durées de location sur ces contrats couvrent la durée de vie attendue de ce type de satellite, à ce titre, aucun de ces contrats ne comporte d'options d'achat au terme du contrat.

Aucune option de renouvellement n'a été retenue pour établir la durée des contrats de location.

Le Groupe a constaté des dépréciations sur des droits d'utilisation de répéteurs sur certains satellites pour respectivement 4,3 millions d'euros et 11,7 millions d'euros aux 30 juin 2022 et 30 juin 2021.

PRINCIPES COMPTABLES

Écarts d'acquisition et immobilisations incorporelles non amorties

Les écarts d'acquisition et les immobilisations incorporelles ayant une durée d'utilité indéfinie, telle que la marque, sont soumis à un test de dépréciation annuel, ou dès lors qu'un événement laisse à penser qu'ils pourraient avoir perdu de la valeur.

Actifs amortissables

Pour les immobilisations corporelles et les immobilisations incorporelles ayant une durée de vie définie, un test de dépréciation est réalisé lorsqu'il est relevé un indice externe ou interne indiquant que leurs valeurs recouvrables pourraient être inférieures à leurs valeurs comptables (par exemple la perte d'un client important ou un incident technique sur un satellite).

Le test de dépréciation consiste à apprécier la valeur recouvrable d'un actif qui est la valeur la plus élevée entre sa juste valeur nette des frais de cession et sa valeur d'utilité. Lorsqu'il n'est pas possible d'estimer la valeur recouvrable d'un actif en particulier, le Groupe détermine la valeur recouvrable de l'unité génératrice de trésorerie (UGT) à laquelle l'actif appartient, c'est-à-dire le plus petit groupe identifiable d'actifs qui génère des entrées de trésorerie largement indépendantes des entrées de trésorerie générées par d'autres actifs ou groupes d'actifs. En déterminant ses UGT, le Groupe prend en compte les conditions d'utilisation de sa flotte, et notamment la capacité de certains satellites à servir de *back-up* pour d'autres satellites.

Les UGT correspondent aux positions orbitales, portant un ou plusieurs satellites, ainsi que les contrats clients et relations associées (après prise en compte de l'interdépendance technique ou économique de leurs flux de trésorerie).

Afin de déterminer la valeur d'utilité, le Groupe s'appuie sur des estimations de flux de trésorerie futurs. Ces flux sont générés par l'actif ou par l'UGT sur sa durée d'utilité, actualisés en utilisant le WACC du Groupe défini pour le test de dépréciation, et construits à partir du plan moyen terme approuvé par la Direction générale et revu par le Conseil d'administration. Les revenus de ce plan sont établis à partir du carnet de commandes par satellite, des études de marché ainsi que du plan de déploiement des satellites existants et futurs. Les coûts du plan pris en compte dans le test de dépréciation comprennent essentiellement les coûts d'assurance en orbite, les coûts techniques et commerciaux directement attribuables aux satellites testés et la charge d'impôt. Au-delà d'une durée maximum de cinq ans, les flux de trésorerie sont estimés en appliquant des taux d'évolution constants.

La juste valeur diminuée des frais de cession correspond au montant qui pourrait être obtenu de la vente de l'actif (ou d'une unité) lors d'une opération, dans des conditions de concurrence normale entre des parties bien informées et consentantes, diminué des coûts d'opération.

Les pertes de valeur et les reprises de perte de valeur sont comptabilisées sous les rubriques autres produits autres charges opérationnels.

Écarts d'acquisition

Les écarts d'acquisition du Groupe sont suivis au niveau du seul segment opérationnel d'Eutelsat.

Au 30 juin 2022, la valeur boursière d'Eutelsat Communications étant inférieure à la valeur comptable des capitaux propres du Groupe, la valeur recouvrable des écarts d'acquisition a été estimée sur la base de la valeur d'utilité déterminée à partir d'une valorisation du Groupe fondée sur les flux de trésorerie futurs. Cette analyse intègre une part significative de jugement de la Direction du Groupe.

Les flux de trésorerie retenus sont basés sur une version mise à jour du plan d'affaires à 5 ans du Groupe approuvée par le Conseil d'Administration en février 2022 et mis à jour en Juillet 2022 couvrant les périodes allant jusqu'à l'exercice 2025-26, sur le plan à long terme défini de manière constante sur un horizon couvrant les périodes allant jusqu'à l'exercice 2033-34, et sur une valeur terminale. Le Groupe considère pertinent d'utiliser des projections au-delà de 5 ans, compte tenu de la visibilité long terme dont il dispose pour une part significative de son activité et de son profil de croissance attendu que le plan à long terme permet de mieux appréhender.

S'agissant des paramètres financiers tels que le WACC (retenu à 7,86%) et le taux de croissance à long terme utilisé dans la valeur terminale, les analyses de sensibilité montrent qu'une hausse du WACC de 44bp ou une baisse du taux de croissance à long terme de 103bp pourraient conduire à une valeur d'utilité inférieure à l'actif net comptable des actifs testés au 30 juin 2022. Un taux de croissance à l'infini nul ne conduirait pas à une valeur d'utilité inférieure à l'actif net comptable des actifs testés.

Par ailleurs, les principales hypothèses opérationnelles pouvant impacter la valeur recouvrable des actifs sont le niveau d'EBITDA et le montant d'investissement. Les hypothèses opérationnelles du plan à long terme se fondent sur des modèles de marché internes sur la trajectoire de chacun des segments d'activité du Groupe ainsi que sur des études stratégiques externes. Les analyses de sensibilité montrent qu'une diminution de l'EBITDA de 2,7% sur chaque année des plans utilisés et sur la valeur terminale n'entraînerait pas non plus de reconnaissance d'une dépréciation sur les écarts d'acquisition.

Les tests de dépréciation mis en œuvre au 30 juin 2022 sur la base des flux de trésorerie prévisionnels actualisés n'ont pas conduit à enregistrer de charges de dépréciation.

Actifs amortissables

Concernant les tests de dépréciation des satellites au 30 juin 2022, les flux de trésorerie utilisés sont fondés sur la période du plan d'affaires à 5 ans approuvé par le Conseil d'Administration en février 2022 et mis à jour en juillet 2022 puis sur des flux de trésorerie étendus jusqu'à la fin de vie de chaque satellite sur la base d'un taux normatif de croissance. Pour les satellites concernés, il est à noter que les tests de dépréciation au 30 juin 2022 s'appuient sur des flux de trésorerie incluant les fonds restant à recevoir au titre de la deuxième phase de la libération des fréquences de la Bande C aux Etats-Unis d'Amérique pour un montant de 382 millions de dollars avant impôt. Ces tests ont conduit à enregistrer une charge de dépréciation relative à un satellite détenu en propre pour respectivement 12,0 millions d'euros et 16,5 millions d'euros aux 30 juin 2022 et 30 juin 2021 (voir Note 7.1.2 « Immobilisations corporelles et immobilisations en cours ») et une charge de dépréciation sur des droits d'utilisation pour respectivement 4,3 millions d'euros et 11,7 millions d'euros aux 30 juin 2022 et 30 juin 2021 (voir Note 7.1.3 « Droits d'utilisation sur contrats de location »).

7.1.5 Engagements d'achats

En complément des éléments comptabilisés au bilan, le Groupe est engagé auprès de fournisseurs pour l'acquisition d'immobilisations (satellites et autres immobilisations) et la réalisation de prestations de services pour un montant total de 840 millions d'euros au 30 juin 2021 et pour 574 millions d'euros au 30 juin 2022.

L'échéancier aux 30 juin 2021 et 30 juin 2022 des paiements futurs au titre de ces engagements s'établit comme suit :

(en millions d'euros)	Au 30 juin 2021	Au 30 juin 2022
Echéance à moins de 1 an	395	300
Entre 1 et 2 ans	291	109
Entre 2 et 3 ans	21	23
Entre 3 et 4 ans	122	126
Echéance à plus de 4 ans	11	16
Total	840	574

7.2 TITRES MIS EN EQUIVALENCE

PRINCIPES COMPTABLES

Les participations du Groupe consolidées selon la méthode de la mise en équivalence sont initialement enregistrées au coût d'acquisition, comprenant le cas échéant le goodwill dégagé. Leur valeur comptable est, par la suite, augmentée ou diminuée pour prendre en compte la part du Groupe dans les bénéfices ou les pertes, réalisés après la date d'acquisition.

Après l'application de la méthode de la mise en équivalence et en cas d'indice de perte de valeur, la valeur comptable peut être amenée à être dépréciée dans le cas où sa valeur recouvrable serait inférieure à celle-ci.

Valeur de la participation dans OneWeb Holdings Ltd.

Au 30 juin 2022, les titres des sociétés mises en équivalence représentent la valeur de mise en équivalence de la société OneWeb Holdings Ltd, et le résultat des sociétés mises en équivalence correspond à la quote-part du Groupe dans le résultat de OneWeb Holdings Ltd.

(en millions d'euros)	30 juin 2021	30 juin 2022
Participations à l'ouverture	-	-
Acquisitions de titres	-	613,3
Quote-part dans le résultat net des sociétés mises en équivalence	-	(71,5)
Ecart de conversion	-	63,9
Participations à la clôture	-	605,7

Dans le cadre du conflit russo-ukrainien, la constellation en orbite basse OneWeb a dû suspendre six lancements prévus à partir du cosmodrome de Baïkonour. Un test de perte de valeur de la participation dans OneWeb Holdings Ltd. a été effectué afin de déterminer si sa valeur recouvrable était supérieure à sa valeur comptable. Aucune dépréciation n'a été comptabilisée au 30 juin 2022.

Les principales données financières de OneWeb Holdings Ltd sur la base du dernier arrêté des comptes au 31 mars 2022, sont les suivantes :

(en millions de dollars)	31 mars 2022
Résultat net	(388,8)

Bilan	
Actifs non courants	2 021,7
Actifs courants	1 161,0
Capitaux propres	2 794,2
Passifs non courants	281,0
Passifs courants	107,5

(en millions d'euros)	31 mars 2022
Quote-part d'actif net du Groupe	
Situation nette	2 511,4
Pourcentage de détention	22,91%
Quote-part d'actif net du Groupe	575,4
Goodwill	16,8
Ajustement de la quote-part du Groupe dans la situation nette	(0,4)
Valeur comptable des intérêts du Groupe au 31 mars 2022	591,7
Quote part de résultat net de mars à juin 2022	(19,6)
Ecart de conversion	33,5
Valeur comptable des intérêts du Groupe au 30 juin 2022	605,7

7.3 CREANCES, ACTIFS ET PASSIFS SUR CONTRATS CLIENTS ET COUTS D'OBTENTION ET D'EXECUTION DES CONTRATS

PRINCIPES COMPTABLES

Les créances clients sont comptabilisées à leur valeur nominale. Elles font l'objet de dépréciations, comptabilisées en frais commerciaux et administratifs, afin de couvrir les risques de pertes attendues. Ces dépréciations sont établies sur la base d'une approche statistique des pertes de crédit attendues par marché et par région, après prise en compte des dépôts et garanties reçus, et complétées, le cas échéant, par une dépréciation spécifique en cas de manquement à des paiements contractuels ou de difficultés financières significatives d'un client.

Les actifs de contrats clients incluent les actifs relatifs au chiffre d'affaires reconnu au titre des prix variables ou des périodes de gratuité non encore facturés au client. Les coûts d'obtention des contrats correspondent aux contreparties payées au client. Les coûts d'exécution des contrats incluent l'étalement des coûts des ventes de terminaux de l'activité Haut Débit.

Les passifs de contrats sont composés des avances reçues des clients ou facturées en amont de la fourniture des services.

Les créances clients, actifs et passifs de contrats clients et coûts d'obtention et d'exécution des contrats se synthétisent comme suit :

(en millions d'euros)	30 juin 2021	30 juin 2022
Actifs		
Créances clients et comptes rattachés	244,5	246,9
Actifs sur contrats clients	40,3	41,7
Coûts d'exécution des contrats	5,4	3,2
Coûts d'obtention des contrats	9,3	7,9
Total actifs courants et non courants	299,5	299,7
<i>Dont part non courante</i>	<i>37,7</i>	<i>34,0</i>
<i>Dont part courante</i>	<i>261,9</i>	<i>265,7</i>
Passifs		
Passifs financiers - Garanties et engagements reçus	53,5	40,1
Passifs de contrats clients	186,5	224,4
Total passifs courants et non courants	240,0	264,5
<i>Dont part non courante</i>	<i>153,0</i>	<i>186,9</i>
<i>Dont part courante</i>	<i>87,0</i>	<i>77,6</i>

7.3.1 Créances clients

Les créances clients échues et non échues se décomposent comme suit :

(en millions d'euros)	30 juin 2021	30 juin 2022
Créances non échues	111,7	116,7
Créances échues entre 0 et 90 jours	42,6	42,5
Créances échues entre 90 et 365 jours	58,7	48,9
Créances échues depuis plus de 365 jours	128,0	130,2
Dépréciation	(96,5)	(91,3)
Total	244,5	246,9

Les créances échues depuis plus de 365 jours comprennent des facturations de dépôts de garantie pour un montant de 10,1 millions d'euros au 30 juin 2022 (contre 15,5 millions d'euros au 30 juin 2021). Celles-ci ne présentent pas de risque de dépréciation au compte de résultat. La provision de dépréciation d'un montant de 91,3 millions d'euros au 30 juin 2022 couvre 76% des créances échues depuis plus de 365 jours hors dépôts facturés et représente 41% de la totalité des créances échues.

Par ailleurs, étant donné la nature des activités et des géographies dans lesquelles il opère, le Groupe est amené régulièrement à recouvrer des créances échues depuis plus d'un an.

Le risque de crédit, lié au fait qu'un client n'honore pas sa dette à l'échéance fixée, est suivi au niveau de chaque entité sous la supervision des responsables financiers assistés pour les plus importantes d'entre elles par un credit manager et conformément aux instructions communiquées par le service recouvrement du Groupe. Ce suivi s'appuie principalement sur l'analyse des créances échues et peut être complété par une étude plus approfondie de la solvabilité de certains débiteurs. Selon l'appréciation des responsables financiers, les entités peuvent être conduites à se couvrir contre le risque de crédit en obtenant de la part des clients des garanties bancaires auprès d'établissements financiers de premier rang et des compagnies d'assurance et des dépôts de garantie.

Le risque de crédit est réduit par les garanties et engagements reçus suivants :

(en millions d'euros)	30 juin 2021		30 juin 2022	
	Valeur des créances	Valeur de la garantie	Valeur des créances	Valeur de la garantie
Dépôts de garantie reçus	82,4	20,8	64,1	14,1
Garanties bancaires ou cautions d'assurances	15,0	25,1	18,6	20,4
Garanties maison-mère	5,2	5,2	2,9	2,9
Total	102,6	51,0	85,6	37,4

Les dépôts de garantie sont comptabilisés en passifs financiers. Les garanties bancaires et garanties de maisons-mères n'apparaissent pas au bilan.

Les 10 premiers clients du Groupe représentent 35 % du chiffre d'affaires au 30 juin 2022 (35% au 30 juin 2021). Les cinq premiers représentent 20 % du chiffre d'affaires (24 % au 30 juin 2021).

Les dépréciations des créances clients ont évolué comme suit au cours des deux exercices :

(en millions d'euros)	Total
Valeur au 30 juin 2020	119,2
Dotations (reprises) nettes	25,6
Reprises utilisées	(44,9)
Variations de change	(1,5)
Sortie de périmètre	(1,9)
Valeur au 30 juin 2021	96,5
Dotations (reprises) nettes	22,9
Reprises utilisées	(29,5)
Variations de change	1,5
Valeur au 30 juin 2022	91,3

7.3.2 Actifs de contrats clients, coûts d'obtention et d'exécution des contrats non courants

(en millions d'euros)	Total
Actifs de contrats clients au 30 juin 2020	42,8
Consommation d'actifs de contrats clients sur la période	(12,5)
Nouveaux actifs de contrats clients comptabilisés sur la période	9,3
Reprises (dépréciations) nettes	1,6
Ecart de conversion	(0,9)
Actifs de contrats clients au 30 juin 2021	40,3
Consommation d'actifs de contrats clients sur la période	(5,8)
Nouveaux actifs de contrats clients comptabilisés sur la période	5,7
Reprises (dépréciations) nettes	0,7
Ecart de conversion	0,8
Actifs de contrats clients au 30 juin 2022	41,7

Les coûts d'obtention et d'exécution des contrats se présentent comme suit :

(en millions d'euros)	Total
Coûts d'obtention et d'exécution de contrats clients au 30 juin 2020	49,2
Consommation des coûts d'obtention et d'exécution de contrats clients sur la période	(14,6)
Nouveaux coûts d'obtention et d'exécution de contrats clients comptabilisés sur la période	8,2
Entrée de périmètre	12,3
Sortie de périmètre	(40,6)
Ecart de conversion	0,2
Coûts d'obtention et d'exécution de contrats clients au 30 juin 2021	14,7
Consommation des coûts d'obtention et d'exécution de contrats clients sur la période	(4,5)
Nouveaux coûts d'obtention et d'exécution de contrats clients comptabilisés sur la période	0,9
Coûts d'obtention et d'exécution de contrats clients au 30 juin 2022	11,1

7.3.3 Passifs de contrats clients

Les passifs de contrats clients se présentent comme suit :

(en millions d'euros)	Total
Passifs de contrats clients au 30 juin 2020	187,5
Reconnaissance du chiffre d'affaires sur la période	(42,5)
Nouveaux passifs de contrats clients comptabilisés sur la période	56,4
Ecart de conversion	(4,1)
Entrée de périmètre	13,5
Sortie de périmètre	(24,5)
Passifs de contrats clients au 30 juin 2021	186,4
Reconnaissance du chiffre d'affaires sur la période	(77,1)
Nouveaux passifs de contrats clients comptabilisés sur la période	107,5
Ecart de conversion	7,7
Passifs de contrats clients au 30 juin 2022	224,4

PRINCIPES COMPTABLES

Trésorerie et équivalents de trésorerie

La trésorerie est constituée des comptes de caisse et des dépôts à vue bancaires. Les équivalents de trésorerie comprennent essentiellement les dépôts à court terme à échéance de moins de trois mois à l'origine, les comptes à terme, ainsi que des parts d'OPCVM facilement convertibles en un montant connu de trésorerie, la valeur liquidative étant établie et publiée quotidiennement et soumise à un risque négligeable de changement de valeur. Les parts d'OPCVM sous option de juste valeur par le biais du compte de résultat sont comptabilisées à leur juste valeur, les gains et pertes, réalisés ou latents, liés au changement de la juste valeur de ces actifs étant comptabilisés dans le résultat financier.

Dettes financières

Les dettes financières sont constituées d'emprunts bancaires, d'emprunts obligataires et de dettes structurées. Elles sont comptabilisées initialement à la juste valeur de la contrepartie reçue, diminuée des coûts de transaction directement attribuables à l'opération. Ces coûts sont présentés en frais et primes d'émission et étalés sur la durée de l'emprunt.

Actifs financiers

A l'exception des instruments financiers dérivés et des titres non consolidés, les actifs financiers sont comptabilisés en coût amorti. Une dépréciation est constatée au compte de résultat lorsqu'il existe un indicateur de perte de valeur. Les titres non consolidés sont valorisés à la juste valeur.

Passifs financiers

Les dettes locatives reconnues en contrepartie des droits d'utilisation correspondent à la somme des paiements futurs actualisés des contrats de location. Le taux d'actualisation retenu pour évaluer ces dettes est déterminé par contrat en fonction du taux marginal d'endettement estimé de l'entité qui porte le contrat.

Lorsque le Groupe octroie des promesses d'achat fermes ou conditionnelles de leur participation à des actionnaires minoritaires, le montant correspondant des participations ne donnant pas le contrôle est reclassé en passif financier pour la juste valeur de l'engagement. Le passif financier est réévalué à chaque clôture en contrepartie des capitaux propres, en l'absence de précisions apportées par les normes IFRS.

Instruments financiers dérivés

Les instruments dérivés qui ne sont pas désignés comme des instruments de couverture sont comptabilisés à leur juste valeur, les variations ultérieures de juste valeur étant enregistrées en résultat financier. Les instruments dérivés qualifiés d'instruments de couverture sont évalués et comptabilisés conformément aux critères de la comptabilité de couverture.

Les opérations de couverture s'effectuent en ayant recours à des instruments financiers dérivés, dont les variations de juste valeur ont pour but de compenser l'exposition des éléments couverts à ces mêmes variations. Les variations de la juste valeur sont comptabilisées en capitaux propres, dans les autres éléments recyclables de gains et pertes du résultat global, pour ce qui concerne la partie efficace de la relation de couverture tandis que les variations de la juste valeur relatives à la partie inefficace sont constatées en résultat financier. Le Groupe dispose d'instruments financiers dérivés destinés à couvrir des flux de trésorerie (*forwards* et *forwards KI*) ainsi que l'investissement net de ses filiales au Mexique, à Singapour et à Dubaï (*cross currency swap*). Les options *forwards*, *forwards KI*, et la composante taux du *cross currency swap* sont présentées en actif ou passif financier selon la position et la composante change est incluse dans la dette nette du Groupe.

Les variations cumulées de la juste valeur de l'instrument de couverture précédemment comptabilisées en capitaux propres sont transférées dans le compte de résultat lorsque la transaction couverte affecte ce dernier. Les gains et pertes ainsi transférés sont comptabilisés dans le résultat au niveau de l'élément couvert.

7.4.1 Trésorerie et équivalents de trésorerie

La trésorerie et les équivalents de trésorerie se présentent comme suit :

(en millions d'euros)	30 juin 2021	30 juin 2022
Trésorerie	529,0	596,9
Équivalents de trésorerie	332,1	83,6
Total	861,1	680,5

7.4.2 Dettes financières

Les dettes financières se décomposent comme suit :

(en millions d'euros)	Taux	30 juin 2021	30 juin 2022	Échéance
Crédit <i>in fine</i> BEI	0,488 %	200,0	200,0	Décembre 2028
Crédit <i>in fine</i> 2026	Variable	400,0	400,0	Juin 2026
Emprunt obligataire 2022	3,125 %	300,0	-	Octobre 2022
Emprunt obligataire 2025	2,000 %	800,0	800,0	Octobre 2025
Emprunt obligataire 2027	2,250 %	600,0	600,0	Juillet 2027
Emprunt obligataire 2028	1,500 %	600,0	600,0	Octobre 2028
Dettes structurées				
	Variable	14,2	0,0	Mai 2024
	0,65%	67,0	0,0	Juin 2022
	0,75%	80,0	80,0	Juin 2023
	0,90%	53,0	53,0	Juin 2024
Sous-total des dettes (part non courante)		3 114,1	2 733,0	
Frais et primes d'émission		(16,7)	(14,9)	
Total des dettes (part non courante)		3 097,4	2 718,1	
Dettes structurées	Variable	7,1	-	
Emprunt obligataire 2022	3,125 %	-	300,0	Octobre 2022
Intérêts courus non échus		38,4	38,5	
Total des dettes (part courante)		45,5	338,5	
Total		3 142,9	3 056,6	

La totalité de l'endettement est libellée en euros.

Le crédit *in fine* et les dettes structurées sont assortis d'un covenant financier qui prévoit un rapport entre l'endettement total net et EBITDA inférieur ou égal à 4,0 pour 1. Les covenants des crédits *in fine* prévoient également pour chaque prêteur la possibilité de demander le remboursement anticipé de l'intégralité des sommes dues en cas d'un changement de contrôle d'Eutelsat S.A ou d'Eutelsat Communications. Les obligations sont également assorties d'un covenant bancaire qui prévoit pour chaque prêteur la possibilité de demander le remboursement anticipé de l'intégralité des sommes dues en cas d'un changement de contrôle d'Eutelsat S.A ou d'Eutelsat Communications accompagné d'une dégradation de la notation d'Eutelsat SA. Au 30 juin 2022, le Groupe respecte l'ensemble des covenants bancaires.

Les contrats de crédit ne comportent ni garantie du Groupe ni nantissement d'actifs au profit des prêteurs mais comportent des clauses restrictives (sous réserve d'exceptions usuelles prévues dans ce type de contrat de prêt) limitant la capacité d'Eutelsat Communications et de ses filiales, notamment à consentir des sûretés, contracter des dettes supplémentaires, céder des actifs, s'engager dans des fusions, des acquisitions, des ventes d'actifs et des opérations de crédit-bail (à l'exception de celles réalisées à l'intérieur du Groupe et expressément prévues dans le contrat de prêt) et modifier la nature de l'activité de la Société et de ses filiales.

Les contrats de crédit comportent un engagement de conserver des polices d'assurance « Lancement plus un an » pour tout satellite localisé à 13° Est et, pour tout autre satellite, l'engagement de ne pas avoir plus d'un seul satellite qui ne soit pas couvert par une police d'assurance lancement.

Par ailleurs, le Groupe dispose au 30 juin 2022 de lignes de crédit actives d'un montant total non tiré de 1 209,0 millions d'euros (1050,0 millions d'euros au 30 juin 2021). Ces lignes sont assorties de covenants bancaires de même type que ceux existants sur le crédit *in fine* et les dettes structurées.

L'échéancier des dettes, hors frais et primes d'émission et intérêts courus non échus, au 30 juin 2022 est le suivant :

(en millions d'euros)	Montant	Échéance à moins de 1 an	Échéance à plus de 1 an et à moins de 5 ans	Échéance à plus de 5 ans
Crédit <i>in fine</i> 2026	400,0	-	400,0	-
Crédit <i>in fine</i> BEI	200,0	-	-	200,0
Dettes structurées	133,0	-	133,0	-
Emprunt obligataire 2022	300,0	300,0	-	-
Emprunt obligataire 2025	800,0	-	800,0	-
Emprunt obligataire 2027	600,0	-	-	600,0
Emprunt obligataire 2028	600,0	-	-	600,0
Total	3 033,0	300,0	1 333,0	1 400,0

7.4.3 Autres actifs et passifs financiers

Les autres actifs financiers se détaillent comme suit :

(en millions d'euros)	30 juin 2021	30 juin 2022
Titres de participation non consolidés	14,7	17,7
Instruments financiers dérivés ⁽¹⁾	39,0	-
Autres actifs financiers	44,8	90,3
Total	98,5	108,1
<i>Dont part courante</i>	<i>27,0</i>	<i>65,1</i>
<i>Dont part non courante</i>	<i>71,5</i>	<i>43,0</i>

⁽¹⁾ Voir Note 7.4.5 « Instruments financiers dérivés ».

Au 30 juin 2022, les autres actifs financiers comprennent des sommes à recevoir de fournisseurs de lanceurs dont les contrats ont été résiliés pour un montant de 46,7 millions d'euros.

Les autres dettes et passifs financiers se présentent comme suit :

(en millions d'euros)	30 juin 2021	30 juin 2022
Dettes locatives	435,6	425,7
Autres créiteurs	103,4	225,9
Dettes sur immobilisations	213,7	297,5
Instruments financiers dérivés ⁽¹⁾	29,1	105,7
Dettes sociales	55,2	46,6
Dettes fiscales	22,7	18,9
Total	859,8	1 120,3
<i>Dont part courante</i>	<i>170,5</i>	<i>525,5</i>
<i>Dont part non courante</i>	<i>689,3</i>	<i>594,8</i>

⁽¹⁾ Voir Note 7.4.5 « Instruments financiers dérivés ».

Les autres créiteurs comprennent le capital non appelé par OneWeb Holdings Ltd au 30 juin 2022 pour 128,4 millions d'euros.

Au fur et à mesure de la construction de certains satellites, des acceptations de jalons entraînent la reconnaissance d'une immobilisation en cours et d'une dette fournisseurs. Les dettes sur immobilisation non courantes représentent un montant de 134,1 millions d'euros au 30 juin 2022 et incluent les acceptations de jalons ayant pour échéance la livraison des satellites.

La variation des dettes locatives sur la période se décompose ainsi :

(en millions d'euros)	30 juin 2021	Nouveaux contrats	Flux de trésorerie	Autres	Effets de change	Variation des intérêts courus	30 juin 2022
Satellites	384,0	-	(8,2)	(0,1)	-	3,5	379,2
Immobilier	47,1	0,1	(2,3)	(0,1)	0,7	-	45,6
Autres	4,5	-	(3,6)	-	-	-	0,9
Total	435,6	0,1	(14,1)	(0,2)	0,7	3,5	425,7

Les dettes locatives comprennent les intérêts courus de 2,2 millions d'euros au 30 juin 2021 et de 3,5 millions d'euros au 30 juin 2022.

7.4.4 Dette nette

La dette nette se présente comme suit :

(en millions d'euros)	30 juin 2021	30 juin 2022
Crédit <i>in fine</i>	400,0	400,0
Crédit <i>in fine</i> BEI	200,0	200,0
Emprunts obligataires	2 300,0	2 300,0
Dettes structurées	221,2	133,0
Part change du <i>cross currency swap</i>	(38,7)	41,3
Dettes locatives	434,0	420,6
Dette brute	3 516,5	3 494,9
Trésorerie et équivalents de trésorerie	(861,1)	(680,5)
Dette nette	2 655,5	2 814,4

L'évolution de la dette entre le 30 juin 2020 et le 30 juin 2021 se présente comme suit :

(en millions d'euros)	30 juin 2020	Flux de trésorerie	Flux non cash	Effets de change	var. de juste valeur et autres	30 juin 2021
Crédit <i>in fine</i>	600,0	(200,0)	-	-	-	400,0
Crédit <i>in fine</i> BEI	-	200,0	-	-	-	200,0
Emprunts obligataires	2 200,0	100,0	-	-	-	2 300,0
Tirage RCF	300,0	(300,0)	-	-	-	-
Dettes structurées	246,1	(73,7)	48,8	-	-	221,2
Part change du <i>cross currency swap</i>	(4,3)	-	-	-	(34,4)	(38,7)
Dettes locatives	489,6	(91,5)	34,9	0,1	0,8	434,0
Total	3 831,4	(365,2)	83,7	0,1	(33,6)	3 516,5

Le flux de trésorerie de 100 millions d'euros sur les emprunts obligataires correspond, d'une part, au remboursement de l'emprunt obligataire échu au cours de l'exercice 2021 pour (500,0) millions d'euros, et, d'autre part, à une nouvelle émission obligataire pour 600,0 millions d'euros arrivant à échéance en octobre 2028. Le flux de trésorerie 200 millions d'euros sur le crédit *in fine* correspond, d'une part, au remboursement par anticipation de l'emprunt arrivant à échéance en mars 2022 pour (600,0) millions d'euros, et d'autre part à la mise en place d'un nouveau crédit *in fine* pour un montant de 400,0 millions d'euros, arrivant à échéance en juin 2026.

L'évolution de la dette entre le 30 juin 2021 et le 30 juin 2022 se présente comme suit :

(en millions d'euros)	30 juin 2021	Flux de trésorerie	Flux non cash	Effets de change	var. de juste valeur et autres	30 juin 2022
Crédit <i>in fine</i>	400,0	-	-	-	-	400,0
Crédit <i>in fine</i> BEI	200,0	-	-	-	-	200,0
Emprunts obligataires	2 300,0	-	-	-	-	2 300,0
Dettes structurées	221,2	(88,2)	-	-	-	133,0
Part change du <i>cross currency swap</i>	(38,7)	-	-	-	80,0	41,3
Dettes locatives	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

7.4.5 Instruments financiers dérivés

Les instruments financiers dérivés font l'objet d'une évaluation par un expert indépendant qui est rapprochée des valorisations transmises par les contreparties bancaires. Le tableau ci-après présente les montants contractuels ou notionnels ainsi que les justes valeurs des instruments financiers dérivés par type de contrat :

(en millions d'euros)	Notionnels		Justes valeurs		Variation de juste valeur sur la période	Impact résultat (hors coupons)	Impact capitaux propres (hors coupons)
	30 juin 2021	30 juin 2022	30 juin 2021	30 juin 2022			
Vente à terme synthétique à barrière active (Eutelsat S.A.)	235,5	487,8	(0,4)	(47,4)	(47,0)	(0,9)	(46,1)
Cross Currency Swap	572,0	646,8	10,3	(58,3)	(68,6)	-	(68,6)
Total des instruments de change	807,5	1 134,6	9,9	(105,7)	(115,6)	(0,9)	(114,7)
Swap pré-hedge	-	-	-	-	-	-	-
Total des instruments de taux d'intérêt	-	-	-	-	-	-	-
Total instruments financiers dérivés	807,5	1 134,6	9,9	(105,7)	(115,6)	(0,9)	(114,7)

Au 30 juin 2022, le montant cumulé des justes valeurs des instruments financiers dérivés ressort en négatif pour 105,7 millions d'euros (voir Note 7.4.3 « Actifs et passifs financiers »).

Les coupons des instruments de taux qualifiés de couverture de flux de trésorerie futurs sont comptabilisés directement en résultat. La variation comptabilisée en capitaux propres au titre de ces instruments correspond à la variation de juste valeur hors coupon. Les coupons du *cross currency swap* et des *forwards* qualifiés de couverture d'investissement net à l'étranger, ainsi que la variation de juste valeur hors-coupon, sont comptabilisés directement en capitaux propres.

La juste valeur et les échéances des instruments dérivés qualifiés de couverture se présentent comme suit :

(en millions d'euros)	Juste valeur différée en capitaux propres et à reprendre en résultat au 30 juin 2021						
	Total	À 1 an au plus	De 1 à 2 ans	De 2 à 3 ans	De 3 à 4 ans	De 4 à 5 ans	À plus de 5 ans
Couverture du risque de change	9,9	(0,4)	-	-	10,3	-	-
Total net au 30 juin 2021	9,9	(0,4)	-	-	10,3	-	-

(en millions d'euros)	Juste valeur différée en capitaux propres et à reprendre en résultat au 30 juin 2022						
	Total	À 1 an au plus	De 1 à 2 ans	De 2 à 3 ans	De 3 à 4 ans	De 4 à 5 ans	À plus de 5 ans
Couverture du risque de change	(105,7)	(47,4)	-	(58,3)	-	-	-
Total net au 30 juin 2022	(105,7)	(47,4)	-	(58,3)	-	-	-

7.4.6 Gestion des risques

Le Groupe est exposé au risque de marché, notamment en ce qui concerne le risque de change et de taux d'intérêt. Pour y faire face, le Groupe a recours à un certain nombre d'instruments financiers dérivés. Le Groupe n'effectue aucune transaction financière présentant un risque qui ne puisse être quantifié lors de sa conclusion, autrement dit il ne saurait vendre des actifs sans les posséder ou sans savoir s'il les possédera à l'avenir. L'objectif est de réduire, là où cela lui semble approprié, les fluctuations de revenus et des flux de trésorerie suite à des variations des taux d'intérêts et des cours de change.

Risque de change

Par ses opérations de vente de capacité satellitaire, le Groupe est principalement receveur de devises, et majoritairement de dollar U.S. Le Groupe est donc majoritairement exposé au risque de change dollar U.S./euro.

Afin de se couvrir contre les risques liés à la fluctuation des taux de change, le Groupe peut être amené à utiliser des ventes à terme ou des ventes à termes synthétiques à barrière activante de dollars U.S. contre euros, exercées ou non en fonction du taux de change à leur date d'expiration. Le Groupe ne peut néanmoins garantir qu'il parviendra à couvrir systématiquement tous ses contrats libellés en dollar U.S. Par ailleurs, afin de couvrir le risque de conversion, le Groupe peut également avoir recours à la création de passifs libellés dans la devise des flux de trésorerie générés par ces actifs. Parmi les instruments de couverture utilisés, le Groupe peut avoir recours à des produits dérivés de change (*cross currency swaps et forwards*) documentés en couverture d'investissement net à l'étranger. Le Groupe a ainsi mis en place un swap de devises euro dollar U.S. pour un notionnel de 680 millions de dollars afin de couvrir son investissement net dans deux filiales basées au Mexique, à Singapour et à Dubaï.

Compte tenu de son exposition au risque de change, le Groupe estime qu'une hausse de 10% de la valeur du taux euro/dollar U.S. générerait (hors instruments de change) une baisse du chiffre d'affaires de 43,8 millions d'euros et une baisse des charges opérationnelles de 4,9 millions d'euros. Elle entraînerait également une variation négative de 162 millions d'euros de la réserve de conversion du Groupe et une hausse de 62 millions d'euros sur la part change du *cross currency swap* comptabilisée en dettes financières.

Risque de taux

Le Groupe gère son exposition aux variations de taux d'intérêt en conservant une partie de sa dette à taux fixe (emprunts obligataires d'Eutelsat S.A.) et si nécessaire par une politique de couverture ou de pré-couverture.

Compte tenu de l'ensemble des instruments financiers dont dispose le Groupe au 30 juin 2022, une augmentation de dix points de base (+0,1%) du taux d'intérêt EURIBOR aurait un impact négligeable sur la charge d'intérêts et la réévaluation des instruments financiers entraînant un impact sur le compte de résultat.

Risque de contrepartie

Le risque de contrepartie inclut le risque lié à l'émetteur de titres, le risque d'exécution sur produits financiers dérivés ou produits monétaires ainsi que le risque de crédit sur les liquidités et les placements à terme. Le Groupe minimise son exposition au risque lié à l'émetteur et son exposition au risque d'exécution et de crédit en acquérant des produits financiers auprès de banques et d'établissements financiers de premier rang. L'exposition à ces risques est étroitement surveillée.

Le Groupe n'anticipe aucune perte qui résulterait de la défaillance de ses contreparties quant à leurs obligations prévues au contrat.

Au 30 juin 2022, le risque de contrepartie n'est pas significatif sur ces opérations.

Risque de liquidité

Le Groupe gère le risque de liquidité en tenant compte de la maturité des investissements financiers, des actifs financiers et des estimations de flux de trésorerie futurs liés aux activités opérationnelles.

L'objectif du Groupe est de maintenir l'équilibre entre la continuité des financements et leur flexibilité grâce à l'utilisation de découverts, d'emprunts bancaires *in fine*, de lignes de crédit bancaire *revolving*, d'emprunts obligataires et de contrats de location de satellites.

La maturité contractuelle de la dette du Groupe se présente comme suit :

Au 30 juin 2021 (en millions d'euros)	Valeur au bilan	Total des flux contractuels	Echéancier au 30 juin 2021					
			juin-22	juin-23	juin-24	juin-25	juin-26	Au-delà de 5 ans
Crédit <i>in fine</i>	(399,9)	(422,0)	(4,4)	(4,4)	(4,4)	(4,4)	(404,4)	-
Crédit <i>in fine</i> BEI	(199,8)	(207,4)	(1,0)	(1,0)	(1,0)	(1,0)	(1,0)	(202,4)
Emprunts obligataires	(2 286,8)	(2 555,9)	(47,9)	(338,5)	(38,5)	(38,5)	(838,5)	(1 254,0)
Dettes structurées	(218,1)	(227,3)	(9,9)	(76,3)	(88,1)	(53,0)	-	-
Dettes locatives	(434,0)	(434,0)	(0,3)	(22,2)	(46,5)	(50,4)	(51,8)	(262,8)
Instruments dérivés qualifiés ⁽¹⁾	(28,8)	(28,8)	(0,4)	-	-	(28,4)	-	-
Total dettes financières	(3 567,4)	(3 875,4)	(63,9)	(442,4)	(178,5)	(175,7)	(1 295,7)	(1 719,2)
Autres passifs financiers	(181,3)	(181,3)	(120,7)	(60,6)	-	-	-	-
Total passifs financiers	(3 748,7)	(4 056,7)	(184,6)	(503,0)	(178,5)	(175,7)	(1 295,7)	(1 719,2)
Instruments dérivés qualifiés ⁽¹⁾	38,7	38,7	-	-	-	38,7	-	-
Actifs financiers	59,5	59,5	26,7	32,8	-	-	-	-
Trésorerie	529,0	529,0	529,0	-	-	-	-	-
Equivalent de trésorerie	332,1	332,1	332,1	-	-	-	-	-
Total actifs financiers	959,3	959,3	887,8	32,8	-	38,7	-	-
Position nette	(2 789,4)	(3 097,4)	(703,2)	(470,2)	(178,5)	(137,0)	(1 295,7)	(1 719,2)

⁽¹⁾ Les montants « ventilés » au titre des instruments dérivés correspondent à des justes valeurs (et non à des flux contractuels).

Echéancier au 30 juin 2022

Au 30 juin 2022 (en millions d'euros)	Valeur au bilan	Total des flux contractuels	juin-23	juin-24	juin-25	juin-26	juin-27	Au-delà de 5 ans
Crédit <i>in fine</i>	(398,2)	(426,4)	(4,4)	(4,4)	(4,4)	(4,4)	(4,4)	(404,4)
Crédit <i>in fine</i> BEI	(199,8)	(207,3)	(1,0)	(1,0)	(1,0)	(1,0)	(1,0)	(202,4)
Emprunts obligataires	(2 289,6)	(2 517,4)	(347,9)	(38,5)	(38,5)	(838,5)	(22,5)	(1 231,5)
Dettes structurées	(130,5)	(134,5)	(81,0)	(53,5)	-	-	-	-
Dettes locatives	(420,6)	(420,6)	(54,8)	(51,0)	(52,2)	(54,7)	(55,9)	(152,1)
Instruments dérivés qualifiés ⁽¹⁾	(105,7)	(105,7)	(47,4)	-	(58,3)	-	-	-
Total dettes financières	(3 544,4)	(3 811,9)	(536,5)	(148,4)	(154,4)	(898,6)	(83,8)	(1 990,4)
Autres passifs financiers	(291,4)	(291,4)	(255,0)	(36,4)	-	-	-	-
Total passifs financiers	(3 835,8)	(4 103,3)	(791,5)	(184,8)	(154,4)	(898,6)	(83,8)	(1 990,4)
Instruments dérivés qualifiés ⁽¹⁾	-	-	-	-	-	-	-	-
Actifs financiers	108,0	108,0	65,1	42,9	-	-	-	-
Trésorerie	596,9	596,9	596,9	-	-	-	-	-
Equivalent de trésorerie	83,6	83,6	83,6	-	-	-	-	-
Total actifs financiers	788,5	788,5	745,6	42,9	-	-	-	-
Position nette	(3 047,3)	(3 314,8)	(45,9)	(141,9)	(154,4)	(898,6)	(83,8)	(1 990,4)

⁽¹⁾ Les montants « ventilés » au titre des instruments dérivés correspondent à des justes valeurs (et non à des flux contractuels).

7.5 JUSTE VALEUR DES INSTRUMENTS FINANCIERS

La juste valeur est le montant pour lequel un actif financier pourrait être échangé, ou un passif éteint, entre parties bien informées, consentantes et agissant dans des conditions de concurrence normale.

7.5.1 Juste valeur des actifs

Les tableaux suivants ventilent chaque actif composé d'instruments financiers en indiquent sa juste valeur, que l'instrument soit ou non comptabilisé au bilan à la juste valeur :

(en millions d'euros)	Total	Valeur nette comptable au 30 juin 2021			
		Coût amorti	Juste valeur par le biais des autres éléments du résultat global	Juste valeur par le résultat	Juste valeur au 30 juin 2021
Actifs non courants					
Prêts et avances à long terme	32,8	18,1	-	14,7	32,8
Actifs sur contrats clients	30,4	30,4	-	-	30,4
Actifs courants					
Créances clients	244,5	244,5	-	-	244,5
Actifs sur contrats clients	9,8	9,8	-	-	9,8
Autres créances	42,8	42,8	-	-	42,8
Instruments financiers dérivés ⁽¹⁾					
Qualifiés de couverture	39,0	-	39,0	-	39,0
Trésorerie et équivalents de trésorerie					
Trésorerie	529,0	529,0	-	529,0	529,0
Equivalent de trésorerie ⁽²⁾	332,1	332,1	-	332,1	332,1

⁽¹⁾ Hiérarchie de la juste valeur : niveau 2 (données observables autres qu'un prix coté sur un marché)

⁽²⁾ Hiérarchie de la juste valeur : niveau 1 (prix coté sur un marché)

(en millions d'euros)	Total	Valeur nette comptable au 30 juin 2022			
		Coût amorti	Juste valeur par le biais des autres éléments du résultat global	Juste valeur par le résultat	Juste valeur au 30 juin 2022
Actifs non courants					
Prêts et avances à long terme	43,0	25,3	-	17,7	43,0
Actifs sur contrats clients	34,0	34,0	-	-	34,0
Actifs courants					
Créances clients	246,9	246,9	-	-	246,9
Actifs sur contrats clients	18,8	18,8	-	-	18,8
Autres créances	32,6	32,6	-	-	32,6
Instruments financiers dérivés ⁽¹⁾					
Qualifiés de couverture	-	-	-	-	-
Trésorerie et équivalents de trésorerie					
Trésorerie	529,0	-	-	529,0	529,0
Equivalent de trésorerie ⁽²⁾	332,1	-	-	332,1	332,1

⁽¹⁾ Hiérarchie de la juste valeur : niveau 2 (données observables autres qu'un prix coté sur un marché)

⁽²⁾ Hiérarchie de la juste valeur : niveau 1 (prix coté sur un marché)

A l'exception des instruments financiers dérivés et des titres non consolidés, la valeur comptable des actifs constitue une approximation satisfaisante de leur juste valeur.

7.5.2 Juste valeur des passifs

Les tableaux suivants ventilent chaque passif composé d'instruments financiers en indiquent sa juste valeur, que l'instrument soit ou non comptabilisé au bilan à la juste valeur :

(en millions d'euros)	Valeur nette comptable au 30 juin 2021				Juste valeur au 30 juin 2021
	Total	Instruments évalués au coût amorti	Instruments dérivés qualifiés de couverture	Instruments évalués à la juste valeur par le biais du compte de résultat	
Dettes financières					
Emprunts à taux variable	618,0	618,0	-	-	618,0
Emprunt obligataire ⁽¹⁾	2 286,8	2 286,8	-	-	2 453,4
Emprunts à taux fixe	199,8	199,8	-	-	199,8
Découverts bancaires	-	-	-	-	-
Autres passifs financiers					
Non courants	472,1	472,1	-	-	472,1
Courants	146,0	146,0	-	-	146,0
Instruments financiers dérivés ⁽²⁾					
Qualifiés de couverture	29,1	-	29,1	-	29,1
Fournisseurs et comptes rattachés	84,9	84,9	-	-	84,9
Dette sur immobilisations	213,7	213,7	-	-	213,7

⁽¹⁾ Hiérarchie de la juste valeur : niveau 1 (prix coté sur un marché)

⁽²⁾ Hiérarchie de la juste valeur : niveau 2 (données observables autres qu'un prix coté sur un marché).

(en millions d'euros)	Valeur nette comptable au 30 juin 2022				Juste valeur au 30 juin 2022
	Total	Instruments évalués au coût amorti	Instruments dérivés qualifiés de couverture	Instruments évalués à la juste valeur par le biais du compte de résultat	
Dettes financières					
Emprunts à taux variable	530,5	530,5	-	-	530,5
Emprunt obligataire ⁽¹⁾	2 289,6	2 289,6	-	-	2 156,5
Emprunts à taux fixe	199,8	199,8	-	-	199,8
Découverts bancaires	-	-	-	-	-
Autres passifs financiers					
Non courants	402,3	402,3	-	-	402,3
Courants	314,8	314,8	-	-	314,8
Instruments financiers dérivés ⁽²⁾					
Qualifiés de couverture	105,7	-	105,7	-	105,7
Fournisseurs et comptes rattachés	78,3	78,3	-	-	78,3
Dette sur immobilisations	297,5	297,5	-	-	297,5

⁽¹⁾ Hiérarchie de la juste valeur : niveau 1 (prix coté sur un marché)

⁽²⁾ Hiérarchie de la juste valeur : niveau 2 (données observables autres qu'un prix coté sur un marché).

A l'exception des emprunts obligataires et des instruments financiers dérivés, la valeur comptable des passifs financiers constitue une approximation satisfaisante de leur juste valeur.

Les justes valeurs des emprunts obligataires de niveau 1 (prix coté sur un marché) se présentent comme suit :

(En millions d'euros)	30 juin 2021	30 juin 2022
Emprunt obligataire 2022	312,1	302,3
Emprunt obligataire 2025	856,9	776,3
Emprunt obligataire 2027	657,1	561,2
Emprunt obligataire 2028	627,3	516,7
Total	2 453,4	2 156,5

7.6 CAPITAUX PROPRES

PRINCIPES COMPTABLES

Frais d'augmentation de capital

Les frais externes directement liés à des augmentations ou réduction de capital sont imputés sur la prime d'émission et d'apport, nets d'impôt lorsqu'une économie d'impôt est générée.

Actions propres

Les actions propres sont comptabilisées en diminution des capitaux propres sur la base de leur coût d'acquisition. Lors de leur cession, les gains et pertes sont inscrits directement dans les réserves consolidées pour leurs montants nets d'impôt et ne contribuent pas au résultat de l'exercice.

7.6.1 Capital social

Au 30 juin 2022, le capital social d'Eutelsat Communications S.A. est composé de 230 544 995 actions, d'une valeur nominale de 1 euro.

À cette même date, le Groupe détient 222 950 actions propres d'un montant de 2,4 millions d'euros acquises dans le cadre d'un contrat de liquidité (353 359 actions propres d'un montant de 3,6 millions d'euros au 30 juin 2021). L'ensemble de ces actions est présenté en déduction des capitaux propres.

7.6.2 Dividendes

Le 4 novembre 2021, les actionnaires réunis en Assemblée Générale Mixte ont décidé de distribuer un montant brut de 0,93 euro par action, soit un montant total de 214,4 millions d'euros totalement prélevé sur le résultat de l'exercice clos au 30 juin 2021.

Le montant de la distribution proposé à l'Assemblée Générale du 10 novembre 2022 au titre de l'exercice clos au 30 juin 2022 est de 214,4 millions d'euros, soit 0,93 euro par action.

7.6.3 Variation de la réserve de réévaluation des instruments dérivés

La réserve de réévaluation des instruments dérivés qualifiés de couverture (incluant l'effet d'impôt) a évolué comme suit sur l'exercice :

(en millions d'euros)	Total
Solde au 30 juin 2021	(35,8)
Variations de juste valeur en capitaux propres recyclables en résultat	(32,7)
Solde au 30 juin 2022	(68,5)

La réserve de réévaluation des instruments dérivés inclut (6,6) millions d'euros de débouclément de *forwards* documenté en couverture d'investissement net à l'étranger.

7.6.4 Réserves de conversion

La réserve de conversion (incluant l'effet d'impôt) a évolué comme suit sur l'exercice :

(en millions d'euros)	Total
Solde au 30 juin 2021	102,6
Variation nette sur la période	138,3
Solde au 30 juin 2022	240,9

La principale devise générant des écarts de conversion est le dollar US.

La réserve de conversion au 30 juin 2022 inclut (58,3) millions d'euros au titre du *cross currency swap* documenté en couverture d'investissement net à l'étranger ainsi que (112,2) millions d'euros relatifs au *cross currency swap* échu.

7.7 PROVISIONS

PRINCIPES COMPTABLES

Une provision est constituée lorsque, à la date de clôture, le Groupe a une obligation juridique ou implicite résultant d'un événement passé et dont il est probable qu'elle engendrera une sortie de ressources représentatives d'avantages économiques dont le montant peut être estimé de façon fiable. Le montant comptabilisé en provision représente la meilleure estimation de la dépense nécessaire à l'extinction de l'obligation actuelle à la date de clôture.

Si l'effet de la valeur temps de l'argent est significatif, le montant de la provision comptabilisée correspond à la valeur actualisée des dépenses attendues jugées nécessaires pour éteindre l'obligation correspondante. L'augmentation des provisions enregistrée pour refléter l'écoulement du temps et relative à l'actualisation est comptabilisée en charges financières.

L'évolution des provisions entre le 30 juin 2021 et le 30 juin 2022 se présente comme suit :

(en millions d'euros)	30 juin 2021	Reprise		Reclassement	Variation de périmètre	Constat en capitaux propres	Variation de change	30 juin 2022
		Dotation	Utilisée					
Garantie financière donnée à un fonds de pension	59,8	0,9	(4,3)	-	-	(55,4)	-	1,1
Indemnités de départ en retraite	14,6	1,3	(0,2)	-	(3,1)	(1,4)	-	11,2
Autres avantages postérieurs à l'emploi ⁽¹⁾	5,4	0,2	(0,1)	(0,2)	-	-	-	5,3
Total avantages postérieurs à l'emploi	80,0	2,4	(4,6)	(0,2)	(3,1)	(56,8)	-	17,6
Litiges commerciaux, salariaux et fiscaux	15,6	0,9	(3,3)	(6,8)	(0,1)	-	0,7	7,1
Autres	-	-	-	-	-	-	-	-
Total provisions	95,6	3,4	(7,9)	(7,0)	(3,2)	(56,8)	0,7	24,7
<i>Dont part non courante</i>	83,0	-	-	-	-	-	-	17,6
<i>Dont part courante</i>	12,6	-	-	-	-	-	-	7,1

⁽¹⁾ Les autres avantages postérieurs à l'emploi concernent essentiellement des indemnités de fin de contrat dans diverses filiales.

7.7.1 Garantie financière donnée à un fonds de pension

Eutelsat S.A. a donné une garantie financière au fonds de pension en charge du régime de retraite mis en place par l'Organisation Inter Gouvernementale (OIG) lors de l'apport par cette dernière de son activité opérationnelle à Eutelsat S.A. en 2001. Ce régime de retraite à prestations définies a été fermé et les droits acquis gelés préalablement à l'apport. La garantie financière octroyée par Eutelsat S.A. est évaluée et comptabilisée de manière similaire à un engagement de retraite à prestations définies bien que le Groupe n'ait pas repris directement les engagements souscrits auprès de l'OIG sur le plan juridique. Cette garantie peut être exercée à certaines conditions en comblement de sous-financements futurs, sans qu'il existe de seuil quantitatif déclenchant l'appel de cette garantie.

En 2017, la garantie financière a été appelée pour un montant de 35,9 millions d'euros sur la base des projections de déficit du régime et un accord a été conclu avec le fonds de pension pour neuf paiements de 4,0 millions d'euros répartis entre le 30 juin 2017 et le 30 juin 2025.

En 2021, un nouvel accord remplaçant le précédent a été conclu avec le fonds de pension, portant le montant total des paiements dus au fonds au 30 juin 2022 à 38 millions d'euros, avec un échéancier allant jusqu'au 30 juin 2029.

Ces paiements pourront évoluer en fonction des futures situations financières établies annuellement.

L'évolution des obligations et des actifs du régime entre le 30 juin 2021 et le 30 juin 2022 se présente comme suit :

(en millions d'euros)	30 juin 2021	30 juin 2022
Valeur actualisée des obligations à l'ouverture	207,5	199,1
Coût des services rendus au cours de l'exercice	-	-
Coût financier	3,1	3,0
Écarts actuariels liés aux hypothèses financières : (gains)/pertes	(4,6)	(48,2)
Prestations versées	(6,9)	(7,9)
Valeur actualisée des obligations à la clôture	199,1	146,0

(en millions d'euros)	30 juin 2021	30 juin 2022
Juste valeur des actifs du fonds à l'ouverture	123,9	139,3
Rendement attendu des actifs du régime	1,8	2,0
Écarts actuariels liés aux hypothèses financières : (gains)/pertes	16,4	7,2
Contributions versées	4,1	4,3
Prestations versées	(6,9)	(7,9)
Juste valeur des actifs du fonds à la clôture	139,3	145,0

La durée moyenne pondérée des obligations est de 14,3 ans.

Les montants inclus dans la juste valeur des actifs du régime n'incluent aucun instrument financier émis par Eutelsat S.A. ni aucun bien immobilier ou mobilier détenu ou utilisé par Eutelsat S.A. Le rendement effectif des actifs du régime s'élève à 18,2 millions d'euros et 9,2 millions d'euros aux 30 juin 2021 et 2022, respectivement.

Les évaluations actuarielles ont été réalisées sur la base des hypothèses suivantes :

	30 juin 2021	30 juin 2022
Taux d'actualisation	1,50%	3,35%
Taux d'augmentation des pensions	1,75%	2,00%

Une baisse de 25 points de base des taux d'actualisation entraînerait une augmentation de la provision de 5,2 millions d'euros.

Les provisions ont évolué comme suit au cours des deux exercices :

(en millions d'euros)	30 juin 2021	30 juin 2022
Provision à l'ouverture de l'exercice	83,7	59,8
Charge nette comptabilisée en résultat	1,2	0,9
(Gains) / pertes actuarielles	(21,0)	(55,4)
Contributions versées	(4,1)	(4,3)
Provision à la clôture de l'exercice	59,8	1,1

7.7.2 Indemnités de départ retraite et assimilés

PRINCIPES COMPTABLES

Les régimes de retraite du Groupe sont constitués de régimes à cotisations définies et de régimes à prestations définies.

Les charges liées aux régimes à cotisations définies sont constatées en « Charges de personnel » sur la base des cotisations versées ou dues au titre de l'exercice où les services sont rendus par les bénéficiaires des régimes.

Les régimes à prestations définies concernent les plans dans lesquels le Groupe s'est engagé à garantir à terme un montant ou un niveau de prestations. L'évaluation de ces prestations s'effectue sur la base de la méthode actuarielle des *unités de crédit projetées* consistant à projeter les montants des paiements futurs attendus sur la base d'hypothèses démographiques (rotation du personnel, mortalité, âge de départ à la retraite) et financières (augmentation des salaires et actualisation). La charge de l'exercice correspondant au coût des services rendus est constatée en « Charges de personnel » et les effets de l'actualisation dans le résultat financier. Les écarts actuariels résultant des changements d'hypothèses actuarielles ou des écarts d'expérience sont comptabilisés en « Autres éléments du résultat global ».

Régimes à prestations définies

Les engagements de retraite à prestations définies du Groupe sont principalement constitués du régime d'indemnités de départ en retraite des salariés d'Eutelsat S.A.

Aux 30 juin 2021 et 2022, la situation du régime se présente comme suit :

(en millions d'euros)	30 juin 2021	30 juin 2022
Valeur actualisée des obligations à l'ouverture	14,6	14,6
Coût des services rendus au cours de l'exercice	1,0	1,1
Coût financier	0,2	0,2
Écarts actuariels	0,9	(1,4)
Indemnités versées	(2,0)	(0,2)
Autres	-	(3,1)
Valeur actualisée des obligations à la clôture	14,6	11,2

La durée moyenne pondérée des obligations est de 11,4 ans.

L'évaluation actuarielle effectuée a été effectuée sur la base des hypothèses suivantes :

	30 juin 2021	30 juin 2022
Taux d'actualisation	1,25%	3,25%
Taux d'augmentation des salaires	0% durant 2 ans puis 2%	0% durant 1 an puis 2,0%

Le taux d'actualisation est déterminé sur la base d'obligations privées de première catégorie (AA et AAA) d'une durée cohérente avec celle du régime valorisé.

Régimes à cotisations définies

Les cotisations patronales versées au régime de retraite obligatoire en France au cours de l'exercice à ce titre s'élèvent à 6,3 millions d'euros et 6,3 millions d'euros aux 30 juin 2021 et 2022 respectivement.

Les salariés, à l'exception des mandataires sociaux salariés, bénéficient par ailleurs d'une retraite sur-complémentaire par capitalisation, à contributions définies, financée par des cotisations salariales et patronales égales à 6% du salaire annuel brut dans la limite de huit fois le plafond de la Sécurité sociale française. Les cotisations patronales versées au cours de l'exercice à ce titre s'élèvent à 2,0 millions d'euros et 2,0 millions d'euros aux 30 juin 2021 et 2022 respectivement.

7.7.3 Litiges et passifs éventuels

PRINCIPES COMPTABLES

Dans le cadre de ses activités, le Groupe est impliqué dans des actions judiciaires et des litiges commerciaux. Le Groupe exerce son jugement au cas par cas dans l'évaluation des risques encourus, et constitue une provision dès lors qu'il s'attend à une sortie probable de ressources. Dans les cas jugés sans fondement ou trop peu étayés, aucune provision n'a été comptabilisée.

7.8 ACTIFS ET PASSIFS D'IMPOTS

7.8.1 Actifs et passifs d'impôts différés

PRINCIPES COMPTABLES

Les impôts différés résultent des différences temporelles entre la valeur comptable des actifs et passifs et leur valeur fiscale. Ils sont calculés par entité fiscale et comptabilisés sur toutes les différences temporelles, sauf exceptions en utilisant la méthode bilancielle du report variable.

Ainsi, tous les passifs d'impôt différé sont comptabilisés :

- pour toute différence temporelle imposable sauf quand le passif d'impôt différé résulte de la dépréciation non déductible fiscalement de l'écart d'acquisition ou de la comptabilisation initiale d'un actif ou d'un passif dans une opération qui n'est pas un regroupement d'entreprises et qui, à la date de l'opération, n'affecte ni le bénéfice comptable, ni le bénéfice imposable ou la perte fiscale ; et
- pour des différences temporelles taxables liées à des participations dans les filiales sauf lorsque le Groupe contrôle le renversement de la différence et qu'il est probable que la différence temporelle ne s'inversera pas dans un avenir prévisible.

Des actifs d'impôt différé sont comptabilisés pour toute différence temporelle déductible, reports en avant de pertes fiscales et crédit d'impôt non utilisés, dans la mesure où il est probable qu'un bénéfice imposable sera disponible, sur lequel ces différences temporelles pourront être imputées. Toutefois, aucun actif d'impôt différé n'est constaté s'il résulte d'une différence temporelle déductible générée par la comptabilisation initiale d'un actif ou d'un passif dans une opération qui n'est pas un regroupement d'entreprises et qui, à la date de l'opération, n'affecte ni le bénéfice comptable, ni le bénéfice imposable ou la perte fiscale.

Les actifs et passifs d'impôt différé sont évalués aux taux d'impôt dont l'application est attendue sur l'exercice au cours duquel l'actif sera réalisé ou le passif réglé, sur la base des taux d'impôt (et réglementations fiscales) qui ont été adoptés ou quasi adoptés à la date de clôture.

La valeur comptable des actifs d'impôt différé est revue à chaque date de clôture et réduite dans la mesure où il n'est pas probable qu'un bénéfice imposable suffisant sera disponible pour permettre l'utilisation de l'avantage de tout ou partie de ces actifs d'impôt différé.

Les impôts différés ne sont pas actualisés et sont classés en actifs et passifs non courants.

Les impôts différés par nature ont évolué de la manière suivante entre le 30 juin 2021 et le 30 juin 2022 :

(en millions d'euros)	30 juin 2021	Variation de change et reclassements	Résultat de la période	Constat en capitaux propres	30 juin 2022
Impôts différés actifs					
Instruments financiers dérivés	46,3	(2,7)	(8,9)	28,6	63,3
Déficits reportables	15,4	0,4	(11,3)	-	4,4
Provisions client	22,3	0,1	3,7	-	26,1
Garantie financière donnée au fonds de pension	5,6	-	0,3	(14,3)	(8,4)
Provisions pour risques et charges	6,0	0,1	(1,3)	-	4,8
Actifs incorporels et corporels	28,5	1,0	(12,6)	-	16,8
Autres	10,1	2,3	5,8	-	18,2
Total impôts différés actifs	134,2	1,2	(24,3)	14,3	125,3
Impôts différés passifs					
Instruments financiers dérivés	(5,8)	2,7	(0,6)	0,1	(3,7)
Actifs incorporels	(55,9)	-	12,0	-	(43,9)
Actifs corporels	(224,3)	(8,5)	11,4	-	(221,4)
Autres	(38,4)	(4,9)	3,6	-	(39,7)
Total impôts différés passifs	(324,4)	(10,7)	26,4	0,1	(308,7)
Position nette active / (passive)	(190,3)	(9,5)	2,0	14,3	(183,4)
Reflété comme suit dans les comptes :					
Impôts différés actifs	7,6				1,4
Impôts différés passifs	(197,9)				(184,8)
Total	(190,3)				(183,4)

L'actif ou le passif d'impôt différé correspond à la somme des positions nettes des entités consolidées.

Les impôts différés passifs portent essentiellement sur les différences temporelles taxables générées par :

- la comptabilisation à la juste valeur des contrats clients et relations associées et des autres immobilisations incorporelles dans le cadre des acquisitions d'Eutelsat S.A. et de Satmex ;
- les amortissements accélérés pratiqués sur les satellites au niveau fiscal.

L'échéancier de recouvrement des actifs d'impôts différés sur déficits reportables est présenté dans le tableau ci-après :

(en millions d'euros)	Montant	Échéance à moins de 1 an	Échéance à plus de 1 an et à moins de 5 ans	Échéance à plus de 5 ans	Indéfinie
Echéanciers des pertes fiscales reportables activées	14,9	10,5	-	0,2	4,3
Total	14,9	10,5	-	0,2	4,3

Par ailleurs, le Groupe dispose d'un stock de pertes fiscales reportables non reconnues pour un montant de 146,3 millions d'euros au 30 juin 2022 (131,6 millions d'euros au 30 juin 2021) dont les dates d'expiration sont les suivantes :

(en millions d'euros)	Montant	Échéance à moins de 1 an	Échéance à plus de 1 an et à moins de 5 ans	Échéance à plus de 5 ans	Indéfinie
Dates d'expiration des pertes fiscales reportables non reconnues	146,6	-	1,0	1,2	144,4
Total	146,6	-	1,0	1,2	144,4

7.8.2 Procédure de vérification

La société Eutelsat S.A., appartenant au groupe d'intégration fiscale dont Eutelsat Communications S.A. est la société mère intégrante, a fait l'objet d'une procédure de vérification de comptabilité sur les exercices clos aux 30 juin 2012, 2013 et 2014. En décembre 2016, elle a reçu une proposition de rehaussement relative aux exercices clos aux 30 juin 2013 et 2014. Suite à l'exercice de recours précontentieux et aux discussions qui s'en sont suivies, les montants réclamés par l'administration fiscale ont été sensiblement réduits. Un désaccord persiste sur certains rehaussements, sur lesquels Eutelsat estime disposer d'arguments solides en défense.

La société a également fait l'objet d'une procédure de vérification de comptabilité au titre des exercices clos aux 30 juin 2015, 2016 et 2017 et a reçu en décembre 2018 puis en décembre 2019, des propositions de rehaussements relatives à ces deux exercices. La société a répondu à cette ces propositions de rehaussements et a contesté la quasi-totalité des chefs de redressements. Fin mai 2022, le service vérificateur a répondu aux observations de la société. Elle indique maintenir la majorité des rehaussements initiaux. La société conteste cette position et a initié l'ensemble des recours précontentieux à cet effet.

Une procédure de vérification de comptabilité de la société au titre des exercices clos aux 30 juin 2018, 2019 et 2020 est en cours. La société a reçu une proposition interruptive de prescription portant sur l'exercice 2018 qu'elle a contestée dans son intégralité. Les opérations de vérification sont toujours en cours en ce qui concerne les exercices 2019 et 2020.

NOTE 8. PARTIES LIEES

Les parties liées sont composées :

- des actionnaires directs ou indirects, et leurs filiales, qui exercent une influence notable, laquelle est présumée en cas de détention de plus de 20 % ou dès lors que l'investisseur bénéficie d'une présence au Conseil d'administration d'une entité du Groupe ;
- des actionnaires minoritaires des entités que le Groupe consolide selon la méthode de l'intégration globale ; et
- des principaux dirigeants.

8.1 PRINCIPAUX DIRIGEANTS

Le Groupe considère que la notion de principaux dirigeants regroupe, dans le contexte de gouvernance d'Eutelsat, le Comité exécutif présidé par le Directeur Général ainsi que les membres du Conseil d'Administration.

Les rémunérations allouées au Comité exécutif se présentent comme suit :

(en millions d'euros)	30 juin 2021	30 juin 2022
Rémunérations ⁽¹⁾	7,7	11,0
Total avantages court terme	7,7	11,0
Avantages postérieurs à l'emploi ⁽²⁾	0,06	0,06
Paielements fondés sur les actions ⁽³⁾	0,4	0,7
Total avantages long terme	0,46	0,76

⁽¹⁾ Elles incluent les salaires bruts y compris part variable, les primes, les avantages en nature, l'intéressement, la participation et les charges sociales versés.

⁽²⁾ Ils correspondent au coût des services passés des régimes de retraite à prestations définies.

⁽³⁾ Ils correspondent à la charge enregistrée au compte de résultat au titre des rémunérations en actions.

En cas de fin de mandat de la Directrice Générale et du Directeur Général Délégué, il est prévu un engagement de non-concurrence, rémunéré par le versement pendant 18 mois de 50% de la rémunération fixe. Cet engagement prévoit que le Directeur général et le Directeur général délégué s'abstiennent pendant cette durée de travailler directement ou indirectement pour tout opérateur de satellites.

Les rétributions des membres du Conseil d'administration perçues au titre de l'exercice clos au 30 juin 2022 s'élèvent à 0,9 million d'euros (0,8 million d'euros au titre de l'exercice clos au 30 juin 2021).

8.2 AUTRES PARTIES LIEES

Les transactions avec les parties liées autres que les principaux dirigeants se résument comme suit :

(en millions d'euros)	30 juin 2021	30 juin 2022
Chiffre d'affaires	22,0	4,7
Résultat financier	11,8	12,8
Créances brutes (y compris factures à établir)	10,5	16,4
Dettes (y compris factures à recevoir)	346,2	315,1

Le chiffre d'affaires porte sur la fourniture de services liés au suivi et au contrôle des satellites.

Les dettes comprennent les contrats de location au titre des satellites Express AT1, Express AT2, Express AM6 et Eutelsat 36C.

NOTE 9. ÉVÉNEMENTS POSTERIEURS A LA CLOTURE

Néant

NOTE 10. HONORAIRES DES COMMISSAIRES AUX COMPTES

(en milliers d'euros)	EY				Mazars				
	Montant N	%	Montant N-1	%	Montant N	%	Montant N-1	%	
Commissariat aux comptes, certification, examen des comptes individuels consolidés									
Eutelsat Communications	143	22%	149	28%	143	22%	149	22%	
Filiales	417	66%	351	66%	491	76%	482	72%	
Sous-total	560	88%	500	94%	634	98%	631	94%	
Services autres que la certification des comptes									
Eutelsat Communications	-	0%	30	6%	-	0%	30	5%	
Filiales	71	12%	3	0%	10	2%	7	1%	
Sous-total	71	12%	33	6%	10	2%	37	6%	
Total	631	100%	533	100%	644	100%	668	100%	

Les services autres que la certification des comptes correspondent essentiellement aux travaux réalisés dans le cadre de revues financières non réglementées.

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.

Eutelsat Communications

Year ended June 30, 2023

Statutory auditors' report on the consolidated financial statements

MAZARS
Tour Exaltis
61, rue Henri Regnault
92075 Paris-La Défense cedex
S.A. à directoire et conseil de surveillance
au capital de € 8 320 000
784 824 153 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

ERNST & YOUNG et Autres
Tour First
TSA 14444
92037 Paris-La Défense cedex
S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

Eutelsat Communications

Year ended June 30, 2023

Statutory auditors' report on the consolidated financial statements

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	Our response
<p>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.</p> <p>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.</p> <p>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.</p> <p>Note 7.2 to the consolidated financial statement describes the procedures to recognize assets accounted on equity basis.</p>	<p>We considered:</p> <ul style="list-style-type: none">▶ 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. <p>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.</p> <p>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.</p>

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.

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	Our response
<p>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.</p> <p>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.</p>	<p>Notes 6.1 and 7.3 to the consolidated financial statements describe the method for revenue recognition and the valuation method for trade receivable.</p> <p>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.</p> <p>Our substantive procedures, related to revenue recognition and to allowance for bad debt, notably consisted in:</p> <ul style="list-style-type: none"> ▶ 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

ERNST & YOUNG et Autres

Achour Messas

Nicolas Macé

Eutelsat Communications Group

“Société anonyme” with a capital of 248,926,325 euros

Registered office: 32, boulevard Gallieni, 92130 Issy-les-Moulineaux

481,043,040 R.C.S. Nanterre

CONSOLIDATED FINANCIAL STATEMENTS

AS OF 30 JUNE 2023

CONSOLIDATED INCOME STATEMENT

(in millions of euros, except per-share data)	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

(in millions of euros)	Note	30 June 2022	30 June 2023
Net income		239.8	328,3
Other recyclable items of gain or loss on comprehensive income			
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)
Other non-recyclable items of gain or loss on comprehensive income			
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 amortization of payouts.

⁽²⁾ The portion attributable to non-controlling interests breaks down as follows:

- A net result of 9.0 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

(in millions of euros)	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

(in millions of euros)	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	328.4
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 Big Blu 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			Reserves and retained earnings	Shareholders' equity Group share	Non-controlling interests	Total
	Number	Amount	Additional paid in capital				
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	239.9
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	2,860.9
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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1.	GENERAL OVERVIEW	9
1.1	Business	9
1.2	Financial Year	9
1.3	Approval of the Financial Statements	9
Note 2.	KEY EVENTS DURING THE FINANCIAL PERIOD	9
2.1	Business combination between Eutelsat and OneWeb	9
2.2	C-Band transition plan	9
2.3	Launches of the EUTELSAT KONNECT VHTS, HOTBIRD 13F, HOTBIRD 13 G and EUTELSAT 10B satellites	9
2.4	Impacts of the Russo-Ukrainian war and sanctions linked to the situation in Iran	10
2.5	Divestment of BigBlu Operations Ltd	10
Note 3.	SCOPE OF CONSOLIDATION	11
3.1	Scope of consolidation	11
3.2	Main changes in the scope of consolidation	12
Note 4.	ACCOUNTING PRINCIPLES AND VALUATION METHODS	14
4.1	Basis of preparation of financial information	14
4.2	Financial reporting rules	14
4.3	Significant accounting judgements and estimates	14
Note 5.	SEGMENT INFORMATION	15
Note 6.	NOTES TO THE INCOME STATEMENT	16
6.1	Revenues	16
6.2	Operating expenses	18
6.3	Other operating income and expenses	20
6.4	Financial result	21
6.5	Income tax	21
6.6	Earnings per share	22
Note 7.	NOTES TO THE BALANCE SHEET	23
7.1	Fixed assets	23
7.2	Investments in associates	30
7.3	Receivables, assets and liabilities on customer contracts and costs to obtain and fulfil contracts	31
7.4	Financial assets and liabilities	35
7.5	Fair value of financial instruments	43
7.6	Shareholders' equity	45
7.7	Provisions	46
7.8	Tax assets and liabilities	49
Note 8.	RELATED-PARTY TRANSACTIONS	51
8.1	Key management personnel	51
8.2	Other related parties	52
Note 9.	SUBSEQUENT EVENTS	52
Note 10.	STATUTORY AUDITORS' FEES	52

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 realization 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 realization 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 US 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 US dollars must be paid in March 2024, followed by 75 million US 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 US dollars in line with each shareholder's equity interest (the Group share amounting to a maximum of 37.8 million US dollar) in the event of OneWeb having insufficient cash before the finalization of the business combination. This loan would be repayable as of the realization 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 US dollars for the first phase and 382 million US 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 US 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 US 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 13 G 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 multi-beam 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 realized 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 recognized 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 finalization 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%
Konnnect Africa France	France	FC	100.00%	96.38%
BB4A Israel Ltd	Israel	FC	100.00%	96.38%
Konnnect Africa Côte d'Ivoire	Ivory Coast	FC	100.00%	96.38%
Konnnect South Africa Ltd	South Africa	FC	100.00%	96.38%
Konnnect Africa RDC ⁽¹⁾	Democratic Republic of Congo	FC	100.00%	96.38%
Konnnect 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 finalized 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 finalization 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 realization 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 realization 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 capitalizable 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 US dollar. The closing exchange rate used is 1.093 US dollars for 1 euro and the average exchange rate for the period is 1.041 US 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:

(in millions of euros)	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
<i>EUR/USD exchange rate</i>	<i>1.138</i>	<i>1.041</i>

⁽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 break down 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:

(in millions of euros)	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
<i>EUR/USD exchange rate</i>	<i>1.138</i>	<i>1.041</i>

⁽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:

(in millions of euros and as a percentage)	30 June 2022		30 June 2023	
	Amount	%	Amount	%
Region				
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 five-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:

(in millions of euros)	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 three-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 recognized 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)

⁽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 2.2)).

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

(in millions of euros)	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:

(in millions of euros)	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:

(in millions of euros)	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)
Effective tax rate	13.5%	13.8%

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):

(in millions of euros)	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:

(in millions of euros)	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 amortization 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 amortization 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 amortization 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 amortization 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 amortization 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	-	3.5	-	3.5
Transfers and others	-	-	-	-
Accumulated amortization 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 recognized 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 VHTS. 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:

(in millions of euros)	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 recognized 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.

Amortizable 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 five-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 five-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 five-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:

(in millions of euros)	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 US 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. The outstanding total commitment stands at 175 million US dollars, of which 100 million US dollars must be paid in March 2024, followed by 75 million US 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.

(in millions of euros)	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:

(in millions of dollars)	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
(in millions of euros)	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:

(in millions of euros)	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>	<i>34.0</i>	<i>31.7</i>
<i>Including current portion</i>	<i>265.7</i>	<i>220.8</i>
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>	<i>186.9</i>	<i>289.7</i>
<i>Of which current portion</i>	<i>77.6</i>	<i>78.9</i>

7.3.1 Accounts receivable

Accounts receivable (matured and non-matured) break down as follows:

(in millions of euros)	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:

(in millions of euros)	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:

(in millions of euros)	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

(in millions of euros)	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:

(in millions of euros)	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:

(in millions of euros)	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:

(in millions of euros)	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:

(in millions of euros)	Rate	30 June 2022	30 June 2023	Maturity
EIB 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 liens 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	90.3	527.4
Total	108.1	552.6
<i>Of which current portion</i>	<i>65.1</i>	<i>388.8</i>
<i>Of which non-current portion</i>	<i>43.0</i>	<i>163.8</i>

⁽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
<i>Of which current portion</i>	<i>525.5</i>	<i>348.4</i>
<i>Of which non-current portion</i>	<i>594.8</i>	<i>328.4</i>

⁽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:

(in millions of euros)	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:

(in millions of euros)	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:

(in millions of euros)	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 US dollar. Consequently, the Group is primarily exposed to the US 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 US 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 US 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-US 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/US 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 ten 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					
			Jun-23	Jun-24	Jun-25	Jun-26	Jun-27	More than 5 years
Term loan	(398.2)	(426.4)	(4.4)	(4.4)	(4.4)	(4.4)	(4.4)	(404.4)
EIB 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 con- tractual 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)	-	-
EIB 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 US dollars level in line with each shareholder's equity interest (the Group share amounting to a maximum of 37.8 million US dollars) in the event of OneWeb having insufficient cash before the finalization of the business combination. This loan would be repayable as of the realization 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)	Total	Net carrying amount as of 30 June 2022			
		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)	Total	Net carrying amount as of 30 June 2023			
		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:

(in millions of euros)	Net carrying amount as of 30 June 2022				Fair value as of 30 June 2022
	Total	Instruments measured at amortised cost	Derivative instruments qualified as hedges	Instruments measured at fair value through the income statement	
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).

(in millions of euros)	Net carrying amount as of 30 June 2023				Fair value as of 30 June 2023
	Total	Instruments measured at amortised cost	Derivative instruments qualified as hedges	Instruments measured at fair value through the income statement	
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, 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:

(in millions of euros)	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:

(in millions of euros)	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 US 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	Allowance		Reclassified	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	19.0	0.0	15.7
Retirement benefits	11.2	1.1	(0.8)	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	4.4
Total post-employment benefits	17.6	1.6	(5.2)	(1.5)	0.1	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	5.1
Others	-	-	-	-	-	-	(0.1)	-
Total provisions	24.7	2.4	(6.1)	(3.4)	1.5	16.5	(0.1)	34.4
<i>Of which non-current portion</i>	<i>17.6</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>29.2</i>
<i>Of which current portion</i>	<i>7.1</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>5.1</i>

⁽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:

(in millions of euros)	30 June 2022	30 June 2023
Provision at beginning of period	59.8	1.1
Net (income) / charge recognized 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:

(in millions of euros)	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:

(in millions of euros)	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:

(in millions of euros)	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:

(in millions of euros)	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 recognized 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:

(in millions of euros)	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:

(in millions of euros)	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 one-year extension option subject to the lenders' approval.

Note 10. STATUTORY AUDITORS' FEES

(in thousands of euros)	EY				Mazars			
	Amount N	%	Amount N-1	%	Amount N	%	Amount N-1	%
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.

MAZARS

ERNST & YOUNG et Autres

Eutelsat Communications

Exercice clos le 30 juin 2023

Rapport des commissaires aux comptes sur les comptes consolidés

MAZARS
Tour Exaltis
61, rue Henri Regnault
92075 Paris-La Défense cedex
S.A. à directoire et conseil de surveillance
au capital de € 8 320 000
784 824 153 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

ERNST & YOUNG et Autres
Tour First
TSA 14444
92037 Paris-La Défense cedex
S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

Eutelsat Communications

Exercice clos le 30 juin 2023

Rapport des commissaires aux comptes sur les comptes consolidés

A l'Assemblée Générale de la société Eutelsat Communications,

Opinion

En exécution de la mission qui nous a été confiée par vos assemblées générales, nous avons effectué l'audit des comptes consolidés de la société Eutelsat Communications relatifs à l'exercice clos le 30 juin 2023, tels qu'ils sont joints au présent rapport.

Nous certifions que les comptes consolidés sont, au regard du référentiel IFRS tel qu'adopté dans l'Union européenne, réguliers et sincères et donnent une image fidèle du résultat des opérations de l'exercice écoulé ainsi que de la situation financière et du patrimoine, à la fin de l'exercice, de l'ensemble constitué par les personnes et entités comprises dans la consolidation.

L'opinion formulée ci-dessus est cohérente avec le contenu de notre rapport au comité d'audit.

Fondement de l'opinion

■ Référentiel d'audit

Nous avons effectué notre audit selon les normes d'exercice professionnel applicables en France. Nous estimons que les éléments que nous avons collectés sont suffisants et appropriés pour fonder notre opinion.

Les responsabilités qui nous incombent en vertu de ces normes sont indiquées dans la partie « Responsabilités des commissaires aux comptes relatives à l'audit des comptes consolidés » du présent rapport.

■ Indépendance

Nous avons réalisé notre mission d'audit dans le respect des règles d'indépendance prévues par le Code de commerce et par le Code de déontologie de la profession de commissaire aux comptes sur la période du 1^{er} juillet 2022 à la date d'émission de notre rapport, et notamment nous n'avons pas fourni de services interdits par l'article 5, paragraphe 1, du règlement (UE) n° 537/2014.

Justification des appréciations - Points clés de l'audit

En application des dispositions des articles L. 823-9 et R. 823-7 du Code de commerce relatives à la justification de nos appréciations, nous portons à votre connaissance les points clés de l'audit relatifs aux risques d'anomalies significatives qui, selon notre jugement professionnel, ont été les plus importants pour l'audit des comptes consolidés de l'exercice, ainsi que les réponses que nous avons apportées face à ces risques.

Les appréciations ainsi portées s'inscrivent dans le contexte de l'audit des comptes consolidés pris dans leur ensemble et de la formation de notre opinion exprimée ci-avant. Nous n'exprimons pas d'opinion sur des éléments de ces comptes consolidés pris isolément.

■ Evaluation des actifs immobilisés et durée d'utilisation des satellites

Risque identifié	Notre réponse
<p>Au 30 juin 2023, les immobilisations corporelles et incorporelles de votre société s'élèvent à € 5,5 milliards et les titres des sociétés mises en équivalence s'élèvent à € 0,5 milliard au regard d'un total du bilan de € 7,4 milliards. Cet actif immobilisé est essentiellement composé des écarts d'acquisitions et des contrats clients et relations associées comptabilisés dans le cadre de regroupements d'entreprises, des satellites en orbite ou en cours de construction, des droits d'utilisation et des équipements au sol, ainsi que des participations du groupe dans des sociétés consolidées selon la méthode de la mise en équivalence.</p> <p>Les écarts d'acquisition sont suivis au niveau du seul segment opérationnel de la société. Les unités génératrices de trésorerie correspondent aux positions orbitales, portant un ou plusieurs satellites, ainsi que les contrats clients et relations associées.</p> <p>Les notes 7.1.1, 7.1.2, 7.1.3 et 7.1.4 de l'annexe aux comptes consolidés décrivent les modalités d'évaluation des écarts d'acquisition, d'amortissement des contrats clients et relations associées et celles des satellites en orbite ainsi que les modalités de réalisation des tests de perte de valeur de ces actifs.</p> <p>La note 7.2 de l'annexe aux comptes consolidés décrit les modalités de comptabilisation des titres mis en équivalence.</p>	<p>Nous avons examiné :</p> <ul style="list-style-type: none">▶ les travaux réalisés par votre groupe pour déterminer la durée d'utilité des satellites et la cohérence des durées retenues avec les données techniques disponibles ;▶ les modalités de mise en œuvre des tests de perte de valeur, en particulier la détermination des unités génératrices de trésorerie ;▶ les méthodes d'estimation de la valeur recouvrable des écarts d'acquisition et des autres actifs des unités génératrices de trésorerie. <p>Nous avons porté une attention particulière aux tests de dépréciation (i) des écarts d'acquisition ainsi que (ii) des unités génératrices de trésorerie pour lesquelles la valeur comptable est proche de la valeur recouvrable estimée et celles dont l'historique de performance est limité compte tenu du caractère récent des lancements de satellites.</p> <p>Nous avons par ailleurs apprécié les principales estimations retenues par la direction pour établir les prévisions de flux de trésorerie, à partir des informations disponibles dont les perspectives de marché, les carnets de commandes et les réalisations passées. Nous avons apprécié la pertinence des taux d'actualisation et des taux de croissance long terme retenus, avec l'assistance de nos experts en évaluation financière et nous avons réalisé des calculs de sensibilité sur les valeurs recouvrables déterminées par la direction.</p>

Nous avons considéré que l'évaluation de ces actifs et la détermination de la durée d'amortissement des satellites en orbite sont des points clés de l'audit en raison (i) de leur importance significative dans les comptes de votre groupe, (ii) des estimations nécessaires pour déterminer la durée d'utilisation attendue des satellites ainsi que l'horizon des flux de trésorerie d'exploitation qui reposent sur des évaluations techniques, (iii) du jugement nécessaire à la détermination des unités génératrices de trésorerie, et (iv) des estimations et des hypothèses utilisées pour la détermination de leur valeur recouvrable, le plus souvent fondée sur des prévisions de flux de trésorerie actualisés dont la réalisation est par nature incertaine.

Nous avons également évalué le caractère approprié des informations fournies dans les notes 7.1.1, 7.1.2, 7.1.3, 7.1.4 et 7.2 de l'annexe aux comptes consolidés.

■ Reconnaissance du chiffre d'affaires et dépréciation des créances clients

Risque identifié	Notre réponse
<p>Au 30 juin 2023, le chiffre d'affaires de votre groupe s'élève à € 1,1 milliard et les créances clients et les actifs sur contrats clients inscrits au bilan du groupe s'élèvent à € 0,3 milliard. Votre groupe est amené à traiter avec de multiples clients en France et à l'étranger. Le chiffre d'affaires est principalement issu des contrats conclus avec les clients pour la fourniture de services de capacité satellitaire. Les contrats couvrent généralement des périodes allant de plusieurs mois à plusieurs années.</p> <p>Nous avons considéré que la reconnaissance du chiffre d'affaires et la détermination des provisions pour dépréciation des créances clients et actifs sur contrats clients sont un point clé de l'audit en raison de leur importance significative dans les comptes de votre groupe, de la diversité et du volume des contrats existant entre votre groupe et ses clients, ainsi que du jugement nécessaire à l'appréciation du caractère recouvrable des créances clients tout au long de la vie des contrats.</p>	<p>Les notes 6.1 et 7.3 de l'annexe aux comptes consolidés décrivent les modalités de comptabilisation du chiffre d'affaires et les modalités d'évaluation des créances clients.</p> <p>Notre approche d'audit sur la reconnaissance du chiffre d'affaires et la dépréciation des créances clients inclut à la fois des tests sur le contrôle interne et des contrôles de substance, sur les comptes en eux-mêmes.</p> <p>Nos travaux relatifs au contrôle interne ont porté principalement sur la contractualisation, la facturation, le recouvrement des créances clients et la comptabilisation du chiffre d'affaires. Nous avons examiné les procédures mises en œuvre par votre groupe et testé les contrôles clés identifiés. Par ailleurs, nous avons également inclus dans nos équipes des membres ayant une compétence particulière en systèmes d'information de manière à évaluer certains contrôles généraux informatiques et contrôles applicatifs sur les données intégrées dans le système et servant à la reconnaissance du chiffre d'affaires.</p> <p>Nos contrôles de substance, relatifs au chiffre d'affaires et aux dépréciations des créances clients, ont notamment consisté à :</p> <ul style="list-style-type: none"> ▶ analyser les clauses contractuelles sur un échantillon de contrats, notamment les nouveaux contrats les plus significatifs de la période et les opérations particulières, afin d'examiner le traitement comptable applicable ;

- ▶ apprécier les hypothèses utilisées dans la reconnaissance du chiffre d'affaires ;
- ▶ examiner avec la direction les raisons du retard de paiement de certains clients et l'estimation des perspectives de recouvrement des créances dans le contexte de la crise ukrainienne, en considérant, entre autres, les facteurs tels que les dépôts de garantie, les plans de paiement négociés, l'historique de paiement et les relations commerciales en cours entre ces clients et votre groupe ;
- ▶ contrôler le calcul de la provision pour dépréciation et sa conformité avec la méthodologie de votre groupe.

Enfin, nous avons apprécié le caractère approprié des informations fournies dans les notes 6.1 et 7.3 de l'annexe aux comptes consolidés.

Vérifications spécifiques

Nous avons également procédé, conformément aux normes d'exercice professionnel applicables en France, aux vérifications spécifiques prévues par les textes légaux et réglementaires des informations relatives au groupe, données dans le rapport de gestion du conseil d'administration.

Nous n'avons pas d'observation à formuler sur leur sincérité et leur concordance avec les comptes consolidés.

Nous attestons que la déclaration consolidée de performance extra-financière prévue par l'article L. 225-102-1 du Code de commerce figure dans les informations relatives au groupe données dans le rapport de gestion, étant précisé que, conformément aux dispositions de l'article L. 823-10 de ce Code, les informations contenues dans cette déclaration n'ont pas fait l'objet de notre part de vérifications de sincérité ou de concordance avec les comptes consolidés et doivent faire l'objet d'un rapport par un organisme tiers indépendant.

Autres vérifications ou informations prévues par les textes légaux et réglementaires

■ Format de présentation des comptes consolidés destinés à être inclus dans le rapport financier annuel

Nous avons également procédé, conformément à la norme d'exercice professionnel sur les diligences du commissaire aux comptes relatives aux comptes annuels et consolidés présentés selon le format d'information électronique unique européen, à la vérification du respect de ce format défini par le règlement européen délégué n° 2019/815 du 17 décembre 2018 dans la présentation des comptes consolidés destinés à être inclus dans le rapport financier annuel mentionné au I de l'article L. 451-1-2 du Code monétaire et financier, établis sous la responsabilité de la directrice générale. S'agissant de comptes consolidés, nos diligences comprennent la vérification de la conformité du balisage de ces comptes au format défini par le règlement précité.

Sur la base de nos travaux, nous concluons que la présentation des comptes consolidés destinés à être inclus dans le rapport financier annuel respecte, dans tous ses aspects significatifs, le format d'information électronique unique européen.

En raison des limites techniques inhérentes au macro-balilage des comptes consolidés selon le format d'information électronique unique européen, il est possible que le contenu de certaines balises des notes annexes ne soit pas restitué de manière identique aux comptes consolidés joints au présent rapport.

Par ailleurs, il ne nous appartient pas de vérifier que les comptes consolidés qui seront effectivement inclus par votre société dans le rapport financier annuel déposé auprès de l'AMF correspondent à ceux sur lesquels nous avons réalisé nos travaux.

■ Désignation des commissaires aux comptes

Nous avons été nommés commissaires aux comptes de la société Eutelsat Communications par votre assemblée générale du 20 juillet 2005 pour le cabinet MAZARS et du 10 novembre 2009 pour le cabinet ERNST & YOUNG et Autres.

Au 30 juin 2023, le cabinet MAZARS était dans la dix-huitième année de sa mission sans interruption et le cabinet ERNST & YOUNG et Autres dans la quatorzième année.

Antérieurement, le cabinet ERNST & YOUNG Audit était commissaire aux comptes depuis 2005.

Responsabilités de la direction et des personnes constituant le gouvernement d'entreprise relatives aux comptes consolidés

Il appartient à la direction d'établir des comptes consolidés présentant une image fidèle conformément au référentiel IFRS tel qu'adopté dans l'Union européenne ainsi que de mettre en place le contrôle interne qu'elle estime nécessaire à l'établissement de comptes consolidés ne comportant pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs.

Lors de l'établissement des comptes consolidés, il incombe à la direction d'évaluer la capacité de la société à poursuivre son exploitation, de présenter dans ces comptes, le cas échéant, les informations nécessaires relatives à la continuité d'exploitation et d'appliquer la convention comptable de continuité d'exploitation, sauf s'il est prévu de liquider la société ou de cesser son activité.

Il incombe au comité d'audit de suivre le processus d'élaboration de l'information financière et de suivre l'efficacité des systèmes de contrôle interne et de gestion des risques, ainsi que le cas échéant de l'audit interne, en ce qui concerne les procédures relatives à l'élaboration et au traitement de l'information comptable et financière.

Les comptes consolidés ont été arrêtés par le conseil d'administration.

Responsabilités des commissaires aux comptes relatives à l'audit des comptes consolidés

■ Objectif et démarche d'audit

Il nous appartient d'établir un rapport sur les comptes consolidés. Notre objectif est d'obtenir l'assurance raisonnable que les comptes consolidés pris dans leur ensemble ne comportent pas d'anomalies significatives. L'assurance raisonnable correspond à un niveau élevé d'assurance, sans toutefois garantir qu'un audit réalisé conformément aux normes d'exercice professionnel permet de systématiquement détecter toute anomalie significative. Les anomalies peuvent provenir de fraudes ou résulter d'erreurs et sont considérées comme significatives lorsque l'on peut raisonnablement s'attendre à ce qu'elles puissent, prises individuellement ou en cumulé, influencer les décisions économiques que les utilisateurs des comptes prennent en se fondant sur ceux-ci.

Comme précisé par l'article L. 823-10-1 du Code de commerce, notre mission de certification des comptes ne consiste pas à garantir la viabilité ou la qualité de la gestion de votre société.

Dans le cadre d'un audit réalisé conformément aux normes d'exercice professionnel applicables en France, le commissaire aux comptes exerce son jugement professionnel tout au long de cet audit. En outre :

- ▶ il identifie et évalue les risques que les comptes consolidés comportent des anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, définit et met en œuvre des procédures d'audit face à ces risques, et recueille des éléments qu'il estime suffisants et appropriés pour fonder son opinion. Le risque de non-détection d'une anomalie significative provenant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne ;
- ▶ il prend connaissance du contrôle interne pertinent pour l'audit afin de définir des procédures d'audit appropriées en la circonstance, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne ;
- ▶ il apprécie le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par la direction, ainsi que les informations les concernant fournies dans les comptes consolidés ;
- ▶ il apprécie le caractère approprié de l'application par la direction de la convention comptable de continuité d'exploitation et, selon les éléments collectés, l'existence ou non d'une incertitude significative liée à des événements ou à des circonstances susceptibles de mettre en cause la capacité de la société à poursuivre son exploitation. Cette appréciation s'appuie sur les éléments collectés jusqu'à la date de son rapport, étant toutefois rappelé que des circonstances ou événements ultérieurs pourraient mettre en cause la continuité d'exploitation. S'il conclut à l'existence d'une incertitude significative, il attire l'attention des lecteurs de son rapport sur les informations fournies dans les comptes consolidés au sujet de cette incertitude ou, si ces informations ne sont pas fournies ou ne sont pas pertinentes, il formule une certification avec réserve ou un refus de certifier ;
- ▶ il apprécie la présentation d'ensemble des comptes consolidés et évalue si les comptes consolidés reflètent les opérations et événements sous-jacents de manière à en donner une image fidèle ;

- ▶ concernant l'information financière des personnes ou entités comprises dans le périmètre de consolidation, il collecte des éléments qu'il estime suffisants et appropriés pour exprimer une opinion sur les comptes consolidés. Il est responsable de la direction, de la supervision et de la réalisation de l'audit des comptes consolidés ainsi que de l'opinion exprimée sur ces comptes.

■ Rapport au comité d'audit

Nous remettons au comité d'audit un rapport qui présente notamment l'étendue des travaux d'audit et le programme de travail mis en œuvre, ainsi que les conclusions découlant de nos travaux. Nous portons également à sa connaissance, le cas échéant, les faiblesses significatives du contrôle interne que nous avons identifiées pour ce qui concerne les procédures relatives à l'élaboration et au traitement de l'information comptable et financière.

Parmi les éléments communiqués dans le rapport au comité d'audit figurent les risques d'anomalies significatives, que nous jugeons avoir été les plus importants pour l'audit des comptes consolidés de l'exercice et qui constituent de ce fait les points clés de l'audit, qu'il nous appartient de décrire dans le présent rapport.

Nous fournissons également au comité d'audit la déclaration prévue par l'article 6 du règlement (UE) n° 537/2014 confirmant notre indépendance, au sens des règles applicables en France telles qu'elles sont fixées notamment par les articles L. 822-10 à L. 822-14 du Code de commerce et dans le Code de déontologie de la profession de commissaire aux comptes. Le cas échéant, nous nous entretenons avec le comité d'audit des risques pesant sur notre indépendance et des mesures de sauvegarde appliquées.

Paris-La Défense, le 3 août, 2023

Les Commissaires aux Comptes

MAZARS

ERNST & YOUNG et Autres

Achour Messas

Nicolas Macé

Groupe Eutelsat Communications

Société anonyme au capital de 248 926 325 euros

Siège social : 32, boulevard Gallieni 92130 Issy-les-Moulineaux

481 043 040 R.C.S. Nanterre

ETATS FINANCIERS CONSOLIDES AU 30 JUIN 2023

COMPTE DE RESULTAT CONSOLIDE

(en millions d'euros, sauf données par action)	Note	30 juin 2022	30 juin 2023
Produits des activités ordinaires	6.1	1 151,6	1 131,3
Coûts des opérations	6.2	(93,2)	(103,3)
Frais commerciaux et administratifs	6.2	(196,8)	(202,7)
Dotations aux amortissements	7.1.1, 7.1.2, 7.1.3	(481,7)	(455,5)
Autres produits et charges opérationnelles	6.3	44,9	203,5
Résultat opérationnel		424,8	573,5
Coût de la dette nette		(63,1)	(68,5)
Autres produits et charges financiers		(1,8)	(22,8)
Résultat financier	6.4	(64,9)	(91,3)
Résultat courant avant impôt		359,9	482,2
Impôts sur les sociétés	6.5	(48,6)	(66,5)
Quote-part de résultat des sociétés mises en équivalence	7.2	(71,5)	(87,3)
Résultat net		239,8	328,3
Part attribuable au Groupe		230,8	314,9
Part attribuable aux participations ne donnant pas le contrôle		9,1	13,4
Résultat de base et dilué par action revenant aux actionnaires d'Eutelsat Communications	6.6	1,002	1,267

ETAT DU RESULTAT GLOBAL

(en millions d'euros)	Note	30 juin 2022	30 juin 2023
Résultat net		239,8	328,3
Autres éléments recyclables de gains et pertes du résultat global			
Écart de conversion	7.6.4	117,3	(46,3)
Effet d'impôt	7.6.4	21,0	(2,9)
Variations de juste valeur des instruments de couverture ⁽¹⁾	7.6.3	(43,3)	33,2
Effet d'impôt	7.6.3	10,6	(8,5)
Autres éléments non recyclables de gains et pertes du résultat global			
Variations des engagements de retraite	7.7	56,8	(17,5)
Effet d'impôt		(14,7)	4,5
Total autres éléments de gains et pertes du résultat global		147,7	(37,5)
Total état du résultat global		387,5	290,9
Part attribuable au Groupe		373,1	278,9
Part attribuable aux participations ne donnant pas le contrôle ⁽²⁾		14,4	12,0

⁽¹⁾ Les variations de juste valeur des instruments de couverture concernent les couvertures de flux de trésorerie, les couvertures d'investissement net à l'étranger ainsi que l'effet du débouclage des forwards documentés et l'amortissement des soultes.

⁽²⁾ La part attribuable aux participations ne donnant pas le contrôle se décompose comme suit :

- 9,0 millions d'euros de résultat net au 30 juin 2022 et 13,4 millions d'euros au 30 juin 2023

- (1,9) million d'euros d'autres éléments recyclables de gains et pertes du résultat global au 30 juin 2022 et (1,0) million d'euros au 30 juin 2023 et

- 7,3 million d'euros d'autres éléments non recyclables de gains et pertes du résultat global au 30 juin 2022 et (0,5) millions d'euros au 30 juin 2023.

ETATS CONSOLIDES DE LA SITUATION FINANCIERE

(en millions d'euros)	Note	30 juin 2022	30 juin 2023
Actif			
Écarts d'acquisition	7.1.1	1 295,2	1 280,1
Immobilisations incorporelles	7.1.1	377,4	302,2
Immobilisations corporelles et immobilisations en cours	7.1.2	3 677,5	3587,0
Droits d'utilisation sur contrats de location	7.1.3	452,9	345,1
Titres des sociétés mises en équivalence	7.2	605,7	501,2
Actifs financiers non courants	7.4.3	43,0	163,9
Actifs sur contrats clients et coûts d'obtention et d'exécution des contrats non courants	7.3	34,0	31,8
Actifs d'impôts différés	7.8	1,4	15,3
Total des actifs non courants		6 487,0	6 226,5
Stocks		12,9	13,0
Créances clients et comptes rattachés	7.3.1	246,9	207,5
Actifs sur contrats clients et coûts d'obtention et d'exécution des contrats courants	7.3	18,8	13,3
Autres actifs courants		32,6	39,0
Actif d'impôt exigible		29,7	40,6
Actifs financiers courants	7.4.3	65,1	388,8
Trésorerie et équivalents de trésorerie	7.4.1	680,5	482,2
Total des actifs courants		1 086,5	1 184,3
Total de l'actif		7 573,6	7 410,8

(en millions d'euros)	Note	30 juin 2022	30 juin 2023
Passif			
Capital social	7.6.1	230,5	248,9
Primes liées au capital		718,0	831,3
Réserves et résultat consolidés		1 828,8	1 895,1
Participations ne donnant pas le contrôle		83,4	96,8
Total capitaux propres		2 860,7	3 072,1
Dettes financières non courantes	7.4.2	2 718,1	2 841,8
Dettes locatives non courantes	7.4.3	365,9	272,5
Autres passifs financiers non courants	7.4.3	94,7	54,7
Dettes sur immobilisations non courantes	7.4.3	134,1	1,2
Passifs de contrats clients non courants	7.3.3	159,2	269,0
Provisions non courantes	7.7	17,6	29,2
Passifs d'impôts différés	7.8	184,8	157,9
Total des passifs non courants		3 674,5	3 626,2
Dettes financières courantes	7.4.2	338,5	97,6
Dettes locatives courantes	7.4.3	59,8	47,0
Autres dettes et passifs financiers courants	7.4.3	302,4	113,0
Fournisseurs et comptes rattachés		78,3	93,5
Dettes sur immobilisations courantes	7.4.3	163,3	188,5
Impôt à payer		23,6	99,5
Passifs de contrats clients courants	7.3.3	65,2	68,5
Provisions courantes	7.7	7,1	5,1
Total des passifs courants		1 038,3	712,5
Total du passif et des capitaux propres		7 573,6	7 410,8

TABLEAU DE FLUX DE TRESORERIE CONSOLIDE

(en millions d'euros)	Note	30 juin 2022	30 juin 2023
Flux d'exploitation			
Résultat net		239,8	328,4
Résultat des sociétés mises en équivalence		71,5	87,3
Charges d'impôts et d'intérêts, autres éléments d'exploitation		(17,3)	163,8
Dotations aux amortissements et aux provisions		492,6	535,3
Impôts différés	7.8	0,2	(48,5)
Variations des clients et comptes rattachés		5,8	6,3
Variations des actifs sur contrats clients et autres actifs		4,0	(357,4)
Variations des fournisseurs et comptes rattachés		(1,2)	(74,3)
Variations des passifs de contrats clients et autres passifs		30,8	121,4
Impôts payés		(25,2)	(27,3)
Trésorerie provenant des opérations d'exploitation		800,9	734,9
Flux d'investissements			
Acquisitions de satellites et autres immobilisations corporelles et incorporelles	7.1.1, 7.1.2	(177,2)	(201,0)
Remboursements d'assurance		-	-
Produit / Charges liées à la libération de la bande C	2.2	86,1	(9,8)
Acquisitions de titres de participation et autres mouvements ⁽¹⁾		(491,9)	(122,1)
Trésorerie utilisée par les opérations d'investissement		(583,0)	(332,9)
Flux de financement			
Distributions		(221,5)	(80,6)
Augmentation des emprunts	7.4.2	-	-
Remboursement des emprunts	7.4.2	(88,2)	(314,9)
Remboursement des dettes locatives	7.4.3	(14,1)	(54,6)
Frais d'émission d'emprunt		(4,4)	-
Intérêts et autres frais financiers payés		(78,3)	(95,3)
Opérations relatives aux participations ne donnant pas le contrôle ⁽²⁾		-	(15,5)
Primes et soultes payées sur instruments financiers dérivés		(6,7)	(36,9)
Autres variations		0,1	(0,2)
Trésorerie utilisée par les opérations de financement		(413,3)	(598,0)
Incidence des variations de change sur la trésorerie		14,7	(0,3)
Incidence des variations de périmètre		-	(2,0)
Augmentation/(Diminution) de la trésorerie		(180,6)	(198,3)
Trésorerie à l'ouverture de l'exercice		861,1	680,5
Trésorerie à la clôture de l'exercice		680,5	482,2
<i>dont Trésorerie et équivalents de trésorerie à clôture de l'exercice</i>	7.4.1	680,5	482,2
<i>dont Découverts compris dans les dettes à clôture de l'exercice</i>		-	-

⁽¹⁾ Au 30 juin 2023, les acquisitions de titres de participation et autres mouvements comprennent le versement de 127,9 millions d'euros lié à l'acquisition de participations dans OneWeb Holdings Limited ainsi que 5,2 M€ de remboursement d'obligations convertibles de Broadpeak. Au 30 juin 2022, elles incluent le paiement de 494,9 millions d'euros lié à l'acquisition de participations dans OneWeb Holdings Limited (voir note 3.2.1) ainsi que le remboursement du compte séquestre au titre de l'acquisition de Big Blu Europe pour 3,9 millions d'euros (voir note 3.2.2)

⁽²⁾ Au 30 juin 2023, les opérations relatives aux participations ne donnant pas le contrôle incluent le paiement d'un complément de prix lié à l'acquisition des parts minoritaires d'Eutelsat International intervenue sur l'exercice clos le 30 juin 2020.

TABLEAU DE VARIATION DES CAPITAUX PROPRES CONSOLIDÉS

(en millions d'euros sauf données par actions)	Capital social			Réserves et résultat	Capitaux propres part du Groupe	Participations ne donnant pas le contrôle	Total
	Nombre	Montant	Primes				
Au 30 juin 2021	230 544 995	230,5	718,0	1 666,0	2 614,5	76,2	2 690,7
Résultat net de la période	-	-	-	230,8	230,8	9,1	239,9
Autres éléments de gains et pertes du résultat global ⁽¹⁾	-	-	-	142,3	142,3	5,4	147,7
Total du résultat global	-	-	-	373,1	373,1	14,4	387,5
Distributions de dividendes	-	-	-	(214,2)	(214,2)	(7,3)	(221,5)
Avantages aux salariés sur souscription d'actions et actions gratuites	-	-	-	0,2	0,2	-	0,2
Transactions avec des participations ne donnant pas le contrôle et autres	-	-	-	3,7	3,7	0,2	3,9
Au 30 juin 2022	230 544 995	230,5	718,0	1 828,8	2 777,3	83,5	2 860,9
Résultat net de la période	-	-	-	314,9	314,9	13,4	328,3
Autres éléments de gains et pertes du résultat global ⁽¹⁾	-	-	-	(36,0)	(36,0)	(1,4)	(37,5)
Total du résultat global	-	-	-	278,9	278,9	12,0	290,9
Actions propres	-	-	-	(1,0)	(1,0)	(0,0)	(1,0)
Distributions de dividendes	-	-	-	(80,6)	(80,6)	-	(80,6)
Augmentation de capital	18 381 330	18,4	113,3	(131,6)	-	-	-
Avantages aux salariés sur souscription d'actions et actions gratuites	-	-	-	0,6	0,6	-	0,6
Transactions avec des participations ne donnant pas le contrôle et autres ⁽²⁾	-	-	-	-0,2	0,2	1,2	1,4
Au 30 juin 2023	248 926 325	248,9	831,3	1 895,2	2 975,4	96,7	3 072,1

⁽¹⁾ Les variations des autres éléments de gains et pertes du résultat global comprennent les gains et pertes actuariels constatés sur les avantages postérieurs à l'emploi ainsi que la variation de la réserve de réévaluation sur les instruments financiers (voir Note 7.6.3) et de la réserve de conversion (voir Note. 7.6.4), nets des effets d'impôts associés.

⁽²⁾ Les transactions avec des participations ne donnant pas le contrôle incluent notamment la variation du montant d'ajustement de prix relatif à Eutelsat International pour 1.2 million d'euros.

NOTES ANNEXES AUX ETATS FINANCIERS CONSOLIDES

NOTE 1. PRESENTATION GENERALE	9
1.1 Activité.....	9
1.2 Exercice fiscal	9
1.3 Approbation des comptes	9
NOTE 2. FAITS MARQUANTS DE L'EXERCICE	9
2.1 Rapprochement Eutelsat - OneWeb	9
2.2 Processus de libération de la Bande C	9
2.3 Lancements des satellites Eutelsat Konnect VHTS, HOTBIRD 13F, HOTBIRD 13G et Eutelsat 10B	10
2.4 Impacts du conflit russo-ukrainien et des mesures restrictives liées à la situation en Iran	10
2.5 Cession DE BIGBLU Operations Ltd	10
NOTE 3. PERIMETRE DE CONSOLIDATION	11
3.1 Périmètre de consolidation	11
3.2 Principales évolutions du périmètre de consolidation	12
NOTE 4. PRINCIPES COMPTABLES ET METHODES D'EVALUATION	14
4.1 Bases de préparation des comptes	14
4.2 Règles de présentation.....	14
4.3 Jugements comptables et estimations significatives	14
NOTE 5. INFORMATION SECTORIELLE	15
NOTE 6. NOTES ANNEXES DU COMPTE DE RESULTAT	16
6.1 Chiffre d'affaires	16
6.2 Charges opérationnelles.....	17
6.3 Autres produits et charges opérationnels.....	20
6.4 Résultat financier	20
6.5 Impôt sur les sociétés.....	21
6.6 Résultat par action	21
NOTE 7. NOTES ANNEXES DU BILAN	22
7.1 Actifs immobilisés.....	22
7.2 Titres mis en équivalence	29
7.3 Créances, actifs et passifs sur contrats clients et coûts d'obtention et d'exécution des contrats.	31
7.4 Actifs et passifs financiers	34
7.5 Juste valeur des instruments financiers.....	42
7.6 Capitaux propres	44
7.7 Provisions	45
7.8 Actifs et passifs d'impôts.....	48
NOTE 8. PARTIES LIEES	49
8.1 Principaux dirigeants	50
8.2 Autres parties liées.....	50
NOTE 9. ÉVÉNEMENTS POSTERIEURS A LA CLOTURE	51
NOTE 10. HONORAIRES DES COMMISSAIRES AUX COMPTES	51

NOTE 1. PRESENTATION GENERALE

1.1 ACTIVITE

Exploitant de la capacité sur 36 satellites, le Groupe est l'un des leaders dans les services fixes par satellite. Il exploite et fournit principalement de la capacité pour des Services Vidéo, des Données Fixes, ainsi que des Services aux gouvernements et offre également de la capacité dans des applications de Connectivité (Haut Débit Fixe et Connectivité Mobile). Grâce à sa flotte de satellites, le Groupe couvre l'ensemble du continent européen, le Moyen-Orient et l'Afrique du Nord, ainsi que l'Afrique sub-saharienne, une partie importante des continents asiatiques et le continent américain.

1.2 EXERCICE FISCAL

L'exercice a une durée de 12 mois du 1^{er} juillet au 30 juin.

1.3 APPROBATION DES COMPTES

Les états financiers consolidés au 30 juin 2023 ont été établis sous la responsabilité du Conseil d'Administration qui les a arrêtés par une délibération en date du 27 juillet 2023. Ils seront soumis à l'approbation de l'Assemblée Générale ordinaire des actionnaires qui aura lieu le 23 novembre 2023.

NOTE 2. FAITS MARQUANTS DE L'EXERCICE

2.1 RAPPROCHEMENT EUTELSAT - ONEWEB

Le 26 juillet 2022, Eutelsat Communications et les actionnaires clés de OneWeb ont signé un protocole d'accord, pour rapprocher les deux sociétés par échange d'actions, en vue de créer un acteur mondial unique et de premier plan dans le domaine de la connectivité. La transaction sera structurée comme un échange des actions OneWeb par leurs détenteurs (autres qu'Eutelsat) avec des actions Eutelsat nouvellement émises. A la réalisation de la transaction, Eutelsat détiendra 100% de OneWeb et les actionnaires de OneWeb recevront environ 226 millions d'actions Eutelsat nouvellement émises.

A la suite de l'avis rendu par les instances représentatives du personnel, Eutelsat Communications et les actionnaires clés de OneWeb ont signé un accord définitif de rapprochement le 14 novembre 2022. La réalisation de l'opération reste soumise aux conditions suspensives habituelles en la matière, en particulier les autorisations des autorités réglementaires compétentes. L'assemblée générale extraordinaire des actionnaires d'Eutelsat appelée à approuver l'opération devrait se tenir au troisième trimestre de l'année calendaire 2023.

Au 30 juin 2023, 37,8 millions d'euros de coûts de transaction ont été comptabilisés en autres charges opérationnelles.

Le 31 mars 2023, un montant de 100 millions de dollars U.S. a été versé à OneWeb dans le cadre du paiement d'avance de capacités négociées lors de la mise en place du contrat de distribution en exclusivité signé entre le Groupe et OneWeb concomitamment à l'accord définitif de rapprochement. Un montant de 100 millions de dollars U.S. doit être versé en mars 2024 et un montant de 75 millions de dollars U.S. en mars 2025.

En mai 2023, le Groupe a signé un accord avec l'ensemble des actionnaires principaux de OneWeb visant à s'engager à prêter pour un montant maximum de 160 millions de dollars U.S. à hauteur de la participation de chaque actionnaire (la part du Groupe s'élevant à 37.8 millions de dollars U.S. maximum) dans le cas où OneWeb disposerait d'une trésorerie insuffisante avant la finalisation du rapprochement. Ce prêt serait remboursable à la date de réalisation de l'opération ou pourrait être converti en capital si le rapprochement devait être compromis.

2.2 PROCESSUS DE LIBERATION DE LA BANDE C

Dans le cadre de la libération des fréquences 3,7-4 GHz (bande C) sur le territoire américain faisant suite à la décision fédérale publiée par la Federal Communication Commission (FCC - le régulateur américain des communications) le 3 mars 2020, le Groupe a mis en place un plan de transition qui comporte deux phases correspondant chacune à la libération de certaines fréquences et donnant lieu au paiement d'incitations financières à hauteur de 125 millions de dollars U.S. pour la première phase et 382 millions de dollars U.S. pour la seconde phase.

En Octobre 2021, la FCC a validé la certification de la première phase du plan de transition du Groupe. Un produit de 125 millions de dollars U.S. a dans ce cadre été comptabilisé en autres produits opérationnels au titre de l'exercice 2021-22. Les fonds correspondants ont été reçus en Décembre 2021.

Le 15 mai 2023, la FCC a publié des lignes directrices ouvrant la fenêtre de certification de la seconde phase de la bande C. Le Groupe a déposé son plan de transition et sa certification le 1^{er} juin 2023. A l'issue de la période de commentaires publics de 30 jours la FCC a validé la certification de la seconde phase du plan de transition le 30 juin 2023. Un produit de 382 millions de dollars U.S. a dans ce cadre été comptabilisé en autres produits opérationnels au titre de l'exercice 2022-23. Les fonds correspondants devraient être versés au Groupe dans les 97 jours suivant le jour de

dépôt du plan de transition le 1^{er} juin 2023.

2.3 LANCEMENTS DES SATELLITES EUTELSAT KONNECT VHTS, HOTBIRD 13F, HOTBIRD 13G ET EUTELSAT 10B

Les satellites KONNECT VHTS, HOTBIRD 13F, HOTBIRD 13G ET EUTELSAT 10B ont été lancés avec succès respectivement le 8 septembre 2022, le 15 octobre 2022, le 3 novembre 2022 et le 23 novembre 2022.

Le satellite KONNECT VHTS a pour missions de proposer des services haut débit et de connectivité mobile partout en Europe.

Les satellites jumeaux HOTBIRD 13F et 13G viennent renforcer et optimiser la diffusion de plus de mille chaînes de télévision vers les foyers situés en Europe, en Afrique du Nord et au Moyen-Orient. Les deux satellites ont été mis en service respectivement en avril et en mai 2023.

Eutelsat 10B est équipé de deux charges utiles multifaisceaux HTS (High-Throughput Satellite) en bande Ku : une charge utile de forte capacité couvrant le couloir nord-atlantique, l'Europe, le bassin méditerranéen et le Moyen-Orient, et garantissant d'importants débits sur les axes de trafic aérien et maritime parmi les plus denses de la planète, et une seconde charge utile destinée à élargir la couverture à l'Océan Atlantique, l'Afrique et l'Océan Indien.

Les mises en service des satellites KONNECT VHTS et EUTELSAT 10B sont prévues au second semestre de l'année calendaire 2023.

2.4 IMPACTS DU CONFLIT RUSSO-UKRAINIEN ET DES MESURES RESTRICTIVES LIEES A LA SITUATION EN IRAN

Conformément à la mise en demeure de l'Autorité de régulation de la communication audiovisuelle et numérique (ARCOM) en date du 14 décembre 2022, le Groupe a cessé toute intervention dans la diffusion des services de trois chaînes de télévision dans le respect du délai de mise en conformité fixé à 7 jours.

Conformément au Règlement 2022/2474 du Conseil de l'Union européenne (UE) en date du 16 décembre 2022, ces trois mêmes chaînes ainsi qu'une quatrième chaîne RenTV, ont fait l'objet de mesures restrictives du Conseil à compter du 1^{er} février 2023. Le Groupe avait par avance fait en sorte de se mettre en conformité avec ces mesures, recoupant pour l'essentiel les mesures de l'ARCOM. Dans le cadre de la mise en œuvre des mesures précitées, le Groupe s'est en outre assuré de ne pas intervenir dans la diffusion de toute déclinaison linguistique de la chaîne Russia Today (RT) News en Russie même. Par ailleurs, le Groupe conduit des démarches régulières auprès de ses partenaires distributeurs partout dans le monde afin de s'assurer que les dispositions de l'article 2(f) du Règlement UE 2014/833 relatif à l'interdiction de diffusion de certaines chaînes russes soient respectées dans leur intégralité.

Concernant la situation en Iran, conformément au Règlement 2022/2428 du Conseil de l'UE en date du 12 décembre 2022, le Groupe a par ailleurs mis fin à l'ensemble des activités de diffusion liées à l'entité Islamic Republic of Iran Broadcasting (IRIB).

Au titre de l'exercice 2022-2023, la mise en œuvre des mesures précitées a eu un impact négatif cumulé de 8 millions d'euros sur le chiffre d'affaires du Groupe. L'impact négatif sur le cash-flow libre discrétionnaire ajusté du Groupe au titre de l'exercice 2022-2023 s'élève à 8 millions d'euros.

Le Groupe loue également de la capacité sur quatre satellites appartenant à l'opérateur russe RSCC desservant des clients russes concernés par les décisions ci-dessus. En conséquence, depuis le 21 décembre 2022, le Groupe a procédé à une restructuration de ses contrats de location de capacité à la baisse. Cette réduction du périmètre de location entraîne une baisse de la dette actualisée et du droit d'utilisation pour respectivement 51 millions d'euros et 46 millions d'euros (voir notes 7.1.3 et 7.4.4) et la comptabilisation d'un produit de 5,0 millions d'euros (voir note 6.3). Au 30 juin 2023, la dette totale actualisée s'élève à 240 millions d'euros. La prise en compte de la baisse des revenus estimée ci-dessus dans les tests de dépréciation des droits d'utilisation sur contrats de location a entraîné la reconnaissance d'une dépréciation de 4.2 millions sur les droits d'utilisation de répéteurs de l'un des satellites concernés.

Bien que le Groupe possède deux filiales en Russie, la quasi-totalité des opérations avec les clients et fournisseurs russes sont portées par des filiales situées en dehors du territoire russe. Le Groupe ne présente pas d'arriérés de paiement significatifs avec ses clients russes au 30 juin 2023. La part des revenus réalisés avec des clients russes représente 6,8% des revenus du Groupe.

Au titre d'actifs en relation avec des partenaires russes, dont notamment le fournisseur de lanceurs ILS, le Groupe a reconnu une dépréciation de 42 millions d'euros dans les autres charges opérationnelles de l'exercice. De plus, la constellation en orbite basse OneWeb, dans laquelle Eutelsat détient une participation de 22,9 %, a dû suspendre les six lancements restants prévus à partir du cosmodrome de Baïkonour au premier semestre 2022. Depuis, OneWeb a conclu des accords avec SpaceX et New Space India lui permettant de sécuriser les derniers lancements de satellites de sa constellation en 2023.

2.5 CESSION DE BIGBLU OPERATIONS LTD

Le 15 juin 2023, Eutelsat a annoncé la signature d'un accord portant sur la cession de ses activités de vente au détail de services haut débit en Europe à un opérateur privé.

Les activités visées par cette cession englobent celles de la filiale Bigblu Operations Ltd ainsi que les autres activités de vente au détail réalisées au Royaume-Uni, en Irlande, en France, en Allemagne, en Italie, en Espagne, au Portugal, en Pologne, en Hongrie et en Grèce.

La cession des titres Bigblu Operations Ltd a généré une plus-value de cession de 5,3 millions d'euros comptabilisée en autres charges opérationnelles. Des compléments de prix s'appliqueront à l'opération jusqu'à deux ans à partir de la finalisation de transaction pour un montant allant d'un ajustement négatif maximum de 1,5 millions d'euros à un ajustement positif maximum de 4,7 millions d'euros. Les conséquences de cette opération sont détaillées dans la Note 3.2 "Principales évolutions du périmètre de consolidation".

NOTE 3. PERIMETRE DE CONSOLIDATION

Les états financiers consolidés comprennent la Société Eutelsat Communications S.A., ses filiales et les sociétés sur lesquelles elle exerce directement ou indirectement un contrôle conjoint ou une influence notable (l'ensemble constituant le « Groupe »).

PRINCIPES COMPTABLES

Les filiales sont toutes des entités dans lesquelles le Groupe exerce directement ou indirectement un contrôle. Le contrôle se caractérise par le pouvoir de diriger les politiques financières et opérationnelles, généralement mais pas systématiquement accompagné de la détention de plus de la moitié des droits de vote. L'existence et les effets des droits de votes potentiels qui sont actuellement exerçables ou convertibles, le pouvoir de nommer la majorité des membres des organes de direction et l'existence de droits de veto sont autant d'éléments pris en compte pour déterminer si le Groupe contrôle une entité. Les filiales sont consolidées selon la méthode de l'intégration globale, à compter de la date à laquelle le contrôle est transféré au Groupe. Elles sont déconsolidées à partir de la date où ce contrôle cesse d'exister. La part d'intérêt qui n'est pas attribuable directement ou indirectement au Groupe est comptabilisée en participations ne donnant pas le contrôle.

Les comptes des sociétés sous contrôle conjoint sont consolidés par mise en équivalence lorsque celles-ci sont qualifiées de coentreprises et suivant le pourcentage d'intérêt propre à chaque élément du bilan et du compte de résultat lorsqu'elles sont qualifiées d'activités conjointes.

Les comptes des entreprises associées dans lesquelles le Groupe exerce une influence notable sont consolidés selon la méthode de la mise en équivalence. L'influence notable est présumée lorsque la participation du Groupe est supérieure ou égale à 20%.

3.1 PERIMETRE DE CONSOLIDATION

Au 30 juin 2023, la liste des sociétés incluses dans le périmètre de consolidation est la suivante :

Sociétés	Pays	Méthode de consolidation	% de contrôle au 30 juin 2023	% d'intérêt au 30 juin 2023
Eutelsat Communications SA (société mère)	France	IG	100,00%	100,00%
Eutelsat S.A.	France	IG	100,00%	96,38%
Sous-groupe Eutelsat S.A.				
Eutelsat Konnect Services	France	IG	100,00%	96,38%
Fransat S.A.S	France	IG	100,00%	96,38%
Eutelsat do Brasil LTDA ⁽¹⁾	Brésil	IG	100,00%	96,38%
Eutelsat Participações LTDA ⁽¹⁾	Brésil	IG	100,00%	96,38%
Satmex International BV ⁽¹⁾	Pays-Bas	IG	100,00%	96,38%
Satelites Mexicanos S.A. de C.V. ⁽¹⁾	Mexique	IG	100,00%	96,38%
EAS Delaware Corp.	Etats-Unis	IG	100,00%	96,38%
SMVS Administracion S de R.L de C.V. ⁽²⁾	Mexique	IG	100,00%	96,38%
SMVS Servicios Tecnicos S de R.L de C.V ⁽¹⁾	Mexique	IG	100,00%	96,38%
Satmex USA LLC ⁽¹⁾	Etats-Unis	IG	100,00%	96,38%
Eutelsat Servicos de Telecom. do Brasil Ltda ⁽¹⁾	Brésil	IG	100,00%	96,38%
Eutelsat Latam Corp.	Etats-Unis	IG	100,00%	96,38%
Skylogic S.p.A.	Italie	IG	100,00%	96,38%
Eutelsat Russia ⁽¹⁾	Russie	IG	100,00%	96,38%
Eutelsat Services & Beteiligungen GmbH	Allemagne	IG	100,00%	96,38%
Eutelsat Inc.	États-Unis	IG	100,00%	96,38%
Eutelsat America Corp.	États-Unis	IG	100,00%	96,38%
ES 172 LLC	États-Unis	IG	100,00%	96,38%
EA 172 UK	Royaume-Uni	IG	100,00%	96,38%
ES 174E LTD	Chypre	IG	100,00%	96,38%

Sociétés	Pays	Méthode de consolidation	% de contrôle au 30 juin 2023	% d'intérêt au 30 juin 2023
Eutelsat UK Limited	Royaume-Uni	IG	100,00%	96,38%
Eutelsat Polska spZoo	Pologne	IG	100,00%	96,38%
Skylogic Mediterraneo S.r.l	Italie	IG	100,00%	96,38%
Eutelsat Madeira Unipessoal Lda	Madère	IG	100,00%	96,38%
Eutelsat Asia Pte.Ltd	Singapour	IG	100,00%	96,38%
Eutelsat Australia Pty Ltd	Australie	IG	100,00%	96,38%
Eutelsat International Ltd	Chypre	IG	100,00%	96,38%
Eutelsat Networks LLC ⁽¹⁾	Russie	IG	100,00%	96,38%
Taurus Satellite Holding Limited	Royaume-Uni	IG	100,00%	96,38%
Broadband4Africa Limited	Royaume-Uni	IG	100,00%	96,38%
Konnnect Africa France	France	IG	100,00%	96,38%
BB4A Israel Ltd	Israël	IG	100,00%	96,38%
Konnnect Africa Côte d'Ivoire	Côte d'Ivoire	IG	100,00%	96,38%
Konnnect South Africa Ltd	Afrique du Sud	IG	100,00%	96,38%
Konnnect Africa RDC ⁽¹⁾	République démocratique du Congo	IG	100,00%	96,38%
Konnnect Broadband Tanzania Limited	Tanzanie	IG	100,00%	96,38%
Eutelsat BH D.O.O. SARAJEVO ⁽¹⁾	Bosnie	IG	100,00%	96,38%
Eutelsat Bulgaria ⁽¹⁾	Bulgarie	IG	100,00%	96,38%
Eutelsat MENA FZ-LLC	Dubai	IG	100,00%	96,38%
Noorsat Media City Ltd	Chypre	IG	100,00%	96,38%
Noor El Sharq Satellite	Jordanie	IG	100,00%	96,38%
Eutelsat Cyprus Ltd	Chypre	IG	100,00%	96,38%
Eutelsat Canada Inc	Canada	IG	100,00%	96,38%
Eutelsat Greece	Grece	IG	100,00%	96,38%
OneWeb Holdings Limited ⁽²⁾	Royaume-Uni	MEE	22,91%	22,08%

IG : Intégration globale

MEE : Mise en équivalence

⁽¹⁾ Sociétés dont l'exercice fiscal est clos au 31 décembre pour des raisons légales ou historiques.

⁽²⁾ Société dont l'exercice fiscal est clos au 31 mars.

Les autres sociétés ont un exercice fiscal clos au 30 juin.

3.2 PRINCIPALES EVOLUTIONS DU PERIMETRE DE CONSOLIDATION

3.2.1 Exercice clos le 30 juin 2023

Cession de BigBlu Operations Ltd

Le 15 juin 2023, le Groupe a finalisé la cession de sa participation dans BigBlu Operations LTD.

La cession des titres Bigblu Operations Ltd a généré une plus-value de cession de 5,3 millions d'euros comptabilisée en autres charges opérationnelles. Des compléments de prix s'appliqueront à l'opération jusqu'à deux ans à partir de la finalisation de transaction pour un montant allant d'un ajustement négatif maximum de 1.5 millions d'euros à un ajustement positif maximum de 4,7 millions d'euros.

3.2.2 Exercice clos le 30 juin 2022

Investissement dans OneWeb Holdings Ltd.

Le 8 septembre 2021, le Groupe a finalisé une prise de participation de 550 millions de dollars dans la société OneWeb Holdings Ltd. La constellation OneWeb bénéficie de droits prioritaires importants en matière de fréquences et opérera 648 satellites en orbite basse offrant une faible latence. Concomitamment, Bharti Global a exercé une option d'achat de titres pour un montant de 350 millions de dollars, amenant la participation d'Eutelsat à 20,52% une fois l'opération close le 8 septembre 2021.

Le 6 octobre 2021, Eutelsat a annoncé sa participation à une partie de la dernière option d'achat de Bharti Global dans OneWeb Holdings Ltd pour un montant total de 165 millions de dollars. Cette opération a porté, une fois les autorisations réglementaires obtenues le 22 décembre 2021, la participation d'Eutelsat à 25,13 %.

Le 28 février 2022, Hanwha Systems UK Ltd a finalisé sa prise de participation à hauteur de 300 millions de dollars portant la participation d'Eutelsat à 22,91 %.

Le Groupe exerce une influence notable dans OneWeb Holdings Ltd : le Groupe dispose de sièges au conseil d'administration de la société, participe aux décisions relatives au pilotage de la société et lui amène une expertise technique essentielle. En conséquence, cette participation est consolidée par mise en équivalence.

L'allocation du prix d'acquisition au 30 juin 2023 est définitive. Il s'établit comme suit :

Bilan à 100%	Allocation du prix d'acquisition	
	(en millions d'euros)	(en millions de dollar)
Actifs non courant	1 541.1	1 827.7
Actifs courants	970.8	1 151.3
Total Actif	2 511.8	2 979.0
Passif non courant	120.3	142.7
Passif courant	164.6	195.3
Total Passif	284.9	337.9
Situation nette (100%)	2 226.9	2 641.1
Quote-part acquise du Groupe dans la situation nette	457.0	542.0
Goodwill résiduel provisoire	7.6	9.0
Contrepartie transférée	464.5	550.9
Prix d'acquisition	464.5	550.9

La seconde augmentation de capital du 22 décembre 2021 a conduit à un goodwill complémentaire définitif de 8,4 millions d'euros.

Le 26 juillet 2022, Eutelsat Communications et les actionnaires clés de OneWeb ont signé un protocole d'accord, pour rapprocher les deux sociétés par échange d'actions. A la réalisation de la transaction, Eutelsat détendra 100% de OneWeb et les actionnaires de OneWeb recevront environ 226 millions d'actions Eutelsat nouvellement émises. A la suite de l'avis rendu par les instances représentatives du personnel, Eutelsat Communications et les actionnaires clés de OneWeb ont signé un accord définitif de rapprochement le 14 novembre 2022. La réalisation de l'opération reste soumise aux conditions suspensives habituelles en la matière, en particulier les autorisations des autorités réglementaires compétentes. L'assemblée générale extraordinaire des actionnaires d'Eutelsat appelée à approuver l'opération devrait se tenir au troisième trimestre de l'année calendaire 2023.

NOTE 4. PRINCIPES COMPTABLES ET METHODES D'EVALUATION

4.1 BASES DE PREPARATION DES COMPTES

Les états financiers consolidés au 30 juin 2023 sont établis selon le référentiel IFRS tel qu'approuvé par l'Union Européenne en vigueur à cette date et dont les textes sont disponibles à l'adresse Internet suivante : http://ec.europa.eu/commission/index_fr

Le Groupe applique depuis le 1er juillet 2022 les nouvelles normes et interprétations décrites ci-dessous et adoptées par l'Union Européenne :

- Amendements à IAS 1 « Présentation des états financiers » : description des méthodes comptables,
- Amendements à IAS 8 « Principes comptables » : définition des estimations comptables,
- Amendements à IAS 12 « Impôts sur le résultat » : Impôt différé rattaché à des actifs et passifs issus d'une même transaction.

Ces nouveaux textes n'ont pas eu d'effet significatif sur les états financiers du Groupe.

4.2 REGLES DE PRESENTATION

4.2.1 Conversion des états financiers et transactions en devises étrangères

La monnaie de référence et de présentation des états financiers est l'euro.

Les filiales situées dans des pays en dehors de la zone euro tiennent leurs comptabilités dans la devise la plus représentative de leurs environnements économiques respectifs. Les éléments bilanciaux sont convertis au taux de change de clôture. Les éléments du compte de résultat sont convertis au taux de change moyen de la période. Les écarts de conversion du bilan et du compte de résultat qui proviennent des variations de taux de change sont présentés en écarts de conversion dans les capitaux propres. Le Groupe ne consolide aucune société dont la devise fonctionnelle est celle d'une économie hyper inflationniste.

Les transactions libellées en monnaies étrangères sont converties en monnaie fonctionnelle aux taux de change des jours des transactions. Les gains et les pertes de change résultant du règlement de ces transactions et de la conversion au taux de change de clôture des actifs et des passifs monétaires libellés en monnaies étrangères sont comptabilisés en résultat de change.

Les pertes et gains de change résultant de la conversion des avances capitalisables consenties à des filiales étrangères et faisant partie de l'investissement net dans la filiale consolidée sont enregistrés directement en capitaux propres sous la rubrique écart de conversion.

La principale devise étrangère utilisée est le dollar U.S. Le taux de clôture retenu est de 1,093 dollar U.S. pour 1 euro et le taux moyen de la période est de 1,041 dollar U.S. pour 1 euro.

4.2.2 Présentation des actifs et passifs courants et non courants

Les actifs et les passifs courants sont ceux que le Groupe s'attend à réaliser, consommer ou régler durant le cycle d'exploitation normal, qui est inférieur à 12 mois. Tous les autres actifs et passifs sont non courants.

4.3 JUGEMENTS COMPTABLES ET ESTIMATIONS SIGNIFICATIVES

La préparation des états financiers consolidés du Groupe requiert le recours à des jugements et estimations susceptibles d'impacter certains éléments d'actif et de passif et les montants des produits et des charges qui figurent dans ces états financiers et les notes qui les accompagnent. La Direction est amenée à revoir ces estimations et appréciations de manière constante sur la base de l'expérience passée et des autres facteurs jugés pertinents au regard des conditions économiques. Le dénouement des opérations sous-jacentes à ces estimations et hypothèses pourrait résulter, en raison de l'incertitude attachée à ces dernières, en un ajustement significatif des montants comptabilisés au cours d'une période subséquente.

Dans le cadre de l'établissement des états financiers au 30 juin 2023, la Direction a exercé son jugement, notamment au regard de la valeur recouvrable des actifs, de la reconnaissance du chiffre d'affaires, de l'estimation des provisions et l'appréciation des passifs éventuels, de la comptabilisation des actifs et passifs d'impôt, et de l'évaluation du risque clients.

NOTE 5. INFORMATION SECTORIELLE

Le Groupe considère qu'il n'opère que dans un seul secteur opérationnel se fondant sur l'appréciation des services rendus et la nature des risques associés, plutôt que sur leur destination. Il s'agit de la fourniture de services de communications par satellite pour la vidéo, les réseaux d'entreprise et à haut débit, et les mobiles, principalement aux opérateurs de communications et diffuseurs internationaux, intégrateurs de réseaux d'entreprise et entreprises pour leurs besoins propres.

Les indicateurs de performance suivis par la Directrice générale et le Directeur financier, qui forment le principal organe de décision opérationnel du Groupe, sont les suivants :

- le chiffre d'affaires ;
- l'EBITDA défini comme le résultat opérationnel avant dotations aux amortissements, dépréciations d'actifs, autres produits et charges opérationnels et le taux de marge de l'EBITDA par rapport au chiffre d'affaires ;
- les investissements cash couvrant les acquisitions de satellites, d'autres immobilisations corporelles et incorporelles ainsi que les paiements au titre des facilités de crédit à l'exportation et au titre des dettes locatives ;
- le cash-flow discrétionnaire défini comme les flux de trésorerie provenant des opérations d'exploitation duquel sont soustraits les investissements cash ainsi que les intérêts et autres frais financiers payés nets des produits d'intérêt reçus ;
- Le ratio de dette nette sur EBITDA (voir Note 7.4.4 « Dette nette ») ;

Le reporting interne est une présentation du compte de résultat consolidé du Groupe suivant une répartition de postes différente des états financiers consolidés afin de faire ressortir ces indicateurs de performance mais dont les principaux agrégats sont identiques à ceux figurant dans les comptes consolidés du Groupe. Le reporting est établi conformément aux principes IFRS appliqués par le Groupe pour ses états financiers consolidés.

La majeure partie des actifs du Groupe est constituée des satellites en orbite, le reste des actifs étant principalement localisé en France, en Italie et au Mexique.

NOTE 6. NOTES ANNEXES DU COMPTE DE RESULTAT

6.1 CHIFFRE D'AFFAIRES

PRINCIPES COMPTABLES

La majorité des contrats concernent la fourniture de services de capacité satellitaire auprès de clients distributeurs (qui revendent la capacité à des utilisateurs finaux) et de clients utilisateurs (qui utilisent la capacité pour leurs propres besoins). Ces contrats couvrent généralement des périodes allant de plusieurs mois à plusieurs années à l'exception de certains contrats portant sur de la fourniture de capacité occasionnelle de courte durée. Pour l'ensemble de ces contrats, le chiffre d'affaires est reconnu à l'avancement, au fur et à mesure du transfert du contrôle de la capacité au client sur la période contractuelle en fonction du volume d'unités de capacité satellitaire vendu (exprimé en Mhz ou Mbps selon les contrats). Cette méthode permet de reconnaître le chiffre d'affaires correspondant au niveau de service rendu à nos clients pour une période donnée en tenant compte des éventuelles variations de volume d'unités vendues au cours du contrat.

Certains contrats incluent des contreparties variables telles que des prix variables ou des périodes de gratuité. Pour ces contrats, le Groupe estime le montant de contrepartie auquel il aura droit en échange de la fourniture des services promis au client et en tient compte dans la reconnaissance du chiffre d'affaires dès lors qu'il est hautement probable que la levée ultérieure de l'incertitude relative à la contrepartie variable ne donnera pas lieu à un ajustement à la baisse important du chiffre d'affaires comptabilisé.

Le Groupe prend parfois à sa charge des frais marketing (promotion, publicité, ...) ou techniques (principalement des achats et installations d'antennes) pour le compte de certains clients. Lorsque ces frais ne sont pas distincts du service transféré au client, ils constituent une même obligation de performance avec le service de capacité et la contrepartie payable au client est reconnue en réduction du chiffre d'affaires sur la durée du contrat. Lorsque la contrepartie payable au client est octroyée en contrepartie d'un service distinct de la part du client et correspond à la juste valeur du service pour le Groupe elle est comptabilisée en charges opérationnelles.

Certains contrats prévoient la possibilité d'une résiliation anticipée, moyennant le versement d'indemnités. Lorsque ces indemnités sont versées dans le cadre d'une modification de contrat qui ne porte pas sur des services distincts du contrat existant, les services du contrat amendé ne forment qu'une seule et même obligation de performance avec les services partiellement remplis à la date de modification. Ces indemnités sont alors étalées sur la durée de vie du contrat modifié.

Dans le cadre de son activité de Haut Débit Fixe, le Groupe vend à ses clients des terminaux en complément de la fourniture de capacité satellitaire. Suivant le type de terminal et le cadre contractuel qui peut varier suivant la zone géographique adressée et le type de client (distributeur ou utilisateur final), le Groupe détermine si la vente de terminal constitue une obligation de performance distincte de la fourniture de capacité, ou si elle ne forme, avec la fourniture de capacité, qu'une seule obligation de performance. Lorsque le terminal constitue une obligation de performance distincte du service de capacité, le chiffre d'affaires et la charge d'achat de l'équipement sont intégralement reconnus lors du transfert de contrôle du terminal. Dans le cas où la vente de terminal et de capacité constitue une même obligation de performance, le chiffre d'affaires du service de capacité est reconnu sur la durée moyenne de la relation client et celui du terminal sur la durée moyenne d'utilisation de l'équipement. La charge d'achat du terminal est étalée sur la même durée que la vente, en tant qu'un coût d'exécution du contrat. L'actif et le passif relatifs à l'étalement de l'achat et de la vente du terminal sont présentés de manière distincte en autres actifs et passifs de contrats clients.

6.1.1 Chiffre d'affaires par application

Le chiffre d'affaires par application se présente comme suit :

(en millions d'euros)	30 juin 2022	30 juin 2023
Broadcast	696,9	652,0
Données & Vidéo Professionnelle	158,5	159,1
Services aux gouvernements	144,4	143,4
Haut Débit Fixe	68,7	71,5
Connectivité Mobile	79,9	110,1
Total Activités opérationnelles	1 148,3	1 136,1
Autres Revenus ⁽¹⁾	3,3	(4,8)
Total	1 151,6	1 131,3
Taux de change EUR/USD	1,138	1,041

⁽¹⁾ Les autres revenus incluent l'effet de couverture de change du chiffre d'affaires euros/dollars qui s'élève à (15,2) millions d'euros pour l'exercice clos le 30 juin 2023 contre (11,8) millions d'euros pour l'exercice clos le 30 juin 2022.

Les autres revenus incluent l'effet de couverture de change euros / dollars, la rémunération de services de conseil ou d'ingénierie fournis à des tiers ainsi que des indemnités de fin de contrat.

Au 30 juin 2023, la répartition des revenus par application évolue pour mieux refléter les marchés finaux respectifs auxquels ils s'adressent. Le nouveau cadre est passé de cinq applications (diffusion, données et vidéo professionnelle, services gouvernementaux et connectivité mobile) à quatre :

- Vidéo, pour la diffusion et la production professionnelle de contenus visuels.
- Services aux gouvernements, comprennent les offres adaptées aux besoins des administrations publiques.
- Connectivité fixe, concerne les données et l'accès internet haut débit stable.
- Connectivité mobile, pour la connectivité sans fil.

Le chiffre d'affaires par application suivant le nouveau format se présente comme suit :

(en millions d'euros)	30 juin 2022	30 juin 2023
Vidéo	752,2	704,8
Services aux gouvernements	144,4	143,4
Connectivité Fixe	171,9	177,8
Connectivité Mobile	79,9	110,1
Total Activités Opérationnelles	1 148,3	1 136,1
Autres Revenus	3,3	(4,8)
Total	1 151,6	1 131,3
Taux de change EUR/USD	1,138	1.041

6.1.2 Chiffre d'affaires par zone géographique

Le chiffre d'affaires par zone géographique, déterminé à partir des adresses de facturation des clients, se présente comme suit :

(en millions d'euros et pourcentage)	30 juin 2022		30 juin 2023	
Régions	Montant	%	Montant	%
France	71,0	6,2	64,2	5,7
Italie	129,7	11,3	122,8	10,9
Royaume-Uni	68,9	6,0	64,5	5,7
Europe (autres)	310,1	26,9	339,5	30,0
Amériques	235,1	20,4	224,5	19,8
Moyen-Orient	214,5	18,6	191,2	16,9
Afrique	99,5	8,6	109,5	9,7
Asie	33,9	2,9	29,0	2,6
Autres ⁽¹⁾	(10,9)	(1,0)	(13,9)	(1,2)
Total	1 151,6	100,0	1 131,3	100,0

⁽¹⁾ Les autres revenus incluent l'effet de couverture de change du chiffre d'affaires euros/dollars qui s'élève à (15,2) millions d'euros pour l'exercice clos le 30 juin 2023 contre (11,8) millions d'euros pour l'exercice clos le 30 juin 2022.

6.1.3 Carnet de commandes

Le carnet de commandes représente le chiffre d'affaires futur correspondant aux contrats d'attribution de capacité ou de services (y compris les contrats pour les satellites en cours d'approvisionnement). Il s'établit à 3,4 milliards d'euros au 30 juin 2023. Le carnet de commandes sécurisé, qui correspond aux exigences requises par IFRS 15 et excluant le chiffre d'affaires soumis à des clauses de rupture anticipées, s'élève à 2,8 milliards d'euros. Le montant du carnet de commande sécurisé à échéance à moins de 5 ans s'élève à 2,3 milliards d'euros, dont 1,5 milliard à moins de 2 ans.

6.2 CHARGES OPERATIONNELLES

Les coûts des opérations incluent principalement les coûts de personnel et les autres coûts liés au contrôle et à l'exploitation des satellites, ainsi que les primes d'assurance-vie en orbite des satellites.

Les frais commerciaux et administratifs comprennent essentiellement les coûts du personnel administratif et commercial, l'ensemble des dépenses de marketing et de publicité ainsi que les frais généraux rattachés.

Les charges opérationnelles relatives aux dépréciations sur les créances commerciales et les actifs sur contrat clients s'élèvent à 20,1 millions d'euros au 30 juin 2023 (contre 23,5 millions d'euros pour l'exercice clos le 30 juin 2022).

6.2.1 Charges de personnel

Les charges de personnel (y compris la participation légale des salariés) se ventilent comme suit :

(en millions d'euros)	30 juin 2022	30 juin 2023
Coûts des opérations	54,9	62,4
Charges commerciales et administratives	84,5	87,8
Total	139,4	150,2

Les salariés d'Eutelsat S.A. bénéficient d'un Plan d'Epargne d'Entreprise (PEE) alimenté par versements volontaires des salariés, d'un dispositif de Compte Epargne Temps (CET) et d'un accord d'intéressement conclu pour une durée de trois ans assis sur des objectifs révisables annuellement.

6.2.2 Effectifs

Le Groupe compte 1 067 salariés équivalent temps plein à la clôture au 30 juin 2023 contre 1 112 à la clôture au 30 juin 2022.

Le nombre moyen d'employés, en équivalent temps plein sur l'exercice, s'établit comme suit :

	30 juin 2022	30 juin 2023
Opérations	510	516
Fonctions commerciales et administratives	602	551
Total	1 112	1 067

6.2.3 Rémunération en actions et assimilés

PRINCIPES COMPTABLES

Les paiements fondés sur des actions sont évalués à leur juste valeur à la date d'attribution des plans et sont comptabilisés en charges de personnel sur la durée d'acquisition des droits représentatifs de l'avantage consenti, en contrepartie d'une augmentation des capitaux propres pour les plans dénoués en actions ou des autres passifs financiers pour les plans dénoués en trésorerie. Ils sont réévalués à chaque clôture afin de tenir compte de l'évolution des hypothèses d'acquisition des droits (taux de rotation du personnel, probabilité d'atteinte des critères de performance) et, pour les plans dénoués en trésorerie, de l'évolution des conditions de marché (cours de bourse).

En complément des plans en vigueur au sein du Groupe au 30 juin 2022, le Groupe a octroyé deux nouveaux plans d'actions, l'un réglé en trésorerie et l'autre en actions, le 10 novembre 2022. L'attribution de ces actions est soumise à une condition de présence et à l'atteinte de conditions de performance.

La charge constatée au titre de ces plans (hors charges sociales) s'est élevée à 0,3 millions d'euros sur l'exercice clos le 30 juin 2023 contre 1,6 millions d'euros pour l'exercice clos le 30 juin 2022.

Les caractéristiques des plans sont les suivantes :

Caractéristiques des plans	Plan novembre 2020	Plan novembre 2021	Plan janvier 2022	Plan novembre 2022
Période d'acquisition	Juillet 2020 - Juin 2023	Juillet 2021 - Juin 2024	Janvier 2022 - Décembre 2024	Juillet 2022 - Juin 2025
Mode de règlement	Actions et trésorerie	Actions et trésorerie	Actions	Actions et trésorerie
Nombre maximal d'actions attribuables à l'origine	512 560	264 675	75 736	308 020
Nombre de bénéficiaires	25	34	1	45
Nombre d'actions et conditions de performance du plan d'actions gratuites				
Nombre d'actions total en circulation	81 323	25 386	75 736	98 010
Conditions de performance	Chiffre d'affaires, <i>cash-flow</i> libre discrétionnaire et TSR relatif ⁽¹⁾ et CSR	Chiffre d'affaires, <i>cash-flow</i> libre discrétionnaire et TSR relatif ⁽¹⁾ et CSR	Chiffre d'affaires, <i>cash-flow</i> libre discrétionnaire et TSR relatif ⁽¹⁾ et CSR	Chiffre d'affaires, <i>cash-flow</i> libre discrétionnaire et TSR relatif ⁽¹⁾ et CSR
Nombre d'actions et conditions de performance des plans d'actions fictives				
Nombre d'actions total en circulation	147 190	104 046	-	210 855
Objectifs de performance	Chiffre d'affaires, <i>cash-flow</i> libre discrétionnaire et CSR	Chiffre d'affaires, <i>cash-flow</i> libre discrétionnaire et CSR	-	Chiffre d'affaires, <i>cash-flow</i> libre discrétionnaire et CSR
Juste valeur des actions au 30 juin 2023				
Juste valeur hors TSR ⁽¹⁾ (actions)	6,63€	9,98€	8,87€	8,76€
Juste valeur hors TSR ⁽¹⁾ (trésorerie)	6,04€	6,25€	-	6,43€
Juste valeur après prise en compte TSR ⁽²⁾	4,97€	9,71€	9,21€	6,39€
Valorisation totale du plan au 30 juin 2023 (en millions d'euros) ⁽²⁾	1,7	0,7	0,1	0,2
Charge de l'exercice				
Charge de l'exercice clos le 30 juin 2023	0,5	0,1	(0,3)	(0,6)
(en millions d'euros)⁽²⁾				

⁽¹⁾ Le TSR (*total shareholder return*) relatif mesure le taux de rentabilité de l'action Eutelsat par rapport à celui d'autres références ou indices. Cette condition de performance n'est applicable qu'aux mandataires sociaux.

⁽²⁾ Hors charges sociales

6.3 AUTRES PRODUITS ET CHARGES OPERATIONNELS

PRINCIPES COMPTABLES

Les autres produits et charges opérationnels sont constitués des produits et charges inhabituels, anormaux et peu fréquents. Ils comprennent notamment les dépréciations d'actifs, le coût des échecs au lancement et les remboursements d'assurance y afférant, les litiges non commerciaux nets des frais engagés, les frais de restructuration, les résultats de cession d'immobilisations et les conséquences des évolutions de périmètre (frais d'acquisitions et résultats de cession).

(en millions d'euros)	30 juin 2022	30 juin 2023
Autres produits opérationnels	108,0	365,0
Autres charges opérationnelles	(63,1)	(161,6)
Total	44,9	203,5

Au 30 juin 2023, les autres produits opérationnels comprennent principalement le produit de libération de la phase 2 de la bande C pour 352 millions d'euros. Les autres charges opérationnelles incluent principalement des coûts de transformation et de restructuration pour 42,0 millions d'euros notamment liés au rapprochement avec le groupe OneWeb ainsi que des dépréciations d'actifs pour 115,0 millions d'euros (incluant 80 millions d'euros de dépréciation d'immobilisations et 35 millions d'euros de dépréciation d'actifs financiers (voir Note 2.4)).

Au 30 juin 2022, les autres produits opérationnels comprennent le produit de libération de la phase 1 de la bande C pour 106,6 millions d'euros. Les autres charges opérationnelles incluent principalement les dépréciations sur des satellites et lanceurs pour 33,8 millions d'euros, des coûts de restructuration pour 7,2 millions d'euros et un ajustement de l'impact de cession d'EBl pour 10,9 millions d'euros.

6.4 RESULTAT FINANCIER

(en millions d'euros)	30 juin 2022	30 juin 2023
Charges d'intérêts après couverture	(64,4)	(67,9)
Intérêts sur dettes locatives	(11,9)	(12,7)
Frais d'émission d'emprunt & commissions	(10,1)	(7,3)
Intérêts capitalisés	16,2	17,7
Coût de la dette brute	(70,2)	(70,1)
Produits financiers	7,0	1,6
Coût de la dette nette	(63,1)	(68,5)
Variation des instruments financiers dérivés	(0,9)	-
Résultat de change	16,6	(13,8)
Autres	(17,5)	(9,0)
Résultat financier	(64,9)	(91,3)

La charge d'intérêts comprend respectivement 9,5 millions d'euros et 9,5 millions d'euros aux 30 juin 2022 et 2023 de charges liées à l'exercice et à la résiliation d'instruments de pré-couverture destinés à fixer le taux d'intérêt des émissions obligataires d'octobre 2018, de juin 2019 et octobre 2020.

Le montant des intérêts capitalisés est dépendant de l'avancement et du nombre des programmes de constructions satellitaires constatés au cours de l'exercice concerné. Le taux d'intérêt retenu pour la détermination des charges d'intérêts capitalisables est de 2.96% au 30 juin 2023 contre 2,55% au 30 juin 2022.

Les variations de juste valeur des instruments financiers dérivés aux 30 juin 2023 et 2022 incluent notamment la part inefficace de la valeur temps des instruments dérivés qualifiés dans une relation de couverture.

6.5 IMPOT SUR LES SOCIETES

La charge d'impôt du Groupe se décompose comme suit :

(en millions d'euros)	30 juin 2022	30 juin 2023
Charge d'impôt courant	(48,4)	(111,6)
Produit (charge) d'impôt différé	(0,2)	45,1
Total impôt sur les sociétés	(48,6)	(66,5)

Le rapprochement de la charge d'impôt théorique, calculée selon le taux de droit commun en France appliqué au résultat avant impôt, résultat des sociétés mises en équivalence, avec la charge d'impôt réelle, s'établit comme suit :

(en millions d'euros)	30 juin 2022	30 juin 2023
Résultat courant avant impôt	359,9	482,2
Taux d'impôt de droit commun en France	28,41%	25,83%
Charge d'impôt théorique	(102,2)	(124,6)
Bénéfices non taxables	62,6	58,7
Différences de taux d'imposition	1,7	(14,2)
Utilisation de pertes fiscales	-	(0,1)
CVAE	(2,2)	(1,7)
Impôts différés nés au cours de l'exercice antérieur et reconnus sur la période	0,5	0,6
Autres différences permanentes	(8,9)	14,7
Charge d'impôt	(48,6)	(66,5)
Taux d'impôt effectif	13,5%	13,8%

Les autres différences permanentes intègrent principalement l'impact des différences de change et des effets d'inflation sur les positions d'impôts différés de la filiale Satellites Mexicanos pour respectivement 5,3 millions d'euros et 18,3 millions d'euros aux 30 juin 2022 et 2023 et l'impact de l'amortissement fiscal complémentaire octroyé à la filiale Eutelsat Asia pour 11,7 millions d'euros au 30 juin 2023 compensé par la non activation de déficits pour 4,1 millions d'euros et d'autres différences permanentes pour 7.6 millions d'euros.

6.6 RESULTAT PAR ACTION

PRINCIPES COMPTABLES

Le résultat net par action est calculé en divisant le résultat net de l'exercice attribuable aux actionnaires d'Eutelsat Communications par le nombre moyen pondéré d'actions en circulation durant chaque période considérée. Les actions propres ne sont pas prises en compte pour le calcul du résultat par action.

Le tableau ci-dessous présente la réconciliation entre le résultat net et les résultats nets (de base et dilué) revenant aux actionnaires utilisés pour le calcul des résultats par action (de base et dilué).

(en millions d'euros)	30 juin 2022	30 juin 2023
Résultat net	239,8	328,3
Quote-part de résultat des filiales rétrocédée aux participations ne donnant pas le contrôle	(9,1)	(13,2)
Résultat net utilisé pour le calcul du résultat par action	230,8	315,1
Nombre moyen d'actions	230 322 045	248 570 264

NOTE 7. NOTES ANNEXES DU BILAN

7.1 ACTIFS IMMOBILISES

7.1.1 Ecarts d'acquisition et immobilisations incorporelles

PRINCIPES COMPTABLES

Ecarts d'acquisition

Les regroupements d'entreprises sont comptabilisés selon la méthode de l'acquisition. La contrepartie transférée en échange du contrôle de l'entité acquise est évaluée à sa juste valeur et inclut les clauses de rémunération éventuelles en tenant compte de leur probabilité de survenance. Les actifs, passifs et passifs éventuels identifiables de l'entité acquise sont comptabilisés à leur juste valeur. Les coûts directement attribuables à l'acquisition sont exclus de la contrepartie transférée et sont inscrits en autres produits et charges opérationnels lorsqu'ils sont encourus.

Les participations ne donnant pas le contrôle peuvent, à la date d'acquisition, être évaluées à la juste valeur ou en quote-part des actifs et passifs identifiables de l'entité acquise. L'option pour l'application de l'une de ces deux méthodes est exerçable transaction par transaction.

Lors de la première consolidation, l'ensemble des actifs, passifs et passifs éventuels de la société acquise est estimé à sa juste valeur. Dans le cadre d'une prise de contrôle par achats successifs, la participation antérieurement détenue est réévaluée à sa juste valeur en date d'acquisition, le profit ou la perte en découlant est comptabilisé en résultat.

Les écarts d'acquisitions sont évalués dans la devise fonctionnelle de l'entité acquise, à la date du regroupement, pour un montant égal à la différence entre la somme de la juste valeur de la contrepartie versée et la juste valeur des actifs identifiables acquis et des passifs assumés. Ils font l'objet d'un test de dépréciation au moins une fois par an au niveau du seul segment opérationnel du Groupe.

Contrats clients et relations associées

Les contrats clients et relations associées, acquis dans le cadre de regroupement d'entreprises, sont comptabilisés à leur juste valeur à la date d'acquisition. La juste valeur est déterminée par référence aux méthodes généralement admises en la matière telles que celles fondées sur les revenus ou la valeur de marché. Ces actifs sont amortis linéairement sur leur durée de vie économique, estimée sur la base de la durée moyenne des relations contractuelles existant à la date d'acquisition et de taux de renouvellement attendus. La principale relation client reconnue dans les comptes du Groupe est celle d'Eutelsat SA, amortie sur une durée de 20 ans.

Autres immobilisations incorporelles

Les autres immobilisations incorporelles sont constituées de frais de développement capitalisés, de licences et de droits orbitaux.

Les frais de développement sont capitalisés et amortis sur une durée comprise entre 3 et 7 ans dès lors que le Groupe peut démontrer :

- la capacité technique à réaliser l'actif pour l'utiliser ou le vendre,
- l'intention et la capacité d'achever le développement de l'actif, et de l'utiliser ou de le vendre,
- la capacité à utiliser ou vendre l'actif,
- la probabilité que des avantages économiques futurs bénéficieront au Groupe du fait de cet actif,
- la disponibilité de ressources techniques, financières ou autres adéquates à la réalisation de l'actif,
- la capacité à mesurer de manière fiable les dépenses attribuables à l'actif durant sa phase de développement.

Les dépenses engagées au titre de la recherche (ou durant la phase de recherche d'un projet interne) sont reconnues en charges dans les frais commerciaux et administratifs lorsqu'elles sont encourues.

Les droits orbitaux et les licences sont amortis sur leur durée d'utilisation, généralement respectivement comprises entre 13 et 23 ans et entre 1 et 13 ans.

Les écarts d'acquisition et les immobilisations incorporelles ont évolué comme suit au cours des deux exercices :

(en millions d'euros)	Écarts d'acquisition	Contrats clients et relations associées	Marque Eutelsat	Autres immobilisations incorporelles	Total
Immobilisations brutes					
Valeur brute au 30 juin 2021	1 246,5	1 118,3	40,8	370,3	2 775,9
Acquisitions	-	0,2	-	12,2	12,4
Transferts	-	-	-	11,5	11,5
Variations de change	44,9	28,8	-	8,2	81,9
Cessions et mises au rebut	-	-	-	(3,2)	(3,2)
Entrée de périmètre	3,7	-	-	-	3,7
Valeur brute au 30 juin 2022	1 295,2	1 147,2	40,8	398,9	2 882,1
Acquisitions	-	-	-	15,9	15,9
Transferts	-	-	-	11,8	11,8
Variations de change	(15,1)	(9,7)	-	(2,8)	(27,5)
Cessions et mises au rebut	-	-	-	(1,3)	(1,3)
Entrée de périmètre	-	-	-	-	-
Sortie de périmètre	-	(5,4)	-	(1,9)	(7,4)
Valeur brute au 30 juin 2023	1 280,1	1 132,0	40,8	420,6	2 873,6
Amortissements et dépréciations					
Amortissements cumulés au 30 juin 2021	-	(833,9)	-	(255,1)	(1 089,0)
Dotations aux amortissements	-	(64,5)	-	(35,7)	(100,3)
Transferts et autres	-	0,1	-	0,2	0,3
Variations de change	-	(15,6)	-	(3,2)	(18,8)
Reprises (cessions et mises au rebut)	-	-	-	1,5	1,5
Dépréciation	-	(3,2)	-	-	(3,2)
Amortissements cumulés au 30 juin 2022	-	(917,0)	-	(292,5)	(1 209,5)
Dotations aux amortissements	-	(64,1)	-	(33,5)	(97,7)
Transferts et autres	-	-	-	1,4	1,4
Variations de change	-	6,5	-	1,3	7,7
Reprises (cessions et mises au rebut)	-	-	-	-	-
Dépréciation	-	-	-	-	-
Sortie de périmètre	-	5,4	-	1,4	6,8
Amortissements cumulés au 30 juin 2023	-	(969,5)	-	(321,8)	(1 291,2)
Valeur nette au 30 juin 2021	1 246,5	284,3	40,8	115,2	1 686,9
Valeur nette au 30 juin 2022	1 295,2	230,0	40,8	106,6	1 672,6
Valeur nette au 30 juin 2023	1 280,1	162,5	40,8	98,9	1 582,3

La marque Eutelsat a été reconnue lors de l'acquisition d'Eutelsat S.A. par Eutelsat Communications en 2005.

PRINCIPES COMPTABLES

Les satellites et autres immobilisations corporelles sont évalués à leur coût d'acquisition comprenant tous les coûts directement attribuables à la préparation de leur utilisation, après déduction des amortissements cumulés et des éventuelles pertes de valeurs.

Le coût des satellites comprend toutes les dépenses encourues pour leur mise en service, notamment les coûts de construction, de lancement, d'assurance au lancement, les intérêts capitalisés, les primes d'intéressement et autres coûts directement attribuables à la supervision du programme (études, frais de personnel et prestations de conseil).

Les coûts d'emprunts relatifs au financement d'immobilisations corporelles sont capitalisés pour la part encourue au cours de la période de construction. En l'absence d'emprunt spécifiquement adossé à l'immobilisation en cours de construction, les intérêts capitalisés sont calculés à partir d'un taux de capitalisation égal à la moyenne pondérée des coûts d'emprunts du Groupe.

Les durées d'utilité retenues par le Groupe sont les suivantes :

- 12 à 24 ans pour les satellites,
- 5 à 10 ans pour les équipements de surveillance du trafic,
- 2 à 5 ans pour les équipements informatiques,
- 3 à 10 ans pour les aménagements et agencements des constructions.

Les satellites sont amortis à compter de leur mise en service technique. Le délai observé entre le lancement d'un satellite et sa mise en service technique peut varier entre un et neuf mois, suivant le mode de propulsion utilisé par le satellite.

Le Groupe revoit chaque année les durées d'utilité résiduelles de ses satellites en orbite, en se fondant à la fois sur leur utilisation prévue et sur l'évaluation technique de leur durée de vie. En cas de réduction ou d'allongement de la durée d'utilité, le plan d'amortissement est revu de façon prospective.

Les immobilisations en cours de construction comprennent principalement les jalons de paiements, représentatifs de l'avancement de la construction des satellites en cours, ainsi que les avances versées au titre des lanceurs et des assurances au lancement.

Les immobilisations corporelles ont évolué comme suit au cours des deux exercices :

(en millions d'euros)	Satellites	Autres immobilisations corporelles	Immobilisations en cours	Total
Immobilisations brutes				
Valeur brute au 30 juin 2021	5 732,8	455,4	1 214,4	7 402,5
Acquisitions	7,6	26,0	276,5	310,0
Cessions	-	(1,2)	-	(1,2)
Mises au rebut	(86,7)	(2,1)	(1,7)	(90,4)
Variations de change	155,0	5,3	0,4	160,7
Entrée de périmètre	-	-	-	-
Sortie de périmètre	-	-	-	-
Transferts et autres	167,7	10,3	(281,5)	(103,5)
Valeur brute au 30 juin 2022	5 976,4	493,8	1 208,1	7 678,2
Acquisitions	51,9	20,9	246,9	319,8
Cessions	-	(1,3)	-	(1,3)
Mises au rebut	(285,1)	(1,9)	(0,5)	(287,6)
Variations de change	(51,7)	(1,8)	(0,5)	(54,0)
Entrée de périmètre	-	-	-	-
Sortie de périmètre	-	(4,6)	-	(4,6)
Transferts et autres	327,0	12,4	(347,9)	(8,5)
Valeur brute au 30 juin 2023	6 018,5	517,6	1 106,1	7 642,1
Amortissements et dépréciations				
Amortissements cumulés au 30 juin 2021	(3 325,8)	(346,4)	-	(3 672,2)
Dotations aux amortissements	(290,2)	(29,7)	-	(319,8)
Dépréciations	(12,0)	-	-	(12,0)
Reprises (cessions)	-	1,0	-	1,0
Reprises (mises au rebut)	86,7	0,9	-	87,6
Variations de change	(82,6)	(3,1)	-	(85,8)
Sortie de périmètre	-	-	-	-
Transferts et autres	-	0,4	-	0,4
Amortissements cumulés au 30 juin 2022	(3 623,9)	(376,9)	-	(4 000,8)
Dotations aux amortissements	(274,5)	(28,2)	-	(302,7)
Dépréciations	(66,6)	(2,6)	(6,5)	(75,7)
Reprises (cessions)	285,1	2,2	-	287,4
Reprises (mises au rebut)	-	0,7	-	0,7
Variations de change	31,2	1,2	-	32,4
Sortie de périmètre	-	3,5	-	3,5
Transferts et autres	-	-	-	-
Amortissements cumulés au 30 juin 2023	(3 649,6)	(400,0)	(6,5)	(4 055,2)
Valeur nette au 30 juin 2021	2 407,0	109,0	1 214,4	3 730,4
Valeur nette au 30 juin 2022	2 352,6	116,9	1 208,1	3 677,5
Valeur nette au 30 juin 2023	2 369,8	117,6	1 099,6	3 586,9

Les transferts portant sur les satellites au cours de la période close le 30 juin 2023 correspondent à la mise en service du satellite Hotbird 13F et 13G lancés au cours de la période.

Le Groupe a constaté une dépréciation sur des satellites pour respectivement 66,6 millions d'euros et 12,0 millions d'euros aux 30 juin 2023 et 30 juin 2022.

Les dates d'entrée en service attendues des satellites en cours de construction à la date d'arrêté des comptes sont les suivantes :

Projets	Années
Konnnect VHTS, EUTELSAT 10B	Année calendaire 2023
EUTELSAT 36D	Année calendaire 2024

7.1.3 Droits d'utilisation sur contrats de location

PRINCIPES COMPTABLES

Les contrats au travers desquels le Groupe dispose de l'utilisation d'un actif spécifique sont comptabilisés à l'actif du bilan sous la forme d'un droit d'utilisation, assortis d'une dette au passif, lorsque les conditions des contrats sont telles que ces derniers sont qualifiés de contrats de location, c'est-à-dire qu'ils transfèrent le contrôle du bien sur la totalité de la durée de la location.

Les droits d'utilisation sont généralement amortis sur la durée de la location correspondant à la période non résiliable, complétée le cas échéant des options de renouvellement dont l'exercice par le Groupe est raisonnablement certain.

Le taux d'actualisation utilisé pour calculer la valeur du droit d'utilisation et de la dette locative est déterminé, pour chaque contrat, en fonction du taux marginal d'endettement correspondant estimé.

Les actifs de faible valeur unitaire ainsi que les contrats de location d'une durée inférieure à 12 mois sont comptabilisés en charge.

Les droits d'utilisation ont évolué comme suit sur l'exercice clos le 30 juin 2023 :

(en millions d'euros)	Satellites	Autres immobilisations corporelles	Total
Immobilisations brutes			
Valeur brute au 30 juin 2021	847,7	61,9	909,6
Nouveaux contrats	-	0,1	0,1
Modifications de contrats et résiliations anticipées de contrats	-	0,3	0,3
Mises au rebut	-	-	-
Variation de change	-	1,0	1,0
Entrée de périmètre	-	-	-
Valeur brute au 30 juin 2022	847,7	63,4	911,0
Nouveaux contrats	-	1,3	1,3
Modifications de contrats et résiliations anticipées de contrats	(98,6)	(5,4)	(104,0)
Mises au rebut	-	-	-
Variation de change	-	(0,3)	(0,3)
Entrée de périmètre	-	-	-
Sortie de périmètre	-	(0,9)	(0,9)
Valeur brute au 30 juin 2023	749,1	58,1	807,0
Amortissements et dépréciations			
Amortissements et dépréciations cumulés au 30 juin 2021	(375,9)	(16,1)	(392,1)
Dotations aux amortissements	(53,0)	(8,9)	(61,9)
Dépréciations	(4,3)	-	(4,3)
Reprises (modifications et résiliations anticipées de contrats)	-	0,1	0,1
Reprises (mise au rebut)	0,4	-	0,4
Variations de change	-	(0,4)	(0,4)
Amortissements et dépréciations cumulés au 30 juin 2022	(432,8)	(25,3)	(458,1)
Dotations aux amortissements	(48,8)	(6,3)	(55,1)
Dépréciations	(4,2)	-	(4,2)
Reprises (modifications et résiliations anticipées de contrats)	52,6	2,3	54,9
Reprises (mise au rebut)	-	-	-
Variations de change	-	0,2	0,2
Sortie de périmètre	-	0,4	0,4
Amortissements et dépréciations cumulés au 30 juin 2023	(433,2)	(28,8)	(462,0)
Valeur nette au 30 juin 2021	471,8	45,8	517,5
Valeur nette au 30 juin 2022	414,9	38,1	452,9
Valeur nette au 30 juin 2023	315,9	29,3	345,1

Les droits d'utilisation des satellites portent essentiellement sur les contrats de location Express AT1, Express AT2, Express AM6, Express 36C et Astra 2G. Les durées de location sur ces contrats couvrent la durée de vie attendue de ce type de satellite, à ce titre, aucun de ces contrats ne comporte d'options d'achat au terme du contrat.

Aucune option de renouvellement n'a été retenue pour établir la durée des contrats de location.

Le 21 décembre 2022, à la suite des mesures restrictives concernant la Russie adoptées par les instances de régulation françaises et européennes

compétentes, le Groupe a procédé à une restructuration de ses contrats de location de capacité sur des satellites russes. Cette réduction du périmètre de location entraîne une baisse du droit d'utilisation de 46 millions d'euros (voir note 2.4).

La baisse d'activité anticipée liée à l'application de ces mesures a par ailleurs mené le Groupe à constater une dépréciation sur des droits d'utilisation de répéteurs sur un satellite pour 4,2 millions d'euros sur l'exercice 2022-23.

Le Groupe avait constaté des dépréciations sur des droits d'utilisation de répéteurs sur certains satellites pour 4,3 millions d'euros au 30 juin 2022.

7.1.4 Tests de valeur des actifs immobilisés

PRINCIPES COMPTABLES

Ecarts d'acquisition et immobilisations incorporelles non amorties

Les écarts d'acquisition et les immobilisations incorporelles ayant une durée d'utilité indéfinie, telle que la marque, sont soumis à un test de dépréciation annuel, ou dès lors qu'un événement laisse à penser qu'ils pourraient avoir perdu de la valeur.

Actifs amortissables

Pour les immobilisations corporelles et les immobilisations incorporelles ayant une durée de vie définie, un test de dépréciation est réalisé lorsqu'il est relevé un indice externe ou interne indiquant que leurs valeurs recouvrables pourraient être inférieures à leurs valeurs comptables (par exemple la perte d'un client important ou un incident technique sur un satellite).

Le test de dépréciation consiste à apprécier la valeur recouvrable d'un actif qui est la valeur la plus élevée entre sa juste valeur nette des frais de cession et sa valeur d'utilité. Lorsqu'il n'est pas possible d'estimer la valeur recouvrable d'un actif en particulier, le Groupe détermine la valeur recouvrable de l'unité génératrice de trésorerie (UGT) à laquelle l'actif appartient, c'est-à-dire le plus petit groupe identifiable d'actifs qui génère des entrées de trésorerie largement indépendantes des entrées de trésorerie générées par d'autres actifs ou groupes d'actifs. En déterminant ses UGT, le Groupe prend en compte les conditions d'utilisation de sa flotte, et notamment la capacité de certains satellites à servir de *back-up* pour d'autres satellites.

Les UGT correspondent aux positions orbitales, portant un ou plusieurs satellites, ainsi que les contrats clients et relations associées (après prise en compte de l'interdépendance technique ou économique de leurs flux de trésorerie).

Afin de déterminer la valeur d'utilité, le Groupe s'appuie sur des estimations de flux de trésorerie futurs. Ces flux sont générés par l'actif ou par l'UGT sur sa durée d'utilité, actualisés en utilisant le WACC du Groupe défini pour le test de dépréciation, et construits à partir du plan moyen terme approuvé par la Direction générale et revu par le Conseil d'administration. Les revenus de ce plan sont établis à partir du carnet de commandes par satellite, des études de marché ainsi que du plan de déploiement des satellites existants et futurs. Les coûts du plan pris en compte dans le test de dépréciation comprennent essentiellement les coûts d'assurance en orbite, les coûts techniques et commerciaux directement attribuables aux satellites testés et la charge d'impôt. Au-delà d'une durée maximum de cinq ans, les flux de trésorerie sont estimés en appliquant des taux d'évolution constants.

La juste valeur diminuée des frais de cession correspond au montant qui pourrait être obtenu de la vente de l'actif (ou d'une unité) lors d'une opération, dans des conditions de concurrence normale entre des parties bien informées et consentantes, diminué des coûts d'opération.

Les pertes de valeur et les reprises de perte de valeur sont comptabilisées sous les rubriques autres produits autres charges opérationnels.

Ecarts d'acquisition

Les écarts d'acquisition du Groupe sont suivis au niveau du seul segment opérationnel d'Eutelsat.

Au 30 juin 2023, la valeur boursière d'Eutelsat Communications étant inférieure à la valeur comptable des capitaux propres du Groupe, la valeur recouvrable des écarts d'acquisition a été estimée sur la base de la valeur d'utilité déterminée à partir d'une valorisation du Groupe fondée sur les flux de trésorerie futurs. Cette analyse intègre une part significative de jugement de la Direction du Groupe.

Les flux de trésorerie retenus sont basés sur une version mise à jour du plan d'affaires à 5 ans du Groupe approuvée par le Conseil d'Administration en février 2023 et mis à jour en Juillet 2023 couvrant les périodes allant jusqu'à l'exercice 2026-27, sur le plan à long terme défini de manière constante sur un horizon couvrant les périodes allant jusqu'à l'exercice 2034-35, et sur une valeur terminale. Le Groupe considère pertinent d'utiliser des projections au-delà de 5 ans, compte tenu de la visibilité long terme dont il dispose pour une part significative de son activité et de son profil de croissance attendu que le plan à long terme permet de mieux appréhender.

S'agissant des paramètres financiers tels que le WACC (retenu à 8,37%) et le taux de croissance à long terme utilisé dans la valeur terminale, les analyses de sensibilité montrent qu'une hausse du WACC de 29bp ou une baisse du taux de croissance à long terme de 72bp pourraient conduire à une valeur d'utilité inférieure à l'actif net comptable des actifs testés au 30 juin 2023. Un taux de croissance à l'infini nul ne conduirait pas à une valeur d'utilité inférieure à l'actif net comptable des actifs testés.

Par ailleurs, les principales hypothèses opérationnelles pouvant impacter la valeur recouvrable des actifs sont le niveau d'EBITDA et le montant d'investissement. Les hypothèses opérationnelles du plan à long terme se fondent sur des modèles de marché internes sur la trajectoire de chacun des segments d'activité du Groupe ainsi que sur des études stratégiques externes. Les analyses de sensibilité montrent qu'une diminution de l'EBITDA de 1,8% sur chaque année des plans utilisés et sur la valeur terminale n'entraînerait pas non plus de reconnaissance d'une dépréciation

sur les écarts d'acquisition.

Les tests de dépréciation mis en œuvre au 30 juin 2023 sur la base des flux de trésorerie prévisionnels actualisés n'ont pas conduit à enregistrer de charges de dépréciation.

Actifs amortissables

Concernant les tests de dépréciation des satellites au 30 juin 2023, les flux de trésorerie utilisés sont fondés sur une version mise à jour du plan d'affaires à 5 ans du Groupe approuvée par le Conseil d'Administration en janvier 2023 et mis à jour en juillet 2023 puis sur des flux de trésorerie étendus jusqu'à la fin de vie de chaque satellite sur la base d'un taux normatif de croissance. Pour les satellites concernés, il est à noter que les tests de dépréciation au 30 juin 2023 s'appuient sur des flux de trésorerie incluant les fonds restant à recevoir au titre de la deuxième phase de la libération des fréquences de la Bande C aux Etats-Unis d'Amérique pour un montant de 382 millions de dollars avant impôt (voir note 2.2).

Ces tests ont conduit à enregistrer une charge de dépréciation relative à des satellites détenus en propre pour respectivement 66,6 millions d'euros et 12,0 millions d'euros aux 30 juin 2023 et 30 juin 2022 (voir Note 7.1.2 « Immobilisations corporelles et immobilisations en cours ») et une charge de dépréciation sur des droits d'utilisation pour respectivement 4,2 millions d'euros et 4,3 millions d'euros aux 30 juin 2023 et 30 juin 2022 (voir Note 7.1.3 « Droits d'utilisation sur contrats de location »).

7.1.5 Engagements d'achats

En complément des éléments comptabilisés au bilan, le Groupe est engagé auprès de fournisseurs pour l'acquisition d'immobilisations (satellites et autres immobilisations) et la réalisation de prestations de services pour un montant total de 574 millions d'euros au 30 juin 2022 et pour 628 millions d'euros au 30 juin 2023.

L'échéancier aux 30 juin 2022 et 30 juin 2023 des paiements futurs au titre de ces engagements s'établit comme suit :

(en millions d'euros)	Au 30 juin 2022	Au 30 juin 2023
Echéance à moins de 1 an	300	230
Entre 1 et 2 ans	109	113
Entre 2 et 3 ans	23	40
Entre 3 et 4 ans	126	55
Echéance à plus de 4 ans	16	190
Total	574	628

Le 31 mars 2023, un montant de 100 millions de dollars U.S. a été versé à OneWeb dans le cadre du paiement d'avance de capacités négociées lors de la mise en place du contrat de distribution en exclusivité signé entre le Groupe et OneWeb concomitamment à l'accord définitif de rapprochement. L'engagement global restant s'élève à 175 millions de dollars U.S. dont 100 millions de dollars U.S. devant être versé en mars 2024 et 75 millions U.S. en mars 2025.

7.2 TITRES MIS EN EQUIVALENCE

PRINCIPES COMPTABLES

Les participations du Groupe consolidées selon la méthode de la mise en équivalence sont initialement enregistrées au coût d'acquisition, comprenant le cas échéant le goodwill dégagé. Leur valeur comptable est, par la suite, augmentée ou diminuée pour prendre en compte la part du Groupe dans les bénéfices ou les pertes, réalisés après la date d'acquisition.

Après l'application de la méthode de la mise en équivalence et en cas d'indice de perte de valeur, la valeur comptable peut être amenée à être dépréciée dans le cas où sa valeur recouvrable serait inférieure à celle-ci.

Valeur de la participation dans OneWeb Holdings Ltd.

Au 30 juin 2023, les titres des sociétés mises en équivalence représentent la valeur de mise en équivalence de la société OneWeb Holdings Ltd, et le résultat des sociétés mises en équivalence correspond à la quote-part du Groupe dans le résultat de OneWeb Holdings Ltd.

(en millions d'euros)	30 juin 2022	30 juin 2023
Participations à l'ouverture	-	605,7
Acquisitions de titres	613,3	-
Quote-part dans le résultat net des sociétés mises en équivalence	(71,5)	(87,3)
Ecart de conversion	63,9	(17,3)
Participations à la clôture	605,7	501,2

Les principales données financières de OneWeb Holdings Ltd sur la base du dernier arrêté des comptes au 31 mars 2023, sont les suivantes :

(en millions de dollars)	31 mars 2023
Résultat net	(361,9)

Bilan	
Actifs non courants	2 539,3
Actifs courants	492,7
Capitaux propres	2 436,4
Passifs non courants	377,8
Passifs courants	217,8

(en millions d'euros)	31 mars 2023
Quote-part d'actif net du Groupe	
Situation nette	2 238,1
Pourcentage de détention	22,91%
Quote-part d'actif net du Groupe	512,7
Goodwill	17,2
Ajustement de la quote-part du Groupe dans la situation nette	(0,4)
Valeur comptable des intérêts du Groupe au 31 mars 2023	529,5
Quote part de résultat net de mars à juin 2023	(25,9)
Ecart de conversion	(2,4)
Valeur comptable des intérêts du Groupe au 30 juin 2023	501,2

7.3 CREANCES, ACTIFS ET PASSIFS SUR CONTRATS CLIENTS ET COÛTS D'OBTENTION ET D'EXECUTION DES CONTRATS

PRINCIPES COMPTABLES

Les créances clients sont comptabilisées à leur valeur nominale. Elles font l'objet de dépréciations, comptabilisées en frais commerciaux et administratifs, afin de couvrir les risques de pertes attendues. Ces dépréciations sont établies sur la base d'une approche statistique des pertes de crédit attendues par marché et par région, après prise en compte des dépôts et garanties reçus, et complétées, le cas échéant, par une dépréciation spécifique en cas de manquement à des paiements contractuels ou de difficultés financières significatives d'un client.

Les actifs de contrats clients incluent les actifs relatifs au chiffre d'affaires reconnu au titre des prix variables ou des périodes de gratuité non encore facturés au client. Les coûts d'obtention des contrats correspondent aux contreparties payées au client. Les coûts d'exécution des contrats incluent l'étalement des coûts des ventes de terminaux de l'activité Haut Débit.

Les passifs de contrats sont composés des avances reçues des clients ou facturées en amont de la fourniture des services.

Les créances clients, actifs et passifs de contrats clients et coûts d'obtention et d'exécution des contrats se synthétisent comme suit :

(en millions d'euros)	30 juin 2022	30 juin 2023
Actifs		
Créances clients et comptes rattachés	246,9	207,5
Actifs sur contrats clients	41,7	40,1
Coûts d'exécution des contrats	3,2	-
Coûts d'obtention des contrats	7,9	4,9
Total actifs courants et non courants	299,7	252,5
<i>Dont part non courante</i>	34,0	31,7
<i>Dont part courante</i>	265,7	220,8
Passifs		
Passifs financiers - Garanties et engagements reçus	40,1	31,2
Passifs de contrats clients	224,4	337,5
Total passifs courants et non courants	264,5	368,7
<i>Dont part non courante</i>	186,9	289,7
<i>Dont part courante</i>	77,6	78,9

7.3.1 Créances clients

Les créances clients échues et non échues se décomposent comme suit :

(en millions d'euros)	30 juin 2022	30 juin 2023
Créances non échues	116,7	120,1
Créances échues entre 0 et 90 jours	42,5	25,6
Créances échues entre 90 et 365 jours	48,9	26,0
Créances échues depuis plus de 365 jours	130,2	136,8
Dépréciation	(91,3)	(101,0)
Total	246,9	207,5

Les créances échues depuis plus de 365 jours comprennent des facturations de dépôts de garantie pour un montant de 3,9 millions d'euros au 30 juin 2023 (contre 10,1 millions d'euros au 30 juin 2022). Celles-ci ne présentent pas de risque de dépréciation au compte de résultat. La provision de dépréciation d'un montant de 101,0 millions d'euros au 30 juin 2023 couvre 74% des créances échues depuis plus de 365 jours hors dépôts facturés et représente 53% de la totalité des créances échues.

Par ailleurs, étant donné la nature des activités et des géographies dans lesquelles il opère, le Groupe est amené régulièrement à recouvrer des créances échues depuis plus d'un an.

Le risque de crédit, lié au fait qu'un client n'honore pas sa dette à l'échéance fixée, est suivi au niveau de chaque entité sous la supervision des responsables financiers assistés pour les plus importantes d'entre elles par un credit manager et conformément aux instructions communiquées par le service recouvrement du Groupe. Ce suivi s'appuie principalement sur l'analyse des créances échues et peut être complété par une étude plus approfondie de la solvabilité de certains débiteurs. Selon l'appréciation des responsables financiers, les entités peuvent être conduites à se couvrir contre le risque de crédit en obtenant de la part des clients des garanties bancaires auprès d'établissements financiers de premier rang et des compagnies d'assurance et des dépôts de garantie.

Le risque de crédit est réduit par les garanties et engagements reçus suivants :

(en millions d'euros)	30 juin 2022		30 juin 2023	
	Valeur des créances	Valeur de la garantie	Valeur des créances	Valeur de la garantie
Dépôts de garantie reçus	64,1	14,1	59,0	12,3
Garanties bancaires ou cautions d'assurances	18,6	20,4	10,4	9,5
Garanties maison-mère	2,9	2,9	3,6	3,6
Total	85,6	37,4	73,0	25,5

Les dépôts de garantie sont comptabilisés en passifs financiers. Les garanties bancaires et garanties de maisons-mères n'apparaissent pas au bilan.

Les 10 premiers clients du Groupe représentent 30% du chiffre d'affaires au 30 juin 2023 (35% au 30 juin 2022). Les cinq premiers représentent 20 % du chiffre d'affaires (20 % au 30 juin 2022).

Les dépréciations des créances clients ont évolué comme suit au cours des deux exercices :

(en millions d'euros)	Total
Valeur au 30 juin 2021	96,5
Dotations (reprises) nettes	22,9
Reprises utilisées	(29,5)
Variations de change	1,5
Valeur au 30 juin 2022	91,3
Dotations (reprises) nettes	21,0
Reprises utilisées	(10,4)
Variations de change	(0,9)
Valeur au 30 juin 2023	101,0

7.3.2 Actifs de contrats clients, coûts d'obtention et d'exécution des contrats non courants

(en millions d'euros)	Total
Actifs de contrats clients au 30 juin 2021	40,3
Consommation d'actifs de contrats clients sur la période	(5,8)
Nouveaux actifs de contrats clients comptabilisés sur la période	5,7
Reprises (dépréciations) nettes	0,7
Ecart de conversion	0,8
Actifs de contrats clients au 30 juin 2022	41,7
Consommation d'actifs de contrats clients sur la période	(3,1)
Nouveaux actifs de contrats clients comptabilisés sur la période	1,8
Reprises (dépréciations) nettes	-
Ecart de conversion	(0,2)
Actifs de contrats clients au 30 juin 2023	40,2

Les coûts d'obtention et d'exécution des contrats se présentent comme suit :

(en millions d'euros)	Total
Coûts d'obtention et d'exécution de contrats clients au 30 juin 2021	14,7
Consommation des coûts d'obtention et d'exécution de contrats clients sur la période	(4,5)
Nouveaux coûts d'obtention et d'exécution de contrats clients comptabilisés sur la période	0,9
Sortie de périmètre	-
Coûts d'obtention et d'exécution de contrats clients au 30 juin 2022	11,1
Consommation des coûts d'obtention et d'exécution de contrats clients sur la période	(3,5)
Nouveaux coûts d'obtention et d'exécution de contrats clients comptabilisés sur la période	-
Sortie de périmètre	(2,8)
Coûts d'obtention et d'exécution de contrats clients au 30 juin 2023	4,9

7.3.3 Passifs de contrats clients

Les passifs de contrats clients se présentent comme suit :

(en millions d'euros)	Total
Passifs de contrats clients au 30 juin 2021	186,4
Reconnaissance du chiffre d'affaires sur la période	(77,1)
Nouveaux passifs de contrats clients comptabilisés sur la période	107,5
Ecart de conversion	7,7
Sortie de périmètre	-
Passifs de contrats clients au 30 juin 2022	224,4
Reconnaissance du chiffre d'affaires sur la période	(49,0)
Nouveaux passifs de contrats clients comptabilisés sur la période	166,4
Ecart de conversion	(2,0)
Sortie de périmètre	(2,4)
Passifs de contrats clients au 30 juin 2023	337,4

PRINCIPES COMPTABLES

Trésorerie et équivalents de trésorerie

La trésorerie est constituée des comptes de caisse et des dépôts à vue bancaires. Les équivalents de trésorerie comprennent essentiellement les dépôts à court terme à échéance de moins de trois mois à l'origine, les comptes à terme, ainsi que des parts d'OPCVM facilement convertibles en un montant connu de trésorerie, la valeur liquidative étant établie et publiée quotidiennement et soumise à un risque négligeable de changement de valeur. Les parts d'OPCVM sous option de juste valeur par le biais du compte de résultat sont comptabilisées à leur juste valeur, les gains et pertes, réalisés ou latents, liés au changement de la juste valeur de ces actifs étant comptabilisés dans le résultat financier.

Dettes financières

Les dettes financières sont constituées d'emprunts bancaires, d'emprunts obligataires et de dettes structurées. Elles sont comptabilisées initialement à la juste valeur de la contrepartie reçue, diminuée des coûts de transaction directement attribuables à l'opération. Ces coûts sont présentés en frais et primes d'émission et étalés sur la durée de l'emprunt.

Actifs financiers

A l'exception des instruments financiers dérivés et des titres non consolidés, les actifs financiers sont comptabilisés en coût amorti. Une dépréciation est constatée au compte de résultat lorsqu'il existe un indicateur de perte de valeur. Les titres non consolidés sont valorisés à la juste valeur.

Passifs financiers

Les dettes locatives reconnues en contrepartie des droits d'utilisation correspondent à la somme des paiements futurs actualisés des contrats de location. Le taux d'actualisation retenu pour évaluer ces dettes est déterminé par contrat en fonction du taux marginal d'endettement estimé de l'entité qui porte le contrat.

Lorsque le Groupe octroie des promesses d'achat fermes ou conditionnelles de leur participation à des actionnaires minoritaires, le montant correspondant des participations ne donnant pas le contrôle est reclassé en passif financier pour la juste valeur de l'engagement. Le passif financier est réévalué à chaque clôture en contrepartie des capitaux propres, en l'absence de précisions apportées par les normes IFRS.

Instruments financiers dérivés

Les instruments dérivés qui ne sont pas désignés comme des instruments de couverture sont comptabilisés à leur juste valeur, les variations ultérieures de juste valeur étant enregistrées en résultat financier. Les instruments dérivés qualifiés d'instruments de couverture sont évalués et comptabilisés conformément aux critères de la comptabilité de couverture.

Les opérations de couverture s'effectuent en ayant recours à des instruments financiers dérivés, dont les variations de juste valeur ont pour but de compenser l'exposition des éléments couverts à ces mêmes variations. Les variations de la juste valeur sont comptabilisées en capitaux propres, dans les autres éléments recyclables de gains et pertes du résultat global, pour ce qui concerne la partie efficace de la relation de couverture tandis que les variations de la juste valeur relatives à la partie inefficace sont constatées en résultat financier. Le Groupe dispose d'instruments financiers dérivés destinés à couvrir des flux de trésorerie (*forwards* et *forwards KI*) ainsi que l'investissement net de ses filiales au Mexique, à Singapour et à Dubaï (*cross currency swap*). Les options *forwards*, *forwards KI*, et la composante taux du *cross currency swap* sont présentées en actif ou passif financier selon la position et la composante change est incluse dans la dette nette du Groupe.

Les variations cumulées de la juste valeur de l'instrument de couverture précédemment comptabilisées en capitaux propres sont transférées dans le compte de résultat lorsque la transaction couverte affecte ce dernier. Les gains et pertes ainsi transférés sont comptabilisés dans le résultat au niveau de l'élément couvert.

7.4.1 Trésorerie et équivalents de trésorerie

La trésorerie et les équivalents de trésorerie se présentent comme suit :

(en millions d'euros)	30 juin 2022	30 juin 2023
Trésorerie	596,9	468,6
Équivalents de trésorerie	83,6	13,6
Total	680,5	482,2

7.4.2 Dettes financières

Les dettes financières se décomposent comme suit :

(en millions d'euros)	Taux	30 juin 2022	30 juin 2023	Échéance
Crédit <i>in fine</i> BEI	0,488 %	200,0	200,0	Décembre 2028
Crédit <i>in fine</i> 2026	Variable	400,0	400,0	Juin 2027
Emprunt obligataire 2025	2,000 %	800,0	800,0	Octobre 2025
Emprunt obligataire 2027	2,250 %	600,0	600,0	Juillet 2027
Emprunt obligataire 2028	1,500 %	600,0	600,0	Octobre 2028
Dettes structurées				
	0,75%	80,0		Juillet 2023
	0,90%	53,0	53,0	Juin 2024
	1,88%		75,0	Juin 2024
	2,15%		50,0	Juin 2025
	2,52%		75,0	Juin 2026
Sous-total des dettes (part non courante)		2 733,0	2 853,0	
Frais et primes d'émission		(14,9)	(11,2)	
Total des dettes (part non courante)		2 718,1	2 841,8	
Dettes structurées	0,75%	-	65,0	Juillet 2023
Emprunt obligataire 2022	3,125 %	300,0	-	Octobre 2022
Intérêts courus non échus		38,5	32,5	
Total des dettes (part courante)		338,5	97,5	
Total		3 056,6	2 939,3	

La totalité de l'endettement est libellée en euros.

Le crédit *in fine* et les dettes structurées sont assortis d'un covenant financier qui prévoyait initialement un rapport entre l'endettement total net et EBITDA inférieur ou égal à 4,0 pour 1. Au cours du premiers semestre de l'année 2022-23, le Groupe a obtenu des prêteurs que le calcul du rapport entre l'endettement total net et EBITDA prenne en compte de manière anticipée l'encaissement du produit de libération de la bande C après impôts pour les périodes de test jusqu'au 30 juin 2024 (voir note 2.3). Le Groupe a également obtenu des prêteurs un relèvement du ratio de dette nette sur EBITDA de 4 à 4.75 pour les périodes de test du 30 juin 2023 au 31 décembre 2024, puis à 4.50 pour les périodes de test du 30 juin 2025 au 31 décembre 2025 dans le cas où finalisation de l'opération de rapprochement avec OneWeb serait intervenue avant la date du test.

Les covenants des crédits *in fine* prévoient pour chaque prêteur la possibilité de demander le remboursement anticipé de l'intégralité des sommes dues en cas d'un changement de contrôle d'Eutelsat S.A. ou d'Eutelsat Communications.

Les obligations sont également assorties d'un covenant bancaire qui prévoit pour chaque prêteur la possibilité de demander le remboursement anticipé de l'intégralité des sommes dues en cas d'un changement de contrôle d'Eutelsat S.A. ou d'Eutelsat Communications accompagné d'une dégradation de la notation d'Eutelsat S.A.

Au 30 juin 2023, le Groupe respecte l'ensemble des covenants bancaires.

Les contrats de crédit ne comportent ni garantie du Groupe ni nantissement d'actifs au profit des prêteurs mais comportent des clauses restrictives (sous réserve d'exceptions usuelles prévues dans ce type de contrat de prêt) limitant la capacité d'Eutelsat Communications et de ses filiales, notamment à consentir des sûretés, contracter des dettes supplémentaires, céder des actifs, s'engager dans des fusions, des acquisitions, des

ventes d'actifs et des opérations de crédit-bail (à l'exception de celles réalisées à l'intérieur du Groupe et expressément prévues dans le contrat de prêt) et modifier la nature de l'activité de la Société et de ses filiales.

Les contrats de crédit comportent un engagement de conserver des polices d'assurance « Lancement plus un an » pour tout satellite localisé à 13° Est et, pour tout autre satellite, l'engagement de ne pas avoir plus d'un seul satellite qui ne soit pas couvert par une police d'assurance lancement.

Par ailleurs, le Groupe dispose au 30 juin 2023 de lignes de crédit actives d'un montant total non tiré de 1 009,0 millions d'euros (1 209,0 millions d'euros au 30 juin 2022). Ces lignes sont assorties de covenants bancaires de même type que ceux existants sur le crédit in fine et les dettes structurées. Le groupe a également obtenu une extension de la durée de la ligne de crédit de 200 millions de sa filiale Eutelsat SA jusqu'en juin 2025, la dernière année étant soumise à l'accord des prêteurs.

L'échéancier des dettes, hors frais et primes d'émission et intérêts courus non échus, au 30 juin 2023 est le suivant :

(en millions d'euros)	Montant	Échéance à moins de 1 an	Échéance à plus de 1 an et à moins de 5 ans	Échéance à plus de 5 ans
Crédit <i>in fine</i> 2026	400,0	-	400,0	-
Crédit <i>in fine</i> BEI	200,0	-	-	200,0
Dettes structurées	318,0	65,0	253,0	-
Emprunt obligataire 2025	800,0	-	800,0	-
Emprunt obligataire 2027	600,0	-	600,0	-
Emprunt obligataire 2028	600,0	-	-	600,0
Total	2 918,0	65,0	2 053,0	800,0

7.4.3 Autres actifs et passifs financiers

Les autres actifs financiers se détaillent comme suit :

(en millions d'euros)	30 juin 2022	30 juin 2023
Titres de participation non consolidés	17,7	11,5
Instruments financiers dérivés ⁽¹⁾	-	13,7
Autres actifs financiers ⁽²⁾	90,3	527,4
Total	108,1	552,6
<i>Dont part courante</i>	65,1	388,8
<i>Dont part non courante</i>	43,0	163,8

⁽¹⁾ Voir Note 7.4.5 « Instruments financiers dérivés ».

⁽²⁾ Les Autres actifs financiers incluent au 30 Juin 2023 notamment la créance liée à la libération de la Bande C pour 352 millions d'euros (voir Note 2.2) et l'actif né du paiement d'avance de capacités au groupe OneWeb pour 89 millions d'euros (voir Note 2.1).

Au 30 juin 2022, les autres actifs financiers comprennent des sommes à recevoir de fournisseurs de lanceurs dont les contrats ont été résiliés pour un montant de 46,7 millions d'euros. Au 30 Juin 2023, ces montants sont nuls.

Les autres dettes et passifs financiers se présentent comme suit :

(en millions d'euros)	30 juin 2022	30 juin 2023
Dettes locatives	425,7	319,5
Autres créiteurs ⁽¹⁾	225,9	69,8
Dettes sur immobilisations	297,5	189,6
Instruments financiers dérivés ⁽²⁾	105,7	32,4
Dettes sociales	46,6	49,1
Dettes fiscales	18,9	16,4
Total	1 120,3	676,8
<i>Dont part courante</i>	525,5	348,4
<i>Dont part non courante</i>	594,8	328,4

⁽¹⁾ Au 30 juin 2022, les autres créiteurs comprennent le capital non appelé par OneWeb Holdings Ltd pour 128,4 millions d'euros. Ce montant est nul au 30 Juin 2023

⁽²⁾ Voir Note 7.4.5 « Instruments financiers dérivés ».

Au fur et à mesure de la construction de certains satellites, des acceptations de jalons entraînent la reconnaissance d'une immobilisation en cours et d'une dette fournisseurs. Au 30 juin 2022, la valeur des dettes sur immobilisations s'évaluait à 134,1 millions d'euros et incluaient les acceptations de jalons ayant pour échéance la livraison des satellites. Au 30 Juin 2023, les dettes sur immobilisation non courantes représentent un montant de 1,2 millions d'euros et n'incluent aucune acceptation de jalon de construction de satellites, le dispositif en place prenant fin pendant l'année calendaire 2023.

La variation des dettes locatives sur la période se décompose ainsi :

(en millions d'euros)	30 juin 2022	Nouveaux contrats	Flux de trésorerie	Autres	Effets de change	Variation des intérêts courus	30 juin 2023
Satellites	379,2	-	(45,6)	(51,3)	-	(1,8)	280,4
Immobilier	45,6	0,9	(8,1)	0,9	(0,2)	-	39,1
Autres	0,9	-	(0,9)	-	-	-	-
Total	425,7	0,9	(54,6)	(50,4)	(0,2)	(1,8)	319,5

Les dettes locatives comprennent les intérêts courus de 3,5 millions d'euros au 30 juin 2022 et de (1,8) millions d'euros au 30 juin 2023.

7.4.4 Dette nette

La dette nette se présente comme suit :

(en millions d'euros)	30 juin 2022	30 juin 2023
Crédit <i>in fine</i>	400,0	400,0
Crédit <i>in fine</i> BEI	200,0	200,0
Emprunts obligataires	2 300,0	2 000,0
Dettes structurées	133,0	318,0
Part change du <i>cross currency swap</i>	41,3	13,6
Dettes locatives	420,6	316,2
Dette brute	3 494,9	3 247,8
Trésorerie et équivalents de trésorerie	(680,5)	(482,2)
Dette nette	2 814,4	2 765,6

L'évolution de la dette entre le 30 juin 2021 et le 30 juin 2022 se présente comme suit :

(en millions d'euros)	30 juin 2021	Flux de trésorerie	Flux non cash	Effets de change	var. de juste valeur et autres	30 juin 2022
Crédit <i>in fine</i>	400,0	-	-	-	-	400,0
Crédit <i>in fine</i> BEI	200,0	-	-	-	-	200,0
Emprunts obligataires	2 300,0	-	-	-	-	2 300,0
Tirage RCF	-	-	-	-	-	-
Dettes structurées	221,2	(88,2)	-	-	-	133,0
Part change du <i>cross currency swap</i>	(38,7)	-	-	-	80,0	41,3
Dettes locatives	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

L'évolution de la dette entre le 30 juin 2022 et le 30 juin 2023 se présente comme suit :

(en millions d'euros)	30 juin 2022	Flux de trésorerie	Flux non cash	Effets de change	var. de juste valeur et autres	30 juin 2023
Crédit <i>in fine</i>	400,0	-	-	-	-	400,0
Crédit <i>in fine</i> BEI	200,0	-	-	-	-	200,0
Emprunts obligataires	2 300,0	(300)	-	-	-	2 000,0
Dettes structurées	133,0	185,0	-	-	-	318,0
Part change du <i>cross currency swap</i>	41,3	-	-	-	(27,7)	13,6
Dettes locatives	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 Instruments financiers dérivés

Les instruments financiers dérivés font l'objet d'une évaluation par un expert indépendant qui est rapprochée des valorisations transmises par les contreparties bancaires. Le tableau ci-après présente les montants contractuels ou notionnels ainsi que les justes valeurs des instruments financiers dérivés par type de contrat :

(en millions d'euros)	Notionnels		Justes valeurs		Variation de juste valeur sur la période	Impact résultat (hors coupons)	Impact capitaux propres (hors coupons)
	30 juin 2022	30 juin 2023	30 juin 2022	30 juin 2023			
Vente à terme synthétique à barrière active (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 des instruments de change	1 134,6	976,6	(105,7)	(18,7)	87,0	-	87,0
Swap pré-hedge	-	-	-	-	-	-	-
Total des instruments de taux d'intérêt	-	-	-	-	-	-	-
Total instruments financiers dérivés	1 134,6	976,6	(105,7)	-	87,0	-	87,0

Les coupons des instruments de taux qualifiés de couverture de flux de trésorerie futurs sont comptabilisés directement en résultat. La variation comptabilisée en capitaux propres au titre de ces instruments correspond à la variation de juste valeur hors coupon. Les coupons du *cross currency swap* et des *forwards* qualifiés de couverture d'investissement net à l'étranger, ainsi que la variation de juste valeur hors-coupon, sont comptabilisés directement en capitaux propres.

La juste valeur et les échéances des instruments dérivés qualifiés de couverture se présentent comme suit :

(en millions d'euros)	Juste valeur différée en capitaux propres et à reprendre en résultat au 30 juin 2022						
	Total	À 1 an au plus	De 1 à 2 ans	De 2 à 3 ans	De 3 à 4 ans	De 4 à 5 ans	À plus de 5 ans
Couverture du risque de change	(105,7)	(47,4)	-	(58,3)	-	-	-
Total net au 30 juin 2022	(105,7)	(47,4)	-	(58,3)	-	-	-

(en millions d'euros)	Juste valeur différée en capitaux propres et à reprendre en résultat au 30 juin 2023						
	Total	À 1 an au plus	De 1 à 2 ans	De 2 à 3 ans	De 3 à 4 ans	De 4 à 5 ans	À plus de 5 ans
Couverture du risque de change	(18,7)	13,2	-	(31,9)	-	-	-
Total net au 30 juin 2023	(18,7)	13,2	-	(31,9)	-	-	-

7.4.6 Gestion des risques

Le Groupe est exposé au risque de marché, notamment en ce qui concerne le risque de change et de taux d'intérêt. Pour y faire face, le Groupe a recours à un certain nombre d'instruments financiers dérivés. Le Groupe n'effectue aucune transaction financière présentant un risque qui ne puisse être quantifié lors de sa conclusion, autrement dit il ne saurait vendre des actifs sans les posséder ou sans savoir s'il les possédera à l'avenir. L'objectif est de réduire, là où cela lui semble approprié, les fluctuations de revenus et des flux de trésorerie suite à des variations des taux d'intérêts et des cours de change.

Risque de change

Par ses opérations de vente de capacité satellitaire, le Groupe est principalement receveur de devises, et majoritairement de dollar U.S. Le Groupe est donc majoritairement exposé au risque de change dollar U.S./euro.

Afin de se couvrir contre les risques liés à la fluctuation des taux de change, le Groupe peut être amené à utiliser des ventes à terme ou des ventes à termes synthétiques à barrière activante de dollars U.S. contre euros, exercées ou non en fonction du taux de change à leur date d'expiration. Le Groupe ne peut néanmoins garantir qu'il parviendra à couvrir systématiquement tous ses contrats libellés en dollar U.S. Par ailleurs, afin de couvrir le risque de conversion, le Groupe peut également avoir recours à la création de passifs libellés dans la devise des flux de trésorerie générés par ces actifs. Parmi les instruments de couverture utilisés, le Groupe peut avoir recours à des produits dérivés de change (*cross currency swaps et forwards*) documentés en couverture d'investissement net à l'étranger. Le Groupe a ainsi mis en place un swap de devises euro dollar U.S. pour un notionnel de 680 millions de dollars afin de couvrir son investissement net dans des filiales basées au Mexique, à Singapour et à Dubaï.

Compte tenu de son exposition au risque de change, le Groupe estime qu'une hausse de 10% de la valeur du taux euro/dollar U.S. générerait (hors instruments de change) une baisse du chiffre d'affaires de 45,3 millions d'euros et une baisse des charges opérationnelles de 6,2 millions d'euros. Elle entraînerait également une variation négative de 179 millions d'euros de la réserve de conversion du Groupe et une hausse de 72 millions d'euros sur la part change du *cross currency swap* comptabilisée en dettes financières.

Risque de taux

Le Groupe gère son exposition aux variations de taux d'intérêt en conservant une partie de sa dette à taux fixe (emprunts obligataires d'Eutelsat S.A.) et si nécessaire par une politique de couverture ou de pré-couverture.

Compte tenu de l'ensemble des instruments financiers dont dispose le Groupe au 30 juin 2023, une augmentation de dix points de base (+0,1%) du taux d'intérêt EURIBOR aurait un impact négligeable sur la charge d'intérêts et la réévaluation des instruments financiers entraînant un impact sur le compte de résultat

Risque de contrepartie

Le risque de contrepartie inclut le risque lié à l'émetteur de titres, le risque d'exécution sur produits financiers dérivés ou produits monétaires ainsi que le risque de crédit sur les liquidités et les placements à terme. Le Groupe minimise son exposition au risque lié à l'émetteur et son exposition au risque d'exécution et de crédit en acquérant des produits financiers auprès de banques et d'établissements financiers de premier rang. L'exposition à ces risques est étroitement surveillée.

Le Groupe n'anticipe aucune perte qui résulterait de la défaillance de ses contreparties quant à leurs obligations prévues au contrat.

Au 30 juin 2023, le risque de contrepartie n'est pas significatif sur ces opérations.

Risque de liquidité

Le Groupe gère le risque de liquidité en tenant compte de la maturité des investissements financiers, des actifs financiers et des estimations de flux de trésorerie futurs liés aux activités opérationnelles.

L'objectif du Groupe est de maintenir l'équilibre entre la continuité des financements et leur flexibilité grâce à l'utilisation de découverts, d'emprunts bancaires *in fine*, de lignes de crédit bancaire *revolving*, d'emprunts obligataires et de contrats de location de satellites.

La maturité contractuelle de la dette du Groupe se présente comme suit :

Au 30 juin 2022 (en millions d'euros)	Valeur au bilan	Total des flux contractuels	Echéancier au 30 juin 2022					
			juin-23	juin-24	juin-25	juin-26	juin-27	Au-delà de 5 ans
Crédit <i>in fine</i>	(398,2)	(426,4)	(4,4)	(4,4)	(4,4)	(4,4)	(4,4)	(404,4)
Crédit <i>in fine</i> BEI	(199,8)	(207,3)	(1,0)	(1,0)	(1,0)	(1,0)	(1,0)	(202,4)
Emprunts obligataires	(2 289,6)	(2 517,4)	(347,9)	(38,5)	(38,5)	(838,5)	(22,5)	(1 231,5)
Dettes structurées	(130,5)	(134,5)	(81,0)	(53,5)	-	-	-	-
Dettes locatives	(420,6)	(420,6)	(54,8)	(51,0)	(52,2)	(54,7)	(55,9)	(152,1)
Instruments dérivés qualifiés ⁽¹⁾	(105,7)	(105,7)	(47,4)	-	(58,3)	-	-	-
Total dettes financières	(3 544,4)	(3 811,9)	(536,5)	(148,4)	(154,4)	(898,6)	(83,8)	(1 990,4)
Autres passifs financiers	(291,4)	(291,4)	(255,0)	(36,4)	-	-	-	-
Total passifs financiers	(3 835,8)	(4 103,3)	(791,5)	(184,8)	(154,4)	(898,6)	(83,8)	(1 990,4)
Instruments dérivés qualifiés ⁽¹⁾	-	-	-	-	-	-	-	-
Actifs financiers	108,0	108,0	65,1	42,9	-	-	-	-
Trésorerie	596,9	596,9	596,9	-	-	-	-	-
Equivalent de trésorerie	83,6	83,6	83,6	-	-	-	-	-
Total actifs financiers	788,5	788,5	745,6	42,9	-	-	-	-
Position nette	(3 047,3)	(3 314,8)	(45,9)	(141,9)	(154,4)	(898,6)	(83,8)	(1 990,4)

⁽¹⁾ Les montants « ventilés » au titre des instruments dérivés correspondent à des justes valeurs (et non à des flux contractuels).

Au 30 juin 2023 (en millions d'euros)	Valeur au bilan	Total des flux contractuels	Echéancier au 30 juin 2023					
			juin-24	juin-25	juin-26	juin-27	juin-28	Au-delà de 5 ans
Crédit <i>in fine</i>	(399,6)	(473,2)	(18,3)	(18,3)	(18,3)	(418,3)	-	-
Crédit <i>in fine</i> BEI	(199,9)	(205,3)	(1,0)	(1,0)	(1,0)	(1,0)	(1,0)	(200,5)
Emprunts obligataires	(2 023,4)	(2 183,0)	(38,5)	(38,5)	(838,5)	(22,5)	(622,5)	(622,5)
Dettes structurées	(316,3)	(328,1)	(198,2)	(53,0)	(76,9)	-	-	-
Dettes locatives	(319,5)	(316,2)	(43,5)	(43,5)	(46,1)	(48,0)	-	(135,0)
Instruments dérivés qualifiés ⁽¹⁾	(32,4)	(32,4)	(0,5)	(31,9)	-	-	-	-
Total dettes financières	(3 291,2)	(3 538,2)	(300,0)	(186,2)	(980,8)	(489,8)	(623,5)	(958,0)
Autres passifs financiers	(135,3)	(135,3)	(112,5)	(22,8)	-	-	-	-
Total passifs financiers	(3 426,4)	(3 673,5)	(412,5)	(209,0)	(980,8)	(489,8)	(623,5)	(958,0)
Instruments dérivés qualifiés ⁽¹⁾	13,7	13,7	13,7	-	-	-	-	-
Actifs financiers	539,0	539,0	375,1	163,9	-	-	-	-
Trésorerie	468,6	468,6	468,6	-	-	-	-	-
Equivalent de trésorerie	13,6	13,6	13,6	-	-	-	-	-
Total actifs financiers	1 034,9	1 034,9	871,0	163,9	-	-	-	-
Position nette	(2 391,5)	(2 368,6)	458,5	(45,1)	(980,8)	(489,8)	(623,5)	(958,0)

⁽¹⁾ Les montants « ventilés » au titre des instruments dérivés correspondent à des justes valeurs (et non à des flux contractuels).

7.4.7 Autres engagements

Dans le cadre de contrats commerciaux ou d'accords spécifiques bilatéraux, le Groupe a émis des garanties bancaires en faveur de tiers. Au 30 juin 2023 le montant de ces garanties bancaires représente 172 millions d'euros.

En mai 2023, le Groupe a signé un accord avec l'ensemble des actionnaires principaux de OneWeb visant à s'engager à prêter pour un montant maximum de 160 millions de dollars U.S. à hauteur de la participation de chaque actionnaire (la part du Groupe s'élevant à 37.8 millions de dollars U.S. maximum) dans le cas où OneWeb disposerait d'une trésorerie insuffisante avant la finalisation du rapprochement. Ce prêt serait remboursable à la date de réalisation de l'opération ou pourrait être converti en capital si le rapprochement devait être compromis.

7.5 JUSTE VALEUR DES INSTRUMENTS FINANCIERS

La juste valeur est le montant pour lequel un actif financier pourrait être échangé, ou un passif éteint, entre parties bien informées, consentantes et agissant dans des conditions de concurrence normale.

7.5.1 Juste valeur des actifs

Les tableaux suivants ventilent chaque actif composé d'instruments financiers en indiquent sa juste valeur, que l'instrument soit ou non comptabilisé au bilan à la juste valeur :

(en millions d'euros)	Total	Valeur nette comptable au 30 juin 2022			
		Coût amorti	Juste valeur par le biais des autres éléments du résultat global	Juste valeur par le résultat	Juste valeur au 30 juin 2022
Actifs non courants					
Prêts et avances à long terme	43,0	25,3	-	17,7	43,0
Actifs sur contrats clients	34,0	34,0	-	-	34,0
Actifs courants					
Créances clients	246,9	246,9	-	-	246,9
Actifs sur contrats clients	18,8	18,8	-	-	18,8
Autres créances	32,6	32,6	-	-	32,6
Instruments financiers dérivés ⁽¹⁾					
Qualifiés de couverture	-	-	-	-	-
Trésorerie et équivalents de trésorerie					
Trésorerie	529,0	-	-	529,0	529,0
Equivalent de trésorerie ⁽²⁾	332,1	-	-	332,1	332,1

⁽¹⁾ Hiérarchie de la juste valeur : niveau 2 (données observables autres qu'un prix coté sur un marché)

⁽²⁾ Hiérarchie de la juste valeur : niveau 1 (prix coté sur un marché)

(en millions d'euros)	Total	Valeur nette comptable au 30 juin 2023			
		Coût amorti	Juste valeur par le biais des autres éléments du résultat global	Juste valeur par le résultat	Juste valeur au 30 juin 2023
Actifs non courants					
Prêts et avances à long terme	163,9	152,4	-	11,5	163,9
Actifs sur contrats clients	31,7	31,7	-	-	31,7
Actifs courants					
Créances clients	207,5	207,5	-	-	207,5
Actifs sur contrats clients	13,3	13,3	-	-	13,3
Autres créances	375,1	375,1	-	-	375,1
Instruments financiers dérivés ⁽¹⁾					
Qualifiés de couverture	13,7	-	13,7	-	13,7
Trésorerie et équivalents de trésorerie					
Trésorerie	468,6	-	-	468,6	468,6
Equivalent de trésorerie ⁽²⁾	13,6	-	-	13,6	13,6

⁽¹⁾ Hiérarchie de la juste valeur : niveau 2 (données observables autres qu'un prix coté sur un marché)

⁽²⁾ Hiérarchie de la juste valeur : niveau 1 (prix coté sur un marché)

A l'exception des instruments financiers dérivés et des titres non consolidés, la valeur comptable des actifs constitue une approximation satisfaisante de leur juste valeur.

Au 30 juin 2023, le montant cumulé des justes valeurs des instruments financiers dérivés ressort pour 13,7 millions d'euros (voir Note 7.4.3 « Actifs et passifs financiers »).

7.5.2 Juste valeur des passifs

Les tableaux suivants ventilent chaque passif composé d'instruments financiers en indiquent sa juste valeur, que l'instrument soit ou non comptabilisé au bilan à la juste valeur :

(en millions d'euros)	Valeur nette comptable au 30 juin 2022				Juste valeur au 30 juin 2022
	Total	Instruments évalués au coût amorti	Instruments dérivés qualifiés de couverture	Instruments évalués à la juste valeur par le biais du compte de résultat	
Dettes financières					
Emprunts à taux variable	530,5	530,5			530,5
Emprunt obligataire ⁽¹⁾	2 289,6	2 289,6	-	-	2 289,6
Emprunts à taux fixe	199,8	199,8			199,8
Découverts bancaires	-	-	-	-	-
Autres passifs financiers					
Non courants	402,3	402,3	-	-	402,3
Courants	314,8	314,8	-	-	314,8
Instruments financiers dérivés ⁽²⁾					
Qualifiés de couverture	105,7	-	105,7	-	105,7
Fournisseurs et comptes rattachés	78,3	78,3	-	-	78,3
Dette sur immobilisations	297,5	297,5	-	-	297,5

⁽¹⁾ Hiérarchie de la juste valeur : niveau 1 (prix coté sur un marché)

⁽²⁾ Hiérarchie de la juste valeur : niveau 2 (données observables autres qu'un prix coté sur un marché).

(en millions d'euros)	Valeur nette comptable au 30 juin 2023				Juste valeur au 30 juin 2023
	Total	Instruments évalués au coût amorti	Instruments dérivés qualifiés de couverture	Instruments évalués à la juste valeur par le biais du compte de résultat	
Dettes financières					
Emprunts à taux variable	715,9	715,9	-	-	715,9
Emprunt obligataire ⁽¹⁾	2 023,4	2 023,4			2 023,4
Emprunts à taux fixe	199,9	199,9	-	-	199,9
Découverts bancaires	-	-	-	-	-
Autres passifs financiers					
Non courants	295,4	295,4	-	-	295,4
Courants	159,4	159,4	-	-	159,4
Instruments financiers dérivés ⁽²⁾					
Qualifiés de couverture	32,4	-	32,4	-	32,4
Fournisseurs et comptes rattachés	93,5	93,5	-	-	93,5
Dette sur immobilisations	188,5	188,5	-	-	188,5

⁽¹⁾ Hiérarchie de la juste valeur : niveau 1 (prix coté sur un marché)

⁽²⁾ Hiérarchie de la juste valeur : niveau 2 (données observables autres qu'un prix coté sur un marché).

A l'exception des emprunts obligataires et des instruments financiers dérivés, la valeur comptable des passifs financiers constitue une approximation satisfaisante de leur juste valeur.

Les justes valeurs des emprunts obligataires de niveau 1 (prix coté sur un marché) se présentent comme suit :

(En millions d'euros)	30 juin 2022	30 juin 2023
Emprunt obligataire 2022	302,3	-
Emprunt obligataire 2025	776,3	724,2
Emprunt obligataire 2027	561,2	498,1
Emprunt obligataire 2028	516,7	442,1
Total	2 156,5	1 664,4

7.6 CAPITAUX PROPRES

PRINCIPES COMPTABLES

Frais d'augmentation de capital

Les frais externes directement liés à des augmentations ou réduction de capital sont imputés sur la prime d'émission et d'apport, nets d'impôt lorsqu'une économie d'impôt est générée.

Actions propres

Les actions propres sont comptabilisées en diminution des capitaux propres sur la base de leur coût d'acquisition. Lors de leur cession, les gains et pertes sont inscrits directement dans les réserves consolidées pour leurs montants nets d'impôt et ne contribuent pas au résultat de l'exercice.

7.6.1 Capital social

Au 30 juin 2023, le capital social d'Eutelsat Communications S.A. est composé de 248 926 325 actions, d'une valeur nominale de 1 euro. À cette même date, le Groupe détient 356 061 actions propres d'un montant de 2,2 millions d'euros acquises dans le cadre d'un contrat de liquidité. L'ensemble de ces actions est présenté en déduction des capitaux propres.

7.6.2 Dividendes

Le 10 novembre 2022, les actionnaires réunis en Assemblée Générale Mixte ont décidé de distribuer un montant brut de 0,93 euro par action. Le paiement du dividende pour un montant total de 214,2 millions d'euros a eu lieu le 16 décembre en numéraire pour 80,6 millions d'euros et sous forme de 18 381 330 actions nouvellement émises au prix d'émission de 7,27€, pour 133,6 millions d'euros.

Le Groupe ne prévoit pas de proposer de distribution à l'Assemblée Générale Ordinaire du 23 novembre 2023.

7.6.3 Variation de la réserve de réévaluation des instruments dérivés

La réserve de réévaluation des instruments dérivés qualifiés de couverture (incluant l'effet d'impôt) a évolué comme suit sur l'exercice :

(en millions d'euros)	Total
Solde au 30 juin 2022	(68,5)
Variations de juste valeur en capitaux propres recyclables en résultat	24,7
Solde au 30 juin 2023	(43,8)

La réserve de réévaluation des instruments dérivés inclut 36,9 millions d'euros de déboucement de *forwards* documenté en couverture d'investissement net à l'étranger.

7.6.4 Réserves de conversion

La réserve de conversion (incluant l'effet d'impôt) a évolué comme suit sur l'exercice :

(en millions d'euros)	Total
Solde au 30 juin 2022	240,9
Variation nette sur la période	(49,1)
Solde au 30 juin 2023	191,8

La principale devise générant des écarts de conversion est le dollar US.

La réserve de conversion au 30 juin 2023 inclut (31,9) millions d'euros au titre du *cross currency swap* documenté en couverture d'investissement net à l'étranger ainsi que (112,2) millions d'euros relatifs au *cross currency swap* échu.

7.7 PROVISIONS

PRINCIPES COMPTABLES

Une provision est constituée lorsque, à la date de clôture, le Groupe a une obligation juridique ou implicite résultant d'un événement passé et dont il est probable qu'elle engendrera une sortie de ressources représentatives d'avantages économiques dont le montant peut être estimé de façon fiable. Le montant comptabilisé en provision représente la meilleure estimation de la dépense nécessaire à l'extinction de l'obligation actuelle à la date de clôture.

Si l'effet de la valeur temps de l'argent est significatif, le montant de la provision comptabilisée correspond à la valeur actualisée des dépenses attendues jugées nécessaires pour éteindre l'obligation correspondante. L'augmentation des provisions enregistrée pour refléter l'écoulement du temps et relative à l'actualisation est comptabilisée en charges financières.

L'évolution des provisions entre le 30 juin 2022 et le 30 juin 2023 se présente comme suit :

(en millions d'euros)	30 juin 2022	Dotation		Reprise		Reclassement	Variation de périmètre	Constat en capitaux propres	Variation de change	30 juin 2023
		Utilisée	Non utilisée	Utilisée	Non utilisée					
Garantie financière donnée à un fonds de pension	1,1	0,0	(4,4)	0,0	0,0	0,0	19,0	0,0	15,7	
Indemnités de départ en retraite	11,2	1,1	(0,8)	0,0	0,0	0,0	(2,5)	0,0	9,0	
Autres avantages postérieurs à l'emploi ⁽¹⁾	5,3	0,5	0,0	(1,5)	0,1	0,0	0,0	0,0	4,4	
Total avantages postérieurs à l'emploi	17,6	1,6	(5,2)	(1,5)	0,1	0,0	16,5	0,0	29,1	
Litiges commerciaux, salariaux et fiscaux	7,1	0,8	(0,9)	(1,9)	1,4	(1,3)	0,0	(0,1)	5,1	
Autres	-	-	-	-	-	-	-	-	-	
Total provisions	24,7	2,4	(6,1)	(3,4)	1,5	(1,3)	16,5	(0,1)	34,4	
<i>Dont part non courante</i>	<i>17,6</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>29,2</i>	
<i>Dont part courante</i>	<i>7,1</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>5,1</i>	

⁽¹⁾ Les autres avantages postérieurs à l'emploi concernent essentiellement des indemnités de fin de contrat dans diverses filiales.

7.7.1 Garantie financière donnée à un fonds de pension

Eutelsat S.A. a donné une garantie financière au fonds de pension en charge du régime de retraite mis en place par l'Organisation Inter Gouvernementale (OIG) lors de l'apport par cette dernière de son activité opérationnelle à Eutelsat S.A. en 2001. Ce régime de retraite à prestations définies a été fermé et les droits acquis gelés préalablement à l'apport. La garantie financière octroyée par Eutelsat S.A. est évaluée et comptabilisée de manière similaire à un engagement de retraite à prestations définies bien que le Groupe n'ait pas repris directement les engagements souscrits auprès de l'OIG sur le plan juridique. Cette garantie peut être exercée à certaines conditions en comblement de sous-financements futurs, sans qu'il existe de seuil quantitatif déclenchant l'appel de cette garantie.

En 2017, la garantie financière a été appelée pour un montant de 35,9 millions d'euros sur la base des projections de déficit du régime et un accord a été conclu avec le fonds de pension pour neuf paiements de 4,0 millions d'euros répartis entre le 30 juin 2017 et le 30 juin 2025.

En 2021, un nouvel accord remplaçant le précédent a été conclu avec le fonds de pension, portant le montant total des paiements dus au fonds au

30 juin 2023 à 29 millions d'euros, avec un échéancier allant jusqu'au 30 juin 2029.

Ces paiements pourront évoluer en fonction des futures situations financières établies annuellement.

L'évolution des obligations et des actifs du régime entre le 30 juin 2022 et le 30 juin 2023 se présente comme suit :

(en millions d'euros)	30 juin 2022	30 juin 2023
Valeur actualisée des obligations à l'ouverture	199,1	146
Coût des services rendus au cours de l'exercice	-	-
Coût financier	3,0	4,8
Écarts actuariels liés aux hypothèses financières : (gains)/pertes	(48,2)	(3,9)
Prestations versées	(7,9)	(7,1)
Gain lié aux effets de changement d'hypothèses démographiques	-	(1,0)
Valeur actualisée des obligations à la clôture	146,0	138,8

(en millions d'euros)	30 juin 2022	30 juin 2023
Juste valeur des actifs du fonds à l'ouverture	139,3	145
Rendement attendu des actifs du régime	2,0	4,7
Écarts actuariels liés aux hypothèses financières : (gains)/pertes	7,2	(23,8)
Contributions versées	4,3	4,4
Prestations versées	(7,9)	(7,1)
Juste valeur des actifs du fonds à la clôture	145,0	123,1

La durée moyenne pondérée des obligations est de 12,9 ans.

Les montants inclus dans la juste valeur des actifs du régime n'incluent aucun instrument financier émis par Eutelsat S.A. ni aucun bien immobilier ou mobilier détenu ou utilisé par Eutelsat S.A. Le rendement effectif des actifs du régime s'élève à 9,2 millions d'euros et (19,1) millions d'euros au 30 juin 2022 et 2023, respectivement.

Les évaluations actuarielles ont été réalisées sur la base des hypothèses suivantes :

	30 juin 2022	30 juin 2023
Taux d'actualisation	3,35%	4,10%
Taux d'augmentation des pensions	2,00%	2,20%

Une baisse de 25 points de base des taux d'actualisation entraînerait une augmentation de la provision de 4,4 millions d'euros.

Les provisions ont évolué comme suit au cours des deux exercices :

(en millions d'euros)	30 juin 2022	30 juin 2023
Provision à l'ouverture de l'exercice	59,8	1,1
(Produit) / Charge nette comptabilisée en résultat	0,9	(0,9)
(Gains) / pertes actuarielles	(55,4)	19,9
Contributions versées	(4,3)	(4,4)
Provision à la clôture de l'exercice	1,1	15,7

7.7.2 Indemnités de départ retraite et assimilés

PRINCIPES COMPTABLES

Les régimes de retraite du Groupe sont constitués de régimes à cotisations définies et de régimes à prestations définies.

Les charges liées aux régimes à cotisations définies sont constatées en « Charges de personnel » sur la base des cotisations versées ou dues au titre de l'exercice où les services sont rendus par les bénéficiaires des régimes.

Les régimes à prestations définies concernent les plans dans lesquels le Groupe s'est engagé à garantir à terme un montant ou un niveau de prestations. L'évaluation de ces prestations s'effectue sur la base de la méthode actuarielle des *unités de crédit projetées* consistant à projeter les montants des paiements futurs attendus sur la base d'hypothèses démographiques (rotation du personnel, mortalité, âge de départ à la retraite) et financières (augmentation des salaires et actualisation). La charge de l'exercice correspondant au coût des services rendus est constatée en « Charges de personnel » et les effets de l'actualisation dans le résultat financier. Les écarts actuariels résultant des changements d'hypothèses actuarielles ou des écarts d'expérience sont comptabilisés en « Autres éléments du résultat global ».

Régimes à prestations définies

Les engagements de retraite à prestations définies du Groupe sont principalement constitués du régime d'indemnités de départ en retraite des salariés d'Eutelsat S.A.

Aux 30 juin 2022 et 2023, la situation du régime se présente comme suit :

(en millions d'euros)	30 juin 2022	30 juin 2023
Valeur actualisée des obligations à l'ouverture	14,6	11,2
Coût des services rendus au cours de l'exercice	1,1	0,8
Coût financier	0,2	0,3
Écarts actuariels	(1,4)	(2,5)
Indemnités versées	(0,2)	(0,8)
Autres	(3,1)	-
Valeur actualisée des obligations à la clôture	11,2	9,0

La durée moyenne pondérée des obligations est de 9 ans.

L'évaluation actuarielle effectuée a été effectuée sur la base des hypothèses suivantes :

	30 juin 2022	30 juin 2023
Taux d'actualisation	3,25%	4,05%
Taux d'augmentation des salaires	0% durant 1 an puis 2,0%	2,5%

Le taux d'actualisation est déterminé sur la base d'obligations privées de première catégorie (AA et AAA) d'une durée cohérente avec celle du régime valorisé.

Régimes à cotisations définies

Les cotisations patronales versées au régime de retraite obligatoire en France au cours de l'exercice à ce titre s'élèvent à 6,3 millions d'euros et 6,0 millions d'euros aux 30 juin 2022 et 2023 respectivement.

Les salariés, à l'exception des mandataires sociaux salariés, bénéficient par ailleurs d'une retraite surcomplémentaire par capitalisation, à contributions définies, financée par des cotisations salariales et patronales égales à 6% du salaire annuel brut dans la limite de huit fois le plafond de la Sécurité sociale française. Les cotisations patronales versées au cours de l'exercice à ce titre s'élèvent à 2,0 millions d'euros et 2,0 millions d'euros aux 30 juin 2022 et 2023 respectivement.

7.7.3 Litiges et passifs éventuels

PRINCIPES COMPTABLES

Dans le cadre de ses activités, le Groupe est impliqué dans des actions judiciaires et des litiges commerciaux. Le Groupe exerce son jugement au cas par cas dans l'évaluation des risques encourus, et constitue une provision dès lors qu'il s'attend à une sortie probable de ressources. Dans les cas jugés sans fondement ou trop peu étayés, aucune provision n'a été comptabilisée.

7.8 ACTIFS ET PASSIFS D'IMPOTS

7.8.1 Actifs et passifs d'impôts différés

PRINCIPES COMPTABLES

Les impôts différés résultent des différences temporelles entre la valeur comptable des actifs et passifs et leur valeur fiscale. Ils sont calculés par entité fiscale et comptabilisés sur toutes les différences temporelles, sauf exceptions en utilisant la méthode bilancielle du report variable.

Ainsi, tous les passifs d'impôt différé sont comptabilisés :

- pour toute différence temporelle imposable sauf quand le passif d'impôt différé résulte de la dépréciation non déductible fiscalement de l'écart d'acquisition ou de la comptabilisation initiale d'un actif ou d'un passif dans une opération qui n'est pas un regroupement d'entreprises et qui, à la date de l'opération, n'affecte ni le bénéfice comptable, ni le bénéfice imposable ou la perte fiscale ; et
- pour des différences temporelles taxables liées à des participations dans les filiales sauf lorsque le Groupe contrôle le renversement de la différence et qu'il est probable que la différence temporelle ne s'inversera pas dans un avenir prévisible.

Des actifs d'impôt différé sont comptabilisés pour toute différence temporelle déductible, reports en avant de pertes fiscales et crédit d'impôt non utilisés, dans la mesure où il est probable qu'un bénéfice imposable sera disponible, sur lequel ces différences temporelles pourront être imputées. Toutefois, aucun actif d'impôt différé n'est constaté s'il résulte d'une différence temporelle déductible générée par la comptabilisation initiale d'un actif ou d'un passif dans une opération qui n'est pas un regroupement d'entreprises et qui, à la date de l'opération, n'affecte ni le bénéfice comptable, ni le bénéfice imposable ou la perte fiscale.

Les actifs et passifs d'impôt différé sont évalués aux taux d'impôt dont l'application est attendue sur l'exercice au cours duquel l'actif sera réalisé ou le passif réglé, sur la base des taux d'impôt (et réglementations fiscales) qui ont été adoptés ou quasi adoptés à la date de clôture.

La valeur comptable des actifs d'impôt différé est revue à chaque date de clôture et réduite dans la mesure où il n'est pas probable qu'un bénéfice imposable suffisant sera disponible pour permettre l'utilisation de l'avantage de tout ou partie de ces actifs d'impôt différé.

Les impôts différés ne sont pas actualisés et sont classés en actifs et passifs non courants.

Les impôts différés par nature ont évolué de la manière suivante entre le 30 juin 2022 et le 30 juin 2023 :

(en millions d'euros)	30 juin 2022	Variation de change et reclassements	Résultat de la période	Constat en capitaux propres	30 juin 2023
Impôts différés actifs					
Instruments financiers dérivés	63,3	-	-	(11,7)	51,6
Déficits reportables	4,4	0,7	12,6	-	17,7
Provisions client	26,1	-	(2,8)	-	23,2
Garantie financière donnée au fonds de pension	(8,4)	-	7,5	4,9	4,1
Provisions pour risques et charges	4,8	-	(1,0)	-	3,8
Actifs incorporels et corporels	16,8	2,4	5,9	-	25,1
Autres	18,2	(0,6)	0,9	-	18,5
Total impôts différés actifs	125,3	2,4	23,0	(6,8)	143,9
Impôts différés passifs					
Instruments financiers dérivés	(3,7)	-	0,2	(3,5)	(7,1)
Actifs incorporels	(43,9)	-	12,2	-	(31,6)
Actifs corporels	(221,4)	0,2	1,6	-	(219,6)
Autres	(39,7)	0,1	11,5	-	(28,2)
Total impôts différés passifs	(308,7)	0,3	25,5	(3,5)	(286,4)
Position nette active / (passive)	(183,4)	2,7	48,6	(10,3)	(142,4)
Reflété comme suit dans les comptes :					
Impôts différés actifs	1,4				15,3
Impôts différés passifs	(184,8)				(157,9)
Total	(183,4)				(142,4)

L'actif ou le passif d'impôt différé correspond à la somme des positions nettes des entités consolidées.

Les impôts différés passifs portent essentiellement sur les différences temporelles taxables générées par :

- la comptabilisation à la juste valeur des contrats clients et relations associées et des autres immobilisations incorporelles dans le cadre des acquisitions d'Eutelsat S.A. et de Satmex ;
- les amortissements accélérés pratiqués sur les satellites au niveau fiscal.

L'échéancier de recouvrement des actifs d'impôts différés sur déficits reportables est présenté dans le tableau ci-après :

(en millions d'euros)	Montant	Échéance à moins de 1 an	Échéance à plus de 1 an et à moins de 5 ans	Échéance à plus de 5 ans	Indéfinie
Echéanciers des pertes fiscales reportables activées	68,6	-	-	-	68,6
Total	68,6	-	-	-	68,6

Par ailleurs, le Groupe dispose d'un stock de pertes fiscales reportables non reconnues pour un montant de 94 millions d'euros au 30 juin 2023 (146,6 millions d'euros au 30 juin 2022) dont les dates d'expiration sont les suivantes :

(en millions d'euros)	Montant	Échéance à moins de 1 an	Échéance à plus de 1 an et à moins de 5 ans	Échéance à plus de 5 ans	Indéfinie
Dates d'expiration des pertes fiscales reportables non reconnues	94,0	0,1	1,6	0,6	91,7
Total	94,0	0,1	1,6	0,6	91,7

Le Groupe ne détenant pas d'activité dans les juridictions ayant adopté les règles Pilier 2 de l'OCDE au 30 juin 2023 n'a pas reconnu dans ses comptes d'éléments relatifs à ces nouvelles réglementations. Des analyses sont en cours pour identifier les conséquences financières qui pourraient découler de l'application de cette réglementation dans les différentes juridictions dans lesquelles elle opère.

7.8.2 Procédure de vérification

La société Eutelsat a fait l'objet de trois procédures de vérification de comptabilité portant sur la période allant du 1er juillet 2012 au 30 juin 2020

La première procédure vise les exercices clos aux 30 juin 2012, 2013 et 2014 pour laquelle une proposition de rehaussement a été reçue en décembre 2016. À la suite de l'exercice de recours précontentieux et aux discussions qui s'en sont suivies, les montants réclamés par l'administration fiscale ont été réduits. Un désaccord persiste sur un rehaussement qui va par conséquent faire l'objet d'un recours contentieux.

La deuxième procédure vise les exercices clos aux 30 juin 2015, 2016 et 2017 pour laquelle deux propositions de rehaussement ont été reçues en décembre 2018 puis en décembre 2019. Ce contrôle a été définitivement clos en octobre 2022 par la conclusion d'un règlement d'ensemble avec l'administration fiscale. Les avis de mise en recouvrement correspondants reçus en décembre 2022 s'élèvent à 21,8 millions d'euros et ont été intégralement réglés au cours de l'exercice.

La troisième procédure vise les exercices clos aux 30 juin 2018, 2019 et 2020 pour laquelle deux propositions de rehaussement ont été reçues en décembre 2021 puis en décembre 2022. Ces rehaussements projetés s'inscrivent largement dans la continuité du règlement d'ensemble visé ci-dessus. Les réponses aux observations ont été reçues fin mai 2023. Un désaccord persiste sur un petit nombre de rehaussements pour lesquels la société a initié les voies de recours administratives applicables.

NOTE 8. PARTIES LIEES

Les parties liées sont composées :

- des actionnaires directs ou indirects, et leurs filiales, qui exercent une influence notable, laquelle est présumée en cas de détention de plus de 20 % ou dès lors que l'investisseur bénéficie d'une présence au Conseil d'administration d'une entité du Groupe ;
- des actionnaires minoritaires des entités que le Groupe consolide selon la méthode de l'intégration globale ; et
- des principaux dirigeants.

8.1 PRINCIPAUX DIRIGEANTS

Le Groupe considère que la notion de principaux dirigeants regroupe, dans le contexte de gouvernance d'Eutelsat, le Comité exécutif présidé par le Directeur Général ainsi que les membres du Conseil d'Administration.

Les rémunérations allouées au Comité exécutif se présentent comme suit :

(en millions d'euros)	30 juin 2022	30 juin 2023
Rémunérations ⁽¹⁾	11,0	8,2
Total avantages court terme	11,0	8,2
Avantages postérieurs à l'emploi ⁽²⁾	0,06	0,04
Paielements fondés sur les actions ⁽³⁾	0,7	1,0
Total avantages long terme	0,76	1,04

⁽¹⁾ Elles incluent les salaires bruts y compris part variable, les primes, les avantages en nature, l'intéressement, la participation et les charges sociales versés.

⁽²⁾ Ils correspondent au coût des services passés des régimes de retraite à prestations définies.

⁽³⁾ Ils correspondent à la charge enregistrée au compte de résultat au titre des rémunérations en actions.

En cas de fin de mandat de la Directrice Générale et du Directeur Général Délégué, il était prévu un engagement de non-concurrence, rémunéré par le versement pendant 18 mois de 50% de la rémunération fixe. Cet engagement prévoyait que le Directeur général et le Directeur général délégué s'abstiennent pendant cette durée de travailler directement ou indirectement pour tout opérateur de satellites. Cet accord a pris fin au 30 juin 2023.

Les rétributions des membres du Conseil d'administration perçues au titre de l'exercice clos au 30 juin 2023 s'élèvent à 1,0 million d'euros (0,9 million d'euros au titre de l'exercice clos au 30 juin 2022).

8.2 AUTRES PARTIES LIEES

Les transactions avec les parties liées autres que les principaux dirigeants se résument comme suit :

(en millions d'euros)	30 juin 2022	30 juin 2023
Chiffre d'affaires	4,7	3,9
Résultat financier	12,8	11,0
Créances brutes (y compris factures à établir)	16,4	99,4
Dettes (y compris factures à recevoir)	315,1	238,9

Le chiffre d'affaires porte sur la fourniture de services liés au suivi et au contrôle des satellites.

Les dettes comprennent les contrats de location au titre des satellites Express AT1, Express AT2, Express AM6 et Eutelsat 36C.

NOTE 9. ÉVÉNEMENTS POSTÉRIEURS A LA CLOTURE

Le 13 juillet 2023, 143,6 millions d'euros ont été tirés sur la ligne de crédit active de dettes structurées au 30 juin 2023. Ces sommes ont été utilisées afin de financer des acquisitions d'immobilisation dont les échéances étaient prévues au mois de juillet. Le remboursement d'un montant de 65 millions d'euros de dettes structurées est par ailleurs prévu le 31 juillet 2023.

Le 13 juillet 2023, les maturités des lignes de crédit revolving actives de 450 millions d'euros et de 200 millions d'euros ont été étendues jusqu'au 30 septembre 2025 avec une option supplémentaire d'extension d'un an soumise à l'approbation des prêteurs.

NOTE 10. HONORAIRES DES COMMISSAIRES AUX COMPTES

(en milliers d'euros)	EY				Mazars			
	Montant N	%	Montant N-1	%	Montant N	%	Montant N-1	%
Commissariat aux comptes, certification, examen des comptes individuels consolidés								
Eutelsat Communications	285	8%	143	22%	285	33%	143	22%
Filiales	735	20%	417	66%	531	61%	491	76%
Sous-total	1 020	28%	560	88%	815	94%	634	98%
Services autres que la certification des comptes								
Eutelsat Communications	45	1%	-	0%	45	5%	-	0%
Filiales	4	0%	71	12%	8	1%	10	2%
Sous-total	49	2%	71	12%	53	6%	10	2%
Autres services autres que la certification des comptes rendus par les réseaux EY / Mazars dans le cadre du projet d'introduction à la bourse de Londres								
Eutelsat Communications	2 536	70%	-	-	-	-	-	-
Filiales	-	-	-	-	-	-	-	-
Sous-total	2 536	70%	-	-	-	-	-	-
Total	3 605	100%	631	100%	868	100%	644	100%

Les services autres que la certification des comptes correspondent essentiellement aux travaux réalisés dans le cadre de revues financières non réglementées.

Annexure B – OneWeb Historical Financial Information

- a) HISTORICAL FINANCIAL INFORMATION FOR YEAR THE PERIOD 25 MARCH 2020 TO 31 MARCH 2021
- b) HISTORICAL FINANCIAL INFORMATION FOR YEAR ENDED 31 MARCH 2022
- c) HISTORICAL FINANCIAL INFORMATION FOR YEAR ENDED 31 MARCH 2023

FINANCIAL STATEMENTS

Independent auditor's report to the members of OneWeb Holdings Limited

Opinion

We have audited the financial statements of OneWeb Holdings Limited ("the company") for the period ended 31 March 2021 which comprise the Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and Other Comprehensive Income, Consolidated Statement of changes in Equity, Consolidated Cash flow statement, Company Balance Sheet, Company Statement of Changes in Equity, Company Cash flow statement and related notes, including the accounting policies in note 2.

In our opinion:

- | **The financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2021 and of the Group's profit for the period then ended;**
- | **The Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;**
- | **The parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and**
- | **The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.**

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- | **We consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;**
- | **We have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the company's ability to continue as a going concern for the going concern period.**
- | **However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the company will continue in operation.**

FINANCIAL STATEMENTS | INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ONEWEB HOLDINGS LIMITED

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- | Enquiring of directors, the audit committee and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- | Reading board and audit and risk committee meeting minutes.
- | Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the group to full scope component audit teams of relevant fraud risks identified at the Group level and request to full scope component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at group.

As required by auditing standards, and taking into account management's ability to manipulate accounting records, recent revisions to guidance and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that Group and component management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Group is in a development stage and has no external revenue for the period ended 31 March 2021. Therefore, the fraud risk in revenue recognition has been rebutted.

We did not identify any additional fraud risks.

We performed audit procedures for fraud risk including:

- | Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management, those posted and approved by the same user, those posted to unusual or seldom used accounts, those containing high risk keywords.
- | Evaluated the business purpose of significant unusual transactions.
- | Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit. This included communication from the group to full scope component audit teams of relevant laws and regulations identified at the Group level, and a request for full scope component auditors to report to the group team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at group.

FINANCIAL STATEMENTS | INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ONEWEB HOLDINGS LIMITED

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), pension legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect: licensing of spectrum rights, health and safety, anti-bribery, employment law, environmental protection legislation, foreign corrupt practices act, competition legislation, regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not

responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- | We have not identified material misstatements in the strategic report and the directors' report;
- | In our opinion the information given in those reports for the financial period is consistent with the financial statements; and
- | In our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- | Adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- | The parent company financial statements are not in agreement with the accounting records and returns; or
- | Certain disclosures of directors' remuneration specified by law are not made; or
- | We have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

FINANCIAL STATEMENTS | INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ONEWEB HOLDINGS LIMITED

Directors' responsibilities

As explained more fully in their statement set out on page 41 of this report, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent 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 they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Lynton Richmond (Senior Statutory Auditor) for
and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square
London
E14 5GL

3 November 2021

FINANCIAL STATEMENTS

Consolidated statement of profit and loss and other comprehensive income

for the period ended 31 March 2021

	Note	2021 \$m
Revenue		-
Other operating income		0.2
Operating expenses	4	(58.5)
Share of results of joint venture	13	-
Operating loss		(58.3)
Gain on bargain purchase	3	430.4
Acquisition transaction costs	3	(8.8)
Investment income	9	10.3
Finance costs	9	(2.9)
Profit before tax		370.7
Taxation	10	(0.2)
Profit for the period		370.5
Other comprehensive income		
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translating foreign operations		0.3
Other comprehensive income for the period, net of income tax		0.3
Total comprehensive profit for the period		370.8

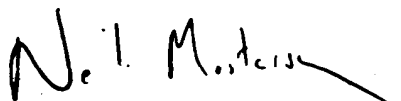
FINANCIAL STATEMENTS

Consolidated balance sheet

At 31 March 2021

	Note	2021 \$m
Non-current assets		
Property, plant and equipment	11	1,273.2
Right of use lease assets	18	34.7
Intangible assets	12	254.0
Bonds and deposits		14.2
Other non-current receivables		2.2
Investment in joint venture	13	8.7
		1,587.0
Current assets		
Corporation tax receivable		2.2
Prepaid expenses		5.0
Goods and services tax receivable		1.9
Share subscription receivables	16	308.5
Other current receivables		6.2
Cash and cash equivalents		44.0
		367.8
Total assets		1,954.8
Current liabilities		
Trade payables		(122.1)
Payables to related parties	19	(1.1)
Accrued expenses		(42.9)
Accrued employee compensation		(5.1)
Corporation tax payable		(0.2)
Other taxes payable		(0.7)
Provisions	15	(38.6)
Lease liabilities	18	(10.1)
Non-current liabilities		
Provisions	15	(7.9)
Lease liabilities	18	(75.1)
Deferred tax liabilities	10	(47.1)
		(130.1)
Total liabilities		(350.9)
Net assets		1,603.9
Equity		
Share capital	16	-
Share premium	16	1,232.5
Share based payment reserve	16	0.6
Foreign currency reserve	16	0.3
Retained earnings	16	370.5
Total equity		1,603.9

These financial statements were approved by the Board of Directors on 29 October 2021 and were signed on its behalf by:



Neil Masterson
Chief Executive Officer
 Company registered number: 12534512

FINANCIAL STATEMENTS

Consolidated statement of changes in equity

	Share capital \$m	Share premi- um \$m	Share based payment reserve \$m	Foreign currency reserve \$m	Re- tained earnings \$m	Total equity \$m
Total comprehensive income for the period						
Profit for the period	-	-	-	-	370.5	370.5
Exchange differences on foreign operations, net of tax	-	-	-	0.3	-	0.3
Total comprehensive income for the period	-	-	-	0.3	370.5	370.8
Transactions with owners, recorded directly in equity						
Issue of shares	-	1,232.5	-	-	-	1,232.5
Equity-settled share-based payment transactions	-	-	0.6	-	-	0.6
Total contributions by and distributions to owners	-	1,232.5	0.6	-	-	1,233.1
Balance at 31 March 2021	-	1,232.5	0.6	0.3	370.5	1,603.9

FINANCIAL STATEMENTS

Consolidated cash flow statement

for the period ended 31 March 2021

	2021 \$m
Cash flows from operating activities	
Profit for the period	370.5
<i>Adjustments for:</i>	
Depreciation and amortisation	2.6
Write-off of property, plant & equipment	4.7
Foreign exchange losses	(0.4)
Gain on bargain purchase	(430.4)
Investment income	(10.3)
Finance expense	2.9
Equity settled share-based payment expenses	0.6
Taxation	0.2
Movement in deposits	(6.8)
Movement in other non-current receivables	6.3
Movement in tax receivable	2.7
Movement in goods and services tax receivables	(1.7)
Movement in other current receivables	(3.7)
Movement in trade payables	(199.7)
Movement in payables to related parties	(1.2)
Movement in accrued expenses	16.2
Movement in accrued employee compensation	0.4
Movement in other taxes payable	(2.5)
Movement in provisions current	(2.3)
Movement in provisions non-current	(15.3)
Net cash from operating activities	(267.2)
Cash flows from investing activities	
Interest received	-
Acquisition of a subsidiary (see note 3)	(43.6)
Pre-acquisition funding to OWC, converted to equity on acquisition	(210.7)
Capitalised assets under construction	(171.4)
Acquisition of other intangible assets	(0.3)
Net cash from investing activities	(426.0)
Cash flows from financing activities	
Proceeds from the issue of share capital	741.5
Capital lease payments	(4.3)
Net cash from financing activities	737.2
Net increase in cash and cash equivalents	44.0
Effect of exchange rate fluctuations on cash held	-
Cash and cash equivalents at 31 March	44.0

FINANCIAL STATEMENTS

Notes to the consolidated financial statements

(forming part of the financial statements)

1. General information

The Company is a private company incorporated, domiciled and registered in England and Wales. The registered number is 12534512 and the registered address is West Works Building, 195 Wood Lane, London, United Kingdom, W12 7FQ.

2. Basis of preparation

2.1 Going concern

In determining the appropriate basis of preparation of the financial statements for the period ended 31 March 2021, the Directors are required to consider whether the Company is a going concern, i.e. whether the Company is able to meet its debts as they fall due over a period of at least 12 months from the date of approval of these financial statements. The key judgement is with regards to whether there is sufficient available and committed funding to allow the Group, in due course, to become revenue generating and cash generative on an on-going basis.

The Directors have considered whether it is appropriate to adopt the going concern basis, by undertaking an assessment for the financial forecasts of the Group for at least 12 months from the date of approval of these financial statements. Specific consideration has been made of the funding position and the expected costs to be incurred to achieve successful commercial launch, together with the expected operational performance of the satellite constellation and ground network as it enters service.

On 1 July 2020, the Company entered into a PSA with OWG and its subsidiaries in order to set out the steps for the purchase of OWC and its subsidiaries. OWG, and certain of its subsidiaries had filed voluntary petitions for relief under

the provisions of the United States Chapter 11 bankruptcy protection process in March 2020. OWC represents the trading portion of the OneWeb business, below OWG in the company organisation structure. The PSA was authorised by the US bankruptcy court southern district of New York on 13 July 2020.

The shareholders of the Company at that time were BGL and BEIS. Under the terms of the PSA, the shareholders committed \$1.0 billion in capital financing and a further \$1.3 billion was projected to be needed to deploy the full OneWeb satellite constellation.

Between July and October 2020, OWG began negotiations with creditors to resolve outstanding and disputed claims which culminated in the confirmation of a Third Amended Joint Chapter 11 Plan of Reorganisation by the US bankruptcy court on 2 October 2020. In addition, OWG sought to complete the conditions to the consummation of the transactions contemplated under the PSA, including obtaining several regulatory approvals. Once all such conditions were met, the bankruptcy court entered an order on 20 November 2020 issuing a final decree to allow the Company to complete the purchase of the newly reorganised OneWeb group consisting of OWC and its subsidiaries who were discharged from all previous indebtedness.

Fund-raising activities continued during 2021 following the success of bringing OneWeb out of bankruptcy, with Group representatives meeting various potential investors. Equity funding commitments of \$2.7 billion (including the \$1.0 billion above) have been obtained, which has significantly strengthened the financial position of the Group.

FINANCIAL STATEMENTS | NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Details of funding commitments at the date of signing these financial statements are provided below:

	\$m
Initial commitment from BGL	500
Commitment from BEIS	500
Funding received from Echostar Operating LLC in January 2021	50
Equity commitments at 31 March 2021	1,050
Funding received from SoftBank Group Corp in April 2021	229
Funding received from Eutelsat Communications S.A. in September 2021	550
Additional commitment from BGL, pursuant to a call option	350
Funding commitments/received at the date of signing these financial statements	2,179
Additional commitment from Eutelsat Communications S.A, pursuant to a call option	150
Committed funding from Hanwha Systems Co., Ltd, subject to regulatory approval	300
Total estimated funding	2,629

Against the above total estimated funding of \$2,629.0 million, as at the date of signing these financial statements, \$1,800.0 million has been paid up by the investors. Funding receipts as of 31 March 2021 and as at the date of approval of these financial statements, exclude \$92.5 million of proceeds received for share subscriptions on 20 November 2020 which related to amounts paid by the Company to OWC, which in turn were used to settle outstanding creditors of OWC.

A number of satellites and ground stations are already operational which will allow the business to begin operations North of 50° latitude coverage in this final calendar quarter of 2021. There are a number of further launches planned during 2022 to scale up to full global coverage by the end of calendar year 2022. In 2023, it is planned that the network will be complete, and commercialisation and monetisation of the satellite network will generate cash flows necessary to fund any residual capital expenditure. If these plans are successful, the Directors believe there will be sufficient liquidity to finance the anticipated costs of the first generation of OneWeb's satellite constellation and allow the business to become cash positive.

A business plan has been prepared, covering a period to the third calendar quarter of 2023, which shows that on a severe but plausible downside scenario, the business can continue to operate and discharge liabilities in the normal course of business on the basis of funding being received as noted above. The business plan shows

sufficient available and committed funding to allow the Group, in due course, to become revenue generating and cash positive on an on-going basis.

However, the Directors acknowledge that there are uncertainties relating to this business plan, including:

- | **Whether the committed funding is sufficient to cover any unforeseen escalation in costs of the deployment of the satellite constellation;**
- | **Whether costs can be reduced, should the amount of anticipated revenue be lower later than expected; and**
- | **Whether the satellite constellation and ground network will operate as expected following being placed into operational service for the first time.**

While the Directors recognise that there is a level of uncertainty inherent in generating revenues and controlling costs in-line with the project plan, these uncertainties are not considered to be material in determining that OneWeb is a going concern.

Accordingly, the Directors have a reasonable expectation that the Group has adequate financial resources to continue in operational existence for at least the 12-month period after the approval of these financial statements. Thus, it remains appropriate to prepare the financial statements on a going concern basis.

FINANCIAL STATEMENTS | NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.2 Accounting convention

The consolidated financial statements have been prepared and approved by the Directors in accordance with Adopted IFRSs. The Company has elected to prepare its parent entity only financial statements in accordance with FRS 101.

Where an accounting policy is applicable to a specific note to the financial statements, the policy is described within that note. In accordance with Adopted IFRS, where balances are considered to be immaterial to these financial statements, no further disclosures are provided.

The accounting policies set out below have, unless otherwise stated, been applied consistently in the period presented in these financial statements.

2.3 Accounting estimates and judgements

In the preparation of consolidated financial statements in conformity with Adopted IFRSs, management is required to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, expenses and disclosures of contingent liabilities. Estimates and judgments are continually evaluated. These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and are believed to be reasonable under the circumstances at the end of the financial periods presented. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. Due to uncertainties inherent in making estimates, actual results could differ from those estimates.

Critical judgements

Critical judgements are those made when applying accounting policies that could have a significant impact on the amounts recognised in the consolidated financial statements. The following critical judgements have been made in the current period:

Cash projections made in assessing the going concern opinion (see note 2.1)

In performing the assessment of going concern, the Group's business plan has been used to conclude on whether the Group has adequate financial resources to continue in operational existence for at least the

12-month period after the approval of these financial statements. The business plan has a number of key assumptions regarding the operational success of the satellite constellation and ground network, the ability to generate the expected level of revenue and for the Group's cost base to meet expectations. As a pioneering company, there is a significant level of judgement involved in the business plan, but performance has been within expected parameters to date. However, if the conclusion had been reached that the company was not a going concern, the amounts recognised in the consolidated financial statements would have been significantly different.

These cash projections have also been used in assessing whether there were any indicators of asset impairment in the reporting period subsequent to the acquisition by the Company of OWC, which there were not.

Acquisition of OWC (see note 3)

One of the key judgements made regarding the acquisition of OWC was with regards to the timing at which control over the business took place. Prior to 20 November 2020, the Group was the key source of funding for OWC and consideration was made regarding the level of influence held up to the point that legal control was obtained on that date. Management of OWC was considered to be independent of the Group up to the point legal control was obtained on 20 November 2020.

Another critical judgement relates to the composition of consideration paid for OWC. Part of the consideration paid to acquire the business required payments to be made to OWC's creditors, either in cash or through the issue of share capital of the Company. As these payments were directly incremental to the Company obtaining control of OWC, they are treated as part of the consideration paid. Included within these amounts was \$92.5 million paid which was immediately invested by the OWC creditor into the Company through a share subscription. While legally, this was considered to be an instantaneous cash payment and receipt, no cash was actually transferred and the transaction is therefore excluded from the Group's consolidated cash flow statement.

Evaluation of control over OneWeb Satellites LLC (see note 13)

This entity is a joint venture in which the two shareholders each owns 50% of issued share capital and has equal voting or similar rights with

FINANCIAL STATEMENTS | NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

major decisions approved on a unanimous basis. Judgement was exercised over whether the Group has control over the joint venture, which determines whether the results of the business are consolidated by the Group. Given that the Group accounts for almost all of the business operations of the joint venture, careful consideration was made of both the legal structure of the joint venture and the commercial arrangements with the Group. The Group is considered to have joint control of the business and therefore it is treated as equity accounted, not consolidated.

Collection of receivables from shareholders (see note 16)

Included within current assets are share subscription receivables of \$308.5 million owed by BEIS and BGL. Judgement has been applied in considering whether these amounts are recoverable at the period end. There is not considered to be any significant risk that these amounts are not fully recoverable.

Future availability of tax losses (see note 10)

At 31 March 2021, the Group had tax losses totalling \$638.1 million which have not been recognised as a deferred tax asset, as it is not probable at the reporting date that future taxable profits will be available against which these can be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

The majority of the losses were incurred prior to the bankruptcy. The details of the losses are as below:

| **\$116.2 million of losses incurred in the US, the utilisation of which will be restricted to small amounts each year due to the change of control provisions.**

| **\$63.6 million of losses were incurred following bankruptcy and/or are not impacted by the change of control provisions.**

At the balance sheet date, it is not anticipated that any of the losses will be extinguished, although this is subject to tax authority agreement and will need to be reviewed periodically in light of business performance and change of control provisions.

Key sources of estimation uncertainty

Key sources of estimation uncertainty are those assumptions where there is a significant risk that changes to these assumptions could cause a material adjustment to the carrying value of assets and liabilities within the next 12 months. The following area of accounting required significant estimates to be made in the current period:

The valuation of the business combination of OWC (see note 3)

The acquisition of OWC for a purchase consideration of \$482.3 million, together with the cash acquired of \$35.3 million and lease liabilities of \$81.6 million, indicates an enterprise acquisition value of \$528.6 million (before deferred tax liabilities). However, given the unique situation of OWC emerging from Chapter 11 bankruptcy proceedings and being pre-revenue, a business enterprise value ("BEV") which was judged to be \$2.2 billion (using cash flow forecasts with an implied IRR of 19.1%) at the time of the bidding process, represented a more appropriate basis to determine the purchase price allocation. To determine the quantum of any economic obsolescence of the tangible assets associated with the first generation of satellites ("Gen.1") project, cash flows specific to this project were carved out from the above BEV exercise and discounted using a market participant rate of 10.75% to arrive at a more appropriate fair value of the acquired tangible assets.

| **\$142.2 million of trading losses and \$39.4 million of management expenses incurred in the UK are not expected to be extinguished but will be reviewed periodically in light of business performance and/or change of control provisions.**

| **\$276.7 million of non-trading losses incurred in the UK were subject to a restriction under the corporate interest restriction rules. These may be accessed in the future if there is sufficient capacity and the capital of the relevant company does not increase significantly under the change of control provisions.**

FINANCIAL STATEMENTS | NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A summary of the provisional fair value of the net assets acquired and purchase consideration paid is as follows:

	Recognised values on acquisition
	\$m
Property, plant and equipment	1,107.1
Spectrum assets (indefinite life)	250.0
Right of use lease assets	33.3
Deferred tax liabilities	(47.1)
Other assets and liabilities	(430.6)
Net identifiable assets and liabilities at fair value	912.7
Total consideration	482.3
Bargain purchase arising on acquisition	430.4

Any adjustment to the value attributable to Gen.1 assets will impact the economic obsolescence adjustment, the fair value of net assets acquired and the resultant bargain gain. An increase of 1% in the market participant rate of 10.75% applied to the Gen.1 cash flows would reduce the fair value of net assets acquired and the bargain gain by c.\$136 million; conversely, a reduction of 1% in the rate would increase the fair value of net assets acquired and the bargain gain by c.\$146 million.

The value of the spectrum assets sits within a calculated valuation range from \$200 million to \$300 million, with the mid-point of the range (\$250 million) being representative of fair value. Any change in the assumptions used for this valuation would have an impact on the range and its midpoint and consequently also change the amount of the bargain purchase gain.

2.4 Significant accounting policies that relate to the financial statements as a whole

a) Measurement convention

The financial statements are prepared on the historical cost basis except for certain financial assets and financial liabilities required by Adopted IFRS to be measured at fair value. The Group and Company financial statements are presented in United States dollars, rounded to the nearest \$0.1 million.

b) Basis of consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, together with the Group's interest in its joint venture. The Group controls an entity when it is exposed to, or has rights to, variable returns

from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control above.

c) Foreign currency

The presentation currency of the Group is the U.S. dollar. Subsidiaries whose functional currency is a currency other than the U.S. dollar translate their assets and liabilities into U.S. dollars at the current exchange rates in effect at the end of the reporting period. Income and expense accounts of such subsidiaries are translated into U.S. dollars at the average exchange rates during the period. Translation adjustments are included in the foreign currency translation reserve, a separate component of equity. Gains or losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are recorded in profit or loss and classified as foreign exchange gain or loss on the consolidated statements of comprehensive income or loss.

FINANCIAL STATEMENTS | NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

d) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). There was only a single CGU in the Group.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (or group of units) on a pro rata basis.

2.5 Adopted IFRS not yet applied

The following Adopted IFRSs have been issued but have not been applied in these financial statements. Their adoption is not expected to have a material effect on the financial statements:

- | **Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16: Interest Rate Benchmark Reform – Phase 2 (effective date 1 January 2021).**
- | **Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of as Current or Non-current (effective date to be confirmed).**
- | **Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract (effective date to be confirmed).**
- | **Amendments to References to the Conceptual Framework in IFRS 3 (effective date to be confirmed).**

| **Amendments to IAS 16: Property, Plant and Equipment—Proceeds before Intended Use (effective date to be confirmed).**

| **Annual Improvements to IFRS Standards 2018-2020 (effective date to be confirmed).**

3. Acquisitions

Accounting policy

The Company has determined whether a particular set of activities and assets is a business by assessing whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Company has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. This election can be applied on a transaction by transaction basis. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Company measures goodwill at the acquisition date as:

- | **The fair value of the consideration transferred; plus**
- | **The recognised amount of any non-controlling interests in the acquiree; plus**
- | **The fair value of the existing equity interest in the acquiree; less**
- | **The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.**

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

FINANCIAL STATEMENTS | NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Acquisitions in the current period

On 20 November 2020, the Company acquired 100% of the voting shares of OWC, a non-listed company, in exchange for cash and shares of the Company. OWC specialises in the development of a low earth orbit constellation of satellites to deliver high-speed, low latency global connectivity and capacity to customers throughout the world. The

Company acquired OWC in order to progress it to commercial operations and secure the Company's position as a global leader in low latency connectivity.

The acquisition of OWC is considered to be an area of both critical judgement and a major source of estimation uncertainty, further details of which are provided in note 2.3.

Effect of acquisition

The acquisition had the following effect on the Group's assets and liabilities:

	Recognised values on acquisition \$m
Non-current assets	
Property, plant and equipment	1,107.1
Right of use lease assets	33.3
Intangible assets	253.6
Bonds and deposits	7.4
Other non-current receivables	8.5
Investment in joint venture	8.7
	1,418.6
Current assets	
Corporation tax receivable	4.9
Prepaid expenses	5.0
Goods and services tax receivable	0.2
Other current receivables	2.5
Cash and cash equivalents	35.3
	47.9
Total assets	1,466.5
Current liabilities	
Trade payables	(321.1)
Payables to related parties	(2.3)
Accrued expenses	(26.7)
Accrued employee compensation	(4.7)
Corporation tax payable	(0.2)
Other taxes payable	(3.2)
Provisions	(40.9)
Lease liabilities	(9.1)
	(408.2)
Non-current liabilities	
Provisions	(23.2)
Lease liabilities	(75.3)
Deferred tax liabilities	(47.1)
	(145.6)
Total liabilities	(553.8)
Net identifiable assets and liabilities at fair value	912.7

FINANCIAL STATEMENTS | NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	\$m
Consideration paid	
Paid to former creditors of OWC, used to subscribe for shares in the Company	92.5
Paid to former creditors of OWC	29.6
Equity instruments issued to former creditors of OWC	90.0
Cash paid to settle acquisition-related costs of OWC	49.3
Pre-acquisition funding to OWC, converted to equity on acquisition	220.9
Total consideration	482.3
Bargain purchase arising on acquisition	430.4
Net cash outflow arising on acquisition	
Paid to former creditors of OWC	(29.6)
Cash paid to settle acquisition-related costs of OWC	(49.3)
Cash acquired	35.3
Net cash outflow	(43.6)
Contribution since control obtained	
Revenue	-
Loss for the period	(61.2)

If the acquisition had occurred on 25 March 2020, the net profit for the Group would have been \$108.9 million. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition occurred on 25 March 2020. The group headed by OWC made a loss of \$270.9 million in the period from 25 March 2020 to 31 March 2021, excluding the gain on debt extinguishment arising from the bankruptcy process.

A bargain purchase has arisen on the acquisition because the business was acquired as part of a distressed sale following bankruptcy.

Consideration paid

Under the terms of the PSA, the Company issued 182,459 ordinary shares to former creditors of OWC as part of consideration paid. 92,459 shares were paid for in cash of \$92.5 million by the subscriber at the same instant as them receiving this amount from OWC, following a loan being made by the Company to OWC. The remaining 90,000 shares were provided to the creditors to pay down \$90.0 million of debt. The fair value of the shares was calculated with reference

to the price of the Company's shares in other transactions on and around the acquisition date, which was \$1,000 per share. A further \$29.6 million was paid to former creditors of OWC, which was retained by the creditors and not used to subscribe for shares in the Company. All of these amounts are part of the consideration paid by the Company to acquire OWC.

The PSA also required the Company to fund the selling costs of the former shareholders of OWC of \$49.3 million. As the payments were entirely for the benefit of the OWC's former shareholders, these are included in the consideration paid.

The Company and OWC were parties to a pre-existing debt financing arrangement in which the Company was the lender. At the acquisition date this pre-existing relationship was effectively settled as part of the acquisition. The fair value of the debt financing arrangement at the acquisition date was \$220.9 million. The terms of the loan were comparable to current market transactions for similar items. As a result, consideration transferred includes \$220.9 million, representing termination of the pre-existing debt financing relationship.

FINANCIAL STATEMENTS | NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Fair values determined on a provisional basis

The following fair values have been determined on a provisional basis:

	\$m
Property, plant and equipment	1,107.1
Right of use lease assets	33.3
Intangible assets	253.6
Investment in joint venture	8.7

Acquisition transaction costs

The Company incurred acquisition related transaction costs of \$8.8 million, primarily related to legal fees. These costs have been included in the Company's statement of comprehensive income, below operating loss.

4. Operating expenses

	2021 \$m
Staff remuneration (see note 6)	20.8
Other staff costs	1.7
Total staff costs	22.5
Professional fees	16.9
Office and facility costs	6.8
Travel and entertainment	0.2
Marketing	0.7
Non-staff cost R&D expense	3.8
Write-off of property, plant & equipment	4.7
Depreciation of property, plant & equipment	1.2
Depreciation of right of use lease assets	1.4
Amortisation of intangible assets	-
Reorganisation and restructuring costs	0.7
Foreign exchange gains	(0.4)
Total operating expenses	58.5

5. Auditor's remuneration

KPMG LLP was the Company's auditor in the current period.

During the period, the following services were obtained from KPMG:

	2021 \$m
Audit of these financial statements	0.8
Audit of financial statements of subsidiaries of the Company	-
Total KPMG and its associates' audit fees	0.8

No non-audit services were provided by KPMG LLP or its associates in the period. The level of fees paid for the audit of financial statements of subsidiaries of the Company rounds to less than \$0.1 million.

FINANCIAL STATEMENTS | NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. Employee information

Accounting policy

Employees are considered to be individuals employed under contracts of service, plus any Non-executive Directors. Contracts of service include all employees, other than occasional casual workers, but exclude any individuals employed by non-consolidated entities who are contracted to work for us on a full-time basis.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Average number of employees

	2021
Operations	178
Commercial	10
Corporate functions	41
	229

Staff remuneration

The aggregate remuneration of these persons was as follows:

	2021 \$m
Wages and salaries	18.7
Share based payments (see note 8)	0.6
Social security costs	1.1
Contributions to defined contribution retirement benefit schemes	0.4
Total staff remuneration	20.8

7. Directors' remuneration

	2021 \$m
Directors' remuneration	0.6
Amounts receivable under long term incentive schemes (see note 8)	0.6
Contributions to money purchase pension plans	-
Amounts paid to third parties in respect of Directors' services	-

Only one Director received remuneration and contributions to a money purchase pension plan in respect of their services as an employee of the Group. All other Directors serving during the period, with the exception of Peregrine Secretarial Services Limited, were representatives of shareholders and no Director fees were paid.

FINANCIAL STATEMENTS | NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. Share-based payments

Accounting policy

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured using an option valuation model, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where the Company grants options over its own shares to the employees of its subsidiaries it recognises, in its individual financial statements, an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share-based payment charge recognised in its consolidated financial statements with the corresponding credit being recognised directly in equity. No such awards were granted in the current period, but have taken place subsequent to the balance sheet date.

Employee Share Option Plan ("ESOP")

Employee Share Option Plan ("ESOP"), can we change the wording to say "On 7 January 2021, Directors of the Company were granted 10,000 ESOP awards, with an exercise price of \$1,000 per award.

The awards are subject to gradual annual vesting and expire on 31 December 2030:

- | 25% of the awards vest on 31 December 2022;
- | 25% of the awards vest on 31 December 2023;

| 25% of the awards vest on 31 December 2024; and

| 25% of the awards vest on 31 December 2025.

All awards are subject to the following vesting rules regarding the individual leaving the Company:

- | On or before December 2021 all unvested awards will lapse.
- | On or between 1 January 2022 and December 2022 25% of the awards will vest.
- | On or between 1 January 2023 and December 2023 50% of the awards will vest.
- | On or between 1 January 2024 and December 2024 75% of the awards will vest.
- | On or between 1 January 2025 and December 2025 100% of the awards will vest.

There are no performance conditions associated with these awards.

If the shares of the Company are not Listed by 31 December 2025 and the award holder has not left the Company, the holder will be able to monetise the awards as follows:

- | 25% of the awards on 31 December 2026;
- | 25% of the awards on 31 December 2027;
- | 25% of the awards on 31 December 2028; and
- | 25% of the awards on 31 December 2029.

Monetisation is based on a market valuation exercise of the Company, discounted by 20%.

The fair value of interests awarded under the ESOP was determined using a Binomial Lattice model. The Binomial Lattice model derives the value of an option by specifying a stochastic process, such as a random variable that changes through time. In a Binomial Lattice model, stock prices follow a multiplicative binomial process.

Charge for the period

The total charge for the period was \$0.6 million. The same amount is recognised as a movement in reserves in the period.

FINANCIAL STATEMENTS | NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Movement in share awards

	Number of share awards	Weighted average exercise price \$
At 25 March 2020		
Granted	10,000	1,000
At 31 March 2021	10,000	1,000
Supplementary information	Years	\$
Weighted average remaining life	3.3	
Fair value of options granted		865
Assumptions	IPO	Monetising mechanism
Expected life (years)	5.0	6.5
Share price (\$)	1,800	1,440
Exercise price (\$)	1,000	1,000
Risk free rate (%)	0.5	0.7
Volatility (%)	41.5	39.0
Probability weight (%)	50.0	50.0

The stochastic model applied to the share price calculation was simulated with 10,000 trials.

9. Investment income and finance costs

Accounting policy

Investment income comprises interest received from bank deposits and other advances.

Finance costs arise on lease liabilities recognised in profit or loss using the effective interest method, unwinding of the discount on provisions.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Recognised in profit or loss

	2021 \$m
Interest received on pre-acquisition financing of OneWeb (see note 23)	6.0
Funding arrangement fees on pre-acquisition financing of OneWeb (see note 23)	4.3
Total investment income	10.3
Lease interest (see note 18)	(2.0)
Unwinding of discount on unfavourable contract provision (see note 15)	(0.7)
Unwinding of discount on asset retirement obligation provision (see note 15)	(0.2)
Total finance costs	(2.9)

FINANCIAL STATEMENTS | NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. Taxation

Accounting policy

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and

the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Income tax expense

	2021 \$m
Current tax expense	
Current period	(0.2)
Deferred tax expense	
Reversal of temporary differences	
Total tax credit	(0.2)

Reconciliation of effective tax rate

	2021 \$m
Profit before tax	370.7
Tax applying the UK corporation tax rate of 19%	(70.4)
Effect of tax rates in foreign jurisdictions	1.2
Non-deductible expenses	(2.9)
Non-taxable gain on bargain purchase	81.8
Current period losses for which no deferred tax asset was recognised	(9.9)
Total tax credit	(0.2)

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% effective 1 April 2020 was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19%

would continue to apply with effect from 1 April 2020. An increase in the UK corporate tax rate from 19% to 25% (effective from 1 April 2023) was substantively enacted on 14 May 2021. This will increase the Company's future current tax charge accordingly.

FINANCIAL STATEMENTS | NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Deferred tax

	Acquired intangibles (liabilities) \$m
At 25 March 2020	-
Acquisition of a subsidiary	(47.1)
Recognised in income	-
At 31 March 2021	(47.1)

Deductible temporary differences for which deferred tax assets have not been recognised at the end of each reporting period are presented below:

	2021 \$m
Temporary timing differences	278.1
Unused net operating losses	120.3
Total derecognised deductible temporary differences	398.4

As at 31 March 2021, the Group had tax losses totalling \$638.1 million (unrecognised deferred tax asset of \$120.3 million) and other temporary timing differences of \$1,375.6 million (unrecognised deferred tax asset of \$278.1 million) of which \$1,327.7 million relates to unclaimed tax depreciation on fixed assets (unrecognised deferred tax asset of \$266.9 million). The unrecognised deferred tax in relation to the tax losses is considered to be a critical judgement in these financial statements, further details of which are provided in note 2.3.

At 31 March 2021, the Group has not recognised any deferred tax liabilities relating to its investment in subsidiaries as the Group controls the timing of reversal of the related temporary differences and management is satisfied that they will not reverse in the foreseeable future.

11. Property, plant and equipment

Accounting policy

The Group's property, plant and equipment include costs for the design, manufacture, test and launch of a constellation of low earth orbit satellites (the space component), primary and backup control centres, gateways and other ground facilities (the ground component).

Property, plant and equipment are stated at cost less accumulated depreciation for those assets brought into service. Assets under construction include advances paid to vendors for work undertaken on behalf of the Group.

The cost of property and equipment includes the estimated costs of dismantling and removing the asset and restoring the site on which it is located to the extent that the Group has a legal or constructive obligation as a direct consequence of acquiring or constructing the property, plant and equipment.

Assets are brought into service and depreciated from the point they are operating as intended. At 31 March 2021, all assets associated with the space and ground components of the Group's infrastructure are under construction. The OneWeb network cannot operate as intended until sufficient coverage has been created to offer a commercial service. When sufficient coverage exists to be able to provide customers with a viable service, all assets associated with providing that service will be put into service and depreciation will start. This is expected to take place in Q4 of calendar year 2021.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

FINANCIAL STATEMENTS | NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Included within other property and equipment are assets with estimated useful lives as follows:

- | Furniture and computer equipment – 2 to 3 years
- | Vehicles - 3 years
- | Leasehold improvements - the shorter of useful lives or the lease term

Where components of property, plant and equipment have different useful lives, they are accounted for as a separate class of property, plant and equipment. The estimated useful lives and depreciation methods are reviewed at the end of each reporting period and the effect of any changes in estimates are accounted for on a prospective basis.

Carrying value of property, plant and equipment

	Space component under construction \$m	Ground component under construction \$m	Other property and equipment \$m	Total \$m
Cost				
At 25 March 2020	-	-	-	-
Acquisition of a subsidiary	915.0	190.4	1.7	1,107.1
Additions	135.6	35.7	0.1	171.4
Written off	(4.4)	(0.3)	-	(4.7)
Foreign exchange	-	0.4	0.2	0.6
At 31 March 2021	1,046.2	226.2	2.0	1,274.4
Depreciation				
At 25 March 2020	-	-	-	-
Depreciation charge	-	-	(1.2)	(1.2)
At 31 March 2021	-	-	(1.2)	(1.2)
Carrying value				
At 31 March 2021	1,046.2	226.2	0.8	1,273.2

Security

There are no restrictions over title of any Group owned assets or assets that are pledged as security.

Intangible assets with finite useful lives include internal-use computer software and patents. Intangible assets with finite useful lives are carried at cost less accumulated amortisation and any recognised impairment loss. Amortisation is recognised on a straight-line basis over the estimated useful lives of the respective assets. The estimated useful lives are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

12. Intangible assets

Accounting policy

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and less accumulated impairment losses.

Intangible assets with indefinite useful lives are carried at cost less any recognised impairment loss. The Group's intangible assets with indefinite useful lives consist of spectrum rights and licenses.

The Group classifies its intangible assets into finite and indefinite categories based upon the assessment of their useful life. An intangible asset is classified as having an indefinite useful life when, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group, based on the analysis of all relevant factors. All other intangible assets that arise from contractual or other legal rights are classified as intangible assets with finite useful lives.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use. Gains or losses arising from derecognition are recognised in profit or loss.

FINANCIAL STATEMENTS | NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Assets under construction

Expenditure on research activities is recognised in the income statement as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses. The Group is currently building various assets which will form part of the wider OneWeb network. When sufficient coverage exists to be able to provide customers with a viable service, all assets associated with providing that service will be put into service and amortisation will start. This is expected to take place in Q4 of calendar year 2021.

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at

each balance sheet date. Other intangible assets are amortised from the date they are available for use.

Spectrum rights and licences

Spectrum rights and licences represent the Group's rights, registrations and authorisations from the ITU and government agencies to enable the Group to conduct its business.

OneWeb has secured c.6.0 GHz of priority NGSO spectrum rights in the Ku and Ka bands, covering:

- | 2.5 GHz of Ku band end for user links
- | 3.3 GHz of Ka band gateway for feeder links

If OneWeb meets both the BIU and build out milestones for main ITU filings with Ofcom (Ku band) and ANFR (Ka band) that it currently relies on, the Group will be able to preserve these spectrum rights indefinitely. Specifically, the ANFR authorisation was issued for 25 years, OneWeb has met all obligations related to the ANFR authorisation, and renewal expectancy is high. Due to the expectancy right to maintain the once awarded spectrum rights and licenses, an indefinite useful economic life is applied to these assets. Assets with an indefinite life are not amortised, an annual impairment review is performed instead, or earlier if an indication of impairment is noted.

Patents

Patents are the Group's intellectual property that cover aspects of the Group's satellite system, global communication network and devices. Patents are amortised on a straight-line basis over their useful lives of between 15 and 19 years. The current period amortisation charge is less than \$0.1 million.

	Spectrum rights and licenses \$m	Patents \$m	Total \$m
Cost			
At 25 March 2020	-	-	-
Acquisition of a subsidiary	252.0	1.6	253.6
Additions	0.3	-	0.3
Foreign exchange	0.1	-	0.1
At 31 March 2021	252.4	1.6	254.0
Amortisation			
At 25 March 2020	-	-	-
Amortisation charge	-	-	-
At 31 March 2021	-	-	-
Carrying value			
At 31 March 2021	252.4	1.6	254.0

FINANCIAL STATEMENTS | NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. Investment in joint venture

Accounting policy

A joint venture is an entity where control is shared with another party. During the period, the Group obtained joint control over Airbus OneWeb Satellites LLC ("AOS") through the acquisition of OWC. AOS was created as a joint venture between the OneWeb Communications Group and Airbus DS Satnet, to develop and design the first generation of OneWeb satellites ("Gen.1"). Each shareholder owns 50% of equity interest in AOS and has equal voting or similar rights with major decisions approved on unanimous basis. The risks related to AOS operations and cost overruns are equally borne by both shareholders.

The Group does not have power over AOS's relevant activities and while equally is exposed to variability of returns from AOS, the Group therefore does not have the ability to use power over AOS to affect such returns.

The results, assets and liabilities of the Group's joint venture is incorporated into these financial statements using the equity method of accounting. This is considered to be a critical judgement in these financial statements, further details of which are provided in note 2.3. The investment in a joint venture is initially recognised at cost. At the acquisition date, any excess of the cost of acquisition over our share of the fair value of the identifiable assets and liabilities of the associate is recognised as goodwill.

The consolidated income statement reflects the Group's share of the results of operations of AOS. Any change in other comprehensive income would be recognised as part of consolidated other comprehensive income. Unrealised profits resulting from transactions between the Group and AOS are eliminated to the extent of the Group's interest in the business.

Summarised financial information of AOS at acquisition on 20 November 2020

	\$m
100% of the net assets of the business	
Non-current assets	89.8
Current assets	370.3
Non-current liabilities	(7.4)
Current liabilities	(442.4)
Net assets and total equity	10.3
Group share of interest in joint venture's net assets	5.2
Goodwill	3.5
Carrying value of interest in joint venture	8.7

Summarised financial information of AOS for the period from 25 March 2020 to 31 March 2021

	2021 \$m
100% of the results of the business	
Revenue	102.0
Profit after tax	9.6
Total comprehensive profit	10.8
Group share of the results of the business before elimination of unrealised profits and losses	
Revenue	51.0
Profit after tax	4.8
Total comprehensive profit	5.4
Group share of the results of the business after elimination of unrealised profits and losses	
Revenue	51.0
Loss after tax	-
Total comprehensive loss	-

FINANCIAL STATEMENTS | NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2021 \$m
100% of the net assets of the business	
Non-current assets	86.8
Current assets	323.1
Non-current liabilities	(2.4)
Current liabilities	(386.4)
Net assets and total equity	21.1
Group share of interest in joint venture's net assets	10.6
Elimination of unrealised profits and losses	(5.4)
Goodwill	3.5
Carrying value of interest in joint venture	8.7

Supplementary information regarding AOS is provided below:

	2021 \$m
Cash and cash equivalents	49.6
Current financial liabilities (excluding trade and other payables and provisions)	(5.0)
Non-current financial liabilities (excluding trade and other payables and provisions)	(1.9)
Depreciation and amortisation	(8.9)
Income tax expense	1.0

14. Commitments and contingencies

Capital commitments

The Group has contractual purchase commitments with various vendors related to the design and developments of its first-generation constellation of satellites, communications infrastructure and ground facilities.

The table below summarises contractual commitments not recorded on the consolidated balance sheet (see note 19 for commitments with related parties).

	2021 \$m
Less than a year	218.6
Between one and five years	208.9
More than five years	-
Total contractual commitments	427.5

Contingencies

There are no contingencies other than the provisions recognised on the consolidated statement of financial position that are expected to have a material adverse impact on the business, financial results or financial condition of the Company or the Group.

FINANCIAL STATEMENTS | NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. Provisions

Accounting policy

A provision is recognised in the balance sheet when a present legal or constructive obligation is held as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

The Group has two classes of provisions:

Unfavourable contracts. There are unfavourable terms embedded in a certain vendor contract associated with the satellite launch programme, which existed within the

OWC group purchased by the Company. A liability was recognised on acquisition of OWC, equal to the fair value at the point of acquisition. The contract in question ends in May 2022. The liability was calculated based on a comparison of the contracted terms versus current market rates for similar services.

Asset retirement obligations. Obligations arise on the decommissioning of certain items of property, plant and equipment. A liability is calculated based on the expected cost to decommission the assets and an equal asset is created and held within property, plant and equipment. The provision is expected to be utilised over the remaining expected asset lives, which are up to 10 years.

	Unfavourable contracts	Asset retirement obligations	Total
	\$	\$	\$m
At 25 March 2020	-	-	-
Acquisition of a subsidiary	(60.4)	(3.7)	(64.1)
Utilised in the period	18.5	-	18.5
Unwinding of discount	(0.7)	(0.2)	(0.9)
At 31 March 2021	(42.6)	(3.9)	(46.5)
Current	(38.6)	-	(38.6)
Non-current	(4.0)	(3.9)	(7.9)
	(42.6)	(3.9)	(46.5)

16. Capital, reserves and shareholder funding

Shareholder funding

The Company was incorporated on 25 March 2020 with share capital of £2 (made up of two Ordinary Shares with a nominal value of £1 each), owned by Peregrine Secretarial Services Limited. The 2 Ordinary Shares were transferred from Peregrine to BGL on 30 June 2020.

On 1 July 2020, the Company issued two Ordinary Shares to BEIS.

All four Ordinary Shares in the Company were converted into Deferred Shares with a nominal value of £1 on 20 November 2020.

On 20 November 2020, the Company issued 500,000 Class A Shares to BGL and 500,000 Class A Shares to BEIS for a total subscription value of \$1.0 billion.

Up to November 2020, the Company received funding from BGL and BEIS in the form of

shareholder loans. BGL and BEIS issued shareholder loans of \$184.5 million each. On 20 November 2020, these loans were deemed to be repaid and the amounts used to settle a portion of the subscription proceeds. Interest was owed under the original loan agreement but this was waived by the lenders during conversion to equity and interest charges have therefore not been reflected in these financial statements.

Payments have been made in cash from 20 November 2020 to 31 March 2021 totalling \$177.5 million from BGL and \$145.0 million from BEIS, with a further \$32.5 million from BEIS on 8 April 2021. These shares are therefore considered to be fully paid at 31 March 2021, with any remaining amounts owed considered to be share premium outstanding.

On 20 November 2020, SoftBank Group Corp. subscribed to 92,459 A Ordinary Shares with a subscription value of \$92.5 million. These shares were subsequently transferred to SoftBank Group Capital Limited.

FINANCIAL STATEMENTS | NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

On 20 November 2020, \$90.0 million of secured loan notes issued by OWC were assigned to the Company, which were paid down through the issue of 90,000 Class A Shares to the note holders. The loan notes were subsequently waived in accordance with the PSA, resulting in an increase to the Company's investment in OWC.

On 20 November 2020, the Company issued one Class B Share to BEIS. Class B Shares have a nominal value of \$0.01.

On 19 January 2021, the Company issued 50,000 Class A Shares to Echostar Operating LLC for \$50.0 million in cash.

On 7 April 2021, SoftBank Group Corp. subscribed for 354,185 of shares for \$229.0 million, paid for in cash. These shares were subsequently transferred to SoftBank Group Capital Limited.

On 27 April 2021 it was announced that Eutelsat S.A. would subscribe for 500,000 shares for \$550.0 million, which was fully paid for in cash on 8 September 2021.

On 8 September 2021, BGL subscribed for a further 350,000 shares under the terms of a call option. BGL has paid up \$35.0 million, being 10% of the subscription amount. The option allowed for BGL to subscribe for a total of 500,000 shares at \$1,000 per share, it being acknowledged that such subscription and funding would be reduced if Eutelsat chose to exercise its participation notice in respect to 30% of the call option. Eutelsat submitted its participation notice on 5 October 2021 for the subscription of 150,000 shares at \$1,000 per share. The completion of Eutelsat's proportion of the call option is subject to customary regulatory approvals.

On 12 August 2021 it was announced that Hanwha Systems Co., Ltd, of South Korea will subscribe to 250,000 shares at a value of \$300.0 million. This has not been completed at the date of signing these financial statements, as it is subject to regulatory approvals.

The movement in share subscription receivables in the period can be seen as follows:

	2021 \$m
Total subscription value	1,232.5
Proceeds used to settle shareholder loans (see note 18)	(369.0)
Cash receipts post 20 November 2020	(465.0)
Issued to creditors of OWC for no cash	(90.0)
Share subscription receivables at 31 March	308.5

The recoverability of the share subscription receivables is considered to be a critical judgement in these financial statements, further details of which are provided in note 2.3.

Shareholder rights

Shares in the Company consist of three classes:

- | **Class A Shares, which have voting rights. All dividends paid are distributed to the A Shareholders pro rata according to the number of A Shares held by each of them.**
- | **Class B Shares, which are non-voting. The holder of the B Share is not entitled to receive any income or distribution from the Company or any member of the Group in respect of the B Share, including in the event of a sale or IPO.**

| **Deferred Shares, which are non-voting and holders are not entitled to dividends or other distributions.**

In addition, certain matters cannot be undertaken without the prior written consent of the Class B shareholder. These are limited to changes to the location of the headquarters or centre of operations, changes to activities or technical and technology security standards of the Group, or tax avoidance arrangements.

Further rights do not depend on the class of share but rather on the size of shareholding under the terms of the Shareholders' Agreement in place between the Company's significant shareholders. These rights reflect the ability of shareholders to appoint Directors and other matters of corporate governance.

FINANCIAL STATEMENTS | NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Share capital

Share capital is the number of shares in issue, stated at their nominal value.

The value of share capital at the end of the period was as follows:

	2021
	\$
Deferred shares of £1 each	6
Class A shares of \$0.01 each	12,325
Class B shares of \$0.01 each	-
Fully paid	12,331

The number of shares issued during the period and at the period end was as follows:

	Ordinary	Deferred	Class A	Class B
Issued on incorporation	2	-	-	-
Issued in the period	2	-	1,232,459	1
Conversion to different class	(4)	4	-	-
Authorised and on issue at 31 March	-	4	1,232,459	1

	Deferred	Class A	Class B
The Secretary of State for Business, Energy and Industrial Strategy	2	500,000	1
Bharti Global Limited	2	500,000	-
SoftBank Group Capital Limited	-	145,815	-
Echostar Operating LLC	-	50,000	-
Banco Azteca, S.A., Institución de Banca Múltiple	-	16,879	-
Airbus Group Proj B.V.	-	12,064	-
Qualcomm Technologies, Inc.	-	6,072	-
Rwanda Social Security Board	-	1,629	-
Authorised and on issue at 31 March 2021	4	1,232,459	1

Share premium

Share premium is the amount received for a share issue which exceeds the nominal value.

Share-based payment reserve

The share-based payment reserve reflects the credit arising on share-based payment accounting, with the opposite entry reflecting the charge for the year recognised in the statement of comprehensive income. This reserve is not considered a part of distributable earnings.

Foreign currency reserve

Exchange differences relating to the translation of the net assets, income and expenses of foreign operations, from their local functional currency into US dollars, are recognised directly in the translation reserve. This reserve is not considered a part of distributable earnings.

Retained earnings

Retained earnings are the net earnings not paid out as dividends. Consolidated retained earnings were \$370.5 million at the end of the period.

Dividends payable to the Company's shareholders are recognised when they have been appropriately authorised. The Company has retained earnings of \$1.0 million at the end of the period. No amounts included in the Company's retained earnings are non-distributable. The directors do not recommend the payment of a dividend.

17. Financial instruments

Accounting policy

Overview

Financial instruments comprise financial assets and financial liabilities. All financial assets and financial liabilities are held at amortised cost.

FINANCIAL STATEMENTS | NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

There were no transfers between fair value measurement categories in the current period and no derivative financial instruments have been entered into.

Recognition and de-recognition of financial assets and liabilities

Financial assets and financial liabilities are recognised when we become a party to the contractual provisions of the instrument.

A financial asset or liability is only de-recognised when the contractual right that gives rise to it is settled, sold, cancelled or expires.

Fair value measurement

Certain financial instruments are measured at fair value at each balance sheet date.

The carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised at fair value on a recurring basis, it is determined whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, we have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and, the level of the fair value hierarchy as explained above.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits. Cash and cash equivalents have a maturity of three months or less.

Maturity profile of financial instruments

	On demand \$m	< 1 year \$m	Between 1 and 2 years \$m	> 2 years \$m	Total 2021 \$m
Non-current assets					
Bonds and deposits	-	-	-	14.2	14.2
Current assets					
Share subscription receivables	308.5	-	-	-	308.5
Other current receivables	-	6.2	-	-	6.2
Cash and cash equivalents	44.0	-	-	-	44.0
Total financial assets	352.5	6.2	-	14.2	372.9
Current liabilities					
Trade payables	-	(122.1)	-	-	(122.1)
Payables to related parties	-	(1.1)	-	-	(1.1)
Accrued expenses	-	(42.9)	-	-	(42.9)
Accrued employee compensation	-	(5.1)	-	-	(5.1)
Provisions	-	(38.6)	-	-	(38.6)
Non-current liabilities					
Provisions	-	-	(7.9)	-	(7.9)
Total financial liabilities	-	(209.8)	(7.9)	-	(217.7)

FINANCIAL STATEMENTS | NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Capital risk management

The objective when managing capital is to ensure that entities in the Group will be able to continue as a going concern, optimising liquidity and operating flexibility, while seeking to minimise our cost of capital. The capital structure of the Group consists of cash and cash equivalents, lease arrangements and equity attributable to shareholders of the Company, comprising issued capital, reserves and retained earnings as disclosed in note 16. No changes to our objectives or practices have taken place in the current period as these objectives were met.

The Group is not subject to any externally imposed capital requirements.

The carrying amounts of foreign currency-denominated monetary assets and monetary liabilities were as follows:

	UK sterling \$m	Other \$m	Total \$m
Current receivables	0.2	-	0.2
Cash and cash equivalents	0.9	0.6	1.5
Total monetary assets	1.1	0.6	1.7
Trade payables	(1.6)	(1.7)	(3.3)
Accrued employee compensation	(2.3)	-	(2.3)
Goods and services tax payable	(1.7)	-	(1.7)
Corporation tax payable	(2.6)	-	(2.6)
Other taxes payable	(0.6)	-	(0.6)
Lease liabilities	(11.0)	-	(11.0)
Provisions	(0.4)	-	(0.4)
Total monetary liabilities	(20.2)	(1.7)	(21.9)

The translation risk on converting overseas currency profits or losses is not hedged and such profits or losses are converted into sterling at average exchange rates throughout the year.

If there were a reasonably possible depreciation in US dollars against the relevant foreign currencies, the impact is not considered to be significant and has not been presented here.

Credit risk management

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. As the Group is currently in a pre-revenue stage, credit risk exposure is limited to shareholders in respect of share subscription receivables, financial institutions in respect of cash balances and bonds, or with property landlords with

Financial risk management

The primary financial risks faced by the Group are market risk, credit risk and liquidity risk. The Group's treasury function operates under the Treasury Policy approved by the Board of Directors. The financial instruments used are set out above.

Market risk management

The Group's activities primarily create exposure to the financial risks of changes in foreign currency exchange rates. As the Group has no external borrowings, the Group's exposure to interest rate risk is minimal.

regards to deposits. Credit risk is not considered to be a significant risk.

Liquidity risk management

Liquidity risk is the risk that the Company and the Group will not be able to meet financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the Board, which has established an appropriate liquidity risk framework for the management of our short, medium and long-term funding and liquidity management requirements. Liquidity risk is managed by maintaining adequate cash reserves, by continuously monitoring projected and actual cash flows, and by ensuring adequate funds are available over the projected periods. The Group currently has no external borrowings, but will continue to assess whether such facilities are necessary.

FINANCIAL STATEMENTS | NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. Financing arrangements and right of use lease assets

Accounting policy

An arrangement is accounted for as a lease where a contract gives the right to control an asset for longer than 12 months, in exchange for consideration, where substantially all of the economic benefits are obtained from the asset. Lease accounting is not applied to low-value assets (deemed to be individual assets valued at less than \$5,000), for these items the lease payments are recognised as an expense on a straight-line basis over the lease term.

The Group does not act as a lessor in any arrangement, only as a lessee.

No Covid-19 related rent concessions exist.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted at the incremental borrowing rate. For all the lease arrangements entered into, it was impracticable to calculate the interest rate implicit in the lease.

A right of use lease asset is recognised at the inception of the lease arrangement at cost. The cost reflects the initial amount of the lease liability, adjusted for any lease payments made at or before commencement date, plus any direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or restore the underlying asset, less any lease incentives received.

The right of use lease asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The leases acquired as a result of the OWC business combination were recognised at fair value, being the present value of the lease payments that are not paid at the acquisition date, discounted at the incremental borrowing rate.

Liabilities arising from financing activities

From incorporation to 20 November 2020, the only financing arrangement of the Group other than lease arrangements was a shareholder loan, the movements of which are provided below:

	2021 \$m
At 25 March 2020	-
Draw down of facility	(369.0)
Conversion of debt to equity	369.0
At 31 March 2021	-

Lease arrangements

The Group has a number of property leases arising from the normal course of business activities. In addition to the office locations of the business, various ground installations are built on leased land.

Maturity analysis of contractual undiscounted cash flows

	2021 \$m
Less than a year	13.0
Between one to five years	49.6
More than five years	35.5
At 31 March 2021	98.1

FINANCIAL STATEMENTS | NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Carrying value of right of use lease assets

	Ground installation property \$m	Other property \$m	Total \$m
Cost			
At 25 March 2020	-	-	-
Acquisition of a subsidiary	12.5	20.8	33.3
Additions	2.8	-	2.8
At 31 March 2021	15.3	20.8	36.1
Depreciation			
At 25 March 2020	-	-	-
Depreciation charge	(0.4)	(1.0)	(1.4)
At 31 March 2021	(0.4)	(1.0)	(1.4)
Carrying value			
At 31 March 2021	14.9	19.8	34.7

Carrying value of lease liabilities

	Ground installation property \$m	Other property \$m	Total \$m
Lease liability			
At 25 March 2020	-	-	-
Acquisition of a subsidiary	(57.8)	(26.6)	(84.4)
New leases entered into	(2.9)	-	(2.9)
Cash payments	3.3	1.0	4.3
Interest charges	(1.1)	(0.9)	(2.0)
Foreign exchange	-	(0.2)	(0.2)
At 31 March 2021	(58.5)	(26.7)	(85.2)
Current lease liability	(7.0)	(3.1)	(10.1)
Non-current lease liability	(51.6)	(23.5)	(75.1)
	(58.6)	(26.6)	(85.2)

19. Related parties

Accounting policy

The Group's related parties are shareholders considered to have significant influence over the Company, entities where the Group has significant influence, key management personnel and their immediate relatives.

Compensation of key management personnel

"Key management personnel" are considered to be members of the Company's Board of Directors and the Group's Executive Committee. Key management personnel compensation is shown in the table below:

	2021 \$m
Remuneration	1.6
Amounts receivable under long-term incentive schemes	0.6
Company contributions to money purchase pension plans	0.1
Employer's social security expense	0.1
	2.4

Directors of the Company and their immediate relatives control 40.6% of the voting shares of the Company.

FINANCIAL STATEMENTS | NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Other related party transactions

Transactions with AOS

As explained in note 13, AOS is a joint venture between OneWeb and Airbus DS Satnet, which is equity accounted. All Gen.1 satellites are manufactured by AOS. A summary of the transactions with AOS in the period from 25 March 2020 to 31 March 2021 is set out below:

	2021 \$m
Cost of satellites purchased from AOS in the period	(82.8)
Payables to AOS at the period end	(1.1)
Contractual commitments for purchases at the period end	246.5

Outstanding share subscriptions

As explained in note 16, \$308.5 million of share subscription proceeds was outstanding at 31 March 2021.

Transactions with Echostar Operating LLC and Qualcomm Technologies, Inc

The Company's shareholders, Echostar Operating LLC and Qualcomm Technologies, Inc. provide goods and services to the Group in the normal course of business on arm's length terms. These shareholders are not considered to hold significant influence over the Company.

Transactions of the Company

Details of the related party transactions of the Company are provided in note 24.

20. Subsequent events

Share subscriptions

Subsequent to 31 March 2021, share subscriptions have been made or announced as set out in note 16.

Acquisition of TrustComm

Subsequent to the balance sheet date, the Company announced the planned acquisition of TrustComm from the Nox Trust. Founded in 1999, TrustComm is a provider of satellite communications with its key customers being US government agencies. This acquisition is part of the Company's strategy to commence and scale up satellite communications service to the U.S. Department of Defense, and other US government agencies, the 'Five Eyes' Alliance, NATO, United Nations and a few other US government agencies. After receipt of necessary approvals, this acquisition was completed on 20 September 2021. TrustComm has now been renamed OneWeb Technologies.

Joint Venture in Saudi Arabia

On 22 October 2021, OneWeb entered into a shareholders' agreement with NEOM Tech and Digital Company ("NEOM") to form a joint venture for (i) servicing customers in the NEOM region, rest of Saudi Arabia and neighbouring countries in the Middle East and Africa and (ii) the design, construction and operation of ground stations. The joint venture was formed on 24 October 2021 using OneWeb's existing Saudi entity – First Tech Web Company Limited, with each shareholder making an initial shareholder contribution of \$5.0 million and subsequently each holding 50% of the share capital in the company. Together with the joint venture, a commercial distribution and services agreement with a value of \$170.0 million was entered into between OneWeb and NEOM to enable NEOM to purchase capacity from OneWeb and have the right to sell and supply such capacity in the above-mentioned geographies.

OneWeb Holdings Limited

Company financial statements

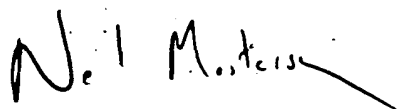
FINANCIAL STATEMENTS

Company balance sheet

At 31 March 2021

	Note	2021 \$m
Non-current assets		
Loan receivable from related party	24	582.4
Investment in subsidiary entity	25	310.9
		893.3
Current assets		
Receivables from related parties		1.2
Goods and services tax receivable		0.8
Share subscription receivables	16	308.5
Cash and cash equivalents		35.2
		345.7
Total assets		1,239.0
Current liabilities		
Accrued expenses		(4.4)
Accrued employee compensation		(0.4)
Other taxes payable		(0.1)
		(4.9)
Net assets		1,234.1
Equity		
Share capital	16	-
Share premium	16	1,232.5
Share-based payment reserve	16	0.6
Retained earnings	16	1.0
Total equity		1,234.1

These financial statements were approved by the Board of Directors on 29 October 2021 and were signed on its behalf by:



Neil Masterson
Chief Executive Officer

Company registered number: 12534512

FINANCIAL STATEMENTS

Company statement of changes in equity

	Share capital \$m	Share premi- um \$m	Share- based payment reserve \$m	Foreign currency reserve \$m	Re- tained earnings \$m	Total equity \$m
Total comprehensive income for the period						
Profit for the period	-	-	-	-	1.0	1.0
Total comprehensive profit for the period	-	-	-	-	1.0	1.0
Transactions with owners, recorded directly in equity						
Issue of shares	-	1,232.5	-	-	-	1,232.5
Equity-settled share-based payment transactions	-	-	0.6	-	-	0.6
Total contributions by and distributions to owners	-	1,232.5	0.6	-	-	1,233.1
Balance at 31 March 2021	-	1,232.5	0.6	-	1.0	1,234.1

FINANCIAL STATEMENTS

Company cash flow statement

for the period ended 31 March 2021

	2021 \$m
Cash flows from operating activities	
Profit for the year	1.0
<i>Adjustments for:</i>	
Investment income	(14.2)
Equity settled share-based payment expenses	0.6
Movement in receivables from related parties	(1.2)
Movement in goods and services tax receivables	(0.8)
Movement in accrued expenses	4.4
Movement in accrued employee compensation	0.4
Movement in other taxes payable	0.1
Net cash from operating activities	(9.7)
Cash flows from investing activities	
Pre-acquisition funding to OWC, converted to equity on acquisition	(210.7)
Movement in loan receivable from related party	(485.9)
Net cash from investing activities	(696.6)
Cash flows from financing activities	
Proceeds from the issue of share capital	741.5
Net cash from financing activities	741.5
Net increase in cash and cash equivalents	35.2
Cash and cash equivalents at the start of the period	-
Net increase in cash and cash equivalents	35.2
Effect of exchange rate changes on cash held	-
Cash and cash equivalents at the end of the period	35.2

FINANCIAL STATEMENTS

Notes to the Company's financial statements

(forming part of the financial statements)

21. General information

The Company is a private company incorporated, domiciled and registered in England and Wales. The registered number is 12534512 and the registered address is West Works Building, 195 Wood Lane, London, United Kingdom, W12 7FQ.

22. Basis of preparation

22.1 Going concern

See note 2.1.

22.2 Accounting estimates and judgements

These Company financial statements were prepared in accordance with FRS 101 and present information about the Company as a separate entity and not about its group. The recognition, measurement and disclosure requirements of Adopted IFRSs have been applied, with amendments necessary in order to comply with Companies Act 2006, together with certain disclosure exemptions. The following disclosure exemptions have been taken under FRS 101:

- | The requirements of paragraphs 62, B64(d), B64(l), B64(g), B64(h), B64(j), B64(m), B64(n) (ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3: Business Combinations;
- | The requirements of IFRS 7: Financial Instruments: Disclosures;
- | The requirements of paragraphs 91 to 99 of IFRS 13: Fair value measurements;
- | The requirements of paragraphs 134 to 136 of IAS 1: Presentation of Financial Statements;
- | The requirements of paragraph 17 and 18A of IAS 24: Related Party Disclosures; and
- | The requirements in IAS 24: Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Under Section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own profit or loss account.

In the preparation of Company's financial statements in conformity with FRS 101, management is required to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, expenses and disclosures of contingent liabilities. Estimates and judgments are continually evaluated.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and are believed to be reasonable under the circumstances at the end of the financial periods presented. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. Due to uncertainties inherent in making estimates, actual results could differ from those estimates.

Critical judgements are those made when applying accounting policies that could have a significant impact on the amounts recognised in the consolidated financial statements. No areas of accounting required critical judgement to be applied in the current period.

Key sources of estimation uncertainties are those assumptions where there is a significant risk that changes to these assumptions could cause a material adjustment to the carrying value of assets and liabilities within the next 12 months. No areas of accounting required significant estimates to be made in the current period.

FINANCIAL STATEMENTS | NOTES TO THE COMPANY'S FINANCIAL STATEMENTS

23. Acquisition and funding provided

The Company only has one investment, OWC, purchased on 20 November 2020.

The Company provided funding to OWC prior to the acquisition of \$220.9 million, including \$6.0 million of accrued interest. This receivable was converted into equity of OWC on completion of the acquisition. The Company received a further \$4.3 million of fees in relation to this funding raised, taken as 2% of the funding received.

On completion of the acquisition, the Company issued share capital with a subscription value of \$182.5 million to certain creditors of OWC, following which OWC owed the Company a further \$182.5 million, \$90.0 million of which was subsequently waived.

Further funding of \$485.9 million was provided by the Company to OWC subsequent to 20 November 2020, with interest of \$3.9 million earned in the period.

24. Loan receivable from related party

Accounting policy

On initial recognition, the loan receivable was classified as "measured at amortised cost".

Carrying value of loan receivable from related party

	Cash flow items \$m	Non-cash items \$m	Total \$m
Amortised cost			
At 25 March 2020	-	-	-
Pre-acquisition funding provided to OWC	210.7	-	210.7
Funding arrangement fees receivable from OWC prior to acquisition	-	4.3	4.3
Interest receivable from OWC prior to acquisition	-	6.0	6.0
Conversion of OWC loan to equity	(220.9)	-	(220.9)
Post-acquisition funding provided to OWC	485.9	-	485.9
Settlement of OWC creditors through subscription in Company shares	-	92.5	92.5
Interest receivable from OWC post acquisition	-	3.9	3.9
At 31 March 2021	475.7	106.7	582.4

Further details are provided in note 23.

25. Investment in subsidiary entity

Accounting policy

Investments in subsidiaries are carried at cost.

Carrying value of investment in subsidiary entity

	\$m
Cost	
At 25 March 2020	-
Conversion of OWC loan to equity	220.9
Waiver of loans owed by OWC	90.0
At 31 March 2021	310.9

Further details are provided in note 23.

FINANCIAL STATEMENTS | NOTES TO THE COMPANY'S FINANCIAL STATEMENTS

26. Capital, reserves and shareholder funding

See note 16.

27. Related party transactions

See note 19.

28. Ultimate controlling party

There is no single ultimate controlling party. Details of the Company's shareholders and their rights are provided in note 16.

29. Subsequent events

See note 20.

30. Subsidiaries and affiliates

The UK subsidiaries annotated with an "*" from the following list of subsidiaries of the Company are exempt from the Companies Act 2006 requirements relating to the audit of their individual accounts by virtue of Section 479A of the Companies Act 2006 as this company has guaranteed the subsidiary companies under Section 479C of the Companies Act 2006:

Name	Principal activity	Registered Agent Address	Country of incorporation	Share holding 31 March 2021 (%age)
OneWeb Communications Ltd	Holding Company / Borrowing Company	WestWorks Building, 195 Wood Lane, London United Kingdom, W12 7FQ	United Kingdom	100
WorldVu Development LLC	Operating Company	701 S. Carson St., Suite 200, Carson City, NV 89701, United States	United States	100
1021823 B.C. Ltd	Operating Company	Crease Harman LLP, 800-1070 Douglas Street, Victoria, BC, V8W 2C4	Canada	100
Network Access Associates Ltd *	Operating Company	WestWorks Building, 195 Wood Lane, London United Kingdom, W12 7FQ	United Kingdom	100
OneWeb Ltd	Holding Company	SANNE, IFC 5, St. Helier, JE1 1ST, Jersey	Jersey	100
OneWeb Ltd (Malta)	Operating Company	SmartCity Malta, SCM 01, TMF Group (Malta) 401, Ricasoli, Kalkara, SCM 1001, Malta	Malta	100
OneWeb Network Access Holdings Ltd. (UK) *	Holding Company	WestWorks Building, 195 Wood Lane, London United Kingdom, W12 7FQ	United Kingdom	100
OneWeb Holdings LLC	Holding Company	50 Main Street, Suite 1000, White Plains, NY 10606, USA	United States	100
WorldVu JV Holdings LLC	Holding Company	c/o Business Filings Incorporated, 108 West 13th St, Wilmington DE 19801, United States	United States	100

FINANCIAL STATEMENTS | NOTES TO THE COMPANY'S FINANCIAL STATEMENTS

Airbus OneWeb Satellites LLC ¹	Satellite Design and Development	CT Corporation System, 1200 South Pine Island Road, Plantation, FL 33324	United States	100
Airbus OneWeb Satellites North America LLC ²	Satellite Design and Development	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801	United States	50
Airbus OneWeb Satellites SAS ²	Satellite Design and Development	B612, 3 rue Tarfaya, 31400 TOULOUSE, France	France	100
Airbus OneWeb Satellites Florida LLC ²	Satellite Design and Development	CT Corporation System, 1200 South Pine Island Road, Plantation, Florida 33324	United States	50
OneWeb Communications S.a.r.l	Holding Company	51 Avenue J.F. Kennedy, L-1855, Luxembourg	Luxembourg	100
OneWeb Asia PTE. Ltd.	Operating Company	1 Marina Boulevard #28-00, Singapore, 018989, Singapore	Singapore	100
OneWeb S.r.l.	Operating Company	Corso Vercelli 40, 20145, Milan, Italy	Italy	100
OneWeb Norway AS	Operating Company	Postboks 2334, 3003 Drammen, Norway	Norway	100
OneWeb S.A	Operating Company	Tucumán 1, Piso 4, Buenos Aires, C1049AAA, Argentina	Argentina	100
First Tech Web Company Limited	Operating Company	28th Floor Kingdom Tower, Olaya Road, P.O. Box: 230 888, Riyadh, 11321, Saudi Arabia	Saudi Arabia	100
WorldVu, Unipessoal Lda	Operating Company	Rua Latino Coelho, n.º 13, 13-A, 13-B, 3.º andar, freguesia de Avenidas Novas, 1050-132 Lisboa, Portugal	Portugal	100
OneWeb ApS	Operating Company	c/o Deloitte, Imaneq 33, 6 - 7 floor, Postbox 20 Nuuk, 3900, Greenland	Greenland	100
WorldVu, Australia Pty Ltd	Operating Company	TMF Corporate Services (AUST) PTY LTD, Level 16, 201 Elizabeth Street, Sydney NSW 2000, Australia	Australia	100
OneWeb G.K.	Operating Company	c/o DLA Piper Tokyo Partnership, Meiji Seimei Kan 7F, 1-1, Marunouchi 2-chome, Chiyoda-ku Tokyo, Japan	Japan	100

FINANCIAL STATEMENTS | NOTES TO THE COMPANY'S FINANCIAL STATEMENTS

OneWeb Capacidade Satelital Ltda	Operating Company	Avenida Nove de Julho, 3228, sala 604, Ed. First Office Flat, Jardim Paulista, City of São Paulo, State of São Paulo, 01406-000, Brazil	Brazil	100
WorldVu Satellites Limited	Holding Company	IFC 5, St. Heiler, JE 1 1st, Jersey	Jersey, Channel Islands	100
WorldVu Mexico S.de R.L. de C.V	Operating Company	Peten 27 St. 301, Piedad Narvarte, Mexico City 03000, Mexico	Mexico	100
OneWeb Chile SpA	Operating Company	Luz 2959-22, Las Condes, Santiago, Chile	Chile	100
OneWeb Senegal SARL	Operating Company	Immeuble Lat Dior en face grande mosque de Dakar, Dakar, 3E ÉTAGE, Senegal	Senegal	100
OneWeb Costa Rica Limitada	Operating Company	c/o Zurcher Odio & Raven, Plaza Roble Corporate Center, Los Balcones Building, fourth floor, San José, Costa Rica	Costa Rica	100
WorldVu South Africa (Pty) Ltd.	Operating Company	Central Office Park No 4., 257 Jean Avenue Centurion, Gauteng, 0157 South Africa	South Africa	100
One Web Angola – Servicos de Telecomunicacoes (SU), LDA	Operating Company	Edificio Kilamba, 20º andar Avenida 4 de Fevereiro Marginal de Luanda, Angola	Angola	100

Unless otherwise noted below, the Group's equity interest represents the voting interests of the Group in the respective subsidiary or affiliate.

¹ Ownership is through WorldVu JV Holdings LLC. The Group owns 50% of the equity of Airbus OneWeb Satellites LLC.

² The equity interest represents the Group's ownership percentage. Entity is wholly owned by Airbus OneWeb Satellites LLC, of which the Group owns a 50% equity interest.

Independent Auditor's Report to the members of OneWeb Holdings Limited

Opinion

We have audited the financial statements of OneWeb Holdings Limited ("the Company") for the year ended 31 March 2022 which comprise the Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement, Company Balance Sheet, Company Statement of Changes in Equity, Company Cash Flow Statement and related notes, including the accounting policies in note 2.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2022 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that

the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period"). In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made,

the above conclusions are not a guarantee that the Group or the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the audit committee and inspection of policy documentation as to the Group’s high-level policies and procedures to prevent and detect fraud, and the Group’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading board and audit and risk committee meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Group and component management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the

Group is in a development stage and has very limited revenue recognised for the year ended 31 March 2022. Therefore, the fraud risk in revenue recognition has been rebutted. We did not identify any additional fraud risks.

We performed audit procedures for fraud risks identified including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management, those containing high risk keywords, entries posted by users who posted one entry and material post-close entries.
- Evaluated the business purpose of significant unusual transactions.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Group’s regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our audit team and remained alert

Auditor's Report continued

to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, pension legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect: licensing of spectrum rights, health and safety, anti-bribery, employment law, environmental protection legislation, foreign corrupt practices act, competition legislation and certain aspects of company legislation recognising the nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and

transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company; or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 55, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent 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 they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

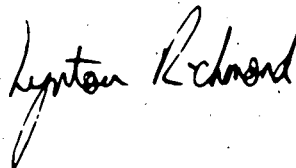
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and

for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Lynton Richmond (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

3 August 2022

OneWeb Holdings Limited

Consolidated Financial Statements

For the year ended 31 March 2022

**Consolidated statement of profit and loss and other comprehensive income
for the year ended 31 March 2022**

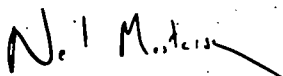
	Note	2022 \$m	2021 \$m
Revenue	4	9.6	-
Other operating income		5.8	0.2
Operating expenses	5	(217.4)	(58.5)
Impairment charge	6	(229.2)	-
Share of results of joint venture	15	5.3	-
Operating loss		(425.9)	(58.3)
Gain on bargain purchase	3	-	430.4
Acquisition transaction costs	3	(0.5)	(8.8)
Investment income	11	0.3	10.3
Finance costs	11	(11.7)	(2.9)
(Loss)/profit before tax		(437.8)	370.7
Taxation credit/(charge)	12	48.0	(0.2)
(Loss)/profit for the period		(389.8)	370.5
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		0.2	0.3
Other comprehensive income for the period, net of income tax		0.2	0.3
Total comprehensive (loss)/profit for the period		(389.6)	370.8

Consolidated balance sheet

At 31 March 2022

	Note	2022 \$m	2021 \$m
Non-current assets			
Property, plant and equipment	13	1,410.4	1,273.1
Right of use lease assets	20	60.6	34.7
Goodwill	3	7.2	-
Intangible assets	14	506.1	254.0
Bonds and deposits		17.5	14.2
Withholding tax receivable		8.5	-
Other non-current assets		2.7	2.2
Investment in joint ventures	15	15.2	8.7
		2,028.2	1,587.0
Current assets			
Inventory		8.2	-
Prepaid expenses		43.7	5.0
Corporation tax receivable		3.9	2.2
Goods and services tax receivable		12.1	1.9
Share subscription receivables	18	606.0	308.5
Trade receivables		2.6	-
Other current assets		-	6.2
Cash and cash equivalents		481.2	44.0
		1,157.7	367.8
Total assets		3,185.9	1,954.8
Current liabilities			
Trade payables		(36.9)	(122.1)
Payables to related parties	22	(13.1)	(1.1)
Accrued expenses		(14.6)	(42.9)
Accrued employee compensation		(17.3)	(5.1)
Contract liability	4	(4.8)	-
Goods and services tax payable		(0.8)	-
Corporation tax payable		(1.1)	(0.2)
Other taxes payable		(3.7)	(0.7)
Provisions	17	-	(38.6)
Lease liabilities	20	(13.2)	(10.1)
Other current liabilities		(3.0)	-
		(108.5)	(220.8)
Non-current liabilities			
Contract liability	4	(175.0)	-
Provisions	17	(10.8)	(7.9)
Lease liabilities	20	(93.7)	(75.1)
Other non-current liabilities		(4.7)	-
Deferred tax liabilities	12	-	(47.1)
		(284.2)	(130.1)
Total liabilities		(392.7)	(350.9)
Net assets		2,793.2	1,603.9
Equity			
Share capital	18	-	-
Share premium	18	2,805.3	1,232.5
Share-based payment reserve	18	6.7	0.6
Foreign currency reserve	18	0.5	0.3
Retained earnings	18	(19.3)	370.5
Total equity		2,793.2	1,603.9

These financial statements were approved by the Board of Directors on 2 August 2022 and were signed on its behalf by:



Neil Masterson
Chief Executive Officer
3 August 2022

Company registered number: 12534512

**Consolidated statement of changes in equity
for the year ended 31 March 2022**

	Share capital \$m	Share premium \$m	Share-based payment reserve \$m	Foreign currency reserve \$m	Retained earnings \$m	Total equity \$m
Total comprehensive income for the period						
Profit for the period	-	-	-	-	370.5	370.5
Exchange differences on foreign operations, net of tax	-	-	-	0.3	-	0.3
Total comprehensive income for the period	-	-	-	0.3	370.5	370.8
Transactions with owners, recorded directly in equity						
Issue of shares	-	1,232.5	-	-	-	1,232.5
Equity-settled share-based payment transactions	-	-	0.6	-	-	0.6
Total contributions by and distributions to owners	-	1,232.5	0.6	-	-	1,233.1
At 31 March 2021	-	1,232.5	0.6	0.3	370.5	1,603.9
Total comprehensive income for the period						
Loss for the period	-	-	-	-	(389.8)	(389.8)
Exchange differences on foreign operations, net of tax	-	-	-	0.2	-	0.2
Total comprehensive income for the period	-	-	-	0.2	(389.8)	(389.6)
Transactions with owners, recorded directly in equity						
Issue of shares, net of issue costs	-	1,572.8	-	-	-	1,572.8
Equity-settled share-based payment transactions	-	-	6.1	-	-	6.1
Total contributions by and distributions to owners	-	1,572.8	6.1	-	-	1,578.9
At 31 March 2022	-	2,805.3	6.7	0.5	(19.3)	2,793.2

**Consolidated cash flow statement
for the year ended 31 March 2022**

	Note	2022 \$m	2021 \$m
Cash flows from operating activities			
Cash used in operations	21	(329.1)	(267.2)
Net tax credits received		3.7	
Net cash from operating activities		(325.4)	(267.2)
Cash flows from investing activities			
Interest received		0.3	
Acquisition of a subsidiary	3	(3.8)	(43.6)
Funding to joint venture		(15.0)	
Dividends received		14.0	
Pre-acquisition funding to OWC, converted to equity on acquisition			(210.7)
Acquisition of property, plant and equipment		(581.6)	(171.4)
Acquisition of intangible assets		(77.8)	(0.3)
Net cash from investing activities		(663.9)	(426.0)
Cash flows from financing activities			
Proceeds from the issue of share capital, net of issue costs		1,275.3	741.5
Advanced payment for services with a significant financing component	4	170.6	-
Interest paid		(0.1)	
Capital and interest payments for lease liabilities		(18.9)	(4.3)
Net cash from financing activities		1,426.9	737.2
Net increase in cash and cash equivalents		437.6	44.0
Cash and cash equivalents at the start of the period		44.0	-
Effect of exchange rate fluctuations on cash held		(0.4)	-
Cash and cash equivalents at the end of the period		481.2	44.0

Notes to the consolidated financial statements (forming part of the financial statements)

1 General information

The Company is a private company incorporated, domiciled and registered in England and Wales. The registered number is 12534512 and the registered address is West Works Building, 195 Wood Lane, London, United Kingdom, W12 7FQ.

2 Basis of preparation

2.1 Going concern

In determining the appropriate basis of preparation of the financial statements for the period ended 31 March 2022, the Directors are required to consider whether the Company is a going concern, i.e. whether the Company is able to meet its debts as they fall due over a period of at least 12 months from the date of approval of these financial statements. The key judgement is with regards to whether there is sufficient available and committed funding to allow the Group to become cash generative on an on-going basis.

In considering whether it is appropriate to adopt the going concern basis, the Directors undertook an assessment of the financial projections of the Group. Specific consideration has been made of the funding position and the expected costs to be incurred to provide global services and the profile of revenue generation, together with the expected operational performance of the satellite constellation and ground network.

The Group has raised total equity cash funding of \$2,721.5 million, of which \$2,115.5 million has been paid and \$606.0 million is available on demand at the request of the Company, and is expected to be received from shareholders within the next 12 months. The recoverability of the share subscription receivables is considered to be a critical judgement in these financial statements, further details of which are provided in note 2.3.

The Group commenced the provision of commercial services North of 50° latitude in May 2022 following commencement of advanced trials with distribution partners in November 2021. Further launches are scheduled during 2022 and 2023, to provide global coverage. The business plan has been prepared showing that across this period, it is expected that commercialisation and monetisation of the satellite network will generate cash flows necessary to fund any residual capital expenditure. The phasing of customer acquisition and revenue realisation is a key assumption that underpins the Group's business plan. If these plans are successful, the Directors believe there will be sufficient liquidity to finance the anticipated costs of the first generation of OneWeb's satellite constellation and allow the business to become cash positive. The Group has the ability to mitigate for slower than forecast revenue realisation, such as the deferral of non-committed capital expenditure.

A severe but plausible downside scenario has been assessed with sensitivities included to reflect the impact of delays in the provision of global commercial services, a reduction in the revenues earned compared to forecast, and a reverse stress test analysis on minimum required revenues. Based on these sensitivities, the business plan shows sufficient available and committed funding to allow the Group to continue to operate and discharge liabilities in the normal course of business and in due course, to become cash generative on an on-going basis.

On 25 July 2022, Eutelsat and key OneWeb shareholders signed a Memorandum of Understanding with a view to combining Eutelsat and OneWeb in an all-share transaction, further details of which are provided in note 23. The proposed combination does not impact the directors' assessment of the Group's ability to continue as a going concern.

Accordingly, the Directors have a reasonable expectation that the Group has adequate financial resources to continue in operational existence for at least the 12-month period after the approval of these financial statements. Thus, it remains appropriate to prepare the financial statements on a going concern basis.

2.2 Accounting convention

The consolidated financial statements have been prepared and approved by the Directors in accordance with adopted IFRS. The Company has elected to prepare its parent entity only financial statements in accordance with FRS 101.

Where an accounting policy is applicable to a specific note to the financial statements, the policy is described within that note. In accordance with adopted IFRS, where balances are considered to be immaterial to these financial statements, no further disclosures are provided.

The accounting policies set out below have, unless otherwise stated, been applied consistently in each period presented in these financial statements. The comparative period presented is the period from 25 March 2020 to 31 March 2021.

2.3 Accounting estimates and judgements

In the preparation of consolidated financial statements in conformity with adopted IFRSs, management is required to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, expenses and disclosures of contingent liabilities. Estimates and judgements are continually evaluated. These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and are believed to be reasonable under the circumstances at the end of the financial periods presented. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. Due to uncertainties inherent in making estimates, actual results could differ from those estimates.

Critical judgements

Critical judgements are those made when applying accounting policies that could have a significant impact on the amounts recognised in the consolidated financial statements. The following critical judgements have been made in the current period:

Control of OneWeb Technologies, Inc. (see note 3)

As detailed in note 3, the Group acquired OneWeb Technologies, Inc. (OWT) (previously Trustcomm, Inc.) on 20 September 2021 when it purchased 100% of its issued share capital. The business is managed through a proxy agreement as required by the US National Industrial Security Program, whereby a proxy board comprised entirely of US citizens are responsible for the day-to-day running of the business. The proxy agreement enables OWT to participate in classified contracts with the US Government despite being owned by a non-US organisation. The proxy agreement places restrictions on the information which may be shared with the Group and the interactions that may occur between OWT and other Group companies.

Judgement is required in applying the guidance of IFRS 10 'Consolidated financial statements' to determine the degree of control or influence that the Group exercises. Subject to the proxy agreement rules, the Group has certain powers in relation to the appointment and remuneration of key management, and capital allocation decisions. The Group is also exposed to variable returns and can use its powers to affect those returns. Therefore, the Group has concluded that it meets the requirements of IFRS 10 with respect to control and its results are consolidated in the Group's consolidated financial statements.

Collection of receivables from shareholders (see note 18)

Included within current assets are share subscription receivables of \$606.0 million (31 March 2021: \$308.5 million) owed by BEIS, Bharti and Eutelsat. Judgement has been applied in considering whether these amounts are recoverable at the period end. There is not considered to be any significant risk that these amounts are not fully recoverable.

Future availability of tax losses (see note 12)

At 31 March 2022, the Group had tax losses totalling \$818.2 million (31 March 2021: \$638.1 million) which have not been recognised as a deferred tax asset, as it is not probable at the reporting date that future taxable profits will be available against which these can be used. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

The majority of the losses were incurred prior to the bankruptcy. The details of the losses are as below:

- \$308.2 million of trading losses incurred in the UK. \$142.3 million of these losses were incurred prior to bankruptcy and are not expected to be extinguished, but will be reviewed periodically in light of business performance and/or change of control provisions.

- \$39.9 million of management expenses incurred in the UK. \$39.4 million of these losses were incurred prior to bankruptcy and are not expected to be extinguished but will be reviewed periodically in light of business performance and/or change of control provisions.
- \$284.0 million of non-trading losses incurred in the UK, of which \$276.2 million are subject to a restriction under the corporate interest restriction rules. These may be accessed in the future if there is sufficient capacity and the capital of the relevant company does not increase significantly under the change of control provisions.
- \$173.7 million of trading losses incurred in the US. \$116.2 million of these losses were incurred prior to bankruptcy and the use of which will be restricted to small amounts each year due to the change of control provisions.
- \$12.5 million of trading losses were incurred in a number of different territories.

At the balance sheet date, it is not anticipated that any of the losses will be extinguished, although this is subject to tax authority agreement and will need to be reviewed periodically in light of business performance and change of control provisions.

Key sources of estimation uncertainty

Key sources of estimation uncertainty are those assumptions where there is a significant risk that changes to these assumptions could cause a material adjustment to the carrying value of assets and liabilities within the next 12 months. There were no such key sources of estimation uncertainty identified in the current year.

2.4 Significant accounting policies that relate to the financial statements as a whole

a) Measurement convention

The financial statements are prepared on the historical cost basis except for certain financial assets and financial liabilities required by adopted IFRS to be measured at fair value. The Group and Company financial statements are presented in US dollars, rounded to the nearest \$0.1 million.

b) Basis of consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, together with the Group's interest in its joint ventures. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control above.

c) Foreign currency

The presentation currency of the Group is the US dollar. Subsidiaries with a functional currency other than the US dollar translate their assets and liabilities into US dollars at the current exchange rates in effect at the end of the reporting period. Income and expense accounts of such subsidiaries are translated into US dollars at the average exchange rates during the period. Translation adjustments are included in the foreign currency translation reserve, a separate component of equity. Gains or losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are recorded in profit or loss and classified as a foreign exchange gain or loss on the consolidated statements of comprehensive income or loss.

d) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment by estimating the asset's recoverable amount and comparing it with the holding value.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use (VIU) and its fair value less costs to sell (FVLCTS). In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use, which are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit or CGU). There was only a single CGU in the Group.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (or group of units) on a pro rata basis.

Details of the Group's impairment assessments are provided in note 6.

2.5 Adopted IFRS not yet applied

The following adopted IFRSs have been issued but have not been applied in these financial statements. Their adoption is not expected to have a material effect on the financial statements:

Accounting pronouncements with effective date on or after 1 January 2022:

- amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract;
- amendments to References to the Conceptual Framework in IFRS 3;
- amendments to IAS 16: Property, Plant and Equipment – Proceeds before Intended Use; and
- annual Improvements to IFRS Standards 2018-2020.

Accounting pronouncements with effective date on or after 1 January 2023:

- amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current;
- IFRS 17: Insurance Contracts and Amendments to IFRS 17 Insurance Contracts;
- amendments to IAS 1: Disclosure of Accounting Policies and Amendments to IAS 8: Definition of Accounting Estimates; and
- amendment to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

3 Acquisitions and disposals

Accounting policy

The Group has determined whether a particular set of activities and assets is a business by assessing whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. This election can be applied on a transaction-by-transaction basis. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between: (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/ permitted by applicable IFRS standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

Part disposal in the current period: First Tech Web Company Limited

On 24 October 2021, 50% of the Group's investment in First Tech Web Company Limited, a company incorporated in the Kingdom of Saudi Arabia was sold to NEOM-Tech and Digital Company (NEOM), with each shareholder making an initial shareholder contribution of \$5.0 million and subsequently each holding 50% of the share capital in the company (NEOM JV). The Group therefore no longer has control of First Tech Web Company Limited. Following these transactions, the Group has joint control of the entity and the investment is now accounted for under the equity method. Further details of the purpose of the joint venture are provided in note 15.

On disposal, the net assets of the entity were \$0.5 million, which primarily comprised property, plant and equipment (\$0.6 million) and employee and tax obligations (\$0.2 million). The Group recognised a loss on disposal of \$0.2 million and the fair value of its retained interest was \$0.2 million at the point of disposal. The Group received cash consideration of \$13,333 and disposed of cash of \$38,819, resulting in a net cash outflow on disposal of \$25,486.

At 31 March 2022, the value of the Group's 50% investment in First Tech Web Company Limited, accounted for as a joint venture, was as follows:

	\$m
Fair value of interest retained on disposal of subsidiary	0.2
Subsequent investment	15.0
Share of result of joint venture	-
Carrying value of interest in joint venture	15.2

Acquisition in the current period: Trustcomm Inc.

TrustComm Inc. was acquired from the Nox Trust on 20 September 2021, for cash consideration of \$11.8 million.

Founded in 1999, TrustComm is a provider of satellite communications, and its key customers are US Government agencies. This acquisition is part of the Group's strategy to commence and scale up satellite communications service to the US Department of Defense and other US Government agencies, the Five Eyes Alliance, NATO and the United Nations.

TrustComm has now been renamed OneWeb Technologies Inc. (OWT).

OWT is managed by the Group under a proxy agreement which places restrictions on the information that may be shared with the Group. The conclusion that the Group meets the requirements of IFRS 10 with respect to control is considered to be a critical judgement in these financial statements, further details of which are provided in note 2.3.

Effect of acquisition

The acquisition had the following effect on the Group's assets and liabilities:

	Recognised values on acquisition \$m
Non-current assets	
Property, plant and equipment	1.9
Intangible assets	0.2
Bonds and deposits	0.1
	2.2
Current assets	
Prepaid expenses	0.2
Other current receivables	1.6
Cash and cash equivalents	8.0
	9.8
Total assets	12.0
Current liabilities	
Trade payables	(1.4)
Accrued expenses	(0.2)
Accrued employee compensation	(0.4)
Deferred revenue	(5.0)
Other current payables	(0.4)
Total liabilities	(7.4)
Net identifiable assets and liabilities at fair value	4.6
Consideration paid	
Cash consideration	9.0
Contingent consideration paid into escrow	2.0
Seller's transaction costs paid	0.8
Total consideration	11.8
Goodwill arising on acquisition	7.2
Net cash outflow arising on acquisition	
Cash consideration	(9.0)
Contingent consideration paid into escrow	(2.0)
Seller's transaction costs paid	(0.8)
Cash acquired	8.0
Net cash outflow	(3.8)

Since acquisition, OWT has contributed revenue of \$9.6 million, an operating loss of \$1.3 million and a net loss of \$1.3 million to the Group. If the acquisition had occurred on 1 April 2021, the net loss for the Group would have been \$0.8 million. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 April 2021.

Goodwill has arisen on the acquisition because of the value placed on the ability to contract with the US Department of Defense.

Fair values determined on a provisional basis

The following fair values have been determined on a provisional basis:

	\$m
Property, plant and equipment	1.9
Intangible assets	0.2

Acquisition transaction costs

The Group incurred acquisition-related transaction costs of \$0.5 million, primarily related to legal fees. These costs have been included in the Company's statement of comprehensive income, below operating loss.

Acquisitions in the previous period: OneWeb Communications Limited (OWC)

On 20 November 2020, the Company acquired 100% of the voting shares of OWC, a non-listed company, in exchange for cash and shares of the Company. OWC specialises in the development of a LEO constellation of satellites to deliver high-speed, low-latency global connectivity and capacity to customers throughout the world. The Company acquired OWC to progress it to commercial operations and secure the Company's position as a global leader in low-latency connectivity.

Effect of acquisition

The acquisition had the following effect on the Group's assets and liabilities:

	Recognised values on acquisition \$m
Non-current assets	
Property, plant and equipment	1,107.1
Right of use lease assets	33.3
Intangible assets	253.6
Bonds and deposits	7.4
Other non-current receivables	8.5
Investment in joint venture	8.7
	1,418.6
Current assets	
Corporation tax receivable	4.9
Prepaid expenses	5.0
Goods and services tax receivable	0.2
Other current receivables	2.5
Cash and cash equivalents	35.3
	47.9
Total assets	1,466.5
Current liabilities	
Trade payables	(321.1)
Payables to related parties	(2.3)
Accrued expenses	(26.7)
Accrued employee compensation	(4.7)
Corporation tax payable	(0.2)
Other taxes payable	(3.2)
Provisions	(40.9)
Lease liabilities	(9.1)
	(408.2)
Non-current liabilities	
Provisions	(23.2)
Lease liabilities	(75.3)
Deferred tax liabilities	(47.1)
	(145.6)
Total liabilities	(553.8)
Net identifiable assets and liabilities at fair value	912.7
	\$m
Consideration paid	
Paid to former creditors of OWC, used to subscribe for shares in the Company	92.5
Paid to former creditors of OWC	29.6
Equity instruments issued to former creditors of OWC	90.0
Cash paid to settle acquisition-related costs of OWC	49.3
Pre-acquisition funding to OWC, converted to equity on acquisition	220.9
Total consideration	482.3
Bargain purchase arising on acquisition	430.4
Net cash outflow arising on acquisition	
Paid to former creditors of OWC	(29.6)
Cash paid to settle acquisition-related costs of OWC	(49.3)
Cash acquired	35.3
Net cash outflow	(43.6)
Contribution since control obtained	
Revenue	
Loss for the period	(61.2)

If the acquisition had occurred on 25 March 2020, the net profit for the Group for the period ended 31 March 2021 would have been \$108.9 million. In determining these amounts, management assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 25 March 2020. The group headed by OWC made a loss of \$270.9 million in the period from 25 March 2020 to 31 March 2021, excluding the gain on debt extinguishment arising from the bankruptcy process.

A bargain purchase arose on the acquisition because the business was acquired as part of a distressed sale following bankruptcy.

Consideration paid

Under the terms of the plan support agreement (PSA), the Company issued 182,459 ordinary shares to former creditors of OWC as part of consideration paid. A total of 92,459 shares were paid for with cash of \$92.5 million by the subscriber at the same instant as them receiving this amount from OWC, following a loan being made by the Company to OWC. The remaining 90,000 shares were provided to the creditors to pay down \$90.0 million of debt. The fair value of the shares was calculated with reference to the price of the Company's shares in other transactions on and around the acquisition date, which was \$1,000 per share. A further \$29.6 million was paid to former creditors of OWC, which was retained by the creditors and not used to subscribe for shares in the Company. All of these amounts were part of the consideration paid by the Company to acquire OWC.

The PSA also required the Company to fund the selling costs of the former shareholders of OWC of \$49.3 million. As the payments were entirely for the benefit of the OWC's former shareholders, these were included in the consideration paid.

The Company and OWC were parties to a pre-existing debt financing arrangement in which the Company was the lender. At the acquisition date this pre-existing relationship was effectively settled as part of the acquisition. The fair value of the debt financing arrangement at the acquisition date was \$220.9 million. The terms of the loan were comparable with current market transactions for similar items. As a result, consideration transferred included \$220.9 million, representing termination of the pre-existing debt financing relationship.

Fair values determined on a provisional basis

The following fair values had been determined on a provisional basis:

	\$m
Property, plant and equipment	1,107.1
Right of use lease assets	33.3
Intangible assets	253.6
Investment in joint venture	8.7

No changes were required to the fair values previously determined during the year ended 31 March 2022.

Acquisition transaction costs

The Group incurred acquisition-related transaction costs of \$8.8 million, primarily related to legal fees. These costs were included in the Company's statement of comprehensive income, below operating loss.

4 Revenue

Revenue of \$9.6 million is attributable to equipment sales and the provision of satellite connectivity services by OWT. Equipment sales revenue is recognised when control of the equipment is transferred to the customer and satellite connectivity service revenue is recognised over the period that services are delivered. At 31 March 2022, a contract liability of \$4.8 million represents the revenue expected to be recognised in the next 12 months for performance obligations that are not completed.

The Group received advanced payment of \$170.6 million from a customer for services to be rendered over a number of years, due to commence in the calendar year 2023. This constitutes an indefeasible right of use. The Group has performed an assessment to determine whether the contract contains a lease within the scope of IFRS 16: Leases by conferring to the customer the right to control the use of an identified asset. The arrangement was concluded not to

contain a lease as there is no identified asset, as the service is provided through an orbiting constellation of satellites that each provide connectivity to different regions during their orbit. The arrangement is therefore accounted for as a service agreement, with revenue recognised as the service provided over the contract period.

The payment received has been deferred as a contract liability. The advance payment has been concluded to provide a significant financing benefit to the Group. Accordingly, the revenue to be recognised has been adjusted for the effect of discounting, resulting in the unwinding of the contract liability based on the discount rate that would be reflected in a separate financing transaction with the customer. The applicable revenue and interest expense are therefore presented on a gross basis. Interest expense of \$4.4 million has been recognised in the period in relation to this and at 31 March 2022 a contract liability of \$175.0 million represents the present value of revenue expected to be recognised in future periods.

5 Operating expenses

	2022	2021
	\$m	\$m
Staff remuneration (see note 8)	93.1	20.8
Other staff costs	6.4	1.7
Total staff costs	99.5	22.5
Professional fees	25.5	16.9
Network and facility costs	62.8	6.8
Travel and entertainment	4.6	0.2
Marketing	3.9	0.7
Cost of inventories recognised as an expense	2.9	-
Non-staff cost R&D expense	2.6	3.8
Write-off of property, plant and equipment	4.2	4.7
Depreciation of property, plant and equipment	2.4	1.2
Depreciation of right of use lease assets	7.9	1.4
Write-off of intangible assets	0.3	-
Amortisation of intangible assets	0.1	-
Reorganisation and restructuring costs	0.5	0.7
Foreign exchange losses/(gains)	0.2	(0.4)
Total operating expenses	217.4	58.5

6 Asset impairment

Impairment charge

An impairment charge of \$229.2 million has been recognised to reflect the loss suffered by the Group as a result of the postponement of a planned launch on 4 March 2022, the associated postponement of subsequent scheduled launches, the loss of satellites not returned to the Group and the impairment of a portion of the Group's prepaid launch insurance.

The charge resulted in a reduction in the carrying value of property, plant and equipment of \$272.3 million and prepayments of \$1.0 million, and the reversal of provisions of \$19.7 million and trade payables of \$24.4 million. The provision and trade payables that have been derecognised relate to the amounts that were previously due for future launches – which are no longer scheduled – and excludes any amounts not invoiced at 31 March 2022. The provision reversal related to an unfavourable contract provision recognised on the acquisition of OWC in 2020, while the reversal of trade payables related to amounts invoiced for future launches postponed. Negotiations are ongoing with the related vendors with regards to the recoverability of assets and the undelivered services. As the outcome of these negotiations is uncertain, no asset has been recognised.

Impairment assessments

The Group 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.

The Group's property, plant and equipment, intangible assets and goodwill are assessed to constitute a single CGU because of the nature of the OneWeb network. None of the individual assets can operate to generate cash inflows independent of other assets as the space and ground segment assets are both required to deliver connectivity services to customers. The recoverable amount of the CGU was determined by measuring its VIU.

As disclosed above in this note, a specific impairment has been recognised in relation to property, plant and equipment. No other impairment charge has been recognised in the period (2021: no impairment charge) as a result of the impairment assessments. In the prior year, the assets subject to impairment review had been newly acquired in November 2020 and therefore no formal impairment review was performed.

The impairment assessments were performed based on the position at 31 March 2022. While the projections used were approved by the Board of Directors in June 2022, the forecasts were based on decisions made by the Board before 31 March 2022 and therefore reflect in all material respects the facts and circumstances at 31 March 2022. The projections were based on the annual budget for the year ended 31 March 2023 and the additional five-year period included in the Group's long-term business plan (LTBP). The period to 31 March 2028 in the LTBP reflects the end of the natural life of GEN 1 if no launches are made beyond current commitments, which is a reasonable period to be considered for the impairment analysis, given relative stability in network capacity and operating expenses expected in the final years of the projections.

The cash flows beyond the six-year period of the LTBP were extrapolated using a terminal growth rate. The LTBP reflected the committed position of the business at 31 March 2022 and did not assume a second generation of satellites will be developed. As the technology associated with any generation of satellites has a finite technological life, a terminal technological obsolescence decline rate was applied, reflecting a gradual loss of competitiveness when compared with newer technologies entering the market. The key assumptions applied includes the proportion of available network capacity that is sold by OneWeb, which is the key driver of revenue achieved, and the required capital expenditure to finalise the network. In addition, the discount rate and terminal growth assumptions applied impact upon the value in use calculation.

	2022
Discount rate applied	11.5%
Terminal growth rate	3.0%
Terminal technological obsolescence decline rate applied to terminal growth	5.0%

The sensitivity assumptions applied to the VIU calculations are set out in the table below.

	2022
Increase in discount rate	1.5%
Reduction in terminal growth rate	3.0%
Reduction in proportion of capacity sold	10.0%
Increase in capital expenditure	10.0%

None of the sensitivity assumptions applied caused the asset values to exceed the recoverable amount.

7 Auditor's remuneration

KPMG LLP was the Company's auditor in the current and prior period. During the period, the following services were obtained from KPMG:

	2022	2021
	\$m	\$m
Audit of these financial statements	0.5	0.8
Audit of financial statements of subsidiaries of the Company	-	-
Total KPMG and its associates' audit fees	0.5	0.8

The level of fees paid for the audit of financial statements of subsidiaries of the Company and non-audit services rounds to less than \$0.1 million.

8 Employee information

Accounting policy

Employees are considered to be individuals employed under contracts of service, plus any non-executive directors. Contracts of service include all employees, other than occasional casual workers, but exclude any individuals employed by non-consolidated entities who are contracted to work for us on a full-time basis.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Average number of employees

	2022	2021
Operations	312	178
Commercial	24	10
Corporate functions	75	41
	411	229

Staff remuneration

The aggregate remuneration of these persons was as follows:

	2022	2021
	\$m	\$m
Wages and salaries	75.6	18.7
Share-based payments (see note 10)	6.1	0.6
Social security costs	9.7	1.1
Contributions to defined contribution retirement benefit schemes	1.7	0.4
Total staff remuneration	93.1	20.8

9 Directors' remuneration

	2022	2021
	\$m	\$m
Directors' remuneration	2.5	0.6
Amounts receivable under long-term incentive schemes (see note 10)	1.3	0.6
Contributions to money purchase pension plans	-	-
Amounts paid to third parties in respect of Directors' services	-	-

The highest paid Director received remuneration of \$2.5 million (31 March 2021: \$0.6 million) and amounts receivable under long-term incentive schemes of \$1.3 million (31 March 2021: \$0.6 million).

10 Share-based payments

Accounting policy

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured using an option valuation model, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where the Company grants options over its own shares to the employees of its subsidiaries it recognises, in its individual financial statements, an increase in the cost of investment in its subsidiaries. The cost increase is equivalent to the equity-settled share-based payment charge recognised in its consolidated financial statements, with the corresponding credit being recognised directly in equity.

Employee share option plan (ESOP)

On 7 January 2021, 10,000 ESOP-awards were granted to a Director of the Company, with an exercise price of \$1,000 per award. During the year, a total of 27,300 options were granted to other employees of the Group, with an option price of \$1,000.

The awards are subject to gradual annual vesting and expire on 31 December 2030:

- 25% of the awards vest on 31 December 2022;
- 25% of the awards vest on 31 December 2023;
- 25% of the awards vest on 31 December 2024; and
- 25% of the awards vest on 31 December 2025.

All awards are subject to the following vesting rules regarding the individual leaving the Company:

- On or before December 2021 all unvested awards will lapse
- On or between 1 January 2022 and December 2022, 25% of the awards will vest.
- On or between 1 January 2023 and December 2023, 50% of the awards will vest.
- On or between 1 January 2024 and December 2024, 75% of the awards will vest.
- On or between 1 January 2025 and December 2025, 100% of the awards will vest.

There are no performance conditions associated with these awards.

If the shares of the Company are not listed by 31 December 2025 and the award holder has not left the Company, the holder will be able to monetise the awards as follows:

- 25% of the awards on 31 December 2026;
- 25% of the awards on 31 December 2027;
- 25% of the awards on 31 December 2028; and
- 25% of the awards on 31 December 2029.

Monetisation is based on a market valuation exercise of the Company, discounted by 20%.

The fair value of interests awarded under the ESOP was determined using a Binomial Lattice model. The Binomial Lattice model derives the value of an option by specifying a stochastic process, such as a random variable that changes through time. In a Binomial Lattice model, stock prices follow a multiplicative binomial process.

Charge for the period

The total charge for the period was \$6.1 million. The same amount is recognised as a movement in reserves in the period.

Movement in share awards

	Number of share awards	Weighted average exercise price \$
At 25 March 2020		
Granted	10,000	1,000
At 31 March 2021	10,000	1,000
Granted	27,300	1,000
At 31 March 2022	37,300	1,000

Supplementary information

	2022		2021	
	Years	\$	Years	\$
Weighted average remaining life	2.3		3.3	
Fair value of options granted		469		865

Assumptions

	2022		2021	
	Initial public offering (IPO)	Monetising mechanism	IPO	Monetising mechanism
Expected life (years)	4.7	6.2	5.0	6.5
Share price (\$)	1,237	990	1,800	1,440
Exercise price (\$)	1,000	1,000	1,000	1,000
Risk-free rate (%)	0.7	1.0	0.5	0.7
Volatility (%)	43.0	40.2	41.5	39.0
Probability weight (%)	50.0	50.0	50.0	50.0

The stochastic model applied to the share price calculation was simulated with 10,000 trials.

11 Investment income and finance costs

Accounting policy

Investment income comprises interest received from bank deposits and other advances.

Finance costs arising on the unwinding of liabilities are recognised in profit or loss using the effective interest method.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Recognised in profit or loss

	2022	2021
	\$m	\$m
Interest received on pre-acquisition financing of OneWeb (see note 26)	-	6.0
Funding arrangement fees on pre-acquisition financing of OneWeb (see note 26)	-	4.3
Bank interest received	0.3	-
Total investment income	0.3	10.3
Lease interest (see note 20)	(5.7)	(2.0)
Unwinding of discount on unfavourable contract provision (see note 17)	(0.8)	(0.7)
Unwinding of discount on asset retirement obligation provision (see note 17)	(0.7)	(0.2)
Unwinding of discount on contract liability (see note 4)	(4.4)	-
Bank interest paid	(0.1)	-
Total finance costs	(11.7)	(2.9)

12 Taxation

Accounting policy

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be used.

Income tax expense

	2022	2021
	\$m	\$m
Current tax expense		
Current year tax charge	(1.3)	(0.2)
Adjustment to tax charge in respect of prior periods	2.2	-
Total current tax credit/(charge)	0.9	(0.2)
Deferred tax expense		
Effect of tax rate changes	(14.9)	-
Recognition of deferred tax asset regarding temporary differences	62.0	-
Total tax credit/(charge)	48.0	(0.2)

Reconciliation of effective tax rate

	2022	2021
	\$m	\$m
(Loss)/profit before tax	(437.8)	370.7
Tax applying the UK corporation tax rate of 19%	83.2	(70.4)
Effect of tax rates in foreign jurisdictions	0.1	1.2
Non-deductible expenses	(5.8)	(2.9)
Non-taxable items	2.2	81.8
Origination of temporary differences for which no deferred tax asset has been recognised	(44.5)	-
Current periods' losses for which no deferred tax asset was recognised	(46.6)	(9.9)
Origination/reversal of temporary differences	62.0	-
Under/overprovisions in respect of prior periods	2.2	-
Tax credits and incentives	(0.5)	-
Effect of tax rates changes	(4.3)	-
Total tax credit/(charge)	48.0	(0.2)

Factors that may affect future tax charges

An increase in the UK corporate tax rate from 19% to 25% (effective from 1 April 2023) was substantively enacted on 14 May 2021. This will increase the Company's future current tax charge accordingly.

Deferred tax

	\$m
At 25 March 2020	-
Acquisition of a subsidiary	(47.1)
At 31 March 2021	(47.1)
Effect of tax rate changes	(14.9)
Recognition of deferred tax asset regarding temporary differences	62.0
At 31 March 2022	-

Deductible temporary differences for which deferred tax assets have not been recognised at the end of each reporting period are presented below:

	2022	2021
	\$m	\$m
Temporary timing differences	328.8	278.1
Unused net operating losses	192.8	120.3
Total unrecognised deductible temporary differences	521.6	398.4

As part of the business combination of OWC during the prior year, spectrum rights and licences were valued at \$252.0 million, which resulted in a deferred tax liability of \$47.1 million. The deferred tax liability arose because the assets were held by a Jersey incorporated and tax resident company, WorldVu Satellites Limited, which had no tax attributes to offset against the liability. As a result of the tax rate changes substantively enacted during the year, the liability increased to \$62.0 million. During the year, WorldVu Satellites Limited migrated its tax residency from Jersey to the UK and as a result brought-forward losses and other tax attributes in the UK Group can now be offset against the liability. As a result, a tax credit of \$47.1 million arose in the period to reflect the impact of the offset. This reflects that

the deferred tax asset has been recognised only to the extent required to offset the deferred tax liability related to the spectrum rights and licences.

At 31 March 2022, the Group had tax losses totalling \$818.2 million (2021: \$638.1 million), resulting in an unrecognised deferred tax asset of \$192.8 million (2021: 120.3 million) and other temporary timing differences of \$1,050.7 million (2021: \$1,375.6 million), resulting in an unrecognised deferred tax asset of \$328.8 million (2021: \$278.1 million), of which \$1,221.1 million (2021: \$1,327.7 million) relates to unclaimed tax depreciation on fixed assets, resulting in an unrecognised deferred tax asset of \$304.4 million (2021: \$266.9 million). The unrecognised deferred tax in relation to the tax losses is considered to be a critical judgement in these financial statements, further details of which are provided in note 2.3.

At 31 March 2022, the Group has not recognised any deferred tax liabilities relating to its investment in subsidiaries as the Group controls the timing of reversal of the related temporary differences and management is satisfied that they will not reverse in the foreseeable future.

13 Property, plant and equipment

Accounting policy

The Group's property, plant and equipment include costs for the design, manufacture, test and launch of a constellation of LEO satellites (the space component), primary and backup control centres, gateways and other ground facilities (the ground component).

Property, plant and equipment are stated at cost less accumulated depreciation for those assets brought into service. Assets under construction include advances paid to vendors for work undertaken on behalf of the Group.

The cost of property and equipment includes the estimated costs of dismantling and removing the asset and restoring the site on which it is located, to the extent that the Group has a legal or constructive obligation as a direct consequence of acquiring or constructing the property, plant and equipment.

Assets are brought into service and depreciated from the point they are operating as intended. The OneWeb network cannot operate as intended until sufficient coverage has been created to offer a viable commercial service. When sufficient coverage exists to be able to provide customers with a viable commercial service, all assets associated with providing that service will be put into service and depreciation will start.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

Included within other property and equipment are assets with estimated useful lives as follows:

- Furniture and computer equipment – two to three years
- Vehicles – three years
- Leasehold improvements – the shorter of useful lives or the lease term

Where components of property, plant and equipment have different useful lives, they are accounted for as a separate class of property, plant and equipment. The estimated useful lives and depreciation methods are reviewed at the end of each reporting period and the effect of any changes in estimates are accounted for on a prospective basis.

Carrying value of property, plant and equipment

	Space component under construction \$m	Ground component under construction \$m	Ground component in service \$m	Other property and equipment \$m	Total \$m
Cost					
At 25 March 2020	-	-	-	-	-
Acquisition of a subsidiary	915.0	190.4	-	1.7	1,107.1
Additions	135.6	35.7	-	0.1	171.4
Written off	(4.4)	(0.3)	-	-	(4.7)
Foreign exchange	-	0.4	-	0.2	0.6
At 31 March 2021	1,046.2	226.2	-	2.0	1,274.4
Acquisition of a subsidiary	-	-	0.4	1.5	1.9
Additions	483.9	104.1	0.6	0.7	589.3
Written off	(4.2)	-	-	-	(4.2)
Transfers to intangible assets	(127.9)	(47.1)	-	-	(175.0)
Foreign exchange	-	0.1	-	(0.2)	(0.1)
At 31 March 2022	1,398.0	283.3	1.0	4.0	1,686.3
Depreciation					
At 25 March 2020	-	-	-	-	-
Depreciation charge	-	-	-	(1.2)	(1.2)
At 31 March 2021	-	-	-	(1.2)	(1.2)
Depreciation charge	-	-	(0.1)	(2.3)	(2.4)
Impairment charge	(272.3)	-	-	-	(272.3)
At 31 March 2022	(272.3)	-	(0.1)	(3.5)	(275.9)
Carrying value					
At 31 March 2022	1,125.7	283.3	0.9	0.5	1,410.4
At 31 March 2021	1,046.2	226.2	-	0.8	1,273.2

An impairment charge of \$272.3 million is recognised as detailed in note 6.

Transfers to intangible assets of \$175.0 million relates to assets previously recognised as property, plant and equipment that are intangible in nature, primarily relating to software where this is the primary component of an asset rather than being a component of a property, plant and equipment asset.

The write-off of \$4.2 million (31 March 2021: \$4.7 million) recognised in the space component under construction relates to satellites that are non-operational.

Security

There are no restrictions over title of any Group-owned assets or assets that are pledged as security.

14 Intangible assets

Accounting policy

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and less accumulated impairment losses.

The Group classifies its intangible assets into finite and indefinite categories based upon the assessment of their useful life. An intangible asset is classified as having an indefinite useful life when there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group, based on the analysis of all relevant factors. All other intangible assets that arise from contractual or other legal rights are classified as intangible assets with finite useful lives.

Intangible assets with finite useful lives include developed software and patents. Intangible assets with finite useful lives are carried at cost less accumulated amortisation and any recognised impairment loss. Amortisation

is recognised on a straight-line basis over the estimated useful lives of the respective assets. The estimated useful lives are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Intangible assets with indefinite useful lives are carried at cost less any recognised impairment loss. The Group's intangible assets with indefinite useful lives consist of spectrum rights and licences.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use. Gains or losses arising from derecognition are recognised in profit or loss.

Assets under construction

Expenditure on research activities is recognised in the income statement as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses. The Group is currently building various assets that will form part of the wider OneWeb network. When sufficient coverage exists to be able to provide customers with a viable commercial service, all assets associated with providing that service will be put into service and amortisation will start.

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets, unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use.

Spectrum rights and licences

Spectrum rights and licences represent the Group's rights, registrations and authorisations from the International Telecommunications Union (ITU) and government agencies to enable the Group to conduct its business.

OneWeb has secured c.6 GHz of priority non-geostationary orbit spectrum rights in the Ku and Ka bands, covering:

- 2.5 GHz of Ku band end for user links
- 3.3 GHz of Ka band gateway for feeder links

If OneWeb meets both the bring-into-use and build-out milestones for main ITU filings with Ofcom (Ku band) and l'Agence Nationale des Fréquences (ANFR) (Ka band) that it currently relies on, the Group will be able to preserve these spectrum rights indefinitely. Specifically, the ANFR authorisation was issued for 20 years, OneWeb has met all obligations related to the ANFR authorisation and renewal expectancy is high. Due to the expectancy right to maintain the once-awarded spectrum rights and licences, an indefinite useful economic life is applied to these assets. Assets with an indefinite life are not amortised; an annual impairment review is performed instead, or earlier if an indication of impairment is noted.

Developed software

Developed software relates to the software that the Group controls for the purpose of operating the business.

Patents

Patents are the Group's intellectual property that cover aspects of the Group's satellite system, global communication network and devices. Patents are amortised on a straight-line basis over their useful lives of 15 years.

	Spectrum rights and licences \$m	Developed software \$m	Patents \$m	Total \$m
Cost				
At 25 March 2020	-	-	-	-
Acquisition of a subsidiary	252.0	-	1.6	253.6
Additions	0.3	-	-	0.3
Foreign exchange	0.1	-	-	0.1
At 31 March 2021	252.4	-	1.6	254.0
Acquisition of a subsidiary	-	-	0.2	0.2
Additions	-	77.8	-	77.8
Transfers from property, plant and equipment	-	175.0	-	175.0
Transfers to bonds and deposits	(0.4)	-	-	(0.4)
Written off	-	-	(0.3)	(0.3)
Foreign exchange	-	(0.1)	-	(0.1)
At 31 March 2022	252.0	252.7	1.5	506.2
Amortisation				
At 25 March 2020 and 31 March 2021	-	-	-	-
Amortisation charge	-	-	(0.1)	(0.1)
At 31 March 2022	-	-	(0.1)	(0.1)
Carrying value				
At 31 March 2022	252.0	252.7	1.4	506.1
At 31 March 2021	252.4	-	1.6	254.0

Transfers from property, plant and equipment of \$175.0 million relates to assets previously recognised as property, plant and equipment that are intangible in nature, primarily relating to software where this is the primary component of an asset rather than being a component of a property, plant and equipment asset.

15 Investment in joint ventures

Airbus OneWeb Satellites LLC (AOS)

The Group has joint control over AOS. AOS was created as a joint venture with Airbus DS Satnet, to develop and design GEN 1. Each shareholder owns 50% of equity interest in AOS and has equal voting or similar rights with major decisions approved on unanimous basis. The risks related to AOS operations and cost overruns are equally borne by both shareholders. The Group does not have power over AOS's relevant activities and while equally is exposed to variability of returns, the Group therefore does not have the ability to use power to affect such returns.

First Tech Web Company Limited (NEOM JV)

The Group has joint control over the NEOM JV. The NEOM JV was established as a joint venture in the Kingdom of Saudi Arabia with NEOM Tech and Digital Company for the purpose of managing the operation of ground-based infrastructure and contracting with regional customers for the sale of connectivity services. Each shareholder owns 50% of equity interest and has equal voting or similar rights, with major decisions approved on a unanimous basis. The Group and NEOM have equal rights in relation to the composition of the board and its committees, and each have the right to appoint certain members of executive management. The Group does not have power over the NEOM JV's relevant activities and while equally is exposed to variability of returns, the Group therefore does not have the ability to use power to affect such returns.

As the investment in NEOM JV was acquired on 24 October 2021, no comparative information is provided for this investment.

Accounting policy

A joint venture is an entity where control is shared with another party. The results, assets and liabilities of the Group's joint ventures are incorporated into these financial statements using the equity method of accounting. The investment in a joint venture is initially recognised at cost. At the acquisition date, any excess of the cost of

acquisition over our share of the fair value of the identifiable assets and liabilities of the associate is recognised as goodwill. The consolidated income statement reflects the Group's share of the results of operations. Any change in other comprehensive income would be recognised as part of consolidated other comprehensive income. Unrealised profits resulting from transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the business. The profit earned by AOS for the sale of satellites to OneWeb is considered unrealised until the associated assets are placed into service, and are therefore eliminated until the assets are available for use by the Group.

	AOS \$m	NEOM JV \$m	Total \$m
At 25 March 2020	-	-	-
Acquisition of joint venture	8.7	-	8.7
Share of result of joint venture	-	-	-
At 31 March 2021	8.7	-	8.7
Acquisition of joint venture	-	0.2	0.2
Funding provided to joint venture	-	15.0	15.0
Share of result of joint venture	5.3	-	5.3
Dividend received from joint venture	(14.0)	-	(14.0)
At 31 March 2022	-	15.2	15.2

Summarised financial information of AOS

	2022 \$m	2021 \$m
100% of the results of the business		
Revenue	431.4	102.0
Profit after tax	50.1	0.6
Total comprehensive profit	50.1	10.8
Group share of the results of the business before elimination of unrealised profits and losses		
Revenue	215.7	51.0
Profit after tax	25.1	4.8
Total comprehensive profit	25.1	5.4
Group share of the results of the business after elimination of unrealised profits and losses		
Revenue	215.7	51.0
Profit after tax	5.3	-
Total comprehensive profit	5.3	-

	2022 \$m	2021 \$m
100% of the net assets of the business		
Non-current assets	57.3	86.8
Current assets	227.5	323.1
Non-current liabilities	(2.5)	(2.4)
Current liabilities	(240.3)	(386.4)
Net assets and total equity	42.0	21.1
Group share of interest in joint venture's net assets	21.0	10.6
Elimination of unrealised profits and losses	(10.5)	(5.4)
Dividends received	(14.0)	-
Goodwill	3.5	3.5
Carrying value of interest in joint venture	-	8.7

In December 2021, the Group received a dividend of \$14.0 million from AOS. The dividend exceeded the carrying value of the investment in the joint venture and the excess of \$5.3 million is recognised as share of profit of the joint venture.

Supplementary information regarding AOS is provided below:

	2022	2021
	\$m	\$m
Cash and cash equivalents	26.6	49.6
Current financial liabilities (excluding trade and other payables and provisions)	(5.7)	(5.0)
Non-current financial liabilities (excluding trade and other payables and provisions)	(1.9)	(1.9)
Depreciation and amortisation	(5.7)	(8.9)
Income tax expense	0.2	1.0

Summarised financial information of NEOM JV

The NEOM JV is in the process of building ground-based infrastructure in the Middle East and African regions. In the period from 24 October 2021 to 31 March 2022, the entity had no revenue and total operating expenses of \$0.2 million, resulting in a loss after tax and total comprehensive loss of \$0.2 million. In the period, the NEOM JV had no depreciation and amortisation or income tax expense. There were no transactions with the NEOM JV that required elimination by the Group.

	2022
	\$m
100% of the net assets of the business	
Non-current assets	0.8
Current assets	36.1
Non-current liabilities	
Current liabilities	(6.5)
Net assets and total equity	30.4
Group share of interest in joint venture's net assets	15.2
Carrying value of interest in joint venture	15.2

Supplementary information regarding the NEOM JV is provided below.

	2022
	\$m
Cash and cash equivalents	29.7
Current financial liabilities (excluding trade and other payables and provisions)	
Non-current financial liabilities (excluding trade and other payables and provisions)	-

16 Commitments and contingencies

Capital commitments

The Group has contractual purchase commitments with various vendors related to the design and developments of its first-generation constellation of satellites, communications infrastructure and ground facilities.

The table below summarises contractual commitments not recorded on the consolidated balance sheet (see note 22 for commitments with related parties).

	2022	2021
	\$m	\$m
Less than a year	352.9	218.6
Between one and five years	91.1	208.9
More than five years	0.8	-
Total contractual commitments	444.8	427.5

Contingencies

There are no contingencies other than the provisions recognised on the consolidated statement of financial position that are expected to have a material adverse impact on the business, financial results or financial condition of the Company or the Group.

17 Provisions

Accounting policy

A provision is recognised in the balance sheet when a present legal or constructive obligation is held as a result of a past event, which can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

The Group has two classes of provisions:

- **Unfavourable contracts.** There are unfavourable terms embedded in a certain vendor contract associated with the satellite launch programme, which existed within the OWC group purchased by the Company. A liability was recognised on acquisition of OWC, equal to the fair value at the point of acquisition. The liability was calculated based on a comparison of the contracted terms versus current market rates for similar services. The provision of \$19.7 million was released during the Financial Year as detailed in note 6.
- **Asset retirement obligations.** Obligations arise on the decommissioning of certain items of property, plant and equipment. A liability is calculated based on the expected cost to decommission the assets and an equal asset is created and held within property, plant and equipment. The provision is expected to be used over the remaining expected asset lives, which are up to 10 years.

	Unfavourable contracts \$m	Asset retirement obligations \$m	Total \$m
At 25 March 2020	-	-	-
Acquisition of a subsidiary	(60.4)	(3.7)	(64.1)
Used in the period	18.5	-	18.5
Unwinding of discount	(0.7)	(0.2)	(0.9)
At 31 March 2021	(42.6)	(3.9)	(46.5)
Additions	-	(6.2)	(6.2)
Used or released in the period	43.4	-	43.4
Unwinding of discount	(0.8)	(0.7)	(1.5)
At 31 March 2022	-	(10.8)	(10.8)
Current	-	-	-
Non-current	-	(10.8)	(10.8)
		(10.8)	(10.8)

18 Capital, reserves and shareholder funding

Shareholder funding

On 7 April 2021, SoftBank Group Capital Limited subscribed for 354,185 of shares for \$229.0 million, paid for in cash.

On 27 April 2021 it was announced that Eutelsat S.A. would subscribe for 500,000 shares for \$550.0 million, which was fully paid for in cash on 8 September 2021.

On 8 September 2021, Bharti Global Limited subscribed for a further 350,000 shares under the terms of a call option. Bharti Global Limited has paid up \$35.0 million, being 10% of the subscription amount. The option allowed for Bharti Global Limited to subscribe for a total of 500,000 shares at \$1,000 per share, it being acknowledged that such subscription and funding would be reduced if Eutelsat chose to exercise its participation notice in respect to 30% of the call option. Eutelsat submitted its participation notice on 5 October 2021 for the subscription of 150,000 shares to Eutelsat at \$1,000 per share. Eutelsat has paid up \$15.0 million, being 10% of the subscription amount.

On 28 February 2022 Hanwha Systems UK Limited subscribed to 250,000 shares at a value of \$300.0 million, which was fully paid in cash on 1 March 2022.

On 9 March 2022 Bharti Global Limited transferred its entire shareholding to Bharti Space Limited.

Transaction costs of \$6.2 million were incurred on the issue of shares and are recognised as a reduction in share premium. The movement in share subscription receivables in the period can be seen as follows:

	2022	2021
	\$m	\$m
Share subscription receivables at start of period	308.5	-
Total subscription value in period	1,579.0	1,232.5
Proceeds used to settle shareholder loans	-	(369.0)
Cash receipts	(1,281.5)	(465.0)
Issued to creditors of OWC for no cash	-	(90.0)
Share subscription receivables at end of period	606.0	308.5

The recoverability of the share subscription receivables is considered to be a critical judgement in these financial statements, further details of which are provided in note 2.3.

Shareholder rights

Shares in the Company consist of three classes:

- Class A shares, which have voting rights. All dividends paid are distributed to the A shareholders pro rata according to the number of A shares held by each of them.
- Class B shares, which are non-voting. The holder of the B share is not entitled to receive any income or distribution from the Company or any member of the Group in respect of the B share, including in the event of a sale or IPO.
- Deferred shares, which are non-voting and holders are not entitled to dividends or other distributions.

In addition, certain matters cannot be undertaken without the prior written consent of the Class B shareholder. These include changes to the location of the headquarters or centre of operations, changes to activities or technical and technology security standards of the Group, or tax avoidance arrangements.

Further rights do not depend on the class of share but rather on the size of shareholding under the terms of the shareholders' agreement in place between the Company's significant shareholders. These rights reflect the ability of shareholders to appoint Directors and other matters of corporate governance.

Share capital

Share capital is the number of shares in issue, stated at their nominal value.

The value of share capital at the end of the period was as follows:

	2022	2021
	\$	\$
Deferred shares of £1 each	6	6
Class A shares of \$0.01 each	28,366	12,325
Class B shares of \$0.01 each	-	-
Fully paid	28,372	12,331

The number of shares issued during the period and at the period end was as follows:

	Ordinary	Deferred	Class A	Class B
Issued on incorporation	2	4	-	-
Issued in the period	2	-	1,232,459	1
Conversion to different class	(4)	-	-	-
Authorised and on issue at				
31 March 2021	-	4	1,232,459	1
Issued in the period	-	-	1,604,185	-
Authorised and on issue at				
31 March 2022	-	4	2,836,644	1

At 31 March 2022

	Deferred	Class A	Class B
The Secretary of State for Business, Energy and Industrial Strategy	2	500,000	1
Bharti Space Limited	2	850,000	-
Eutelsat S.A.	-	650,000	-
SoftBank Group Capital Limited	-	500,000	-
Hanwha Systems UK Limited	-	250,000	-
Echostar Operating LLC	-	50,000	-
Banco Azteca, S.A., Institución de Banca Múltiple	-	16,879	-
Airbus Group Proj B.V.	-	12,064	-
Qualcomm Technologies, Inc.	-	6,072	-
Rwanda Social Security Board	-	1,629	-
Authorised and on issue at 31 March 2022	4	2,836,644	1

At 31 March 2021

	Deferred	Class A	Class B
The Secretary of State for Business, Energy and Industrial Strategy	2	500,000	1
Bharti Global Limited	2	500,000	-
SoftBank Group Capital Limited	-	145,815	-
Echostar Operating LLC	-	50,000	-
Banco Azteca, S.A., Institución de Banca Múltiple	-	16,879	-
Airbus Group Proj B.V.	-	12,064	-
Qualcomm Technologies, Inc.	-	6,072	-
Rwanda Social Security Board	-	1,629	-
Authorised and on issue at 31 March 2021	4	1,232,459	1

Share premium

Share premium is the amount received for a share issue that exceeds the nominal value, net of transaction costs incurred on the issuance of shares.

Share-based payment reserve

The share-based payment reserve reflects the credit arising on share-based payment accounting, with the opposite entry reflecting the charge for the year recognised in the statement of comprehensive income. This reserve is not considered a part of distributable earnings.

Foreign currency reserve

Exchange differences relating to the translation of the net assets, income and expenses of foreign operations, from their local functional currency into US dollars, are recognised directly in the translation reserve. This reserve is not considered a part of distributable earnings.

Retained earnings

Retained earnings are the net earnings not paid out as dividends. Consolidated retained earnings were a deficit of \$19.3 million at the end of the period (31 March 2021: surplus of \$370.5 million).

Dividends payable to the Company's shareholders are recognised when they have been appropriately authorised. The Company has retained earnings of \$18.3 million at the end of the period (31 March 2021: \$1.0 million). No amounts included in the Company's retained earnings are non-distributable. The directors do not recommend the payment of a dividend.

19 Financial instruments

Accounting policy

Overview

Financial instruments comprise financial assets and financial liabilities. All financial assets and financial liabilities are held at amortised cost. There were no transfers between fair value measurement categories in the current period and no derivative financial instruments have been entered into.

Recognition and derecognition of financial assets and liabilities

Financial assets and financial liabilities are recognised when we become a party to the contractual provisions of the instrument.

Loss allowances for financial assets are calculated applying an expected credit loss model.

A financial asset or liability is only derecognised when the contractual right that gives rise to it is settled, sold, cancelled or expires.

Fair value measurement

Certain financial instruments are measured at fair value at each balance sheet date.

The carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised at fair value on a recurring basis, it is determined whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, we have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits. Cash and cash equivalents have a maturity of three months or less.

Maturity profile of financial instruments

31 March 2022

	On demand \$m	< one year \$m	Between one and two years \$m	> two years \$m	Total 2022 \$m
Non-current assets					
Bonds and deposits	-	-	-	17.5	17.5
Current assets					
Share subscription receivables	606.0	-	-	-	606.0
Trade receivables	-	2.6	-	-	2.6
Cash and cash equivalents	481.2	-	-	-	481.2
Total financial assets	1,087.2	2.6	-	17.5	1,107.3
Current liabilities					
Trade payables	-	(36.9)	-	-	(36.9)
Payables to related parties	-	(13.1)	-	-	(13.1)
Accrued expenses	-	(14.6)	-	-	(14.6)
Accrued employee compensation	-	(17.3)	-	-	(17.3)
Other current payables	-	(3.0)	-	-	(3.0)
Non-current liabilities					
Provisions	-	-	-	(10.8)	(10.8)
Total financial liabilities	-	(84.9)	-	(10.8)	(95.7)

31 March 2021

	On demand \$m	< one year \$m	Between one and two years \$m	> two years \$m	Total 2021 \$m
Non-current assets					
Bonds and deposits	-	-	-	14.2	14.2
Current assets					
Share subscription receivables	308.5	-	-	-	308.5
Other current receivables	-	6.2	-	-	6.2
Cash and cash equivalents	44.0	-	-	-	44.0
Total financial assets	352.5	6.2	-	14.2	372.9
Current liabilities					
Trade payables	-	(122.1)	-	-	(122.1)
Payables to related parties	-	(1.1)	-	-	(1.1)
Accrued expenses	-	(42.9)	-	-	(42.9)
Accrued employee compensation	-	(5.1)	-	-	(5.1)
Provisions	-	(38.6)	-	-	(38.6)
Non-current liabilities					
Provisions	-	-	(7.9)	-	(7.9)
Total financial liabilities	-	(209.8)	(7.9)	-	(217.7)

Capital risk management

The objective when managing capital is to ensure that entities in the Group will be able to continue as a going concern, optimising liquidity and operating flexibility, while seeking to minimise our cost of capital. The capital structure of the Group consists of cash and cash equivalents, lease arrangements and equity attributable to shareholders of the Company, comprising issued capital, reserves and retained earnings as disclosed in note 18. No changes to our objectives or practices have taken place in the current period as these objectives were met.

The Group is not subject to any externally imposed capital requirements.

Financial risk management

The primary financial risks faced by the Group are market risk, credit risk and liquidity risk. The Group's treasury function operates under the Treasury Policy approved by the Board of Directors. The financial instruments used are set out above.

Market risk management

The Group's activities primarily create exposure to the financial risks of changes in foreign currency exchange rates. As the Group has no external borrowings, the Group's exposure to interest rate risk is minimal. The majority of cash inflows and outflows are in the Group's reporting currency, US dollars, together with the majority of Group assets and liabilities. The carrying amounts of foreign currency-denominated monetary assets and monetary liabilities (non-US dollar) were as follows:

31 March 2022

	UK sterling \$m	Other \$m	Total \$m
Bonds and deposits	6.7	-	6.7
Goods and services tax receivable	-	0.3	0.3
Cash and cash equivalents	2.9	4.2	7.1
Total monetary assets	9.6	4.5	14.1
Trade payables	(4.6)	(4.9)	(9.5)
Accrued employee compensation	(8.4)	(0.1)	(8.5)
Goods and services tax payable	(3.6)	-	(3.6)
Corporation tax payable	(2.4)	-	(2.4)
Other taxes payable	(2.3)	-	(2.3)
Lease liabilities	(8.3)	(0.4)	(8.7)
Provisions	(0.2)	-	(0.2)
Total monetary liabilities	(29.8)	(5.4)	(35.2)

31 March 2021

	UK sterling \$m	Other \$m	Total \$m
Current receivables	0.2	-	0.2
Cash and cash equivalents	0.9	0.6	1.5
Total monetary assets	1.1	0.6	1.7
Trade payables	(1.6)	(1.7)	(3.3)
Accrued employee compensation	(2.3)	-	(2.3)
Goods and services tax payable	(1.7)	-	(1.7)
Corporation tax payable	(2.6)	-	(2.6)
Other taxes payable	(0.6)	-	(0.6)
Lease liabilities	(11.0)	-	(11.0)
Provisions	(0.4)	-	(0.4)
Total monetary liabilities	(20.2)	(1.7)	(21.9)

The translation risk on converting overseas currency profits or losses is not hedged and such profits or losses are converted into US dollars at average exchange rates throughout the year. If there were a reasonably possible change in the US dollar against the relevant foreign currencies, an appreciation in the US dollar would result in a decrease of losses of \$1.0 million and a depreciation in the US dollar would result in an increase in losses of \$1.1 million.

Credit risk management

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk exposure is limited to shareholders in respect of share subscription receivables, customer receivables in relation to OWT, financial institutions in respect of cash balances and bonds, or with property landlords with regards to deposits. The recoverability of the share subscription receivables is considered to be a critical judgement in these financial statements, further details of which are provided in note 2.3.

Liquidity risk management

Liquidity risk is the risk that the Company and the Group will not be able to meet financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the Board, which has established an appropriate liquidity risk framework for the management of our short, medium and long-term funding and liquidity management requirements. Liquidity risk is managed by maintaining adequate cash reserves, by continuously monitoring projected and actual cash flows, and by ensuring adequate funds are available over the projected periods. The Group currently has no external borrowings, but will continue to assess whether such facilities are necessary.

20 Financing arrangements and right of use lease assets

Accounting policy

An arrangement is accounted for as a lease where a contract gives the right to control an asset for longer than 12 months, in exchange for consideration, where substantially all of the economic benefits are obtained from the asset. Lease accounting is not applied to low-value assets (deemed to be individual assets valued at less than \$5,000); for these items the lease payments is recognised as an expense on a straight-line basis over the lease term.

The Group does not act as a lessor in any arrangement, only as a lessee.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted at the incremental borrowing rate. For all the lease arrangements entered into, it was impracticable to calculate the interest rate implicit in the lease.

A right of use lease asset is recognised at the inception of the lease arrangement at cost. The cost reflects the initial amount of the lease liability, adjusted for any lease payments made at or before commencement date, plus any direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or restore the underlying asset, less any lease incentives received.

The right of use lease asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

Lease arrangements

The Group has a number of property leases arising from the normal course of business activities. In addition to the office locations of the business, various ground installations are built on leased land.

Maturity analysis of contractual undiscounted cash flows

	2022	2021
	\$m	\$m
Less than a year	13.2	13.0
Between one and five years	57.5	49.6
More than five years	36.2	35.5
Total	106.9	98.1

Carrying value of right of use lease assets.

	Ground installation property \$m	Other property \$m	Total \$m
Cost			
At 25 March 2020	-	-	-
Acquisition of a subsidiary	12.5	20.8	33.3
Additions	2.8	-	2.8
At 31 March 2021	15.3	20.8	36.1
Additions	32.6	1.1	33.7
Foreign exchange	-	0.1	0.1
At 31 March 2022	47.9	22.0	69.9
Depreciation			
At 25 March 2020	-	-	-
Depreciation charge	(0.4)	(1.0)	(1.4)
At 31 March 2021	(0.4)	(1.0)	(1.4)
Depreciation charge	(6.7)	(1.2)	(7.9)
At 31 March 2022	(7.1)	(2.2)	(9.3)
Carrying value			
At 31 March 2022	40.8	19.8	60.6
At 31 March 2021	14.9	19.8	34.7

Carrying value of lease liabilities

	Ground installation property \$m	Other property \$m	Total \$m
Lease liability			
At 25 March 2020	-	-	-
Acquisition of a subsidiary	(57.8)	(26.6)	(84.4)
New leases entered into	(2.9)	-	(2.9)
Cash payments	3.3	1.0	4.3
Interest charges	(1.1)	(0.9)	(2.0)
Foreign exchange	-	(0.2)	(0.2)
At 31 March 2021	(58.5)	(26.7)	(85.2)
New leases entered into	(32.9)	(1.1)	(34.0)
Cash payments	14.0	4.9	18.9
Interest charges	(4.6)	(1.1)	(5.7)
Foreign Exchange	-	(0.9)	(0.9)
At 31 March 2022	(82.0)	(24.9)	(106.9)
Current lease liability	(10.0)	(3.2)	(13.2)
Non-current lease liability	(72.0)	(21.7)	(93.7)
	(82.0)	(24.9)	(106.9)

21 Reconciliation of net profit to cash used in operations

	2022	2021
	\$m	\$m
Cash flows from operating activities		
(Loss)/profit for the period	(389.8)	370.5
Adjustments for:		
Depreciation and amortisation	10.4	2.6
Write-off of property, plant and equipment and intangible assets	4.5	4.7
Impairment charge	229.2	-
Foreign exchange gains	0.2	(0.4)
Share of results of joint venture	(5.3)	-
Gain on bargain purchase	-	(430.4)
Investment income	(0.3)	(10.3)
Finance expense	11.7	2.9
Equity settled share-based payment expenses	6.1	0.6
Taxation	(48.0)	0.2
Movement in bonds and deposits	(2.8)	(6.8)
Movement in withholding tax receivable	(8.5)	-
Movement in other non-current assets	(0.5)	6.3
Movement in inventory	(8.2)	-
Movement in tax receivable	(4.5)	2.7
Movement in prepaid expenses	(39.5)	-
Movement in goods and services tax receivables	(9.4)	(1.7)
Movement in trade receivables	(2.6)	-
Movement in other current assets	7.8	(3.7)
Movement in trade payables	(61.5)	(199.7)
Movement in payables to related parties	12.0	(1.2)
Movement in accrued expenses	(31.6)	16.2
Movement in accrued employee compensation	11.8	0.4
Movement in goods and services tax payable	0.8	-
Movement in tax payable	0.9	-
Movement in contract liability current	(0.2)	-
Movement in other taxes payable	3.0	(2.5)
Movement in provisions current	(19.7)	(2.3)
Movement in other current liabilities	2.6	-
Movement in other non-current liabilities	0.1	-
Movement in provisions non-current	2.2	(15.3)
Cash used in operations	(329.1)	(267.2)

22 Related parties

Accounting policy

The Group's related parties are shareholders considered to have significant influence over the Company, entities where the Group has significant influence, key management personnel and their immediate relatives.

Compensation of key management personnel

'Key management personnel' are considered to be members of the Company's Board of Directors and the Group's Executive Committee. Key management personnel compensation is shown in the table below:

	2022	2021
	\$m	\$m
Remuneration	7.8	1.6
Amounts receivable under long-term incentive schemes	4.2	0.6
Company contributions to money purchase pension plans	0.2	0.1
Employer's social security expense	0.5	0.1
	12.7	2.4

Directors of the Company and their immediate relatives control 30% (2021: 40.6%) of the voting shares of the Company.

Other related party transactions

Transactions with AOS

As explained in note 15, AOS is a joint venture between OneWeb and Airbus DS Satnet, which is equity-accounted. All GEN 1 satellites are manufactured by AOS. A summary of the transactions with AOS is set out below:

	2022	2021
	\$m	\$m
Cost of satellites purchased from AOS in the period	252.3	82.8
Payables to AOS at the period end	(13.1)	(1.1)
Contractual commitments for purchases at the period end	72.5	246.5

Outstanding share subscriptions

As explained in note 18, \$606.0 million of share subscription proceeds was outstanding at 31 March 2022 (31 March 2021: \$308.5 million).

Transactions with entities under common control with The Secretary of State for Business, Energy and Industrial Strategy

The Group entered into transactions with entities under common control with The Secretary of State for Business, Energy and Industrial Strategy in relation to ordinary course transactions with government entities, none of which are individually significant or unusual in their nature or conditions.

Transactions with entities under common control with Bharti Space Limited

The Group entered into transactions with entities under common control with Bharti Space Limited during the Financial Year, primarily in relation to network and facility costs. The Group incurred expenses of \$0.3 million (2021: \$nil) and the amount payable by the Group at 31 March 2022 is \$0.1 million (31 March 2021: \$nil).

Transactions with entities in the Eutelsat S.A. group

The Group entered into transactions with members of the group of companies including Eutelsat S.A. in relation to the provision of consulting services. The Group incurred expenses of \$0.1 million (2021: \$nil) and the amount payable by the Group at 31 March 2022 is \$0.1 million (31 March 2021: \$nil).

Transactions with entities in the SoftBank Group Capital Limited group

The Group entered into transactions with members of the group of companies including SoftBank Group Capital Limited in relation to the purchase of ground-based communications equipment. The equipment was purchased for \$1.0 million (2021: \$nil) and is recognised as property, plant and equipment. No amounts remain payable at 31 March 2022 (31 March 2021: \$nil).

Transactions with Echostar Operating LLC and Qualcomm Technologies, Inc

The Company's shareholders, Echostar Operating LLC and Qualcomm Technologies, Inc. provide goods and services to the Group in the normal course of business on arm's length terms. These shareholders are not considered to hold significant influence over the Company.

Transactions of the Company

Details of the related party transactions of the Company are provided in note 22.

23 Subsequent events

Subsequent to 31 March, 2022, the Group has entered into further agreements for the purpose of completing the OneWeb network with an aggregate effect of increasing total contractual commitments by \$181.3 million. This includes a \$42.0 million reduction in contractual commitment to AOS.

On 25 July, 2022, Eutelsat and key OneWeb shareholders signed a Memorandum of Understanding (MOU) with a view to combining Eutelsat and OneWeb in an all-share transaction. Eutelsat is an existing shareholder of OneWeb which is explained in more detail in Note 18. The transaction would be structured as an exchange of OneWeb shares by its shareholders (other than Eutelsat) with new shares issued by Eutelsat, such that, at closing, Eutelsat would own 100% of OneWeb (excluding the Class B share owned by The Secretary of State for Business, Energy and Industrial Strategy). OneWeb shareholders would receive 230 million newly issued Eutelsat shares, representing 50% of the enlarged share capital. Eutelsat will continue to be listed on Euronext Paris and apply for admission to standard listing on the London Stock Exchange. The MOU has been unanimously approved by each of Eutelsat's and OneWeb's Board of Directors. Eutelsat will be required to complete Eutelsat S.A.'s works council information consultation process. The transaction will be subject to customary regulatory conditions. The MOU includes customary exclusivity and interim operating conditions. The transaction will also be conditional on approval by Eutelsat's shareholders at an Extraordinary General Meeting of Eutelsat, to take place by end of first half 2023. The transaction is expected to close by the end of first half of 2023.

On 25 July, 2022, the Group's existing Distribution Partner Agreement (signed in March 2022) with Eutelsat was amended. Under the terms of this amendment, Eutelsat takes a firm commitment to purchase \$275.0 million of OneWeb's constellation capacity at pre-defined terms over a five-year duration, starting from the full availability of the constellation. The amounts will be paid in 3 instalments of \$100.0 million, \$100.0 million and \$75.0 million over the next 3 financial years starting from FY 2022-23. As part of the agreement, Eutelsat will benefit from the exclusive use of OneWeb's capacity over certain pre-determined sales regions and verticals, in particular Continental Europe and Global Cruise segment.

OneWeb Holdings Limited

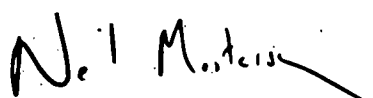
Company Financial Statements

Company balance sheet At 31 March 2022

	Note	2022 \$m	2021 \$m
Non-current assets			
Loan receivable from related party	27	1,358.9	582.4
Investment in subsidiary entity	28	315.2	310.9
		1,674.1	893.3
Current assets			
Receivables from related parties	27	115.7	1.2
Prepaid expenses		0.8	-
Goods and services tax receivable		1.6	0.8
Share subscription receivables	18	606.0	308.5
Cash and cash equivalents		440.6	35.2
		1,164.7	345.7
Total assets		2,838.8	1,239.0
Current liabilities			
Trade payables		(4.3)	-
Accrued expenses		(1.3)	(4.4)
Accrued employee compensation		(2.1)	(0.4)
Other taxes payable		(0.8)	(0.1)
		(8.5)	(4.9)
Net assets		2,830.3	1,234.1
Equity			
Share capital	18	-	-
Share premium	18	2,805.3	1,232.5
Share-based payment reserve	18	6.7	0.6
Retained earnings	18	18.3	1.0
Total equity		2,830.3	1,234.1

Under Section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account. The profit for the Company for the year was \$17.3 million (2021: \$1.0 million).

These financial statements were approved by the Board of Directors on 2 August 2022 and were signed on its behalf by:



Neil Masterson
Chief Executive Officer
3 August 2022

Company registered number: 12534512

Company statement of changes in equity

	Share capital \$m	Share premium \$m	Share-based payment reserve \$m	Retained earnings \$m	Total equity \$m
Total comprehensive income for the period					
Profit for the period	-	-	-	1.0	1.0
Total comprehensive profit for the period	-	-	-	1.0	1.0
Transactions with owners, recorded directly in equity					
Issue of shares	-	1,232.5	-	-	1,232.5
Equity-settled share-based payment transactions	-	-	0.6	-	0.6
Total contributions by and distributions to owners	-	1,232.5	0.6	-	1,233.1
Balance at 31 March 2021	-	1,232.5	0.6	1.0	1,234.1
Total comprehensive income for the period					
Profit for the period	-	-	-	17.3	17.3
Total comprehensive profit for the period	-	-	-	17.3	17.3
Transactions with owners, recorded directly in equity					
Issue of shares	-	1,572.8	-	-	1,572.8
Equity-settled share-based payment transactions	-	-	6.1	-	6.1
Total contributions by and distributions to owners	-	1,572.8	6.1	-	1,578.9
Balance at 31 March 2022	-	2,805.3	6.7	18.3	2,830.3

Company cash flow statement for the period ended 31 March 2022

	2022 \$m	2021 \$m
Cash flows from operating activities		
Profit for the period	17.3	1.0
<i>Adjustments for:</i>		
Foreign exchange gains	(0.2)	-
Investment income	(28.8)	(14.2)
Equity settled share-based payment expenses	1.8	0.6
Movement in prepaid expenses	(0.8)	-
Movement in receivables from related parties	(114.5)	(1.2)
Movement in goods and services tax receivables	(0.8)	(0.8)
Movement in trade payables	4.3	-
Movement in accrued expenses	(3.1)	4.4
Movement in accrued employee compensation	1.7	0.4
Movement in other taxes payable	0.7	0.1
Net cash from operating activities	(122.4)	(9.7)
Cash flows from investing activities		
Interest received	0.3	-
Pre-acquisition funding to OWC, converted to equity on acquisition	-	(210.7)
Funding to OWC	(748.0)	(485.9)
Net cash from investing activities	(747.7)	(696.6)
Cash flows from financing activities		
Proceeds from the issue of share capital, net of issue costs	1,275.3	741.5
Net cash from financing activities	1,275.3	741.5
Net increase in cash and cash equivalents	405.2	35.2
Cash and cash equivalents at the start of the period	35.2	-
Effect of exchange rate changes on cash held	0.2	-
Cash and cash equivalents at the end of the period	440.6	35.2

Notes to the company's financial statements (forming part of the financial statements)

24 General information

The Company is a private company incorporated, domiciled and registered in England and Wales. The registered number is 12534512 and the registered address is West Works Building, 195 Wood Lane, London, United Kingdom, W12 7FQ.

25 Basis of preparation

25.1 Going concern

See note 2.1.

25.2 Accounting estimates and judgements

These Company financial statements were prepared in accordance with FRS 101 and present information about the Company as a separate entity and not about its group. The recognition, measurement and disclosure requirements of adopted IFRSs have been applied, with amendments necessary in order to comply with Companies Act 2006, together with certain disclosure exemptions. The following disclosure exemptions have been taken under FRS 101:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3: Business Combinations;
- the requirements of IFRS 7: Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13: Fair value measurements;
- the requirements of paragraphs 134 to 136 of IAS 1: Presentation of Financial Statements;
- the requirements of paragraph 17 and 18A of IAS 24: Related Party Disclosures; and
- the requirements in IAS 24: Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Under Section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account.

In the preparation of Company's financial statements in conformity with FRS 101, management is required to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, expenses and disclosures of contingent liabilities. Estimates and judgements are continually evaluated. These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and are believed to be reasonable under the circumstances at the end of the financial periods presented. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. Due to uncertainties inherent in making estimates, actual results could differ from those estimates.

Critical judgements are those made when applying accounting policies that could have a significant impact on the amounts recognised in the financial statements. The recoverability of the share subscription receivables is considered to be a critical judgement in these financial statements, further details of which are provided in note 2.3.

Key sources of estimation uncertainties are those assumptions where there is a significant risk that changes to these assumptions could cause a material adjustment to the carrying value of assets and liabilities within the next 12 months. No areas of accounting required significant estimates to be made in the current period.

26 Prior period acquisition and funding provided

The Company only has one investment, OWC, purchased on 20 November 2020.

During the period ended 31 March 2021, the Company provided funding to OWC prior to the acquisition of \$220.9 million, including \$6.0 million of accrued interest. This receivable was converted into equity of OWC on completion of the acquisition. The Company received a further \$4.3 million of fees in relation to this funding raised, taken as 2% of the funding received.

On completion of the acquisition, the Company issued share capital with a subscription value of \$182.5 million to certain creditors of OWC, following which OWC owed the Company a further \$182.5 million, \$90.0 million of which was subsequently waived.

Further funding of \$485.9 million was provided by the Company to OWC subsequent to 20 November 2020, with interest of \$3.9 million earned in the period ended 31 March 2021.

27 Loan receivable from related party

Accounting policy

On initial recognition, the loan receivable was measured at amortised cost.

Carrying value of loan receivable from related party

	Cash flow items \$m	Non-cash items \$m	Total \$m
Amortised cost			
At 25 March 2020	-	-	-
Pre-acquisition funding provided to OWC	210.7	-	210.7
Funding arrangement fees receivable from OWC prior to acquisition	-	4.3	4.3
Interest receivable from OWC prior to acquisition	-	6.0	6.0
Conversion of OWC loan to equity	(220.9)	-	(220.9)
Post-acquisition funding provided to OWC	485.9	-	485.9
Settlement of OWC creditors through subscription in Company shares	-	92.5	92.5
Interest receivable from OWC post acquisition	-	3.9	3.9
At 31 March 2021	475.7	106.7	582.4
Interest receivable from OWC	-	28.5	28.5
Funding provided to OWC	748.0	-	748.0
At 31 March 2022	1,223.7	135.2	1,358.9

Further details are provided in note 26.

28 Investment in subsidiary entity

Accounting policy

Investments in subsidiaries are carried at cost.

Carrying value of investment in subsidiary entity

	\$m
Cost	
At 25 March 2020	-
Conversion of OWC loan to equity	220.9
Waiver of loans owed by OWC	90.0
At 31 March 2021	310.9
Capital contribution to OWC	4.3
At 31 March 2022	315.2

Further details are provided in note 26.

29 Capital, reserves and shareholder funding

See note 18.

30 Related party transactions

See note 22.

31 Ultimate controlling party

There is no single ultimate controlling party. Details of the Company's shareholders and their rights are provided in note 18.

32 Subsequent events

See note 23.

33 Subsidiaries and affiliates

The UK subsidiaries annotated with an "*" from the following list of subsidiaries of the Company are exempt from the Companies Act 2006 requirements relating to the audit of their individual accounts by virtue of Section 479A of the Companies Act 2006 as this company has guaranteed the subsidiary companies under Section 479C of the Companies Act 2006.

Name	Principal activity	Registered agent address	Country of incorporation	Shareholding 31 March 2022 (%)
OneWeb Communications Ltd*	Holding company / borrowing company	WestWorks Building, 195 Wood Lane, London, W12 7FQ, United Kingdom	United Kingdom	100
WorldVu Development LLC	Operating company	701 S. Carson St., Suite 200, Carson City, NV 89701, United States	United States	100
OneWeb Communications Canada Ltd	Operating company	Crease Harman LLP, 800-1070 Douglas Street, Victoria, BC, V8W 2C4, Canada	Canada	100
Network Access Associates Ltd.*	Operating company	WestWorks Building, 195 Wood Lane, London, W12 7FQ, United Kingdom	United Kingdom	100
OneWeb Ltd.	Holding company	Level 1, IFC1, Esplanade, JE2 3BX, Jersey	Jersey	100
OneWeb Ltd (Malta)	Operating company	SmartCity Malta, SCM 01, TMF Group (Malta) 401, Ricasoli, Kalkara, SCM 1001, Malta	Malta	100
OneWeb Network Access Holdings Ltd. (UK)*	Holding company	WestWorks Building, 195 Wood Lane, London, W12 7FQ, United Kingdom	United Kingdom	100
OneWeb Holdings LLC	Holding company	50 Main Street, Suite 1000, White Plains, NY 10606, USA	United States	100
OneWeb Technologies, Inc ¹	Operating company	11140 Aerospace Avenue, Houston, TX 77034, USA	United States	100
WorldVu JV Holdings LLC	Holding company	c/o Business Filings Incorporated, 108 West 13th St, Wilmington, DE 19801, USA	United States	100
Airbus OneWeb Satellites LLC ²	Satellite Design and Development	CT Corporation System, 1200 South Pine Island Road, Plantation, FL 33324, USA	United States	100

Name	Principal activity	Registered agent address	Country of incorporation	Shareholding 31 March 2022 (%)
Airbus OneWeb Satellites North America LLC ²	Satellite design and development	Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, USA	United States	50
Airbus OneWeb Satellites SAS ²	Satellite design and development	B612, 3 rue Tarfaya, 31400 Toulouse, France	France	100
Airbus OneWeb Satellites Florida LLC ³	Satellite design and development	CT Corporation System, 1200 South Pine Island Road, Plantation, FL 33324, USA	United States	50
OneWeb Communications S.a.r.l	Operating company	51 Avenue J.F. Kennedy, L-1855, Luxembourg	Luxembourg	100
OneWeb Asia PTE. Ltd.	Operating company	1 Marina Boulevard #28-00, Singapore, 018989, Singapore	Singapore	100
OneWeb S.r.l.	Operating company	Corso Vercelli 40, 20145, Milan, Italy	Italy	100
OneWeb Norway AS	Operating company	Postboks 2334, 3003 Drammen, Norway	Norway	100
OneWeb S.A	Operating company	Tucumán 1, Piso 4, Buenos Aires, C1049AAA, Argentina	Argentina	100
First Tech Web Company Limited	Operating company	28th Floor Kingdom Tower, Olaya Road, P.O. Box: 230 888, Riyadh, 11321, Saudi Arabia	Saudi Arabia	50
WorldVu, Unipessoal Lda	Operating company	Rua Latino Coelho, n.º13, 13-A, 13-B, 3.º andar, freguesia de Avenidas Novas, 1050-132 Lisboa, Portugal	Portugal	100
OneWeb ApS	Operating company	c/o Deloitte, Imaneq 33, 6 - 7 floor, Postbox 20 Nuuk, 3900, Greenland	Greenland	100
WorldVu, Australia Pty Ltd	Operating company	TMF Corporate Services (AUST) PTY LTD, Level 16, 201 Elizabeth Street, Sydney NSW 2000, Australia	Australia	100
OneWeb G.K.	Operating company	c/o DLA Piper Tokyo Partnership, Meiji Seimei Kan 7F, 1-1, Marunouchi 2-chome, Chiyoda-ku Tokyo, Japan	Japan	100
OneWeb Capacidade Satelital Ltda	Operating company	Avenida Nove de Julho, 3228, sala 604, Ed. First Office Flat, Jardim Paulista, City of São Paulo, State of São Paulo, 01406-000, Brazil	Brazil	100
WorldVu Satellites Limited	Holding company	Level 1, IFC1, Esplanade, JE2 3BX, Jersey	Jersey	100
WorldVu Mexico S.de R.L. de CV	Operating company	Peten 27 St. 301, Piedad Narvarte, Mexico City 03000, Mexico	Mexico	100
OneWeb Chile SpA	Operating company	Luz 2959-22, Las Condes, Santiago, Chile	Chile	100

Name	Principal activity	Registered agent address	Country of incorporation	Shareholding 31 March 2022 (%)
OneWeb Senegal SARL	Operating company	Immeuble Lat Dior en face grande mosquée de Dakar, Dakar, 3E ÉTAGE, Senegal	Senegal	100
OneWeb Costa Rica Limitada	Operating company	c/o Zurcher Odio & Raven, Plaza Roble Corporate Center, Los Balcones Building, fourth floor, San José, Costa Rica	Costa Rica	100
WorldVu South Africa (Pty) Ltd.	Operating company	Central Office Park No 4, 257 Jean Avenue Centurion, Gauteng, 0157, South Africa	South Africa	100
One Web Angola – Serviços de Telecomunicações (SU), LDA	Operating company	Edifício Kilamba, 20º andar Avenida 4 de Fevereiro Marginal de Luanda, Angola	Angola	100
OneWeb (Mauritius) Limited	Operating company	Lislet Geoffroy Street, BCMS Corporate Services Ltd, 2 nd Floor Chancery House, Port Louis, Mauritius	Mauritius	100
OneWeb Colombia Limited S.A.S.	Operating company	Cra. 11 No. 79-35 9 th floor, Bogotá D.C., Colombia	Colombia	100
OneWeb Ghana Ltd	Operating company	No. 7 Airport Road, Accra, Accra Metro, Ghana	Ghana	100
OneWeb Kazakhstan Ltd	Operating company	Building 55/22, Mangilik El Avenue, Nur-Sultan, Kazakhstan	Kazakhstan	100

Unless otherwise noted below, the Group's equity interest represents the voting interests of the Group in the respective subsidiary or affiliate.

¹ OWT is managed by the Group under a proxy agreement. The conclusion that the Group meets the requirements of IFRS 10 with respect to control is considered to be a critical judgement in these financial statements, further details of which are provided in note 2.3.

² Ownership is through WorldVu JV Holdings LLC. The Group owns 50% of the equity of Airbus OneWeb Satellites LLC.

³ The equity interest represents the Group's ownership percentage. Entity is wholly owned by Airbus OneWeb Satellites LLC, of which the Group owns a 50% equity interest.



Independent auditor's report to the members of OneWeb Holdings Limited

Opinion

We have audited the financial statements of OneWeb Holdings Limited ("the Company") for the year ended 31 March 2023 which comprise the Consolidated balance sheet, Consolidated statement of profit and loss and other comprehensive income, Consolidated statement of changes in equity, Consolidated cash flow statement, Company balance sheet, Company statement of changes in equity, and related notes, including the accounting policies in note 2.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2023 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for the period to 31 March 2025 ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the audit committee and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading board and audit and risk committee meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Group and component management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Group continued to be in development stage during the year and has very limited revenue recognised for the year ended 31 March 2023. Therefore, the fraud risk in revenue recognition has been rebutted. We did not identify any additional fraud risks.

We performed audit procedures for fraud risks identified including:

- Identifying journal entries and other adjustments to test for all components based on risk criteria and comparing the identified entries to supporting documentation and enquiries with management to understand the rationale for the journal entry. These included those posted by senior finance management, those containing high risk keywords, specific unexpected journal pairings and material post-close entries.
- Evaluated the business purpose of significant unusual transactions.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, pension legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's licenses to operate. We identified the following areas as those most likely to have such an effect: licensing of spectrum rights, regulations as required by communications regulators in the jurisdictions the Group operates in, regulations as required by space agencies that the Group deals with (such as the UK Space Agency & European Space Agency), health and safety, anti-bribery, employment law, environmental protection legislation, competition legislation and certain aspects of company legislation recognising the nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.



Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 14, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent 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 they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Lynton Richmond (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

15 Canada Square

London

E14 5GL

14 June 2023

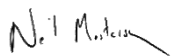
Consolidated statement of profit and loss and other comprehensive income
for the year ended 31 March 2023

	<i>Note</i>	2023 \$m	2022 \$m
Revenue	<i>4</i>	30.9	9.6
Other operating income	<i>6</i>	36.4	5.8
Operating expenses	<i>5</i>	(387.3)	(217.4)
Impairment charge	<i>6</i>	-	(229.2)
Share of results of joint venture	<i>15</i>	0.3	5.3
Operating loss		(319.7)	(425.9)
Merger and acquisition transaction costs	<i>3</i>	(20.7)	(0.5)
Investment income	<i>11</i>	2.8	0.3
Finance costs	<i>11</i>	(21.5)	(11.7)
Loss before tax		(359.1)	(437.8)
Taxation (charge)/credit	<i>12</i>	(2.8)	48.0
Loss for the period		(361.9)	(389.8)
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		0.3	0.2
Other comprehensive income for the period, net of income tax		0.3	0.2
Total comprehensive loss for the period		(361.6)	(389.6)

Consolidated balance sheet
At 31 March 2023

	Note	2023 \$m	2022 \$m
Non-current assets			
Property, plant and equipment	13	1,848.5	1,410.4
Right of use lease assets	20	74.2	60.6
Goodwill	3	7.2	7.2
Intangible assets	14	561.8	506.1
Bonds and deposits		14.8	17.5
Withholding tax receivable		8.5	8.5
Other non-current assets		8.2	2.7
Investment in joint ventures	15	16.1	15.2
		2,539.3	2,028.2
Current assets			
Inventory		22.9	8.2
Prepaid expenses		55.3	43.7
Corporation tax receivable		3.8	3.9
Receivables from related parties	22	10.4	-
Goods and services tax receivable		11.9	12.1
Share subscription receivables	18	156.0	606.0
Trade receivables		5.8	2.6
Other current assets		0.2	-
Cash and cash equivalents		226.4	481.2
		492.7	1,157.7
Total assets		3,032.0	3,185.9
Current liabilities			
Trade payables		(59.8)	(36.9)
Payables to related parties	22	(1.7)	(13.1)
Accrued expenses		(64.7)	(14.6)
Accrued employee compensation		(27.5)	(17.3)
Contract liability	4	(40.9)	(4.8)
Goods and services tax payable		-	(0.8)
Corporation tax payable		(1.0)	(1.1)
Other taxes payable		(3.3)	(3.7)
Lease liabilities	20	(15.9)	(13.2)
Other current liabilities		(3.0)	(3.0)
		(217.8)	(108.5)
Non-current liabilities			
Contract liability	4	(254.7)	(175.0)
Provisions	17	(12.4)	(10.8)
Lease liabilities	20	(100.1)	(93.7)
Other non-current liabilities		(10.6)	(4.7)
Deferred tax liabilities	12	-	-
		(377.8)	(284.2)
Total liabilities		(595.6)	(392.7)
Net assets		2,436.4	2,793.2
Equity			
Share capital	18	-	-
Share premium	18	2,805.3	2,805.3
Share based payment reserve	18	11.5	6.7
Foreign currency reserve	18	0.8	0.5
Retained earnings	18	(381.2)	(19.3)
Total equity		2,436.4	2,793.2

These financial statements were approved by the Board of Directors on 13 June 2023 and were signed on its behalf by:



Neil Masterson
Chief Executive Officer

Company registered number: 12534512

Consolidated statement of changes in equity
for the year ended 31 March 2023

	Share capital \$m	Share premium \$m	Share based payment reserve \$m	Foreign currency reserve \$m	Retained earnings \$m	Total equity \$m
At 1 April 2021	-	1,232.5	0.6	0.3	370.5	1,603.9
Total comprehensive income for the period						
Loss for the period	-	-	-	-	(389.8)	(389.8)
Exchange differences on foreign operations, net of tax	-	-	-	0.2	-	0.2
Total comprehensive income for the period	-	-	-	0.2	(389.8)	(389.6)
Transactions with owners, recorded directly in equity						
Issue of shares	-	1,572.8	-	-	-	1,572.8
Equity-settled share-based payment transactions	-	-	6.1	-	-	6.1
Total contributions by and distributions to owners	-	1,572.8	6.1	-	-	1,578.9
At 31 March 2022	-	2,805.3	6.7	0.5	(19.3)	2,793.2
Total comprehensive income for the period						
Loss for the period	-	-	-	-	(361.9)	(361.9)
Exchange differences on foreign operations, net of tax	-	-	-	0.3	-	0.3
Total comprehensive income for the period	-	-	-	0.3	(361.9)	(361.6)
Transactions with owners, recorded directly in equity						
Equity-settled share-based payment transactions	-	-	4.8	-	-	4.8
Total contributions by and distributions to owners	-	-	4.8	-	-	4.8
At 31 March 2023	-	2,805.3	11.5	0.8	(381.2)	2,436.4

Consolidated cash flow statement
for the year ended 31 March 2023

	<i>Note</i>	2023 \$m	2022 \$m
Cash flows from operating activities			
Cash used in operations	21	(51.3)	(329.1)
Tax paid		(2.1)	-
Tax credits received		1.4	3.7
Net cash from operating activities		(52.0)	(325.4)
Cash flows from investing activities			
Interest received		2.3	0.3
Acquisition of a subsidiary	3	-	(3.8)
Investment in joint venture	15	(0.6)	(15.0)
Dividends received	15	-	14.0
Acquisition of property, plant and equipment		(541.1)	(581.6)
Acquisition of intangible assets		(92.2)	(77.8)
Net cash from investing activities		(631.6)	(663.9)
Cash flows from financing activities			
Proceeds from the issue of share capital, net of issue costs		450.0	1,275.3
Advanced payment for services with a significant financing component	4	-	170.6
Interest paid		(0.5)	(0.1)
Interest payments for lease liabilities		(6.3)	(5.7)
Capital payments for lease liabilities		(14.4)	(13.2)
Net cash from financing activities		428.8	1,426.9
Net (decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at the start of the period		481.2	44.0
Effect of exchange rate fluctuations on cash held		-	(0.4)
Cash and cash equivalents at the end of the period		226.4	481.2

Notes to the consolidated financial statements (forming part of the financial statements)

1 General information

The Company is a private company incorporated, domiciled and registered in England and Wales. The registered number is 12534512 and the registered address is West Works Building, 195 Wood Lane, London, United Kingdom, W12 7FQ.

2 Basis of preparation

2.1 Going concern

In determining the appropriate basis of preparation of the financial statements for the period ended 31 March 2023, the Directors are required to consider whether the Group is a going concern, i.e. whether the Group is able to meet its liabilities as they fall due over a period of at least 12 months from the date of approval of these financial statements; they are also required to disclose, if applicable, any material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern.

In considering whether it is appropriate to adopt the going concern basis, the Directors undertook an assessment of the financial projections of the Group. Specific consideration has been made of the funding position and the expected costs to be incurred to provide global services and the profile of revenue generation, together with the expected operational performance of the satellite constellation and ground network.

The Group is committed to its combination with Eutelsat and this is expected to complete within the going concern assessment period. This would result in the Group having access to funding to meet its liquidity needs as a subsidiary of Eutelsat. The completion of the transaction is not within the Group's sole control and therefore the Group has considered its forecast liquidity over the going concern period on a standalone basis by preparing cash flow projections for the period to 31 March 2025 (the going concern assessment period) that include a severe but plausible downside scenario.

As a result of the successful launches to complete the satellite constellation, the associated risks have significantly diminished and therefore the phasing of customer acquisition and level of revenue realisation are the key assumptions that underpin the Group's financial projections. The Group is already providing commercial services to customers North of 35° latitude and the Group expects to provide global coverage by the end of this calendar year following completion of the ground network. Consequently, the base case financial projections show significant growth in annual revenues as the Group monetises its newly established low-earth orbit satellite network. In considering a severe but plausible downside scenario for future revenues, the Group has taken account of its committed order book during the going concern assessment period and revenues from contract negotiations that it considers to be close to conclusion.

As set out in note 23, after the year end, the Group has obtained a convertible loan facility from certain shareholders for up to \$160.0 million and a committed bank facility for \$100.0 million, reducing to \$75.0 million after March 2024 and repayable by 31 March 2025 (or 18 months from the drawdown date if earlier). These facilities, together with certain mitigating cost savings within management's control, provide sufficient funding for the Group to meet its liabilities as they fall due during the going concern assessment period, in the severe but plausible downside scenario.

Accordingly, the directors have a reasonable expectation that the Group and Company have adequate financial resources to continue in operational existence for at least the 12-month period after the approval of these financial statements. Thus, it remains appropriate to prepare the financial statements on a going concern basis.

2.2 Accounting convention

The consolidated financial statements have been prepared and approved by the Directors in accordance with Adopted IFRSs. The Company has elected to prepare its parent entity only financial statements in accordance with FRS 101.

Where an accounting policy is applicable to a specific note to the financial statements, the policy is described within that note. In accordance with Adopted IFRS, where balances are considered to be immaterial to these financial statements, no further disclosures are provided. The accounting policies set out below have, unless otherwise stated, been applied consistently in each period presented in these financial statements.

2.3 Accounting estimates and judgements

In the preparation of consolidated financial statements in conformity with Adopted IFRSs, management is required to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, expenses and disclosures of contingent liabilities. Estimates and judgments are continually evaluated. These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and are believed to be reasonable under the circumstances at the end of the financial periods presented. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. Due to uncertainties inherent in making estimates, actual results could differ from those estimates.

Critical judgements

Critical judgements are those made when applying accounting policies that could have a significant impact on the amounts recognised in the consolidated financial statements. The following critical judgements have been made in the current and prior period:

Control of OneWeb Technologies, Inc. (see note 3)

As detailed in note 3, the Group acquired OneWeb Technologies, Inc. (previously TrustComm, Inc.) on 20 September 2021 when it purchased 100% of its issued share capital. The business is managed through a proxy agreement as required by the U.S. National Industrial Security Program, whereby a proxy board comprised entirely of U.S. citizens are responsible for the day to day running of the business. The proxy agreement enables OWT to participate in classified contracts with the U.S. Government despite being owned by a non-U.S. organisation. The proxy agreement places restrictions on the information which may be shared with the Group and the interactions that may occur between OWT and other Group companies.

Judgement is required in applying the guidance of IFRS 10: Consolidated financial statements to determine the degree of control or influence that the Group exercises. Subject to the proxy agreement rules, the Group has certain powers in relation to the appointment and remuneration of key management, and capital allocation decisions. The Group is also exposed to variable returns and can use its powers to affect those returns. Therefore, the Group has concluded that it meets the requirements of IFRS 10 with respect to control and its results are consolidated in the Group's consolidated financial statements.

Collection of receivables from shareholders (see note 18)

Included within current assets are share subscription receivables of \$156.0 million (31 March 2022: \$606.0 million) owed by BEIS, Bharti and Eutelsat. Judgement has been applied in considering whether these amounts are recoverable at the period end. There is not considered to be any significant risk that these amounts are not fully recoverable.

Future availability of tax losses (see note 12)

At 31 March 2023, the Group had tax losses totalling \$1,643.0 million (31 March 2022: \$818.2 million) which have not been recognised as a deferred tax asset, as it is not probable at the reporting date that future taxable profits will be available against which these can be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

The majority of the losses were incurred prior to the acquisition of these Group companies out of bankruptcy protection in November 2020. The details of the losses are as below:

- \$1,031.7 million of trading losses incurred in the UK. \$143.3 million of these losses were incurred prior to bankruptcy and are not expected to be extinguished, but will be reviewed periodically in light of business performance and/or change of control provisions.
- \$145.9 million of management expenses incurred in the UK. \$55.9 million of these losses were incurred prior to bankruptcy and are not expected to be extinguished but will be reviewed periodically in light of business performance and/or change of control provisions.
- \$292.1 million of non-trading losses incurred in the UK, of which \$277.1 million are subject to a restriction under the corporate interest restriction rules. These may be accessed in the future if there is sufficient capacity and the capital of the relevant company does not increase significantly under the change of control provisions.
- \$157.7 million of trading losses incurred in the US. \$116.2 million of these losses were incurred prior to bankruptcy and the utilisation of which will be restricted to small amounts each year due to the change of control provisions.
- \$15.6 million of trading losses were incurred in a number of different territories.

At the balance sheet date, it is not anticipated that any of the losses will be extinguished, although this is subject to tax authority agreement and will need to be reviewed periodically in light of business performance and change of control provisions.

Key sources of estimation uncertainty

Key sources of estimation uncertainty are those assumptions where there is a significant risk that changes to these assumptions could cause a material adjustment to the carrying value of assets and liabilities within the next 12 months. The following key sources of estimation uncertainty were identified:

Valuation of property, plant and equipment, intangible assets and goodwill

The Group has property, plant and equipment, intangible assets and goodwill with an aggregate carrying value of \$2,417.5 million. The Group has performed an impairment review at 31 March 2023 which identified headroom of \$1,070.5 million. Due to the potential impairment that would arise under reasonably possible scenarios, the valuation of property, plant and equipment, intangible assets and goodwill is considered to be a key source of estimation uncertainty.

The key sources of estimation uncertainty in the assessment of impairment are the assumptions related to the proportion of available network capacity sold in the terminal period and the discount rate applied. A reduction in the proportion of

available network capacity sold by 9% or an increase in the discount rate by 1.2% to 10.2% would result in the assets' fair value less costs to sell being equal to their carrying value. The Group is in the early stages of its operations and therefore there is considerable uncertainty over the proportion of its network capacity that the Group will be able to sell and the risks specific to the assets reflected in the discount rate. This uncertainty will be resolved through the passage of time as the Group's services become available and as customers adopt and distribute the Group's services. Further details in relation to this assessment are provided in note 6.

2.4 Significant accounting policies that relate to the financial statements as a whole

a) Measurement convention

The financial statements are prepared on the historical cost basis except for certain financial assets and financial liabilities required by Adopted IFRS to be measured at fair value. The Group and Company financial statements are presented in United States dollars, rounded to the nearest \$0.1 million.

b) Basis of consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, together with the Group's interest in its joint ventures. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control above.

c) Foreign currency

The presentation currency of the Group is the U.S. dollar. Subsidiaries whose functional currency is a currency other than the U.S. dollar translate their assets and liabilities into U.S. dollars at the current exchange rates in effect at the end of the reporting period. Income and expense accounts of such subsidiaries are translated into U.S. dollars at the average exchange rates during the period. Translation adjustments are included in the foreign currency translation reserve, a separate component of equity. Gains or losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are recorded in profit or loss and classified as foreign exchange gain or loss on the consolidated statements of comprehensive income or loss.

2.5 Adopted IFRS not yet applied

The following Adopted IFRSs have been issued but have not been applied in these financial statements. Their adoption is not expected to have a material effect on the financial statements:

Accounting pronouncements with effective date on or after 1 January 2023:

- IFRS 17: Insurance Contracts and Amendments to IFRS 17 Insurance Contracts;
- Amendments to IAS 1: Disclosure of Accounting Policies and Amendments to IAS 8: Definition of Accounting Estimates; and
- Amendment to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

Accounting pronouncement with effective date on or after 1 January 2024:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current.

3 Acquisitions and disposals

Accounting policy

The Group has determined whether a particular set of activities and assets is a business by assessing whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. This election can be applied on a transaction-by-transaction basis. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between: (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

Part disposal in the prior period: First Tech Web Company Limited

On 24 October 2021, 50% of the Group's investment in First Tech Web Company Limited, a company incorporated in the Kingdom of Saudi Arabia was sold to NEOM Tech and Digital Company ("NEOM"), with each shareholder making an initial shareholder contribution of \$5.0 million and subsequently each holding 50% of the share capital in the company ("NEOM JV"). The Group therefore no longer has control of First Tech Web Company Limited. Following these transactions, the Group has joint control of the entity and the investment is now accounted for under the equity method. Further details of the purpose of the joint venture are provided in note 15.

On disposal, the net assets of the entity were \$0.5 million, which primarily comprised property, plant and equipment (\$0.6 million) and employee and tax obligations (\$0.2 million). The Group recognised a loss on disposal of \$0.2 million and the fair value of its retained interest was \$0.2 million at the point of disposal. The Group received cash consideration of \$13,333 and disposed of cash of \$38,819, resulting in a net cash outflow on disposal of \$25,486.

At 31 March 2022, the value of the Group's 50% investment in First Tech Web Company Limited, accounted for as a joint venture, was as follows:

	\$m
Fair value of interest retained on disposal of subsidiary	0.2
Subsequent investment	15.0
Share of result of joint venture	-
Carrying value of interest in joint venture	15.2

Acquisition in the prior period: Trustcomm Inc.

TrustComm Inc. was acquired from the Nox Trust on 20 September 2021, for cash consideration of \$11.8 million.

Founded in 1999, TrustComm is a provider of satellite communications with its key customers being US government agencies. This acquisition is part of the Group's strategy to commence and scale up satellite communications service to the U.S. Department of Defense, and other US government agencies, the 'Five Eyes' Alliance, NATO, United Nations and a few other US government agencies. Following acquisition, TrustComm was renamed OneWeb Technologies Inc ("OWT").

OWT is managed by the Group under a proxy agreement which places restrictions on the information which may be shared with the Group. The conclusion that the Group meets the requirements of IFRS 10 with respect to control is considered to be a critical judgement in these financial statements, further details of which are provided in note 2.3.

Effect of acquisition

The acquisition had the following effect on the Group's assets and liabilities:

	Recognised values on acquisition \$m
Non-current assets	
Property, plant and equipment	1.9
Intangible assets	0.2
Bonds and deposits	0.1
	2.2
Current assets	
Prepaid expenses	0.2
Other current receivables	1.6
Cash and cash equivalents	8.0
	9.8
Total assets	12.0

	Recognised values on acquisition \$m
Current liabilities	
Trade payables	(1.4)
Accrued expenses	(0.2)
Accrued employee compensation	(0.4)
Deferred revenue	(5.0)
Other current payables	(0.4)
Total liabilities	(7.4)
Net identifiable assets and liabilities at fair value	4.6
Consideration paid	
Cash consideration	9.0
Contingent consideration paid into escrow	2.0
Seller's transaction costs paid	0.8
Total consideration	11.8
Goodwill arising on acquisition	7.2
Net cash outflow arising on acquisition	
Cash consideration	(9.0)
Contingent consideration paid into escrow	(2.0)
Seller's transaction costs paid	(0.8)
Cash acquired	8.0
Net cash outflow	(3.8)

In 2022 since acquisition, OWT contributed revenue of \$9.6 million, an operating loss of \$1.3 million and a net loss of \$1.3 million to the Group. If the acquisition had occurred on 1 April 2021, the net loss for the Group would have been \$0.8 million. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition occurred on 1 April 2021.

Goodwill has arisen on the acquisition because of the value placed on the ability to contract with the US Department of Defense.

Acquisition transaction costs

During 2022, in relation to the acquisition of OWT, the Group incurred acquisition related transaction costs of \$0.5 million, primarily related to legal fees. These costs have been included in the Company's statement of comprehensive income, below operating loss. During 2023, the Group incurred merger related transaction costs of \$20.7 million. This relates to the legal, professional and employee related expenses incurred by the Group in relation to the Group's planned combination with Eutelsat.

4 Revenue

Accounting policy

Revenue is recognised when control of promised goods or services is transferred to the customer, valued at the consideration the Group expects to receive, net of taxes, duties and discounts.

The Group's standard contract terms include multiple promises for the delivery of goods or performance of services. At the inception of the arrangement, the Group assesses all the promises in the arrangement to determine whether they represent distinct performance obligations by assessing whether 1) the customer can benefit from good or service on its own; or together with other readily available resources, and 2) the good or service is distinct in the context of the contract. Total consideration is allocated to each performance obligation based on their relative standalone selling prices. Where there is observable evidence that a discount relates solely to a specific performance obligation, the discount is allocated entirely to that performance obligation. Revenue is recognised when, or as, each distinct performance obligation is satisfied.

The significant forms of revenue for the Group and their basis of recognition are as follows:

Service revenue

Service revenue is derived from the provision of satellite connectivity services. These contracts may include one-off charges for activation in addition to recurring charges for monthly connectivity services. These promises are accounted for together as a single distinct performance obligation reflecting the conclusion that the individual promises are not capable of being distinct.

The nature of the Group's contracts may result in variable consideration, for example in relation to revenue share or tiered discounting arrangements. This is estimated as the most likely amount based on an assessment of the expected outcome,

and is included in the transaction price to the extent that it is considered highly probable that a significant reversal of the cumulative revenue recognised will not occur.

Service revenue is recognised as the service is provided over time based on the contract period.

Customers are typically billed in advance for services and to the extent cumulative cash received exceeds cumulative service, a contract liability is recognised. Conversely, where cumulative service exceeds cumulative cash received, a contract asset is recognised.

Sales of equipment

The Group assesses whether the user terminal sold can be used on its own or with other readily available resources. Where this is the case, the sale of the user terminal is assessed to constitute a separate performance obligation and revenue is recognised when control of the equipment is transferred to the customer. Where this is not the case, the user terminal is concluded to form part of the same performance obligation as the satellite connectivity services and recognised over this period.

'Indefeasible Right of Use' ("IRU") revenues

The Group enters into certain agreements to provide an 'Indefeasible Right of Use' for a portion of network capacity. At the inception of such contracts, an assessment is performed to determine whether the contracts contain a lease within the scope of IFRS 16 Leases by conferring to the customer the right to control the use of an identified asset.

None of the Group's IRU arrangements contain a lease as in each case there is no identified asset, as the service is provided through an orbiting constellation of satellites which each provide connectivity to different regions during their orbit. IRU arrangements are accounted for as service agreements with revenue recognised as the service is provided over time based on the contract period.

Upfront payments received are deferred as a contract liability to the extent these exceed cumulative revenue. An assessment is performed to identify whether advance payments provide a significant financing benefit to the Group. Where a significant financing component that is attributable to the provision of financing is identified, the Group adjusts the revenue to be recognised for the effect of discounting and unwinds the contract liability based on the discount rate that would be reflected in a separate financing transaction with the customer. The applicable revenue and interest expense are presented on a gross basis.

Contract costs

Contract costs to obtain a contract and fulfil a contract are capitalised and amortised on a systematic basis, consistent with the pattern of transfer of the goods or services to which the capitalised cost relates, over the minimum contract period.

	2023	2022
	\$m	\$m
Connectivity services	23.6	5.9
Equipment sales	7.3	3.7
Total revenue	30.9	9.6

At 31 March 2023, a contract liability of \$40.9 million (31 March 2022: \$4.8 million) represents the revenue expected to be recognised in the next 12 months for performance obligations that are not completed. At 31 March 2023, a contract liability of \$254.7 million (31 March 2022: \$175.0 million) represents the revenue for performance obligations that are not expected to be satisfied within the next 12 months. Certain of the Group's contract liabilities include performance conditions related to the provision of services and these could require repayment if these conditions are not met; at 31 March 2023 and 31 March 2022, the Group expects to meet all such conditions and the amounts are therefore recognised as contract liabilities.

During 2022, The Group received advanced payment of \$170.6 million from a customer for services due to be rendered over a number of years. This constitutes an IRU. The Group has performed an assessment to determine whether the contract contains a lease within the scope of IFRS 16: Leases in line with its accounting policy, and concluded that the arrangement should be accounted for as a service agreement with revenue recognised as the service is provided over time, based on the contract period.

The payment received has been deferred as a contract liability. The advance payment has been concluded to provide a significant financing benefit to the Group. Accordingly, the revenue to be recognised has been adjusted for the effect of discounting, resulting in the unwinding of the contract liability based on the discount rate that would be reflected in a separate financing transaction with the customer. The applicable revenue and interest expense are therefore presented on a gross basis. Interest expense of \$14.0 million has been recognised in the year (2022: \$4.4 million), a contract liability of \$189.0 million (31 March 2022: \$175.0 million) represents the present value of revenue expected to be recognised in future periods.

5 Operating expenses

	2023 \$m	2022 \$m
Staff remuneration (see note 8)	87.1	93.1
Other staff costs	7.9	6.4
Total staff costs	95.0	99.5
Professional fees	27.3	25.5
Network and facility costs	75.1	62.8
Travel and entertainment	6.9	4.6
Marketing	3.9	3.9
Cost of inventories recognised as an expense	7.3	2.9
Non-staff cost R&D expense	-	2.6
Write-off of property, plant & equipment	2.1	4.2
Depreciation of property, plant & equipment	128.9	2.4
Depreciation of right of use lease assets	9.4	7.9
Write-off of intangible assets	-	0.3
Amortisation of intangible assets	36.5	0.1
Reversal of impairment charge (see note 6)	(5.8)	-
Reorganisation and restructuring costs	(0.2)	0.5
Foreign exchange losses	0.9	0.2
Total operating expenses	387.3	217.4

6 Asset impairment

Accounting policy

The carrying amounts of the Group's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment by estimating the asset's recoverable amount and comparing to the holding value.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use ("VIU") and its fair value less costs to sell ("FVLCTS"). The FVLCTS may differ and be higher or lower than the VIU. Where the VIU exceeds the carrying value it is not necessary to estimate the FVLCTS, but where applicable the difference is considered as part of determining the appropriateness of the VIU. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). There was only a single CGU in the Group.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (or group of units) on a pro rata basis.

Impairment charge recognised in 2022 and settlement in 2023

In 2022, an impairment charge of \$229.2 million was recognised to reflect the loss suffered by the Group as a result of the postponement of a planned launch on 4 March 2022, the associated postponement of subsequent scheduled launches, the loss of satellites not returned to the Group and the impairment of a portion of the Group's prepaid launch insurance.

The charge resulted in a reduction in the carrying value of property, plant and equipment of \$272.3 million and prepayments of \$1.0 million, and the reversal of provisions of \$19.7 million and trade payables of \$24.4 million. The provision and trade payables that have been de-recognised relate to the amounts that were previously due for future launches which are no longer scheduled and excludes any amounts not invoiced at 31 March 2022. The property, plant and equipment assets related to capitalised launch costs and cost of satellites and other launch connected assets, which were deemed to have no recoverable value on either a FVLCTS or VIU basis. The provision reversal related to an unfavourable contract provision recognised on the acquisition of OWC in 2020, while the reversal of trade payables related to amounts invoiced for future launches postponed.

During the year ended 31 March 2023, linked to the events that resulted in the impairment noted above, the Group entered into discussions with a supplier. This resulted in an agreement under which the Group received a credit of \$34.2 million which is recognised as other operating income. In addition, the Group also reversed \$5.8 million of impairment as the Group received use of certain assets that had previously been impaired that could be deployed for the launches the Group executed in the financial year.

Impairment assessment

The Group assesses goodwill, spectrum rights and licences annually for impairment by reviewing the carrying amount against the recoverable amount of the asset. In addition, the Group assesses other assets at each reporting date to determine whether an indicator of impairment exists. The Group has identified an indicator of impairment as a result of the slower than previously projected revenue realisation rate. The annual impairment review has been performed at 31 March 2023, consistent with the previous year.

The Group's property, plant and equipment, intangible assets and goodwill are assessed to constitute a single CGU because of the nature of the OneWeb network. None of the individual assets can operate to generate cash inflows independent of other assets as the space, ground segment and intangible assets are all required to deliver connectivity services to customers. The recoverable amount of the CGU was determined by measuring its FVLCTS, with fair value based on the income approach valuation technique. The income approach converts future cash flows into a single discounted value, reflecting current market expectations about those future amounts.

The financial projections underlying the FVLCTS valuation were based on the five-year period included in the Group's long-term business plan ("LTBP") approved by the Board of Directors. These are unobservable inputs from the perspective of a market participant and are therefore considered to be "Level 3" inputs as defined by IFRS 13: Fair Value Measurement. The cash-flows approved by the Board have been overlaid with the deployment of further satellites and ground network assets to maintain the CGU. As the satellite portion of the assets subject to testing have finite lives, this impairment analysis assumes their replacement, which was not included in the base long-term business plan. The financial projections do not include cash flows reflecting future improvements to the performance of the assets, but they do assume the upgrade of technology as a normal replacement programme.

The key assumption applied relates to the proportion of available network capacity that is sold by OneWeb in the terminal period, which is the key driver of revenue achieved. In addition, the discount rate and terminal growth rate assumptions applied impact upon the calculation. The discount rate applied reflects the prevailing economic environment and the risks specific to the assets, including the assessment that the execution risk of the cash-flows has reduced in the current year as a result of the completion of the satellite constellation. The long-term growth rate reflects global macro-economic growth forecasts applicable to the terminal value period. The current year calculations were derived on a post-tax basis, versus the prior year, which were derived on a pre-tax basis.

	31 March 2023	31 March 2022
Discount rate (post-tax basis)	9.0%	8.6%
Discount rate (pre-tax basis)	12.0%	11.5%
Terminal growth rate	3.0%	3.0%
Terminal period proportion of available network capacity sold	64%	81%

The 2022 post-tax discount rate and 2023 pre-tax discount rate are provided for comparison purposes only.

Sensitivity analysis

We conducted sensitivity analysis on the CGU by assessing the impact of a change in the proportion of available network capacity that is sold by OneWeb in the terminal period and the discount rate applied. The analysis indicated that a 9% reduction in the available network capacity sold to 58% or an increase in the discount rate by 1.2% to 10.2% would result in the recoverable amount being equal to the carrying value. These scenarios are not considered to be likely but are assessed to be reasonably possible given the early-stage of the Group's operations and the associated uncertainty in relation to future performance. The headroom in the base case scenario is \$1,070.5 million.

7 Auditor's remuneration

KPMG LLP was the Company's auditor in the current and prior period. During the period, the following services were obtained from KPMG:

	2023 \$m	2022 \$m
Audit of these financial statements	0.9	0.5
Audit of financial statements of subsidiaries of the Company	0.3	-
Total KPMG and its associates' audit fees	1.2	0.5

The level of fees paid for the audit of financial statements of subsidiaries of the Company was \$0.3 million (2022: less than \$0.1 million) and non-audit services rounds to less than \$0.1 million in both 2023 and 2022.

8 Employee information

Accounting policy

Employees are considered to be individuals employed under contracts of service, plus any Non-executive Directors. Contracts of service include all employees, other than occasional casual workers, but exclude any individuals employed by non-consolidated entities who are contracted to work for us on a full-time basis.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Average number of employees

	2023	2022
Operations	398	312
Commercial	71	24
Corporate functions	90	75
	559	411

Staff remuneration

The aggregate remuneration of these persons was as follows:

	2023	2022
	\$m	\$m
Wages and salaries	71.3	75.6
Share based payments (see note 10)	4.8	6.1
Social security costs	8.0	9.7
Contributions to defined contribution retirement benefit schemes	3.0	1.7
Total staff remuneration	87.1	93.1

9 Directors' remuneration

	2023	2022
	\$m	\$m
Directors' remuneration other than merger related remuneration	1.8	2.5
Merger related Directors' remuneration (see note 3)	2.0	-
Directors' remuneration	3.8	2.5
Amounts receivable under long term incentive schemes (see note 10)	1.4	1.3
Contributions to money purchase pension plans	-	-
Amounts paid to third parties in respect of Directors' services	-	-

The highest paid Director received remuneration of \$1.6 million (31 March 2022: \$2.5 million) other than merger related remuneration and \$2.0 million (31 March 2022: \$nil) merger related remuneration, that would become payable at the time of completion of the combination with Eutelsat, for total remuneration of \$3.6 million (31 March 2022: \$2.5 million) and amounts receivable under long-term incentive schemes of \$1.4 million (31 March 2022: \$1.3 million).

10 Share-based payments

Accounting policy

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured using an option valuation model, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where the Company grants options over its own shares to the employees of its subsidiaries it recognises, in its individual financial statements, an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share-based payment charge recognised in its consolidated financial statements with the corresponding credit being recognised directly in equity.

Employee Share Option Plan ("ESOP")

On 7 January 2021, 10,000 ESOP awards were granted to a Director of the Company, with an exercise price of \$1,000 per award.

The awards are subject to phased annual vesting and expire on 31 December 2030:

- 25% of the awards vest on 31 December 2022;
- 25% of the awards vest on 31 December 2023;
- 25% of the awards vest on 31 December 2024; and
- 25% of the awards vest on 31 December 2025.

All awards are subject to the following vesting rules regarding the individual leaving the Company:

- On or before December 2021 all unvested awards will lapse.
- On or between 1 January 2022 and December 2022 25% of the awards will vest.
- On or between 1 January 2023 and December 2023 50% of the awards will vest.
- On or between 1 January 2024 and December 2024 75% of the awards will vest.
- On or between 1 January 2025 and December 2025 100% of the awards will vest.

There are no performance conditions associated with these awards.

If the shares of the Company are not Listed by 31 December 2025 and the award holder has not left the Company, the holder will be able to monetise the awards as follows:

- 25% of the awards on 31 December 2026;
- 25% of the awards on 31 December 2027;
- 25% of the awards on 31 December 2028; and
- 25% of the awards on 31 December 2029.

Monetisation is based on a market valuation exercise of the Company, discounted by 20%.

The fair value of interests awarded under the ESOP was determined using a Binomial Lattice model. The Binomial Lattice model derives the value of an option by specifying a stochastic process, such as a random variable that changes through time. In a Binomial Lattice model, stock prices follow a multiplicative binomial process.

Charge for the period

The total charge for the period was \$4.8 million (2022: \$6.1 million). The same amount is recognised as a movement in reserves in the period.

Movement in share awards

	Number of share awards	Weighted average exercise price \$
At 31 March 2021	10,000	1,000
Granted	27,300	1,000
At 31 March 2022	37,300	1,000
Granted	3,790	1,000
Forfeited	(3,060)	1,000
At 31 March 2023	38,030	1,000

Supplementary information

	2023		2022	
	Years	\$	Years	\$
Weighted average remaining life	1.3		2.3	
Fair value of options granted		469		469

Assumptions

	2023		2022	
	IPO	Monetising mechanism	IPO	Monetising mechanism
Expected life (years)	4.7	6.2	4.7	6.2
Share price (\$)	1,237	990	1,237	990
Exercise price (\$)	1,000	1,000	1,000	1,000
Risk free rate (%)	0.7	1.0	0.7	1.0
Volatility (%)	43.0	40.2	43.0	40.2
Probability weight (%)	50.0	50.0	50.0	50.0

The stochastic model applied to the share price calculation was simulated with 10,000 trials.

11 Investment income and finance costs

Accounting policy

Investment income comprises interest received from bank deposits and other advances.

Finance costs arising on the unwinding of assets and liabilities are recognised in profit or loss using the effective interest method.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

	2023 \$m	2022 \$m
Unwinding of discount on non-current prepayment	0.5	-
Bank interest received	2.3	0.3
Total investment income	2.8	0.3
Lease interest (see note 20)	(6.3)	(5.7)
Unwinding of discount on unfavourable contract provision (see note 17)	-	(0.8)
Unwinding of discount on asset retirement obligation provision (see note 17)	(0.7)	(0.7)
Unwinding of discount on contract liability (see note 4)	(14.0)	(4.4)
Bank fees paid	(0.5)	(0.1)
Total finance costs	(21.5)	(11.7)

12 Taxation

Accounting policy

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Income tax expense

	2023 \$m	2022 \$m
Current tax expense		
Current year tax charge	(1.6)	(1.3)
Adjustment in respect of prior periods	(1.2)	2.2
Total current tax (charge)/credit	(2.8)	0.9
Deferred tax expense		
Effect of tax rate changes	-	(14.9)
Recognition of deferred tax asset regarding temporary differences	-	62.0
Total tax (charge)/credit	(2.8)	48.0

Reconciliation of effective tax rate

	2023 \$m	2022 \$m
Loss before tax	(359.1)	(437.8)
Tax applying the UK corporation tax rate of 19%	68.2	83.2
Effect of tax rates in foreign jurisdictions	(0.3)	0.1
Non-deductible expenses	(35.3)	(5.8)
Non-taxable items	2.6	2.2
Reversal/(origination) of temporary differences for which no deferred tax asset has been recognised	75.3	(44.5)
Current periods losses for which no deferred tax asset was recognised	(150.2)	(46.6)
Origination/reversal of temporary differences	-	62.0
Permanent difference as a result of the super deduction	22.8	-
(Under)/over provisions in respect of prior periods	(1.2)	2.2
Utilisation of brought forward net operating losses	15.3	-
Tax credits and incentives	-	(0.5)
Effect of tax rates changes	-	(4.3)
Total tax (charge)/credit	(2.8)	48.0

Factors that may affect future tax charges

An increase in the UK corporate tax rate from 19% to 25% (effective from 1 April 2023) was substantively enacted on 14 May 2021. This will increase the Company's future current tax charge accordingly.

Deferred tax

	\$m
At 31 March 2021	(47.1)
Effect of tax rate changes	(14.9)
Recognition of deferred tax asset regarding temporary differences	62.0
At 31 March 2022 and 31 March 2023	-

Deductible temporary differences for which deferred tax assets have not been recognised at the end of each reporting period are presented below:

	2023		2022	
	Assets \$m	Liabilities \$m	Assets \$m	Liabilities \$m
Goodwill & intangible assets	13.3	(62.0)	13.3	(62.0)
Share-based payments	1.5	-	1.5	-
Property, plant and equipment	265.4	-	366.4	-
Right-of-use assets	(6.0)	-	(6.0)	-
Lease liabilities	9.3	-	9.3	-
Tax losses	399.7	-	192.8	-
Other	7.8	-	6.3	-
Total asset/(liability) before offset	691.0	(62.0)	583.6	(62.0)
Deferred tax asset/(liability) offset	(62.0)	62.0	(62.0)	62.0
Total unrecognised asset/(liability) after offset	629.0	-	521.6	-
Total recognised asset/(liability) after offset	-	-	-	-

At 31 March 2023, the Group had tax losses totalling \$1,643.0 million (2022: \$818.2 million), resulting in an unrecognised deferred tax asset of \$399.7 million (2022: \$192.8 million) and other temporary timing differences of \$640.7 million (2022: \$1,050.7 million), resulting in an unrecognised deferred tax asset of \$229.3 million (2022: \$328.8 million) of which \$817.2 million (2022: \$1,221.1 million) relates to unclaimed tax depreciation on fixed assets, resulting in an unrecognised deferred tax asset of \$203.4 million (2022: \$304.4 million). The unrecognised deferred tax in relation to the tax losses is considered to be a critical judgement in these financial statements, further details of which are provided in note 2.3.

At 31 March 2023, the Group has not recognised any deferred tax liabilities relating to its investment in subsidiaries as the Group controls the timing of reversal of the related temporary differences and management is satisfied that they will not reverse in the foreseeable future.

13 Property, plant and equipment

Accounting policy

The Group's property, plant and equipment include costs for the design, manufacture, test and launch of a constellation of low earth orbit satellites (the space component), primary and backup control centres, gateways and other ground facilities (the ground component).

Property, plant and equipment are stated at cost less accumulated depreciation for those assets brought into service. Assets under construction include advances paid to vendors for work undertaken on behalf of the Group.

The cost of property, plant and equipment includes the estimated costs of dismantling and removing the asset and restoring the site on which it is located to the extent that the Group has a legal or constructive obligation as a direct consequence of acquiring or constructing the property, plant and equipment.

The cost of property, plant and equipment includes labour costs where these are concluded to be directly attributable to a specific asset and are measured based on recording of staff time.

Assets are brought into service and depreciated from the point they are operating as intended. The OneWeb network cannot operate as intended until sufficient coverage has been created to offer a commercial service. When sufficient coverage exists to be able to provide customers with a viable service, all assets associated with providing that service are placed into service and depreciation commences. Assets required to provide service to regions north of 50° latitude were assessed to be available for use in May 2022 and depreciation has commenced at that date.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Estimated useful lives as follows:

- Satellites and directly attributable costs – the shorter of 7 years from launch or the point at which the constellation is no longer capable of delivering a viable commercial service
- Ground segment assets – 7 to 10 years
- Other property, plant and equipment – 2 to 3 years
- Leasehold improvements – the shorter of useful lives or the lease term

Where components of property, plant and equipment have different useful lives, they are accounted for as a separate class of property, plant and equipment. The estimated useful lives and depreciation methods are reviewed at the end of each reporting period and the effect of any changes in estimates are accounted for on a prospective basis.

Carrying value of property, plant and equipment

	Space component under construction \$m	Ground component under construction \$m	Space component in service \$m	Ground component in service \$m	Other property and equipment \$m	Total \$m
Cost						
At 31 March 2021	1,046.2	226.2	-	-	2.0	1,274.4
Acquisition of a subsidiary	-	-	-	0.4	1.5	1.9
Additions	483.9	104.1	-	0.6	0.7	589.3
Written off	(4.2)	-	-	-	-	(4.2)
Transfers to intangible assets	(127.9)	(47.1)	-	-	-	(175.0)
Foreign exchange	-	0.1	-	-	(0.2)	(0.1)
At 31 March 2022	1,398.0	283.3	-	1.0	4.0	1,686.3
Additions	353.5	209.5	-	0.6	0.3	563.9
Written off	(2.1)	-	-	-	-	(2.1)
Transfers	(911.1)	(78.1)	838.1	151.1	-	-
Foreign exchange	-	(0.5)	-	(0.1)	-	(0.6)
At 31 March 2023	838.3	414.2	838.1	152.6	4.3	2,247.5
Depreciation						
At 31 March 2021	-	-	-	-	(1.2)	(1.2)
Depreciation charge	-	-	-	(0.1)	(2.3)	(2.4)
Impairment charge	(272.3)	-	-	-	-	(272.3)
At 31 March 2022	(272.3)	-	-	(0.1)	(3.5)	(275.9)
Depreciation charge	-	-	(104.0)	(24.3)	(0.6)	(128.9)
Reversal of impairment charge	5.8	-	-	-	-	5.8
At 31 March 2023	(266.5)	-	(104.0)	(24.4)	(4.1)	(399.0)
Carrying value						
At 31 March 2023	571.8	414.2	734.1	128.2	0.2	1,848.5
At 31 March 2022	1,125.7	283.3	-	0.9	0.5	1,410.4

In 2022, an impairment charge of \$272.3 million was recognised as detailed in note 6.

In 2022, transfers to intangible assets of \$175.0 million relates to assets previously recognised as property, plant and equipment that are intangible in nature, primarily relating to software where this is the primary component of an asset rather than being a component of a property, plant and equipment asset.

The write-off of \$2.1 million (31 March 2022: \$4.2 million) recognised in the space component under construction relates to satellites that are non-operational.

The reversal of impairment charge of \$5.8 million (2022: \$nil) relates to the reversal of a portion of impairment recognised in the year ended 31 March 2022 as detailed in note 6.

Security

There are no restrictions over title of any Group owned assets or assets that are pledged as security.

14 Intangible assets

Accounting policy

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and less accumulated impairment losses.

The Group classifies its intangible assets into finite and indefinite categories based upon the assessment of their useful life. An intangible asset is classified as having an indefinite useful life when, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group, based on the analysis of all relevant factors. All other intangible assets that arise from contractual or other legal rights are classified as intangible assets with finite useful lives.

Intangible assets with finite useful lives include internal-use computer software and patents. Intangible assets with finite useful lives are carried at cost less accumulated amortisation and any recognised impairment loss. Amortisation is recognised on a straight-line basis over the estimated useful lives of the respective assets. The estimated useful lives are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Intangible assets with indefinite useful lives are carried at cost less any recognised impairment loss. The Group's intangible assets with indefinite useful lives consist of spectrum rights and licences.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use. Gains or losses arising from derecognition are recognised in profit or loss.

Assets under construction

Expenditure on research activities is recognised in the income statement as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

The cost of intangible assets includes labour costs where these are concluded to be directly attributable to a specific asset, and are measured based on recording of staff time.

Assets are brought into service and amortised from the point they are operating as intended. The OneWeb network cannot operate as intended until sufficient coverage has been created to offer a commercial service. When sufficient coverage exists to be able to provide customers with a viable service, all assets associated with providing that service are placed into service and amortisation commences. Assets required to provide service to regions north of 50° latitude were assessed to be available for use in May 2022 and amortisation has commenced at that date.

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use.

Spectrum rights and licences

Spectrum rights and licences represent the Group's rights, registrations and authorisations from the ITU and government agencies to enable the Group to conduct its business.

OneWeb has secured c.6.0 GHz of priority non-geostationary orbit ("NGSO") spectrum rights in the Ku and Ka bands, covering:

-2.5 GHz of Ku band end for user links

-3.3 GHz of Ka band gateway for feeder links

If OneWeb meets both the bring-into-use ("BIU") and build out milestones for main ITU filings with Ofcom (Ku band) and ANFR (Ka band) that it currently relies on, the Group will be able to preserve these spectrum rights indefinitely. Specifically, the l'Agence Nationale des Fréquences ("ANFR") authorisation was issued for 20 years, OneWeb has met all obligations related to the ANFR authorisation, and renewal expectancy is high. Due to the expectancy right to maintain the once awarded spectrum rights and licences, an indefinite useful economic life is applied to these assets. Assets with an indefinite life are not amortised, an annual impairment review is performed instead, or earlier if an indication of impairment is noted.

Developed software

Developed software relates to the software that the Group controls for the purpose of operating the business. Developed software is amortised on a straight-line basis over its useful economic life of seven years.

Patents

Patents are the Group's intellectual property that cover aspects of the Group's satellite system, global communication network and devices. Patents are amortised on a straight-line basis over their useful life of 15 years.

	Spectrum rights and licences	Developed software	Patents	Total
	\$m	\$m	\$m	\$m
Cost				
At 31 March 2021	252.4	-	1.6	254.0
Acquisition of a subsidiary	-	-	0.2	0.2
Additions	-	77.8	-	77.8
Transfers from property, plant and equipment	-	175.0	-	175.0
Transfers to bonds and deposits	(0.4)	-	-	(0.4)
Written off	-	-	(0.3)	(0.3)
Foreign exchange	-	(0.1)	-	(0.1)
At 31 March 2022	252.0	252.7	1.5	506.2
Additions	0.7	91.4	0.1	92.2
At 31 March 2023	252.7	344.1	1.6	598.4
Amortisation				
At 31 March 2021	-	-	-	-
Amortisation charge	-	-	(0.1)	(0.1)
At 31 March 2022	-	-	(0.1)	(0.1)
Amortisation charge	-	(36.3)	(0.2)	(36.5)
At 31 March 2023	-	(36.3)	(0.3)	(36.6)
Carrying value				
At 31 March 2023	252.7	307.8	1.3	561.8
At 31 March 2022	252.0	252.7	1.4	506.1

In 2022, transfers from property, plant and equipment of \$175.0 million relates to assets previously recognised as property, plant and equipment that are intangible in nature, primarily relating to software where this is the primary component of an asset rather than being a component of a property, plant and equipment asset.

15 Investment in joint ventures

Airbus OneWeb Satellites LLC ("AOS")

The Group has joint control over AOS. AOS was created as a joint venture with Airbus DS Satnet, to develop and design the first generation of OneWeb satellites. Each shareholder owns 50% of equity interest in AOS and has equal voting or similar rights with major decisions approved on unanimous basis. The risks related to AOS operations and cost overruns are equally borne by both shareholders. The Group does not have power over AOS's relevant activities and while equally is exposed to variability of returns, the Group therefore does not have the ability to use power to affect such returns.

First Tech Web Company Limited ("NEOM JV")

The Group has joint control over the NEOM JV. The NEOM JV was established as a joint venture in the Kingdom of Saudi Arabia with NEOM Tech and Digital Company for the purpose of managing the operation of ground-based infrastructure and contracting with regional customers for the sale of connectivity services. Each shareholder owns 50% of equity interest and has equal voting or similar rights with major decisions approved on unanimous basis. The Group and NEOM have equal rights in relation to the composition of the board and its committees, and each have the right to appoint certain members of executive management. The Group does not have power over the NEOM JV's relevant activities and while equally is exposed to variability of returns, the Group therefore does not have the ability to use power to affect such returns.

Accounting Policy

A joint venture is an entity where control is shared with another party. The results, assets and liabilities of the Group's joint ventures are incorporated into these financial statements using the equity method of accounting. The investment in a joint venture is initially recognised at cost. At the acquisition date, any excess of the cost of acquisition over our share of the fair value of the identifiable assets and liabilities of the associate is recognised as goodwill.

The consolidated income statement reflects the Group's share of the results of operations. Any change in other comprehensive income would be recognised as part of consolidated other comprehensive income. Unrealised profits resulting from transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the business. The profit earned by AOS for the sale of satellites to OneWeb is considered unrealised until the associated assets are placed into service, and are therefore eliminated until the assets are available for use by the Group. Certain assets

were determined to be available for use by the Group in May 2022 which resulted in some of the previously eliminated profit being realised in the period.

	AOS \$m	NEOM JV \$m	Total \$m
At 31 March 2021	8.7	-	8.7
Acquisition of joint venture	-	0.2	0.2
Funding provided to joint venture	-	15.0	15.0
Share of result of joint venture	5.3	-	5.3
Dividend received from joint venture	(14.0)	-	(14.0)
At 31 March 2022	-	15.2	15.2
Directly attributable costs of investment in joint venture	-	0.6	0.6
Share of result of joint venture	1.5	(1.2)	0.3
At 31 March 2023	1.5	14.6	16.1

Summarised financial information of AOS

	2023 \$m	2022 \$m
100% of the results of the business		
Revenue	308.8	431.4
Profit after tax	(24.0)	50.1
Total comprehensive (loss)/profit	(24.0)	50.1
Group share of the results of the business before elimination of unrealised profits and losses		
Revenue	154.4	215.7
Profit after tax	(12.0)	25.1
Total comprehensive (loss)/profit	(12.0)	25.1
Group share of the results of the business after elimination of unrealised profits and losses		
Revenue	42.6	215.7
Profit after tax	(1.3)	5.3
Total comprehensive (loss)/profit	(1.3)	5.3
	2023 \$m	2022 \$m
100% of the net assets of the business		
Non-current assets	17.3	57.3
Current assets	88.2	227.5
Non-current liabilities	(2.5)	(2.5)
Current liabilities	(86.0)	(240.3)
Net assets and total equity	17.0	42.0
Group share of interest in joint venture's net assets	8.5	21.0
Elimination of unrealised profits and losses	(5.2)	(19.2)
Profit realised as a result of dividends received in excess of carrying value	(5.3)	(5.3)
Goodwill	3.5	3.5
Carrying value of interest in joint venture	1.5	-

In December 2021, the Group received a dividend of \$14.0 million from AOS. The dividend exceeded the carrying value of the investment in joint venture and the excess of \$5.3 million was recognised in the year ended 31 March 2022 as share of profit of joint venture.

Supplementary information regarding AOS is provided below:

	2023 \$m	2022 \$m
Cash and cash equivalents	28.8	26.6
Current financial liabilities (excluding trade and other payables and provisions)	(8.8)	(5.7)
Non-current financial liabilities (excluding trade and other payables and provisions)	(1.9)	(1.9)
Depreciation and amortisation	(4.3)	(5.7)
Income tax expense	(1.2)	0.2

Summarised financial information of NEOM JV

The NEOM JV is in the process of building ground-based infrastructure in the Middle East and African regions. In the year to 31 March 2023, the entity had no revenue (2022: no revenue), total operating expenses of \$1.5 million (2022: \$0.2 million) and an income tax charge of \$0.3 million (2022: no income tax charge), resulting in a loss after tax and total comprehensive loss of \$2.4 million (2022: \$0.2 million). In the period, the NEOM JV had no depreciation and amortisation. There were no transactions with the NEOM JV that required elimination by the Group.

	2023 \$m	2022 \$m
100% of the net assets of the business		
Non-current assets	12.3	0.8
Current assets	33.3	36.1
Non-current liabilities	(6.9)	-
Current liabilities	(10.6)	(6.5)
Net assets and total equity	28.1	30.4
Directly attributable costs of investment in joint venture	0.6	-
Group share of interest in joint venture's net assets	14.0	15.2
Carrying value of interest in joint venture	14.6	15.2

Supplementary information regarding the NEOM JV is provided below.

	2023 \$m	2022 \$m
Cash and cash equivalents	33.2	29.7
Current financial liabilities (excluding trade and other payables and provisions)	(0.2)	-
Non-current financial liabilities (excluding trade and other payables and provisions)	-	-

16 Commitments and contingencies

Capital commitments

The Group has contractual purchase commitments with various vendors related to the design and developments of its first-generation constellation of satellites, communications infrastructure and ground facilities.

The table below summarises contractual commitments not recorded on the consolidated balance sheet (see note 22 for commitments with related parties).

	2023 \$m	2022 \$m
Less than a year	177.4	352.9
Between one and five years	5.5	91.1
More than five years	-	0.8
Total contractual commitments	182.9	444.8

Contingencies

There are no contingencies other than the provisions recognised on the consolidated statement of financial position that are expected to have a material adverse impact on the business, financial results or financial condition of the Company or the Group.

17 Provisions

Accounting policy

A provision is recognised in the balance sheet when a present legal or constructive obligation is held as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

The Group has two classes of provisions:

- **Unfavourable contracts.** There are unfavourable terms embedded in a certain vendor contract associated with the satellite launch programme, which existed within the OWC group purchased by the Company. A liability was recognised on acquisition of OWC, equal to the fair value at the point of acquisition. The liability was calculated

based on a comparison of the contracted terms versus current market rates for similar services. The provision of \$19.7 million was released during the financial year ended 31 March 2022 as detailed in note 6.

- **Asset retirement obligations.** Obligations arise on the decommissioning of certain items of property, plant and equipment. A liability is calculated based on the expected cost to decommission the assets and an equal asset is created and held within property, plant and equipment. The provision is expected to be utilised over the remaining expected asset lives, which are up to 10 years.

	Unfavourable contracts \$m	Asset retirement obligations \$m	Total \$m
At 31 March 2021	(42.6)	(3.9)	(46.5)
Additions	-	(6.2)	(6.2)
Utilised or released in the period	43.4	-	43.4
Unwinding of discount	(0.8)	(0.7)	(1.5)
At 31 March 2022	-	(10.8)	(10.8)
Additions	-	(0.9)	(0.9)
Unwinding of discount	-	(0.7)	(0.7)
At 31 March 2023	-	(12.4)	(12.4)
Current	-	-	-
Non-current	-	(12.4)	(12.4)
	-	(12.4)	(12.4)

18 Capital, reserves and shareholder funding

Shareholder funding

The movement in share subscription receivables in the period can be seen as follows:

	2023 \$m	2022 \$m
Share subscription receivables at start of period	606.0	308.5
Total subscription value in period	-	1,579.0
Cash receipts	(450.0)	(1,281.5)
Share subscription receivables at end of period	156.0	606.0

The recoverability of the share subscription receivables is considered to be a critical judgement in these financial statements, further details of which are provided in note 2.3.

Shareholder rights

Shares in the Company consist of three classes:

- Class A Shares, which have voting rights. All dividends paid are distributed to the A Shareholders pro rata according to the number of A Shares held by each of them.
- Class B Shares, which are non-voting. The holder of the B Share is not entitled to receive any income or distribution from the Company or any member of the Group in respect of the B Share, including in the event of a sale or IPO.
- Deferred Shares, which are non-voting and holders are not entitled to dividends or other distributions.

In addition, certain matters cannot be undertaken without the prior written consent of the Class B shareholder. These include changes to the location of the headquarters or centre of operations, changes to activities or technical and technology security standards of the Group, or tax avoidance arrangements.

Further rights do not depend on the class of share but rather on the size of shareholding under the terms of the Shareholders' Agreement in place between the Company's significant shareholders. These rights reflect the ability of shareholders to appoint Directors and other matters of corporate governance.

Share capital

Share capital is the number of shares in issue, stated at their nominal value.

The value of share capital at the end of the period was as follows:

	2023 \$	2022 \$
Deferred shares of £1 each	6	6
Class A shares of \$0.01 each	28,366	28,366
Class B shares of \$0.01 each	-	-
Fully paid	28,372	28,372

The number of shares issued during the period and at the period end was as follows:

	Deferred	Class A	Class B
Authorised and on issue at 31 March 2021	4	1,232,459	1
Issued in the year ended 31 March 2022	-	1,604,185	-
Authorised and on issue at 31 March 2022 and 31 March 2023	4	2,836,644	1

At 31 March 2023 and 31 March 2022

	Deferred	Class A	Class B
The Secretary of State for Business, Energy and Industrial Strategy	2	500,000	1
Bharti Space Limited	2	850,000	-
Eutelsat S.A.	-	650,000	-
SoftBank Group Capital Limited	-	500,000	-
Hanwha Systems UK Limited	-	250,000	-
Echostar Operating LLC	-	50,000	-
Banco Azteca, S.A., Institución de Banca Múltiple	-	16,879	-
Airbus Defence and Space Netherlands B.V.	-	12,064	-
Qualcomm Technologies, Inc.	-	6,072	-
Rwanda Social Security Board	-	1,629	-
Authorised and on issue at 31 March 2022	4	2,836,644	1

On 3 May 2023, the Secretary of State for Business, Energy and Industrial Strategy transferred its entire shareholding to the Secretary of State for the Department for Science, Innovation and Technology.

Share premium

Share premium is the amount received for a share issue which exceeds the nominal value, net of transaction costs incurred on the issuance of shares.

Share-based payment reserve

The share-based payment reserve reflects the credit arising on share-based payment accounting, with the opposite entry reflecting the charge for the year recognised in the statement of profit and loss and other comprehensive income. This reserve is not considered a part of distributable earnings.

Foreign currency reserve

Exchange differences relating to the translation of the net assets, income and expenses of foreign operations, from their local functional currency into US dollars, are recognised directly in the translation reserve. This reserve is not considered a part of distributable earnings.

Retained earnings

Retained earnings are the net earnings not paid out as dividends. Consolidated retained earnings were a deficit of \$381.2 million at the end of the period (31 March 2022: deficit of \$19.3 million).

Dividends payable to the Company's shareholders are recognised when they have been appropriately authorised. The Company has retained earnings of \$93.6 million at the end of the period (31 March 2022: \$18.3 million). No amounts included in the Company's retained earnings are non-distributable. The directors do not recommend the payment of a dividend.

19 Financial instruments

Accounting policy

Overview

Financial instruments comprise financial assets and financial liabilities. All financial assets and financial liabilities are held at amortised cost. There were no transfers between fair value measurement categories in the current period and no derivative financial instruments have been entered into.

Recognition and de-recognition of financial assets and liabilities

Financial assets and financial liabilities are recognised when we become a party to the contractual provisions of the instrument. Loss allowances for financial assets are calculated applying an expected credit loss model. A financial asset or liability is only de-recognised when the contractual right that gives rise to it is settled, sold, cancelled or expires.

Fair value measurement

Certain financial instruments are measured at fair value at each balance sheet date.

The carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised at fair value on a recurring basis, it is determined whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, we have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and, the level of the fair value hierarchy as explained above.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits. Cash and cash equivalents have a maturity of three months or less.

Maturity profile of financial instruments

31 March 2023

	On demand \$m	< 1 year \$m	Between 1 and 2 years \$m	> 2 years \$m	Total 2023 \$m
Non-current assets					
Bonds and deposits	-	-	-	14.8	14.8
Current assets					
Share subscription receivables	156.0	-	-	-	156.0
Receivables from related parties	-	10.4	-	-	10.4
Trade receivables	-	5.8	-	-	5.8
Cash and cash equivalents	226.4	-	-	-	226.4
Total financial assets	382.4	16.2	-	14.8	413.4
Current liabilities					
Trade payables	-	(59.8)	-	-	(59.8)
Payables to related parties	-	(1.7)	-	-	(1.7)
Accrued expenses	-	(64.7)	-	-	(64.7)
Accrued employee compensation	-	(27.5)	-	-	(27.5)
Other current payables	-	(3.0)	-	-	(3.0)
Non-current liabilities					
Provisions	-	-	-	(12.4)	(12.4)
Total financial liabilities	-	(156.7)	-	(12.4)	(169.1)

31 March 2022

	On demand \$m	< 1 year \$m	Between 1 and 2 years \$m	> 2 years \$m	Total 2022 \$m
Non-current assets					
Bonds and deposits	-	-	-	17.5	17.5
Current assets					
Share subscription receivables	606.0	-	-	-	606.0
Trade receivables	-	2.6	-	-	2.6
Cash and cash equivalents	481.2	-	-	-	481.2
Total financial assets	1,087.2	2.6	-	17.5	1,107.3
Current liabilities					
Trade payables	-	(36.9)	-	-	(36.9)
Payables to related parties	-	(13.1)	-	-	(13.1)
Accrued expenses	-	(14.6)	-	-	(14.6)
Accrued employee compensation	-	(17.3)	-	-	(17.3)
Other current payables	-	(3.0)	-	-	(3.0)
Non-current liabilities					
Provisions	-	-	-	(10.8)	(10.8)
Total financial liabilities	-	(84.9)	-	(10.8)	(95.7)

Capital risk management

The objective when managing capital is to ensure that entities in the Group will be able to continue as a going concern, optimising liquidity and operating flexibility, while seeking to minimise our cost of capital. The capital structure of the Group consists of cash and cash equivalents, lease arrangements and equity attributable to shareholders of the Company, comprising issued capital, reserves and retained earnings as disclosed in note 18. No changes to our objectives or practices have taken place in the current period as these objectives were met.

The Group is not subject to any externally imposed capital requirements.

Financial risk management

The primary financial risks faced by the Group are market risk, credit risk and liquidity risk. The Group's treasury function operates under the Treasury Policy approved by the Board of Directors. The financial instruments used are set out above.

Market risk management

The Group's activities primarily create exposure to the financial risks of changes in foreign currency exchange rates.

As the Group has no external borrowings, the Group's exposure to interest rate risk is minimal.

The majority of cash inflows and outflows are in the Group's reporting currency, US dollars, together with the majority of Group assets and liabilities.

The carrying amounts of foreign currency-denominated monetary assets and monetary liabilities (non-US dollar) were as follows:

31 March 2023

	UK sterling \$m	Other \$m	Total \$m
Bonds and deposits	6.7	-	6.7
Tax receivable	3.4	-	3.4
Cash and cash equivalents	3.5	5.6	9.1
Total monetary assets	13.6	5.6	19.2
Trade payables	(2.3)	(1.2)	(3.5)
Accrued employee compensation	(18.4)	(0.8)	(19.2)
Corporation tax payable	-	(0.8)	(0.8)
Lease liabilities	(6.8)	(3.8)	(10.6)
Provisions	-	(8.0)	(8.0)
Total monetary liabilities	(27.5)	(14.6)	(42.1)

31 March 2022

	UK sterling \$m	Other \$m	Total \$m
Bonds and deposits	6.7	-	6.7
Goods and services tax receivable	-	0.3	0.3
Cash and cash equivalents	2.9	4.2	7.1
Total monetary assets	9.6	4.5	14.1
Trade payables	(4.6)	(4.9)	(9.5)
Accrued employee compensation	(8.4)	(0.1)	(8.5)
Goods and services tax payable	(3.6)	-	(3.6)
Corporation tax payable	(2.4)	-	(2.4)
Other taxes payable	(2.3)	-	(2.3)
Lease liabilities	(8.3)	(0.4)	(8.7)
Provisions	(0.2)	-	(0.2)
Total monetary liabilities	(29.8)	(5.4)	(35.2)

The translation risk on converting overseas currency profits or losses is not hedged and such profits or losses are converted into US dollars at average exchange rates throughout the year.

If there were a reasonably possible change in the US dollar against the relevant foreign currencies, an appreciation in the US dollar would result in a decrease of losses of \$1.5 million and a depreciation in the US dollar would result in an increase in losses of \$1.9 million.

Credit risk management

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk exposure is limited to shareholders in respect of share subscription receivables, customer receivables in relation to OWT, financial institutions in respect of cash balances and bonds, or with property landlords with regards to deposits. The recoverability of the share subscription receivables is considered to be a critical judgement in these financial statements, further details of which are provided in note 2.3.

Liquidity risk management

Liquidity risk is the risk that the Company and the Group will not be able to meet financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the Board, which has established an appropriate liquidity risk framework for the management of our short, medium and long-term funding and liquidity management requirements. Liquidity risk is managed by maintaining adequate cash reserves, by continuously monitoring projected and actual cash flows, and by ensuring adequate funds are available over the projected periods. At 31 March 2023, the Group had no external borrowings. See note 23 for developments subsequent to the year end.

20 Financing arrangements and right of use lease assets

Accounting policy

An arrangement is accounted for as a lease where a contract gives the right to control an asset for longer than 12 months, in exchange for consideration, where substantially all of the economic benefits are obtained from the asset. Lease accounting is not applied to low-value assets (deemed to be individual assets valued at less than \$5,000), for these items the lease payments is recognised as an expense on a straight-line basis over the lease term.

The Group does not act as a lessor in any arrangement, only as a lessee.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted at the incremental borrowing rate. For all the lease arrangements entered into, it was impracticable to calculate the interest rate implicit in the lease.

A right of use lease asset is recognised at the inception of the lease arrangement at cost. The cost reflects the initial amount of the lease liability, adjusted for any lease payments made at or before commencement date, plus any direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or restore the underlying asset, less any lease incentives received.

The right of use lease asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

Lease arrangements

The Group has a number of property leases arising from the normal course of business activities. In addition to the office locations of the business, various ground installations are built on leased land.

Maturity analysis of contractual undiscounted cash flows

	2023 \$m	2022 \$m
Less than a year	15.9	13.2
Between one to five years	62.0	57.5
More than five years	38.1	36.2
Total	116.0	106.9

Carrying value of right of use lease assets

	Ground installation property \$m	Other property \$m	Total \$m
Cost			
At 31 March 2021	15.3	20.8	36.1
Additions	32.6	1.1	33.7
Foreign exchange	-	0.1	0.1
At 31 March 2022	47.9	22.0	69.9
Additions	23.0	-	23.0
At 31 March 2023	70.9	22.0	92.9
Depreciation			
At 31 March 2021	(0.4)	(1.0)	(1.4)
Depreciation charge	(6.7)	(1.2)	(7.9)
At 31 March 2022	(7.1)	(2.2)	(9.3)
Depreciation charge	(6.3)	(3.1)	(9.4)
At 31 March 2023	(13.4)	(5.3)	(18.7)
Carrying value			
At 31 March 2023	57.5	16.7	74.2
At 31 March 2022	40.8	19.8	60.6

Carrying value of lease liabilities

	Ground installation property \$m	Other property \$m	Total \$m
Lease liability			
At 31 March 2021	(58.5)	(26.7)	(85.2)
New leases entered into	(32.9)	(1.1)	(34.0)
Cash payments	14.0	4.9	18.9
Interest charges	(4.6)	(1.1)	(5.7)
Foreign exchange	-	(0.9)	(0.9)
At 31 March 2022	(82.0)	(24.9)	(106.9)
New leases entered into	(22.9)	-	(22.9)
Reclassification between lease categories	(1.4)	1.4	-
Cash payments	16.0	4.7	20.7
Interest charges	(5.2)	(1.1)	(6.3)
Foreign exchange	(0.1)	(0.5)	(0.6)
At 31 March 2023	(95.6)	(20.4)	(116.0)
Current lease liability	(11.8)	(4.1)	(15.9)
Non-current lease liability	(83.8)	(16.3)	(100.1)
	(95.6)	(20.4)	(116.0)

21 Reconciliation of net loss to cash used in operations

	2023 \$m	2022 \$m
Cash flows from operating activities		
Loss for the period	(361.9)	(389.8)
<i>Adjustments for:</i>		
Depreciation and amortisation	174.8	10.4
Write-off of property, plant & equipment and intangible assets	2.1	4.5
Impairment charge	-	229.2
Reversal of impairment charge	(5.8)	-
Foreign exchange losses	0.9	0.2
Share of results of joint venture	(0.3)	(5.3)
Investment income	(2.8)	(0.3)
Finance expense	21.5	11.7
Equity settled share-based payment expenses	4.8	6.1
Taxation	2.8	(48.0)
Movement in bonds and deposits	2.7	(2.8)
Movement in withholding tax receivable	-	(8.5)
Movement in other non-current assets	(5.1)	(0.5)
Movement in inventory	(14.7)	(8.2)
Movement in tax receivable	(2.0)	(4.5)
Movement in prepaid expenses	(11.6)	(39.5)
Movement in receivables from related parties	(10.4)	-
Movement in goods and services tax receivables	0.2	(9.4)
Movement in trade receivables	(3.2)	(2.6)
Movement in other current assets	(0.2)	7.8
Movement in trade payables	22.9	(61.5)
Movement in payables to related parties	(11.4)	12.0
Movement in accrued expenses	33.2	(31.6)
Movement in accrued employee compensation	10.2	11.8
Movement in goods and services tax payable	(0.8)	0.8
Movement in tax payable	(0.1)	0.9
Movement in contract liability current	36.1	(0.2)
Movement in other taxes payable	(0.4)	3.0
Movement in provisions current	-	(19.7)
Movement in other current liabilities	(2.5)	2.6
Movement in other non-current liabilities	3.1	0.1
Movement in contract liability non-current	65.7	-
Movement in provisions non-current	0.9	2.2
Cash used in operations	(51.3)	(329.1)

22 Related parties

Accounting policy

The Group's related parties are shareholders considered to have significant influence over the Company, entities where the Group has significant influence, key management personnel and their immediate relatives.

Compensation of key management personnel

"Key management personnel" are considered to be members of the Company's Board of Directors and their remuneration is disclosed in note 9.

Directors of the Company and their immediate relatives control 30.0% (2022: 30.0%) of the voting shares of the Company.

Other related party transactions

Transactions with AOS

As explained in note 15, AOS is a joint venture between OneWeb and Airbus DS Satnet, which is equity accounted. All GEN 1 satellites are manufactured by AOS. A summary of the transactions with AOS is set out below:

	2023 \$m	2022 \$m
Cost of satellites purchased from AOS in the period	37.4	252.3
Payables to AOS at the period end	(1.7)	(13.1)
Contractual commitments for purchases at the period end	1.1	72.5

Transactions with NEOM JV

As explained in note 15, NEOM JV is a joint venture between OneWeb and NEOM Tech and Digital Company, which is accounted for under the equity method. During the year ended 31 March 2023, the Group paid a total of \$6.4 million to NEOM JV for the operation of satellite network portals in the period to 2030 and the Group transferred property, plant and equipment to the NEOM JV for its \$10.4 million carrying value. At 31 March 2023, the Group had a \$10.4 million receivable due from NEOM JV (31 March 2022: \$nil).

Outstanding share subscriptions

As explained in note 18, \$156.0 million of share subscription proceeds was outstanding at 31 March 2023 (31 March 2022: \$606.0 million).

Transactions with entities under common control with The Secretary of State for Business, Energy and Industrial Strategy

The Group entered into transactions with entities under common control with The Secretary of State for Business, Energy and Industrial Strategy in relation to ordinary course transactions with Government entities, none of which are individually significant or unusual in their nature or conditions.

Transactions with entities under common control with Bharti Space Limited

The Group entered into transactions with entities under common control with Bharti Space Limited during the financial year, primarily in relation to network and facility costs. The Group incurred expenses of \$1.4 million (2022: \$0.3 million) and the amount payable by the Group at 31 March 2023 is \$0.4 million (31 March 2022: \$0.1 million).

On 9 November 2022, the Group entered into a distribution partnership agreement with Airtel Africa Services (UK) Limited. The Group has also agreed a Term Sheet including a \$25.0 million take-or-pay commitment with Airtel Africa plc.

Transactions with entities in the Eutelsat S.A. group

The Group entered into transactions with members of the group of companies including Eutelsat S.A. in relation to the provision of consulting services. The Group incurred expenses of \$0.1 million (2022: \$0.1 million) and the amount payable by the Group at 31 March 2023 is \$0.1 million (31 March 2022: \$0.1 million).

On 25 July, 2022, the Group's existing Distribution Partner Agreement (signed in March 2022) with Eutelsat was amended. Under the terms of this amendment, Eutelsat takes a firm commitment to purchase \$275.0 million of OneWeb's constellation capacity at pre-defined terms over a five-year duration, starting from the full availability of the constellation. As part of the agreement, Eutelsat will benefit from the exclusive use of OneWeb's capacity over certain pre-determined sales regions and verticals, in particular Continental Europe and Global Cruise segment. The Group received a payment of \$100.0 million under the terms of this agreement on 30 March 2023. In March 2023, the Group entered into a further take-or-pay commitment of \$42.3 million with Eutelsat.

Transactions with entities in the SoftBank Group Capital Limited group

The Group entered into transactions with members of the group of companies including SoftBank Group Capital Limited in relation to the purchase of ground-based communications equipment. The equipment was purchased for \$4.9 million (2022: \$1.0 million) and is recognised as property, plant and equipment. In addition, the Group incurred expenses of \$0.2 million in relation to network and facility costs and the amount payable by the Group at 31 March 2023 is \$0.1 million (31 March 2022: \$nil).

Transactions with Echostar Operating LLC and Qualcomm Technologies, Inc

The Company's shareholders, Echostar Operating LLC and Qualcomm Technologies, Inc. provide goods and services to the Group in the normal course of business on arm's length terms. These shareholders are not considered to hold significant influence over the Company.

23 Subsequent events

Subsequent to 31 March 2023, the Group has entered into a committed unsecured loan facility with certain shareholders to provide the Group with access of up to \$160.0 million (in aggregate). The facility, if drawn, is convertible to equity under certain conditions and has a backstop maturity date of June 2028. If not drawn by 30 September 2024, the facility will expire. Interest accruing on any amounts drawn under the facility may either be paid or capitalised at the discretion of the Group. Interest accrues at the higher of 2.5% per annum or the secured overnight financing rate ("SOFR") of the Federal Reserve Bank of New York plus 2.5% per annum. In addition, the Group has received a commitment for an external facility of \$100.0 million, securitised against certain of the Group's take-or-pay commitments. This facility reduces to \$75.0 million in March 2024 and matures on 31 March 2025, with a call option held by the bank for repayment 18 months from drawdown. Interest accrues at SOFR plus 3.75% per annum.

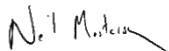
OneWeb Holdings Limited
Company financial statements

Company balance sheet
At 31 March 2022

	<i>Note</i>	2023 \$m	2022 \$m
Non-current assets			
Loan receivable from related party	<i>26</i>	2,239.9	1,358.9
Investment in subsidiary entity	<i>27</i>	318.0	315.2
		2,557.9	1,674.1
Current assets			
Receivables from related parties	<i>26</i>	8.2	115.7
Prepaid expenses		0.8	0.8
Goods and services tax receivable		0.7	1.6
Share subscription receivables	<i>18</i>	156.0	606.0
Cash and cash equivalents		189.7	440.6
		355.4	1,164.7
Total assets		2,913.3	2,838.8
Current liabilities			
Trade payables		-	(4.3)
Payables to related parties		(0.5)	-
Accrued expenses		(0.4)	(1.3)
Accrued employee compensation		(1.3)	(2.1)
Other taxes payable		(0.7)	(0.8)
		(2.9)	(8.5)
Net assets		2,910.4	2,830.3
Equity			
Share capital	<i>18</i>	-	-
Share premium	<i>18</i>	2,805.3	2,805.3
Share-based payment reserve	<i>18</i>	11.5	6.7
Retained earnings	<i>18</i>	93.6	18.3
Total equity		2,910.4	2,830.3

Under Section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account. The profit for the Company for the year was \$75.3 million (2022: \$17.3 million).

These financial statements were approved by the Board of Directors on 13 June 2023 and were signed on its behalf by:



Neil Masterson
Chief Executive Officer

Company registered number: 12534512

Company statement of changes in equity

	Share capital \$m	Share premium \$m	Share- based payment reserve \$m	Retained earnings \$m	Total equity \$m
At 1 April 2021					
Total comprehensive income for the period					
Profit for the period	-	-	-	17.3	17.3
Total comprehensive profit for the period	-	-	-	17.3	17.3
Transactions with owners, recorded directly in equity					
Issue of shares	-	1,572.8	-	-	1,572.8
Equity-settled share-based payment transactions	-	-	6.1	-	6.1
Total contributions by and distributions to owners	-	1,572.8	6.1	-	1,578.9
Balance at 31 March 2022	-	2,805.3	6.7	18.3	2,830.3
Total comprehensive income for the period					
Profit for the period	-	-	-	75.3	75.3
Total comprehensive profit for the period	-	-	-	75.3	75.3
Transactions with owners, recorded directly in equity					
Equity-settled share-based payment transactions	-	-	4.8	-	4.8
Total contributions by and distributions to owners	-	-	4.8	-	4.8
Balance at 31 March 2023	-	2,805.3	11.5	93.6	2,910.4

Notes to the Company's financial statements (forming part of the financial statements)

24 General information

The Company is a private company incorporated, domiciled and registered in England and Wales. The registered number is 12534512 and the registered address is West Works Building, 195 Wood Lane, London, United Kingdom, W12 7FQ.

25 Basis of preparation

25.1 *Going concern*

See note 2.1.

25.2 *Accounting estimates and judgements*

These Company financial statements were prepared in accordance with FRS 101 and present information about the Company as a separate entity and not about its group. The recognition, measurement and disclosure requirements of Adopted IFRSs have been applied, with amendments necessary in order to comply with Companies Act 2006, together with certain disclosure exemptions. The following disclosure exemptions have been taken under FRS 101:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3: Business Combinations;
- the requirements of IFRS 7: Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13: Fair value measurements;
- the requirements of paragraphs 134 to 136 of IAS 1: Presentation of Financial Statements;
- the requirement of IAS 7: Statement of Cash Flows;
- the requirements of paragraph 17 and 18A of IAS 24: Related Party Disclosures; and
- the requirements in IAS 24: Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Under Section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account.

In the preparation of Company's financial statements in conformity with FRS 101, management is required to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, expenses and disclosures of contingent liabilities. Estimates and judgments are continually evaluated. These estimates and judgments are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and are believed to be reasonable under the circumstances at the end of the financial periods presented. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. Due to uncertainties inherent in making estimates, actual results could differ from those estimates.

Critical judgements are those made when applying accounting policies that could have a significant impact on the amounts recognised in the financial statements. The recoverability of the share subscription receivables is considered to be a critical judgement in these financial statements, further details of which are provided in note 2.3.

Key sources of estimation uncertainties are those assumptions where there is a significant risk that changes to these assumptions could cause a material adjustment to the carrying value of assets and liabilities within the next 12 months. No areas of accounting required significant estimates to be made in the current period.

26 Loan receivable from related party

Accounting policy

On initial recognition, the loan receivable was measured at amortised cost. Loss allowances for financial assets are calculated applying an expected credit loss model.

Carrying value of loan receivable from related parties

	Cash flow items \$m	Non-cash items \$m	Total \$m
Amortised cost			
At 31 March 2021	475.7	106.7	582.4
Interest receivable from OWC	-	28.5	28.5
Funding provided to OWC	748.0	-	748.0
At 31 March 2022	1,223.7	135.2	1,358.9
Interest receivable from OWC	-	70.2	70.2
Conversion of intercompany receivable from NAA to loan receivable	-	115.7	115.7
Funding provided to NAA	684.0	-	684.0
Interest receivable from NAA	-	11.1	11.1
At 31 March 2023	1,907.7	332.2	2,239.9

The Company provides funding to other Group companies. The Company has amounts receivable from OneWeb Communications Limited ("OWC") and Network Access Associates Limited ("NAA").

27 Investment in subsidiary entity

Accounting policy

Investments in subsidiaries are carried at cost.

Carrying value of investment in subsidiary entity

	\$m
Cost	
At 31 March 2021	310.9
Capital contribution to OWC	4.3
At 31 March 2022	315.2
Capital contribution to OWC	2.8
At 31 March 2023	318.0

28 Capital, reserves and shareholder funding

See note 18.

29 Related party transactions

See note 22.

30 Ultimate controlling party

There is no single ultimate controlling party. Details of the Company's shareholders and their rights are provided in note 18.

31 Subsequent events

See note 23.

32 Subsidiaries and affiliates

The UK subsidiaries annotated with an '*' from the following list of subsidiaries of the Company are exempt from the Companies Act 2006 requirements relating to the audit of their individual accounts by virtue of Section 479A of the Companies Act 2006 as this company has guaranteed the subsidiary companies under Section 479C of the Companies Act 2006:

Name	Principal activity	Registered Agent Address	Country of incorporation	Shareholding 31 March 2023 (%age)
OneWeb Communications Ltd *	Holding Company	West Works Building, 195 Wood Lane, London United Kingdom, W12 7FQ	United Kingdom	100
WorldVu Development LLC	Operating Company	701 S. Carson St., Suite 200, Carson City, NV 89701, United States	United States	100
OneWeb Communications Canada Ltd	Operating Company	Crease Harman LLP, 800-1070 Douglas Street, Victoria, BC, V8W 2C4	Canada	100
Network Access Associates Ltd. *	Operating Company	West Works Building, 195 Wood Lane, London United Kingdom, W12 7FQ	United Kingdom	100
OneWeb Ltd.	Holding Company	Level 1, IFC1, Esplanade, JE2 3BX, Jersey	Jersey	100
OneWeb Ltd (Malta)	Operating Company	SmartCity Malta, SCM 01, TMF Group (Malta) 401. Ricasoli, Kalkara, SCM 1001, Malta	Malta	100
OneWeb Network Access Holdings Ltd. (UK) *	Holding Company	West Works Building, 195 Wood Lane, London United Kingdom, W12 7FQ	United Kingdom	100
OneWeb Holdings LLC	Holding Company	50 Main Street, Suite 1000, White Plains, NY 10606, USA	United States	100
OneWeb Technologies, Inc ¹	Operating Company	11140 Aerospace Avenue, Houston, Texas, 77034	United States	100
WorldVu JV Holdings LLC	Holding Company	c/o Business Filings Incorporated, 108 West 13th St, Wilmington DE 19801, United States	United States	100
Airbus OneWeb Satellites LLC ²	Satellite Design and Development	CT Corporation System, 1200 South Pine Island Road, Plantation, FL 33324	United States	50
Airbus OneWeb Satellites North America LLC ³	Satellite Design and Development	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801	United States	50
Airbus OneWeb Satellites SAS ³	Satellite Design and Development	B612, 3 rue Tarfaya, 31400 Toulouse, France	France	50
Airbus OneWeb Satellites Florida LLC ³	Satellite Design and Development	CT Corporation System, 1200 South Pine Island Road, Plantation, Florida 33324	United States	50
OneWeb Communications S.a.r.l	Operating Company	51 Avenue J.F. Kennedy, L-1855, Luxembourg	Luxembourg	100
OneWeb Asia PTE. Ltd.	Operating Company	38 Beach Road, #29-11 South Beach Tower, Singapore, 189767, Singapore	Singapore	100
OneWeb S.r.l.	Operating Company	Corso Vercelli 40, 20145, Milan, Italy	Italy	100
OneWeb Norway AS	Operating Company	Postboks 2334, 3003 Drammen, Norway	Norway	100
OneWeb S.A	Operating Company	Tucumán 1, Piso 4, Buenos Aires, C1049AAA, Argentina	Argentina	100
First Tech Web Company Limited	Operating Company	28th Floor Kingdom Tower, Olaya Road, P.O. Box: 230 888, Riyadh, 11321, Saudi Arabia	Saudi Arabia	50
WorldVu, Unipessoal Lda	Operating Company	Rua Latino Coelho, n.º 13, 13-A, 13-B, 3.º andar, freguesia de Avenidas Novas, 1050-132 Lisboa, Portugal	Portugal	100
OneWeb ApS	Operating Company	C/O Nuna Advokater Aps, Qullilerfik 2, 6., Nuuk, 3900, Greenland	Greenland	100

WorldVu, Australia Pty Ltd	Operating Company	TMF Corporate Services (AUST) PTY LTD, Level 16, 201 Elizabeth Street, Sydney NSW 2000, Australia	Australia	100
OneWeb G.K.	Operating Company	c/o DLA Piper Tokyo Partnership, Meiji Seimei Kan 7F, 1-1, Marunouchi 2-chome, Chiyoda-ku Tokyo, Japan	Japan	100
OneWeb Capacidade Satelital Ltda	Operating Company	Avenida Nove de Julho, 3228, sala 604, Ed. First Office Flat, Jardim Paulista, City of São Paulo, State of São Paulo, 01406-000, Brazil	Brazil	100
WorldVu Satellites Limited	Holding Company	Level 1, IFC1, Esplanade, JE2 3BX, Jersey	Jersey	100
WorldVu Mexico S.de R.L. de C.V	Operating Company	Av. Obrero Mundial 644, Piso 2 Oficina 202, Atenor Salas, Benito Juarez, Ciudad de Mexico, Mexico, 03010	Mexico	100
OneWeb Chile SpA	Operating Company	Luz 2959-22, Las Condes, Santiago, Chile	Chile	100
OneWeb Senegal SARL	Operating Company	Immeuble Lat Dior en face grande mosque de Dakar, Dakar, 3E ÉTAGE, Senegal	Senegal	100
OneWeb Costa Rica Limitada	Operating Company	c/o Zurcher Odio & Raven, Plaza Roble Corporate Center, Los Balcones Building, fourth floor, San José, Costa Rica	Costa Rica	100
WorldVu South Africa (Pty) Ltd.	Operating Company	TMF Building 2 Conference Lane, Bridgewater One Block 1, Bridgeway Precinct Century City, Western Cape, 7446, South Africa	South Africa	100
One Web Angola – Servicos de Telecomunicacoes (SU), LDA	Operating Company	Edificio Kilamba, 20º andar Avenida 4 de Fevereiro Marginal de Luanda, Angola	Angola	100
OneWeb (Mauritius) Limited	Operating Company	Lislet Geoffroy Street, BCMS Corporate Services Ltd, 2 nd Floor Chancery House, Port Louis, Mauritius	Mauritius	100
OneWeb Colombia Limited S.A.S.	Operating Company	Cra. 11 No. 79-35 9th floor, Bogotá D.C	Colombia	100
OneWeb Ghana Ltd	Operating Company	No. 7 Airport Road, Accra, Accra Metro, Ghana	Ghana	100
OneWeb France SAS	Operating Company	3-5 rue Saint-Georges 75009 Paris	France	100
PT OneWeb Communications Indonesia	Operating Company	Indonesia Stock Exchange Building, Tower 1, 27th Floor, Jl. Jend. Sudirman Kav. 52-53, Jakarta 12190	Indonesia	100
OneWeb Kazakhstan Ltd	Operating Company	Building 55/22, Mangilik El Avenue, Nur-Sultan	Kazakhstan	100
OneWeb (Bulgaria) EOOD	Operating Company	2a Saborna Street, 4th Floor, Sofia, 1000, Bulgaria	Bulgaria	100
OneWeb Sweden AB	Operating Company	Baker & McKenzie Advokatbyrå KB, Box 180, 101 23, Stockholm	Sweden	100

Unless otherwise noted below, the Group's equity interest represents the voting interests of the Group in the respective subsidiary or affiliate.

- ¹ OWT is managed by the Group under a proxy agreement. The conclusion that the Group meets the requirements of IFRS 10 with respect to control is considered to be a critical judgement in these financial statements, further details of which are provided in note 2.3.
- ² Ownership is through WorldVu JV Holdings LLC. The Group owns 50% of the equity of Airbus OneWeb Satellites LLC.
- ³ The equity interest represents the Group's ownership percentage. Entity is wholly owned by Airbus OneWeb Satellites LLC, of which the Group owns a 50% equity interest.

Annexure C – Contribution Auditors Report



FINEXSI
EXPERT & CONSEIL FINANCIER

EUTELSAT COMMUNICATIONS SA

Société anonyme à Conseil d'Administration
32 Boulevard Gallieni
92130 Issy-les-Moulineaux
RCS de Nanterre 481 043 040

Rapport du Commissaire aux apports sur la valeur de l'apport d'actions de la société ONEWEB HOLDINGS LIMITED devant être effectué au profit de la société EUTELSAT COMMUNICATIONS SA par les Apporteurs Majoritaires

*Ordonnance de Monsieur le Président
du Tribunal de Commerce de Nanterre
en date du 5 décembre 2022*



RAPPORT DU COMMISSAIRE AUX APPORTS SUR LA VALEUR DE L'APPORT D' ACTIONS DE LA SOCIETE ONEWEB HOLDINGS LIMITED DEVANT ETRE EFFECTUE AU PROFIT DE LA SOCIETE EUTELSAT COMMUNICATIONS SA PAR LES APORTEURS MAJORITAIRES

Mesdames, Messieurs,

En exécution de la mission qui nous a été confiée par ordonnance de Monsieur le Président du Tribunal de Commerce de Nanterre en date du 5 décembre 2022, concernant l'apport d'actions ordinaires de catégorie A de la société ONEWEB HOLDINGS LIMITED à la société EUTELSAT COMMUNICATIONS SA, nous avons établi le rapport sur la valeur de l'apport prévu par l'article L.225-147 du Code de commerce.

Les actions de la société EUTELSAT COMMUNICATIONS SA étant admises aux négociations sur un marché réglementé, notre mission a été étendue, par référence à la position-recommandation 2020-06 de l'Autorité des Marchés Financiers (ci-après « AMF »), à l'appréciation du caractère équitable de la rémunération de l'apport proposée. Nous avons ainsi émis un avis sur la rémunération de l'apport, qui fait l'objet d'un rapport distinct.

La valeur de l'apport a été arrêtée dans le traité d'apport signé par les représentants des sociétés concernées (qui sont présentés au paragraphe 1.2 ci-après) en date du 18 août 2023 (ci-après le « **Traité d'Apport** »).

Il nous appartient d'exprimer une conclusion sur le fait que la valeur de l'apport n'est pas surévaluée. A cet effet, nous avons effectué nos diligences selon la doctrine professionnelle de la Compagnie Nationale des Commissaires aux Comptes applicable à cette mission. Cette doctrine professionnelle requiert la mise en œuvre de diligences destinées à apprécier la valeur des apports, à s'assurer que celle-ci n'est pas surévaluée et à vérifier qu'elle correspond au moins à la valeur au nominal des actions à émettre par la société bénéficiaire de l'apport, augmentée de la prime d'émission.

Il n'est pas stipulé d'avantage particulier dans le cadre de la présente opération.

Notre rapport, est à destination des personnes visées par la loi française, en l'espèce les actionnaires d'EUTELSAT COMMUNICATIONS SA. Il répond aux exigences de cette réglementation, mais pas à celles de la réglementation anglaise, dont bénéficient les actionnaires de ONEWEB HOLDINGS LIMITED.

Notre mission prenant fin avec le dépôt de notre rapport, il ne nous appartient pas de le mettre à jour pour tenir compte des faits et circonstances postérieurs à sa date de signature.

A aucun moment nous ne nous sommes trouvés dans l'un des cas d'incompatibilité, d'interdiction ou de déchéance prévus par la loi.



Nous vous prions de trouver, ci-après, nos constatations et conclusion présentées dans l'ordre suivant :

1. Présentation de l'opération envisagée et description de l'apport
2. Diligences accomplies et appréciation de la valeur de l'apport
3. Synthèse – Points clés
4. Conclusion

1. Présentation de l'opération envisagée et description de l'apport

1.1 Contexte de l'opération

Par un communiqué commun du 26 juillet 2022, EUTELSAT COMMUNICATIONS SA (ci-après « **EUTELSAT** » ou la « **Société Bénéficiaire** ») et ONEWEB HOLDINGS LIMITED (ci-après « **ONEWEB** ») ont annoncé le projet de rapprochement par échange d'actions dans le but de former un acteur mondial unique de premier plan dans le domaine de la connectivité par satellite. L'accord-cadre définitif de rapprochement entre EUTELSAT et ONEWEB (*Framework Agreement*) a été conclu le 14 novembre 2022 entre EUTELSAT et les principaux actionnaires de ONEWEB visés au paragraphe 1.2 ci-dessous (ci-après l'« **Accord Cadre** »).

L'objectif de ce rapprochement est de créer un acteur mondial de premier plan positionné pour conquérir le marché de la connectivité satellitaire avec une offre complémentaire GEO/LEO¹.

Cet ensemble nouvellement constitué disposerait d'une offre enrichie de couverture satellitaire, notamment avec les satellites géostationnaires d'EUTELSAT (GEO) et les satellites en orbite terrestre basse de ONEWEB (LEO).

Il est ainsi envisagé que :

- (i) BHARTI SPACE LIMITED, le Secrétaire d'Etat à la Science, à l'Innovation et à la Technologie du Royaume-Uni² (« **Gouvernement Britannique** »), SOFTBANK GROUP CAPITAL LIMITED et HANWHA SYSTEMS UK LIMITED (les « **Apporteurs Majoritaires** ») et les autres actionnaires minoritaires de ONEWEB (autres qu'EUTELSAT SA) (les « **Apporteurs Minoritaires** » et ensemble les « **Apporteurs** ») apportent l'intégralité des actions ordinaires de catégorie A de ONEWEB qu'ils détiennent, soit un total de 2 186 644 actions, à la Société Bénéficiaire (ci-après les « **Apports des Actionnaires Existants** »), et

¹ Les satellites GEO (pour *Geostationary Earth Orbit*) sont des satellites géostationnaires, qui restent constamment au-dessus du même point de la surface de la Terre à une distance d'environ 36 000 km et fournissent des services de communications, de télévision et météorologiques. Les satellites LEO (pour *Low Earth Orbit*) sont des satellites non géostationnaires qui fonctionnent en orbite terrestre basse (environ 1 200 km) et fournissent des services mobiles de transmission de données et des systèmes téléphoniques mobiles.

² À la suite de l'annonce d'un changement d'appareil gouvernemental par le Premier Ministre le 7 février 2023, trois nouveaux ministères ont été créés, dont le département à la Science, à l'Innovation et à la Technologie (*Department for Science, Innovation and Technology*) (DSIT). En vertu d'un décret entré en vigueur le 3 mai 2023, la détention de la participation du gouvernement Britannique a été transférée du Secrétaire d'Etat aux Affaires, à l'Energie et à la Stratégie industrielle (*Secretary of State for Business, Energy & Industrial Strategy*) (BEIS) au Secrétaire d'Etat à la Science, à l'Innovation et à la Technologie.



- (ii) BHARTI SPACE LIMITED et le Gouvernement Britannique cèdent à EUTELSAT l'intégralité des 4 actions différées (*deferred shares*) émises par ONEWEB qu'ils détiennent.

(ci-après l' « **Opération** »).

Il est également prévu que les titulaires d'options ONEWEB puissent, le cas échéant, exercer leurs options soit (i) immédiatement avant et sous réserve de la réalisation des Apports des Actionnaires Existants ; soit (ii) au cours de certaines fenêtres d'exercice réparties entre la réalisation de l'Opération et le 10 octobre 2024, en vue d'apporter les actions ordinaires de catégorie A de ONEWEB en résultant à EUTELSAT, dans le cadre d'opérations d'apports en nature réalisées sur délégation de l'Assemblée Générale Extraordinaire d'EUTELSAT, et en retenant le même rapport d'échange que celui de l'Apport³.

A l'issue de l'Opération, EUTELSAT détiendra directement et indirectement à travers sa filiale EUTELSAT SA, 100% des actions émises par ONEWEB⁴.

Le présent rapport concerne les apports des Apporteurs Majoritaires (ci-après l' « **Apport** »), étant précisé qu'un rapport distinct couvre les apports des Apporteurs Minoritaires et qu'un autre rapport couvrira les éventuels Apports des Titulaires d'Options.

1.2 Présentation des parties en présence

1.2.1 EUTELSAT COMMUNICATIONS SA, société bénéficiaire de l'apport

EUTELSAT COMMUNICATIONS SA (« EUTELSAT ») est une société anonyme à Conseil d'Administration dont le siège social est situé au 32, Boulevard Gallieni à Issy-les-Moulineaux (92130). Elle est immatriculée au Registre du Commerce et des Sociétés (RCS) de Paris depuis le 15 février 2005, puis au RCS de Nanterre depuis le 30 octobre 2020 sous le numéro 481 043 040.

Son capital social s'élève à 248 926 325 €, divisé en 248 926 325 actions ordinaires d'une valeur nominale de 1 € chacune, toutes entièrement libérées et de même catégorie.

Les actions d'EUTELSAT sont admises aux négociations sur le compartiment A du marché Euronext Paris sous le code ISIN FR0010221234 depuis le 2 décembre 2005.

Selon ses statuts, EUTELSAT a pour objet, « *en France et à l'étranger* :

- *la fourniture de capacité de Secteur Spatial, de systèmes et de services de communications par satellite. A cette fin, la Société entreprend toutes activités liées à la conception, la mise au point, la construction, la mise en place, l'exploitation et l'entretien de son Secteur Spatial et de ces systèmes et services satellitaires ;*

³ Dans certaines circonstances, à l'option d'EUTELSAT, les apports en nature pourraient être remplacés, par un échange contre des actions existantes selon le même rapport d'échange ou par un paiement en numéraire.

⁴ A l'exception d'une action de catégorie B émise par ONEWEB détenue par le Gouvernement Britannique.

- *et plus généralement la participation à toute entreprise ou société créée ou à créer ainsi que toutes les opérations de quelque nature qu'elles soient, financières, commerciales, industrielles, civiles, immobilières ou autres, se rattachant, directement ou indirectement, à cet objet social ou à tous objets similaires, connexes ou complémentaires, et de nature à favoriser, directement ou indirectement, les buts poursuivis par la Société, son expansion dans d'autres domaines, son développement et son patrimoine social.*

L'expression « Secteur Spatial » désigne un ensemble de satellites de télécommunications, ainsi que les installations de poursuite, de télémessure, de télécommande, de contrôle, de surveillance et les autres équipements associés, nécessaires au fonctionnement de ces satellites ».

La date de clôture des comptes d'EUTELSAT est fixée au 30 juin de chaque année.

La société EUTELSAT a marqué le début de l'industrie européenne des services de communication par satellite⁵. Le groupe EUTELSAT est aujourd'hui l'un des premiers opérateurs mondiaux de satellites de télécommunications commerciaux et opère 36 satellites⁶ en orbite géostationnaire couvrant jusqu'à 150 pays, du 139° Ouest au 174° Est.

Grâce à sa flotte de satellites et à ses infrastructures terrestres, le groupe EUTELSAT fournit de la capacité à des télédiffuseurs, d'opérateurs de télécommunications et d'organismes gouvernementaux desservis soit directement, soit par l'intermédiaire de distributeurs.

L'activité du groupe EUTELSAT s'organise, depuis le 30 juin 2023, autour de quatre secteurs d'activité opérationnels⁷ :

- Vidéo (62,0% du chiffre d'affaires) : le groupe EUTELSAT fournit à ses clients une capacité de diffusion et des services associés afin de leur permettre de transmettre des programmes de télévision essentiellement vers des foyers équipés pour la réception directe par satellite, ou vers des foyers raccordés au câble ou aux réseaux IP (permettant la diffusion d'environ 6 583 chaînes de télévision, dont environ 2 500 sont gratuites, principalement en Europe, au Moyen-Orient et en Afrique) ;
- Connectivité fixe (15,7% du chiffre d'affaires) : les données fixes intègrent les réseaux d'entreprise (permettant aux entreprises de connecter leur réseau dans des zones reculées), le raccordement des réseaux mobiles (*backhaul*) et la connexion à la dorsale internet⁸ (*trunking*). Ce secteur opérationnel comprend également des solutions d'accès à l'internet, notamment des services de connectivité IP ;

⁵ Les activités d'EUTELSAT étaient à l'origine exercées par une organisation intergouvernementale, l'Organisation européenne de télécommunications par satellites (IGO), qui a apporté la totalité de ses activités opérationnelles à EUTELSAT SA en juillet 2001 avant que celle-ci ne soit rachetée par EUTELSAT en 2005.

⁶ Au 30 juin 2023.

⁷ Pourcentages présentés sur la base du chiffre d'affaires consolidé au 30 juin 2023.

⁸ Ligne de transmission de données à très haut débit qui fournit des installations de mise en réseau à des fournisseurs de services internet locaux.



- Services aux gouvernements (12,6% du chiffre d'affaires) : le groupe EUTELSAT permet aux gouvernements des communications mondiales fiables et déployées rapidement dans le monde entier⁹ ;
- Connectivité mobile (9,7% du chiffre d'affaires) : le groupe EUTELSAT fournit aux distributeurs/intégrateurs et opérateurs télécoms la capacité dédiée à la connectivité mobile, en vol ou maritime.

Le groupe EUTELSAT a réalisé au 30 juin 2023 un chiffre d'affaires de 1,1 Mds€ et un résultat opérationnel de 573,5 m€ pour un effectif à cette date de près de 1 067 salariés.

1.2.2 ONEWEB HOLDINGS LIMITED, société dont les titres sont apportés

ONEWEB HOLDINGS LIMITED (« **ONEWEB** ») est une *private limited company*, société de droit anglais dont le siège social est situé West Works Building, 195 Wood Lane à Londres (W127FQ). Elle est immatriculée depuis le 25 mars 2020, sous le numéro 12534512.

Son capital est constitué de (i) 2 836 644 actions ordinaires de catégorie A¹⁰ d'une valeur nominale de 0,01 USD chacune, (ii) d'une action de catégorie B¹¹ d'une valeur nominale de 0,01 USD, et (iii) de 4 *deferred shares* d'une valeur nominale de 1,00 GBP.

La date de clôture des comptes de ONEWEB est fixée au 31 mars de chaque année.

ONEWEB est une société de communication par satellite, disposant d'une constellation de 634 satellites¹² de communication en orbite terrestre basse (LEO) lui permettant de couvrir toute la surface du globe. Les satellites de la constellation ONEWEB sont des satellites non-géostationnaires, circulant sur une orbite basse pour fournir aux professionnels et aux particuliers un service de communications abordable, rapide, à bande passante élevée et à faible latence¹³.

La constellation ONEWEB est composée de satellites de première génération LEO GEN 1, dont les premiers ont été déployés en février 2019. Cette première constellation sera remplacée au fur et à mesure par la constellation LEO GEN 2, en cours de conception. Ces satellites de nouvelle génération devraient avoir une capacité supérieure, une durée de vie allongée et des performances supérieures à celles des satellites LEO GEN 1. Le lancement des premiers

⁹ Permet l'interconnexion de sites dispersés ou isolés, la garantie de disponibilité immédiate de capacité, ainsi que la sécurité et la fiabilité, pour les opérations au sol ou en mer.

¹⁰ Il existe également des options attribuées aux employés de ONEWEB dans le cadre du *ONEWEB Executive Share Option Scheme 2021*, portant sur un nombre maximum de 39 550 actions ordinaires ONEWEB de catégorie A.

¹¹ Le Gouvernement Britannique conservera son action ordinaire de catégorie B. Celle-ci ne bénéficie d'aucun droit économique (à l'exception en cas de liquidation, du remboursement du montant libéré au titre de l'action de catégorie B, avec le même rang de priorité que le remboursement des montants libérés au titre des actions ordinaires de catégorie A).

¹² A la suite des 17^{ème} et 18^{ème} lancements de ONEWEB respectivement par SPACEX et par NEWSPACE INDIA en mars 2023.

¹³ La latence est un délai de transmission de données dans les communications. Il désigne le temps nécessaire à un paquet de données pour passer de la source à la destination à travers un réseau.



satellites LEO GEN 2 devrait coïncider avec la mise hors service des premiers satellites LEO GEN 1, prévue en 2027 ou 2028.

Chaque satellite est connecté à des infrastructures terrestres, qui transmettent les données à la constellation. ONEWEB dispose de trois types d'infrastructures au sol pour soutenir ses opérations :

- Stations TT&C¹⁴ : ces stations assurent les communications pendant certaines opérations sur ses satellites (pré-lancement, transfert d'orbite, etc.), ainsi qu'en cas d'urgence sur un engin spatial ;
- Portails SNP¹⁵ : ils fournissent l'accès à Internet pour la constellation de satellites de ONEWEB et sont répartis sur la surface du globe. Ils sont équipés de plusieurs antennes leur permettant d'atteindre un certain nombre de satellites ;
- Terminaux utilisateurs : ils fournissent aux utilisateurs finaux un accès Internet haut débit à partir de la constellation de satellites LEO de ONEWEB. Ces terminaux sont capables de fournir un service continu grâce aux transferts entre satellites actifs. ONEWEB développe différents terminaux utilisateurs pouvant répondre à des besoins multiples, pour les gouvernements, les opérateurs, les entreprises, à l'aviation ou à la mobilité maritime et terrestre.

1.2.3 BHARTI SPACE LIMITED, le Gouvernement Britannique, SOFTBANK GROUP CAPITAL LIMITED et HANWHA SYSTEMS UK LIMITED – les Apporteurs Principaux

BHARTI SPACE LIMITED

BHARTI SPACE LIMITED (« BHARTI ») est une *private limited company*, société de droit anglais dont le siège social est situé 53/54 Grosvenor Street, 2nd floor à Londres (W1K3HU). Elle est immatriculée depuis le 26 février 2021 sous le numéro 13228343. BHARTI SPACE LIMITED fait partie du groupe indien BHARTI qui est propriétaire d'AIROTEL, premier opérateur de téléphonie mobile de l'Inde.

BHARTI détient 850 000 actions ordinaires de catégorie A et 2 *deferred shares* de ONEWEB.

SECRETAIRE D'ETAT A LA SCIENCE, A L'INNOVATION ET A LA TECHNOLOGIE DU ROYAUME-UNI (Gouvernement Britannique)

Le Gouvernement Britannique, situé au 100 Parliament Street à Londres, SW1A 2BQ, détient 500 000 actions ordinaires de catégorie A, 1 action ordinaire de catégorie B et 2 *deferred shares* de ONEWEB.

¹⁴ Système de télémétrie de suivi et de commande (*Telemetry, Tracking and Command systems*).

¹⁵ Portails de réseau satellitaires (*Satellite Network Portals*).



SOFTBANK GROUP CAPITAL LIMITED

SOFTBANK GROUP CAPITAL LIMITED (« SOFTBANK ») est une *private limited company*, société de droit anglais dont le siège social est situé 69 Grosvenor Street à Londres (W1K 3JP). Elle est immatriculée à la *Companies House* depuis le 30 avril 2015 sous le numéro 09569889.

SOFTBANK détient 500 000 actions ordinaires de catégorie A de ONEWEB.

HANWHA SYSTEMS UK LIMITED

HANWHA SYSTEMS UK LIMITED (« HANWA ») est une *private limited company*, société de droit anglais dont le siège social est situé Suite A, 6 Honduras Street à Londres (EC1Y 0TH). Elle est immatriculée à la *Companies House* depuis le 6 octobre 2021 sous le numéro 13665238. HANWHA SYSTEMS UK LIMITED fait partie du groupe sud-coréen HANWHA.

HANWA détient 250 000 actions ordinaires de catégorie A de ONEWEB.

1.2.4 Liens en capital entre les parties concernées par l'opération

A la date des présentes, EUTELSAT SA, filiale de la Société Bénéficiaire, détient 650 000 actions ordinaires de catégorie A de ONEWEB qui représentent environ 22,91% du capital et des droits de vote de la société (hors impact dilutif des options émises par ONEWEB). Cette prise de participation¹⁶ date des mois de septembre et d'octobre 2021.

A la date du présent rapport, BHARTI, qui est l'un des Apporteurs Majoritaires, est une filiale de BHARTI GLOBAL LIMITED qui détient directement 12 974 047 actions représentant 5,21% du capital social et des droits de vote d'EUTELSAT.

1.3 Modalités générales

Les modalités de réalisation de l'Apport, qui sont présentées de façon détaillée dans le Traité d'Apport, auquel il convient de se référer, peuvent se résumer comme suit.

Régime juridique de l'Apport

Sur le plan juridique, l'Apport est soumis au régime de droit commun des apports en nature prévu par les dispositions de l'article L. 225-147 du Code de commerce.

Régime fiscal

L'Apport sera enregistré gratuitement en application des dispositions de l'article 810, I du Code Général des Impôts.

¹⁶ Investissement initial annoncé en avril 2021 et réalisé en septembre 2021 puis exercice d'une option d'achat en octobre 2021.



Date de réalisation de l'Apport

La réalisation de l'Apport interviendra le jour où la dernière des conditions suspensives visées ci-après (§ 1.5) sera levée, telle que constatée notamment par une décision des actionnaires d'EUTELSAT constatant la réalisation définitive de l'augmentation de capital d'EUTELSAT en rémunération des Apports des Actionnaires Existants (ci-après la « **Date de Réalisation** »).

L'Apport prendra également effet, sur le plan fiscal, à la Date de Réalisation.

1.4 Description et évaluation de l'Apport

1.4.1 Description de l'Apport

L'apport réalisé par les Apporteurs Majoritaires (l'« Apport ») est constitué de 2 100 000 actions ordinaires de catégorie A de ONEWEB, représentant, sur une base non diluée, 74,03% des actions ordinaires de catégorie A du capital social de la société ONEWEB, d'une valeur nominale de 0,01 USD chacune, et entièrement libérées.

Apporteurs	Nombre d'actions apportées
Bharti Space Limited	850 000
Gouvernement Britannique	500 000
Softbank Group Capital Limited	500 000
Hanwha Systems UK Limited	250 000
Total Apporteurs Majoritaires	2 100 000

Conformément aux termes du Traité d'Apport, chaque action ordinaire de catégorie A de ONEWEB apportée sera, à la date de réalisation de l'Apport, libre de tout nantissement, droit de tiers, charge ou autre sûreté.

Il est également convenu que les Apporteurs Majoritaires détenant les 4 *deferred shares* de ONEWEB, soit BHARTI SPACE LIMITED et le Gouvernement Britannique, les céderont à EUTELSAT avec la garantie d'un titre complet et libre de tout nantissement, droit de tiers, charge ou autre sûreté.

Enfin, à l'issue des apports des Apporteurs Majoritaires et des Apporteurs Minoritaires, EUTELSAT détiendra directement et indirectement à travers sa filiale EUTELSAT SA, 100% des actions émises par ONEWEB¹⁷.

¹⁷ A l'exception d'une action de catégorie B émise par ONEWEB détenue par le Gouvernement Britannique.



1.4.2 Méthode et référence d'évaluation retenue

L'Apport est réalisé sur la base de la valeur réelle des actions apportées.

La valeur réelle des 2 100 000 actions ordinaires de catégorie A de ONEWEB apportées a été déterminée par référence au prix de transaction retenu par les parties et indiqué dans le communiqué de presse du 26 juillet 2022, soit 3 297 m€ pour 100% du capital social de ONEWEB.

La valeur de l'Apport se présente comme suit par apporteur :

Apporteurs	Nombre d'actions apportées	Valeur d'apport (en €)
Bharti Space Limited	850 000	974 465 415
Gouvernement Britannique	500 000	573 214 950
Softbank Group Capital Limited	500 000	573 214 950
Hanwha Systems UK Limited	250 000	286 607 475
Total Apporteurs Majoritaires	2 100 000	2 407 502 789

1.4.3 Rémunération de l'Apport

La rémunération de l'Apport est effectuée sur la base de la valeur réelle de l'Apport, d'une part, et de la valeur réelle de l'action de la Société Bénéficiaire, d'autre part.

Sur ces bases, l'Apport sera rémunéré par l'attribution de 217 287 000 actions nouvelles EUTELSAT de 1 € de valeur nominale chacune, à émettre par la Société Bénéficiaire qui augmentera son capital d'une somme de 217 287 000 €. Ces actions émises en rémunération de l'Apport seront visées par un engagement de conservation de 6 mois à compter de la date de réalisation prévu dans le pacte d'actionnaires d'EUTELSAT signé notamment par les Apporteurs Majoritaires.

La différence entre (i) la valeur globale de l'Apport, soit 2 407 502 789 € et (ii) le montant total de l'augmentation de capital de la Société Bénéficiaire, soit 217 287 000 €, constituera une prime d'apport dont le montant s'établira à 2 190 215 789 €.

Apporteurs	Nombre d'actions apportées	Valeur d'apport (en €)	Nombre d'actions Eutelsat émises	Augmentation de capital Eutelsat (€)	Prime d'émission Eutelsat (€)
Bharti Space Limited	850 000	974 465 415	87 949 500	87 949 500	886 515 915
Gouvernement Britannique	500 000	573 214 950	51 735 000	51 735 000	521 479 950
Softbank Group Capital Limited	500 000	573 214 950	51 735 000	51 735 000	521 479 950
Hanwha Systems UK Limited	250 000	286 607 475	25 867 500	25 867 500	260 739 975
Total Apporteurs Majoritaires	2 100 000	2 407 502 789	217 287 000	217 287 000	2 190 215 789

1.5 Conditions suspensives

La réalisation de l'Apport est soumise à la réalisation de l'intégralité des conditions suspensives détaillées dans la section 8 du Traité d'Apport :

- (i) « la remise par le Commissaire aux Apports de ses rapports confirmant (i) que la Valeur de l'Apport retenue n'est pas surévaluée et que celle-ci est au moins égale au montant de l'Augmentation de Capital de la Société Bénéficiaire majoré de la Prime d'Apport ainsi que (ii) le caractère équitable de la Parité d'Echange ;
- (ii) le dépôt du Document d'exemption relatif à l'Apport auprès de l'AMF et sa mise à la disposition du public conformément à la réglementation française et européenne applicable (y compris la Position-Recommandation DOC-2020-06 de l'AMF) ; et
- (iii) l'approbation par l'Assemblée Générale de l'Apport, du Traité d'Apport, de l'Augmentation de Capital corrélative ainsi que des modifications des statuts de la Société Bénéficiaire et des changements dans la composition du Conseil d'administration de la Société Bénéficiaire tels que décrits à l'Annexe 8.1 (les « **Résolutions des Actionnaires d'Eutelsat** »), étant précisé qu'il est prévu que l'Assemblée Générale statue sur ces résolutions, le 28 septembre 2023.»

2. Diligences accomplies et appréciation de la valeur de l'Apport

2.1 Diligences effectuées

Notre mission a pour objet d'éclairer les actionnaires d'EUTELSAT sur l'absence de surévaluation de l'apport devant être effectué par les Apporteurs Majoritaires de ONEWEB. En conséquence, elle ne relève ni d'une mission d'audit ni d'une mission d'examen limité au sens des normes professionnelles. Elle ne saurait être assimilée à une mission de *due diligence* effectuée pour un prêteur ou un acquéreur et ne comporte pas tous les travaux nécessaires à ce type d'intervention. Notre rapport ne peut donc pas être utilisé dans un tel contexte.

Nous avons effectué les diligences que nous avons estimé nécessaires, par référence à la doctrine professionnelle de la Compagnie Nationale des Commissaires aux Comptes, pour :

- Contrôler la propriété et la libre transférabilité des actions apportées ;
- Analyser la valeur individuelle des actions apportées proposée dans le Traité d'Apport ;
- Vérifier que la valeur réelle de l'apport pris dans son ensemble est au moins égale à la valeur d'apport proposée dans le Traité d'Apport ;
- Nous assurer, jusqu'à la date de ce rapport, de l'absence de faits ou d'événements susceptibles de remettre en cause la valeur de l'Apport.



Dans ce cadre, nous avons mis en œuvre les principales diligences suivantes :

- Nous nous sommes entretenus avec les représentants d'EUTELSAT et de ONEWEB, tant pour prendre connaissance de l'opération et du contexte dans lequel elle se situe, que pour analyser les modalités comptables, financières, juridiques et fiscales envisagées ;
- Nous avons pris connaissance de l'Accord-Cadre intervenu le 14 novembre 2022 entre EUTELSAT et les Apporteurs Majoritaires de ONEWEB ;
- Nous avons examiné le Traité d'Apport et ses annexes ;
- Nous avons pris connaissance des états financiers sociaux et consolidés de ONEWEB au 31 mars 2023, du bilan & compte de résultat trimestriel non-audités au 30 juin 2023 (« *Unaudited P&L and balance sheet for the quarter ended, 30 June 2023* »), ainsi que du *reporting* à fin juin 2023 ;
- Nous avons pris connaissance du rapport de l'auditeur indépendant sur les comptes annuels et consolidés de ONEWEB au 31 mars 2023 ;
- Nous avons vérifié le respect de la réglementation comptable en vigueur en matière de valorisation des apports ;
- Nous avons examiné les méthodes de valorisation de l'Apport retenues par les parties et avons mis en œuvre notre propre évaluation des actions apportées selon une approche multicritères ;
- Nous avons obtenu (i) une lettre d'affirmation signée par les représentants d'EUTELSAT d'une part et (ii) une lettre d'affirmation signée par les représentants de ONEWEB et les Apporteurs Majoritaires d'autre part, nous confirmant l'exhaustivité des informations transmises à l'occasion de la présente Opération ainsi que, à leur connaissance, l'absence d'événement significatif (jusqu'à la date de notre rapport) susceptible de remettre en cause la valeur de l'Apport.

2.2 Appréciation de la méthode de valorisation de l'Apport et de sa conformité à la réglementation comptable

Les 2 100 000 actions ordinaires de catégorie A de ONEWEB apportées sont retenues pour leur valeur réelle.

Le présent apport, représentant 74,03% du capital de ONEWEB, confère le contrôle de ONEWEB à EUTELSAT.

Il s'analyse dès lors, au plan comptable, comme un apport partiel d'actif et entre dans le champ d'application du Règlement de l'Autorité des Normes Comptables (ANC) 2014-03 relatif au traitement des opérations de fusion et opérations assimilées.



Cependant, dans la mesure où cet apport est réalisé par des personnes morales de droit anglais au profit d'une société bénéficiaire française, conformément à l'article 720-1 du Règlement ANC 2014-03, les modalités d'évaluation des apports définies par la réglementation comptable française s'appliquent sauf si la réglementation locale impose une méthode contraire.

En règle française, s'agissant d'un apport réalisé entre sociétés sous contrôle distinct, il devrait être évalué sur la base de sa valeur réelle, conformément à l'article 743-1 du Règlement ANC 2014-03.

En retenant la valeur réelle, les parties ont donc retenu une méthode de valorisation de l'apport conforme à la réglementation comptable française en vigueur, ce qui n'appelle pas d'observation particulière de notre part.

2.3 Réalité de l'Apport

Nous nous sommes assurés de la propriété des titres transmis à partir du registre de mouvement de titres et des comptes d'actionnaires de ONEWEB qui désignent les Apporteurs Majoritaires comme titulaires des actions apportées.

Par ailleurs, nous nous sommes fait confirmer, par lettre d'affirmation des Apporteurs Majoritaires et de ONEWEB, l'absence de toute restriction dans le transfert des actions ordinaires de catégorie A ONEWEB apportées à EUTELSAT.

2.4 Appréciation de la valeur de l'Apport

L'Apport est constitué de 2 100 000 actions ordinaires de catégorie A de ONEWEB représentant 74,03% de son capital social.

L'Apport étant constitué des seuls titres de la société ONEWEB, et la même valeur unitaire étant retenue pour chaque action apportée, notre appréciation de la valeur individuelle et de la valeur globale de l'Apport est identique.

2.4.1 Valeur retenue par les parties

La valeur de l'Apport retenue correspond à la valeur réelle des 2 100 000 actions ordinaires de catégorie A de la société ONEWEB apportés, reposant sur une approche multicritères d'évaluation qui privilégie la référence et la méthode suivantes :

- Référence à la valorisation de ONEWEB extériorisée lors de la dernière opération sur le capital de ONEWEB annoncée en août 2021 et réalisée en février 2022,
- Méthode intrinsèque de l'actualisation des flux prévisionnels de trésorerie (DCF).

Les méthodes suivantes ont été écartées :

- L'actualisation des flux de dividendes futurs,
- Les comparables boursiers,



- Les transactions comparables,
- La valeur nette comptable et l'actif net comptable réévalué.

La valeur de 100% du capital social de ONEWEB finalement retenue s'élève à 3 297m€ et correspond à la valeur de 3 400m\$¹⁸ induite par l'entrée de HANWHA SYSTEMS UK LIMITED au capital de ONEWEB annoncée en août 2021 et réalisée en février 2022.

Les critères retenus nous semblent complémentaires et permettent de refléter la valeur du groupe ONEWEB, avec une pertinence relative différente pour chacun d'entre eux dans le contexte de l'Opération et en fonction des modalités de leur mise en œuvre.

Nous avons pris connaissance des travaux d'évaluation réalisés par les parties et leurs conseils.

2.4.2 Travaux mis en œuvre par le Commissaire aux apports

Pour apprécier la valeur de l'Apport, nous avons procédé à notre propre évaluation sur la base d'une approche multicritères.

Nous avons écarté les méthodes basées sur la valeur nette comptable et l'actif net comptable réévalué, ne permettant pas de refléter les perspectives futures de ONEWEB, dont la constellation vient juste d'être totalement déployée et qui devrait être opérationnelle d'ici la fin d'année 2023.

De même, compte tenu de l'absence de bénéfices à date, les méthodes des comparables boursiers, transactions comparables, et d'actualisation des dividendes futurs n'ont pu être mises en œuvre.

Nous avons retenu :

- La référence à la valeur de ONEWEB extériorisée par la dernière opération sur le capital de ONEWEB annoncée en août 2021 et réalisée en février 2022 : la société HANWHA SYSTEMS UK LIMITED a acquis 250 000 actions ONEWEB correspondant à 8,81% du capital pour un total de 300m\$, extériorisant une valeur à 100% de ONEWEB de 3 400m\$.
- Nous avons apprécié la valeur intrinsèque de la société par actualisation des flux futurs de trésorerie prévisionnels (DCF) issus (i) du plan d'affaires de ONEWEB établi par le management de ONEWEB sur la période 2023-2028¹⁹ d'une part, et (ii) du plan d'affaires de ONEWEB établi par le management d'EUTELSAT sur la période 2023-2033²⁰ d'autre part. Ces plans d'affaires intègrent les hypothèses et ambitions des managements respectifs, la principale différence étant une vision plus volontariste des perspectives de marché à moyen terme, retenues par ONEWEB par rapport à celles retenues par EUTELSAT, les parties s'étant

¹⁸ Au taux de conversion un mois \$/€ de 1,0311 au 20 juillet 2022

¹⁹ Plan d'affaires approuvé par le Conseil d'Administration de ONEWEB du 21 mars 2023.

²⁰ Plan d'affaires établi en octobre 2022.



majoritairement basées sur les études de marchés réalisées par EUROCONSULT et NSR respectivement.

Concernant les paramètres d'évaluation et résultats obtenus :

- Concernant la valeur terminale, nous avons retenu un niveau de profitabilité cohérent avec celui de la dernière année des plans d'affaires (extrapolés jusqu'en 2033 afin de refléter pleinement la mise en orbite des satellites GEN 2) ;
- Le taux d'actualisation est calculé sur la base des paramètres de marché observés, et reflète le niveau de risque attaché aux prévisions de trésorerie. Le taux retenu pour actualiser les flux de trésorerie ressort ainsi à 11,0%, soit proche du taux retenu par la société ONEWEB pour ses tests d'*impairment* et dans la fourchette retenue par les parties pour évaluer les apports selon la méthode du DCF²¹;
- Nous avons retenu un taux de croissance à l'infini de 3,0% ;
- Nous avons procédé à des analyses de sensibilité sur les paramètres clés, soit le taux d'actualisation et le taux de croissance à l'infini, ainsi que le taux de marge d'EBITDA normatif ;
- Les éléments de passage de la valeur d'entreprise à la valeur des fonds propres ont été déterminés sur la base des comptes consolidés annuels de ONEWEB au 31 mars 2023, ayant fait l'objet d'une certification par le contrôleur légal.

Les valeurs obtenues par l'actualisation des flux de trésorerie sur la base de ces 2 plans d'affaires sont supérieures à la valeur d'Apport et ne remettent ainsi pas en cause la valeur retenue dans le cadre du présent Apport.

3. Synthèse – Points clés

En synthèse de nos appréciations, nous souhaitons attirer votre attention sur les points suivants :

L'Apport porte sur 2 100 000 actions ordinaires de catégorie A représentant 74,03 % du capital de ONEWEB. Dans ce cadre, la valeur globale de 100% du capital social de ONEWEB fixée par les parties à 3 297 m€, résulte de leurs négociations et du processus de *due diligence* mené par EUTELSAT en tant que bénéficiaire des Apports.

Cette Opération permet la prise de contrôle de ONEWEB et donne accès aux actionnaires de celle-ci à la liquidité différée (engagement de conservation de 6 mois) pour les Apporteurs Majoritaires, et immédiate pour les Apporteurs Minoritaires.

Notons qu'EUTELSAT SA dispose de 3 sièges au Conseil d'Administration de ONEWEB depuis sa prise de participation en septembre 2021, et en préside le comité technique. A ce titre, EUTELSAT a une bonne connaissance des spécificités de ONEWEB, et du marché sur lequel elle évolue.

²¹ Fourchette de 10% à 11,5%



La valeur ainsi fixée est corroborée par une évaluation multicritères intégrant la valeur intrinsèque de ONEWEB sur la base d'une actualisation des flux de trésorerie prévisionnels estimés par le management de ONEWEB d'une part, et par le management d'EUTELSAT d'autre part.

Nos estimations de valeurs sont fondées sur une approche *standalone* n'intégrant aucune des synergies anticipées par les parties, lesquelles sont estimées à un montant de plus de 1,5Mds€ (après actualisation et fiscalité, net des coûts de mise en œuvre).

Nous nous sommes assurés auprès de ONEWEB et d'EUTELSAT qu'aucun élément, à leur connaissance, ne remettait en cause significativement les données qui nous ont été communiquées et que nous avons retenues dans le cadre de nos travaux.

En définitive, les valeurs auxquelles conduisent nos travaux de valorisation et les analyses de sensibilité à aux paramètres clés ne remettent pas en cause la valeur de l'Apport.



4. Conclusion

Sur la base de nos travaux et à la date du présent rapport, nous sommes d'avis que la valeur de l'Apport retenue s'élevant à 2 407 502 789 € n'est pas surévaluée et, en conséquence, qu'elle est au moins égale au montant de l'augmentation de capital de la Société Bénéficiaire de l'Apport, majorée de la prime d'apport.

Fait à Paris, le 18 août 2023

FINEXSI EXPERT & CONSEIL FINANCIER

Olivier PERONNET

Le Commissaire aux apports



FINEXSI
EXPERT & CONSEIL FINANCIER

Free translation of the original « *Rapport du Commissaire aux apports sur la valeur de l'apport d'actions de la société ONEWEB HOLDINGS LIMITED devant être effectué au profit de la société EUTELSAT COMMUNICATIONS SA par les Apporteurs Majoritaires* »

issued by the contribution auditor, dated August 18, 2023. French version shall prevail.

EUTELSAT COMMUNICATIONS SA

Public limited company with a Board of Directors
32 Boulevard Gallieni
92130 Issy-les-Moulineaux
RCS of Nanterre 481 043 040

Contribution auditor's report on the value of the contribution of the ONEWEB HOLDINGS LIMITED shares by Major Shareholders Contributors to EUTELSAT COMMUNICATIONS SA

*Order of the President of the Nanterre
Commercial Court dated December 5, 2022*



Contribution auditor's report on the value of the contribution of the ONEWEB HOLDINGS LIMITED shares by Major Shareholders Contributors to EUTELSAT COMMUNICATIONS SA

Ladies and Gentlemen,

Pursuant to the assignment entrusted to us by order of the President of the Nanterre Commercial Court dated December 5, 2022, regarding the contribution of ONEWEB HOLDINGS LIMITED Class A ordinary shares to EUTELSAT COMMUNICATIONS SA, we have prepared this report on the value of the contribution, as provided for in Article L.225-147 of the French Commercial Code.

As the shares of EUTELSAT COMMUNICATIONS SA are admitted to trading on a regulated market, our assignment has been extended, with reference to position-recommendation 2020-06 of the *Autorité des Marchés Financiers* (hereinafter the "AMF"), to the assessment of the fairness of the remuneration of the proposed contribution. We have therefore issued an opinion on the consideration for the contribution, which is the subject of a separate report.

The value of the contribution was set out in the contribution agreement signed by the representatives of the companies concerned (described in paragraph 1.2 hereafter) on August 18, 2023 (hereinafter the "**Contribution Agreement**").

It is our responsibility to express a conclusion as to whether the value of the contribution is not overstated. For this purpose, we have performed our procedures in accordance with the professional standards of the *Compagnie Nationale des Commissaires aux Comptes* applicable to this engagement. These standards require that we perform the necessary procedures to assess the value of the contribution, to ensure that it is not overstated and to verify that it corresponds at least to the nominal value of the shares to be issued by the company receiving the contribution, plus the issue premium.

No special benefit is stipulated in the context of this transaction.

Our report is intended for the persons covered by French law, in this case the shareholders of EUTELSAT COMMUNICATIONS SA. It meets the requirements of these regulations but not those of the English regulations, which apply to the shareholders of ONEWEB HOLDINGS LIMITED.

As our mission ends with the filing of our report, it is not our responsibility to update it to take into account facts and circumstances subsequent to the date of signature.

At no time did we find ourselves in one of the cases of incompatibility, prohibition or disqualification provided for by law.



Please find below our findings and conclusions presented in the following order:

1. Presentation of the proposed transaction and description of the contribution
2. Due diligence and assessment of the value of the contribution
3. Summary - key points
4. Conclusion

1. Presentation of the proposed transaction and description of the contribution

1.1 Context of the transaction

In a joint press release dated July 26, 2022, EUTELSAT COMMUNICATIONS SA (hereinafter "**EUTELSAT**" or the "**Beneficiary Company**") and ONEWEB HOLDINGS LIMITED (hereinafter "**ONEWEB**") announced the proposed combination by way of an exchange of shares with the aim of forming a single leading global player in the field of satellite connectivity. The definitive framework agreement for the combination between EUTELSAT and ONEWEB WAS entered into on November 14, 2022, between EUTELSAT and the principal shareholders of ONEWEB as mentioned in paragraph 1.2 hereunder (hereinafter the "**Framework Agreement**").

The objective of this combination is to create a leading global player positioned to conquer the satellite connectivity market with a complementary GEO/LEO offering¹.

This newly formed entity would have an enhanced range of satellite coverage, notably with EUTELSAT's geostationary satellites (GEO) and ONEWEB's low earth orbit satellites (LEO).

It is thus envisaged that:

- (i) BHARTI SPACE LIMITED, the *Secretary of State for Science, Innovation and Technology of the United Kingdom*² ("**UK Government**"), SOFTBANK GROUP CAPITAL LIMITED and HANWHA SYSTEMS UK LIMITED (the "**Major Shareholders Contributors**") and the other minority shareholders of ONEWEB (other than EUTELSAT SA) (the "**Minority Shareholders Contributors**" and together the "**Contributors**") are contributing all of the Class A ordinary shares of ONEWEB held by them, representing a total of 2,186,644 shares, to the Beneficiary Company (the "**Existing Shareholders' Contributions**"), and

¹ GEO (*Geostationary Earth Orbit*) satellites are geostationary satellites that remain constantly above the same point on the Earth's surface at a distance of about 36,000 km and provide communications, television and weather services. LEO (*Low Earth Orbit*) satellites are non-geostationary satellites that operate in low earth orbit (about 1,200 km) and provide mobile data services and cell phone systems.

² Following the Prime Minister's announcement of a change of government apparatus on February 7, 2023, three new government departments were created, including the Department for Science, Innovation and Technology (DSIT). By an Order in Council which came into effect on May 3, 2023, the UK government's shareholding has been transferred from the Secretary of State for Business, Energy & Industrial Strategy (BEIS) to the Secretary for State for Science, Innovation and Technology (DSIT).



- (ii) BHARTI SPACE LIMITED and the British Government are selling to EUTELSAT all of the 4 *deferred shares* issued by ONEWEB that they hold.

(hereinafter the "**Transaction**")

It is expected that ONEWEB option holders will be able to exercise their options either (i) immediately prior to and subject to the completion of the Major Shareholders Contributors' Contributions; or (ii) during certain exercise windows between completion of the Transaction and October 10, 2024, with a view to contributing the resulting ONEWEB Class A ordinary shares to EUTELSAT, in the context of contribution in kind transactions carried out by delegation of authority by the extraordinary general meeting of EUTELSAT, and using the same exchange ratio as the one of the Contribution³.

Following the Transaction, EUTELSAT will hold, directly and indirectly through its subsidiary EUTELSAT SA, 100% of the shares issued by ONEWEB⁴.

This report relates to the contributions of the Major Shareholders Contributors (the "**Contribution**"), it being specified that a separate report will cover the contributions of the Minority Shareholders Contributors and that another report will cover any contributions of the Option Holders.

1.2 Presentation of the parties involved

1.2.1 EUTELSAT COMMUNICATIONS SA, beneficiary of the contribution

EUTELSAT COMMUNICATIONS SA ("**EUTELSAT**") is a French *société anonyme* with a Board of Directors, whose registered office is located at 32, Boulevard Gallieni in Issy-les-Moulineaux (92130), and which has been registered with the Paris Trade and Companies Registry since February 15, 2005, and with the Nanterre Trade and Companies Registry since October 30, 2020 under number 481 043 040.

Its share capital amounts to €248,926,325, divided into 248,926,325 ordinary shares with a par value of €1 each, all fully paid up and of the same class.

EUTELSAT's shares have been listed on compartment A of the Euronext Paris market under ISIN code FR0010221234 since December 2, 2005.

According to its bylaws, EUTELSAT's purpose is, "*in France and abroad*:"

- *to supply Space Segment capacity, and satellite communications systems and services. To that end, Eutelsat Communications undertakes any activities relating to the design,*

³ In certain circumstances, at Eutelsat's option, the contributions in kind could be replaced by an exchange for existing shares at the same exchange ratio or by payment in cash.

⁴ Except for one Class B share issued by ONEWEB held by the UK Government.



development, construction, installation, operation and maintenance of its Space Segment and of those satellite systems and services;

- *and more generally, to take part in any existing or future enterprise or company and to participate in any transactions of any nature, be they financial, commercial, industrial, civil, real-estate-related or other, pertaining directly or indirectly to the corporate purpose or to any similar, related or complementary purposes, and likely to promote, directly or indirectly, the aims pursued by Eutelsat Communications, its expansion into other fields, its growth and its assets.*

The term "Space Sector" means a set of telecommunications satellites, as well as the tracking, telemetry, remote control, monitoring and other associated equipment necessary for the operation of these satellites.

The closing date for EUTELSAT's accounts is June 30 of each year.

EUTELSAT marked the beginning of the European satellite communications services industry⁵. Today, the EUTELSAT group is one of the world's leading operators of commercial communications satellites and operates 36 satellites in geostationary orbit covering up to 150 countries, from 139° West to 174° East⁶.

Through its fleet of satellites and terrestrial infrastructure, the EUTELSAT group provides capacity to broadcasters, telecommunications operators and governmental bodies served either directly or through distributors. EUTELSAT group's business is organized since 30 June 2023 around four verticals⁷:

- Video (62.0% of revenues): the EUTELSAT group provides to its customers broadcasting capacity and associated services to enable them to broadcast television programs mainly to homes equipped for direct satellite reception, or to homes connected to cable or IP networks (enabling the broadcast of approximately 6,583 television channels mainly in Europe, in the Middle East and in Africa of which 2,500 are free mainly in Europe, in the Middle East and in Africa);
- Fixed connectivity (15.7% of revenues): fixed data includes enterprise networks (allowing companies to connect their network in remote areas), the connection of mobile networks (*backhaul*) and the connection to the Internet backbone⁸ (*trunking*). Additionally, it includes internet access solutions, notably IP connectivity services;
- Government Services (12.6% of revenues): the EUTELSAT group enables reliable and rapidly deployed global communications for governments throughout the world⁹ ;

⁵ EUTELSAT's activities were originally carried out by an intergovernmental organization, the European Telecommunications Organization (IGO), which transferred all of its operational activities to EUTELSAT SA in July 2001 before it was acquired by EUTELSAT in 2005.

⁶ As of 30 June 2023

⁷ % based on annual consolidated revenues as of June 30, 2023.

⁸ Very high-speed data transmission line that provides networking facilities to local internet service providers.

⁹ Allows the interconnection of dispersed or isolated sites, the guarantee of immediate availability of capacity, as well as security and reliability, for ground or sea operations.



- Mobile connectivity (9.7% of revenues): the EUTELSAT group provides distributors/integrators and telecom operators with capacity dedicated to mobile connectivity, in-flight or maritime.

As of June 30, 2023, the EUTELSAT group had revenues of €1.1 billion and operating income of €573.5 million, with a workforce at that date of nearly 1,067 employees.

1.2.2 ONEWEB HOLDINGS LIMITED, A company whose securities are contributed

ONEWEB HOLDINGS LIMITED ("ONEWEB") is a *private limited company* incorporated under the laws of England and Wales with its registered office at West Works Building, 195 Wood Lane, London, W12 7 FQ. It is registered since March 25, 2020, under number 12534512.

Its capital consists of (i) 2,836,644 Class A ordinary shares¹⁰ with a par value of USD 0.01 each, (ii) one Class B share with a par value of USD 0.01¹¹, and (iii) four *deferred shares* with a par value of GBP 1.00.

The closing date for ONEWEB's accounts is March 31 of each year.

ONEWEB is a satellite communications company with a constellation of 634 low earth orbit (LEO) communication satellites¹² covering the entire globe. THE ONEWEB constellation of satellites are non-geostationary, low-earth orbiting satellites that provide affordable, fast, high-bandwidth, low-latency communications to businesses and consumers¹³.

The ONEWEB constellation consists of first-generation LEO GEN 1 satellites, the first of which were deployed in February 2019. This first constellation will be replaced over time by the LEO GEN 2 constellation, which is currently being designed. These next-generation satellites are expected to have greater capacity, longer lifetime, and enhanced performance than the LEO GEN 1 satellites. The launch of the first LEO GEN 2 satellites is expected to coincide with the decommissioning of the first LEO GEN 1 satellites in 2027 or 2028.

Each satellite is connected to terrestrial infrastructure, which transmits data to the constellation. ONEWEB has three types of ground infrastructure to support its operations:

- TT&C stations¹⁴: these stations ensure communications during some operations on its satellites (pre-launch, orbit transfer, etc.), and in case of emergency on a spacecraft;

¹⁰ There are also options granted to ONEWEB employees under the *ONEWEB Executive Share Option Scheme 2021*, giving right to a maximum of 39,550 ONEWEB Class A ordinary shares.

¹¹ The UK Government will keep its Class B share. The latter has no economic rights (with the exception, in the event of liquidation, of the repayment of the amount paid up in respect of the Class B share, with the same priority as the repayment of the amounts paid up in respect of the Class A ordinary shares).

¹² Following the 17th and 18th launches of ONEWEB by SPACEX and NEWSpace INDIA respectively in March 2023.

¹³ Latency is a data transmission delay in communications. It refers to the time it takes for a data packet to travel from source to destination across a network.

¹⁴ *Telemetry, Tracking and Command systems.*



- SNPs¹⁵: these provide Internet access for ONEWEB's constellation of satellites and are distributed around the globe. They are equipped with several antennas allowing them to reach a number of satellites;
- User terminals: provide end-users with broadband Internet access from the LEO satellite constellation of ONEWEB. These terminals are capable of providing continuous service through transfers between active satellites. ONEWEB develops different user terminals to meet multiple needs, for governments, operators, enterprises, aviation, maritime and land mobility.

1.2.3 BHARTI SPACE LIMITED, the UK Government, SOFTBANK GROUP CAPITAL LIMITED and HANWHA SYSTEMS UK LIMITED - the Major Shareholders Contributors

BHARTI SPACE LIMITED

BHARTI SPACE LIMITED (“**Bharti**”) is a *private limited company incorporated in England and Wales* with its registered office at 53/54 Grosvenor Street, 2nd floor, London, W1K 3HU. It has been registered since 26 February 2021 under number 13228343. BHARTI SPACE LIMITED IS part of the Indian group BHARTI which owns AIRTEL, India's leading cell phone operator.

Bharti holds 850,000 Class A ordinary shares and 2 deferred shares in ONEWEB.

THE SECRETARY OF STATE FOR SCIENCE, INNOVATION AND TECHNOLOGY (UK Government)

The UK Government, located at 100 Parliament Street, London, SW1A 2BQ, holds 500,000 Class A ordinary shares, 1 Class B ordinary share and 2 deferred shares in ONEWEB.

SOFTBANK GROUP CAPITAL LIMITED

SOFTBANK GROUP CAPITAL LIMITED (“**SOFTBANK**”) is a *private limited company* incorporated under the laws of England and Wales with its registered office at 69 Grosvenor Street, London, W1K 3JP. It has been registered at *Companies House* since April 30, 2015 under number 09569889.

SoftBank holds 500,000 Class A ordinary shares in ONEWEB.

HANWHA SYSTEMS UK LIMITED

HANWHA SYSTEMS UK LIMITED (“**HANWHA**”) is a *private limited company* incorporated under the laws of England and Wales with its registered office at Suite A, 6 Honduras Street, London, EC1Y 0TH. It was registered at *Companies House* on October 6, 2021 under number 13665238. HANWHA SYSTEMS UK LIMITED IS part of the South Korean HANWHA Group.

HANWHA holds 250,000 Class A ordinary shares in ONEWEB.

¹⁵ Satellite Network Portals



1.2.4 Capital links between the parties involved in the transaction

As of the date hereof, EUTELSAT SA, subsidiary of the Beneficiary Company, holds 650,000 Class A ordinary shares of ONEWEB, representing approximately 22.91% of the company's capital and voting rights (excluding the dilutive impact of options issued by OneWeb). This equity investment¹⁶ dates from September and October 2021.

As of the date hereof, BHARTI, which is one of the Major Shareholders' Contributors, is a subsidiary of BHARTI GLOBAL LIMITED which directly holds 12,974,047 representing 5.21% of EUTELSAT's share capital and voting rights.

1.3 General terms and conditions

The terms and conditions of the Contribution, which are set out in detail in the Contribution Agreement, to which reference should be made, can be summarized as follows.

Legal regime of the Contribution

From a legal standpoint, the Contribution is subject to the common law regime for contributions in kind provided for in Article L.225-147 of the French Commercial Code.

Tax system

The Contribution will be registered free of charge in accordance with the provisions of Article 810, I of the French General Tax Code.

Date of completion of the Contribution

The Contribution will be completed on the date on which the last of the conditions precedent referred to below (§ 1.5) is satisfied or is lifted, as evidenced by a decision of the shareholders of EUTELSAT recording the definitive completion of the increase in EUTELSAT's share capital as consideration for the Existing Shareholders' Contributions (hereinafter the "**Completion Date**").

The Contribution will also take effect, for tax purposes, on the Completion Date.

1.4 Description and evaluation of the Contribution

1.4.1 Description of the Contribution

The contribution made by the Major Shareholders Contributors (the "**Contribution**") consists of 2,100,000 Class A ordinary shares of ONEWEB, representing, on an undiluted basis, 74.03%

¹⁶ Initial investment announced in April 2021 and completed in September 2021 then exercise of a call option in October 2021.



of the Class A ordinary shares in the share capital of ONEWEB, with a par value of \$0.01 each, and fully paid.

Contributors	Number of shares contributed
Bharti Space Limited	850,000
UK Government	500,000
Softbank Group Capital Limited	500,000
Hanwha Systems UK Limited	250,000
Total major contributors	2,100,000

In accordance with the terms of the Contribution Agreement, each contributed Class A ordinary share of ONEWEB will be, at the date of completion of the Contribution, free of any pledge, third party right, charge or other security interest.

It is also agreed that the Major Shareholders Contributors holding the 4 ONEWEB *deferred shares*, i.e. BHARTI SPACE LIMITED and the UK Government, will transfer them to EUTELSAT with the guarantee of full title and free of any pledge, third party rights, encumbrance or other security.

Finally, following the contributions of the Major Shareholders Contributors and the Minority Shareholders Contributors, EUTELSAT will own directly and indirectly through its subsidiary EUTELSAT SA, 100% of the shares issued by ONEWEB¹⁷.

1.4.2 Valuation method and reference

The Contribution is made on the basis of the real value of the contributed shares.

The real value of the 2,100,000 ONEWEB Class A ordinary shares has been determined by reference to the transaction price agreed by the parties and indicated in the press release of 26 July 2022, i.e. €3,297 million for 100% of the share capital of ONEWEB.

The value of the Contribution is as follows per contributor (in €):

Contributors	Number of shares contributed	Contribution value (in €)
Bharti Space Limited	850,000	974,465,415
UK Government	500,000	573,214,950
Softbank Group Capital Limited	500,000	573,214,950
Hanwha Systems UK Limited	250,000	286,607,475
Total major contributors	2,100,000	2,407,502,789

¹⁷ With the exception of one Class B share issued by ONEWEB held by the UK Government.



1.4.3 Remuneration of Contribution

The remuneration of the Contribution is made on the basis of the real value of the Contribution, on the one hand, and the real value of the shares of the Beneficiary Company, on the other hand.

On this basis, the Contribution will be remunerated by the allocation of 217,287,000 new EUTELSAT shares with a par value of €1 each, to be issued by the Beneficiary Company, which will increase its capital by €217,287,000. The shares issued in consideration for the Contribution will be subject to a 6-month lock-up period from the completion date, as provided for in the EUTELSAT shareholders' agreement signed by the Major Shareholders Contributors.

The difference between (i) the total value of the Contribution, i.e. €2,407,502,789 and (ii) the total amount of the capital increase of the Beneficiary Company, i.e. €217,287,000, will constitute a contribution premium of €2,190,215,789.

Contributors	Number of shares contributed	Contribution value (€)	Number of Eutelsat shares issued	Eutelsat's capital increase (€)	Share premium (€)
Bharti Space Limited	850,000	974,465,415	87,949,500	87,949,500	886,515,915
UK Government	500,000	573,214,950	51,735,000	51,735,000	521,479,950
Softbank Group Capital Limited	500,000	573,214,950	51,735,000	51,735,000	521,479,950
Hanwha Systems UK Limited	250,000	286,607,475	25,867,500	25,867,500	260,739,975
Total major contributors	2,100,000	2,407,502,789	217,287,000	217,287,000	2,190,215,789

1.5 Conditions precedent

The completion of the Contribution is subject to the fulfillment of all conditions precedent detailed in section 8 of the Contribution Agreement:

- (i) *“the submission by the Contribution Auditor of its reports confirming (i) that the Contribution Value retained is not overvalued and that it is at least equal to the amount of the Capital Increase of the Beneficiary Company plus the Contribution Premium, and (ii) the fairness of the Exchange Ratio;*
- (ii) *filing the Exemption Document relating to the Contribution with the AMF and making it available to the public in accordance with applicable French and European regulations (including AMF Position-Recommendation DOC-2020-06); and*
- (iii) *the approval by the Shareholders' Meeting of the Contribution, of the Contribution Agreement, of the corresponding Capital Increase as well as of the amendments to the bylaws of the Beneficiary Company and of the changes in the composition of the Board of Directors of the Beneficiary Company as described in Appendix 8.1 (the “EUTELSAT Shareholders' Resolutions”), it being specified that the Shareholders' Meeting is scheduled to vote on this matter on September 28, 2023.”*



2. Due diligence and assessment of the value of the contribution

2.1 Diligences carried out

The purpose of our mission is to inform the shareholders of EUTELSAT on the absence of overvaluation of the contribution to be made by the Major shareholders of ONEWEB. Consequently, it does not fall within the scope of an audit engagement or a limited review engagement within the meaning of professional standards. It cannot be compared to a *due diligence* mission performed for a lender or an acquirer and does not include all the work required for this type of intervention. Our report cannot therefore be used in such a context.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (*Compagnie Nationale des Commissaires aux Comptes*):

- Control the ownership and free transferability of the shares contributed;
- Analyze the individual value of the contributed shares proposed in the Contribution Agreement;
- Verify that the actual value of the Contribution taken as a whole is at least equal to the Contribution Value proposed in the Contribution Agreement;
- Ensure, up to the date of this report, that there are no facts or events that could call into question the value of the Contribution.

In this context, we performed the following principal procedures:

- We met with representatives of EUTELSAT and ONEWEB to learn about the transaction and the context in which it is taking place, and to analyze the accounting, financial, legal and tax terms and conditions envisaged;
- We have taken note of the Framework Agreement entered into on November 14, 2022 between EUTELSAT and the Major Shareholders Contributors of ONEWEB;
- We have examined the Contribution Agreement and its schedules;
- We have read the corporate and consolidated financial statements of ONEWEB as of March 31, 2023, unaudited P&L and balance sheet for the quarter ended as of June 30, 2023, and the *reporting* at the end of June 2023;
- We have read the independent auditor's report on the annual and consolidated financial statements of ONEWEB as of March 31, 2023;
- We have verified compliance with the applicable accounting regulations regarding the valuation of contributions;



- We have examined the valuation methods used by the parties for the contribution and have performed our own valuation of the contributed shares using a multi-criteria approach;
- We have obtained (i) a letter of representation signed by the representative of EUTELSAT, on the one hand and, (ii) a letter of representation signed by the representatives of ONEWEB and Major Shareholders Contributors on the other hand, confirming the completeness of the information provided in connection with the present Transaction and, to their knowledge, the absence of any significant event (up to the date of our report) that could call into question the value of the Contribution.

2.2 Assessment of the valuation method of the Contribution and its compliance with accounting regulations

The 2,100,000 ONEWEB Class A ordinary shares contributed are retained at their real value.

This contribution, representing 74.03% of ONEWEB's capital, gives EUTELSAT control of ONEWEB.

From an accounting standpoint, it is therefore treated as a partial contribution of assets and falls within the scope of the *Autorité des Normes Comptables* (“ANC”) Regulation 2014-03 on the treatment of merger and similar transactions.

However, insofar as this contribution is made by legal entities incorporated in England to a French beneficiary company, in accordance with Article 720-1 of ANC Regulation 2014-03, the contribution valuation methods defined by French accounting regulations apply unless local regulations impose a contrary method.

Under French rules, in the case of a contribution made between companies under separate control, it should be valued on the basis of its actual value, in accordance with Article 743-1 of ANC Regulation 2014-03.

By retaining the fair value, the parties have therefore used a valuation method for the contribution that complies with current French accounting regulations, which does not call for any particular comment on our part.

2.3 Reality of the contribution

We have ascertained the ownership of the securities transferred from the securities movement register and ONEWEB's shareholder accounts which designate the Major Shareholders Contributors as the owners of the shares contributed.

Furthermore, we have received confirmation by letter of representation from the Major Shareholders Contributors and ONEWEB that there are no restrictions on the transfer of the Class A ordinary shares of ONEWEB contributed to EUTELSAT.



2.4 Assessment of the value of the contribution

The Contribution consists of 2,100,000 ONEWEB Class A ordinary shares representing 74.03% of its share capital.

As the Contribution consists solely of the shares of ONEWEB, and as the same unit value is used for each share contributed, our assessment of the individual value and the overall value of the Contribution is identical.

2.4.1 Value retained by the parties

The value of the Contribution corresponds to the real value of the 2,100,000 ONEWEB Class A ordinary shares contributed, based on a multi-criteria valuation approach that favors the following reference and method:

- Reference to ONEWEB's implied valuation at the time of the last transaction on the share capital of ONEWEB announced in August 2021 and completed in February 2022,
- Intrinsic discounted cash flow (DCF) method.

The following methods were discarded:

- Discounting of theoretical dividend flows,
- Stock market comparables,
- Comparable transactions,
- The net book value and the revalued net book assets.

The value of 100% of the share capital of ONEWEB finally retained amounts to €3,297m and corresponds to the value of \$3,400m¹⁸ induced by the entry of HANWHA SYSTEMS UK LIMITED in the company's capital announced in August 2021 and completed in February 2022.

The criteria selected seem to us to be complementary and to reflect the value of the ONEWEB group, with a different relative relevance for each of them in the context of the Transaction and according to the way they are implemented.

We have reviewed the valuation work performed by the parties and their counsel.

2.4.2 Work carried out by the contribution auditor

In order to assess the value of the Contribution, we conducted our own valuation based on a multi-criteria approach.

¹⁸ At a one-month \$/€ conversion rate of 1.0311 on July 20, 2022



We rejected the net book value and net asset value methods, as they do not reflect the future prospects of ONEWEB, whose constellation has just been fully deployed and should be operational by the end of 2023.

Similarly, given the absence of earnings to date, the methods of stock market comparisons, comparable transactions and discounting of future dividends could not be applied.

We have selected :

- The reference to ONEWEB's value in the last transaction on the share capital of ONEWEB announced in August 2021 and completed in February 2022: the company HANWHA SYSTEMS UK LIMITED acquired 250,000 ONEWEB shares corresponding to 8.81% of the capital for a total of \$300m, resulting in a 100% value of ONEWEB of \$3,400m.
- We assessed the intrinsic value of the company by discounting the projected future cash flows (DCF) derived from (i) ONEWEB's business plan drawn up by ONEWEB's management for the period 2023-2028¹⁹ and (ii) ONEWEB's business plan drawn up by EUTELSAT's management for the period 2023-2033²⁰. These business plans incorporate the assumptions and ambitions of the respective management teams, the main difference being a more proactive view of the medium-term market outlook, as adopted by ONEWEB compared with that adopted by EUTELSAT, since the parties have based themselves mainly on the market studies carried out by EUROCONSULT and NSR respectively.

Regarding the evaluation parameters and results obtained:

- For the terminal value, we have assumed a level of profitability equivalent to that of the last year of the business plan (extrapolated to 2033 for ONEWEB's management business plan, in order to fully reflect the launch of the GEN 2 satellites);
- The discount rate is calculated on the basis of observed market parameters and reflects the level of risk attached to the cash flow forecasts. The rate used to discount cash flows is 11.0%, which is close to the rate used by the company ONEWEB for its *impairment* tests and within the range used by the parties to value the contributions using the DCF method²¹;
- We have assumed a growth rate to infinity of 3.0%;
- We performed sensitivity analyses on the key parameters, namely the discount rate and the perpetual growth rate, as well as the normative EBITDA margin rate.
- The elements for the transition from enterprise value to equity value have been determined on the basis of the annual consolidated financial statements of ONEWEB as of March 31, 2023, which have been certified by the statutory auditor.

¹⁹ Business plan approved by ONEWEB's Board of Directors on March 21, 2023

²⁰ Business plan established in October 2022

²¹ 10% to 11.5% range



The values obtained by discounting the cash flows on the basis of these two business plans are higher than the Contribution value and therefore do not call into question the value retained in the context of this Contribution.

3. Summary – Key points

In summary of our assessments, we would like to draw your attention to the following points:

The Contribution relates to 2,100,000 Class A ordinary shares of ONEWEB representing 74.03% of the share capital of ONEWEB. In this context, the overall value of 100% of the share capital of ONEWEB, set by the parties at 3,297 m€, is the result of their negotiations and of the *due diligence* process carried out by EUTELSAT as the beneficiary of the Contribution.

This Transaction enables EUTELSAT to take control of ONEWEB and gives its shareholders access to deferred liquidity (6-month lock-up period) for the Major Shareholders Contributors, and immediate liquidity for the Minority Shareholders Contributors.

EUTELSAT SA holds three seats on ONEWEB's Board of Directors since it acquired its stake in September 2021, and chairs the Technical Committee. As such, EUTELSAT has a good knowledge of ONEWEB's specificities and the market in which it operates.

The value thus determined is corroborated by a multi-criteria valuation integrating the intrinsic value of ONEWEB on the basis of discounted cash flow forecasts estimated by ONEWEB's management, on the one hand, and by EUTELSAT's management, on the other hand.

Our valuation estimates are based on a *standalone* approach not including any of the synergies anticipated by the parties, which are estimated at a total amount of over €1.5 billion (discounted and after-tax, net of implementation costs).

We have verified with ONEWEB and EUTELSAT that, to their knowledge, there is nothing that would significantly call into question the data provided to us and which we have used in our work.

In the end, the values arrived at by our valuation work and the sensitivity analyses to key parameters do not call into question the value of the Contribution.



4. Conclusion

On the basis of our work and as of the date of this report, we are of the opinion that the value of the Contribution amounting to €2,407,502,789 is not overvalued and, consequently, that it is at least equal to the amount of the capital increase of the Beneficiary Company, plus the contribution premium.



FINEXSI
EXPERT & CONSEIL FINANCIER

EUTELSAT COMMUNICATIONS SA

Société anonyme à Conseil d'Administration
32 Boulevard Gallieni
92130 Issy-les-Moulineaux
RCS de Nanterre 481 043 040

Rapport du Commissaire aux apports sur la rémunération de l'apport d'actions de la société ONEWEB HOLDINGS LIMITED devant être effectué au profit de la société EUTELSAT COMMUNICATIONS SA par les Apporteurs Majoritaires

*Ordonnance de Monsieur le Président
du Tribunal de Commerce de Nanterre
en date du 5 décembre 2022*



**RAPPORT DU COMMISSAIRE AUX APPORTS SUR LA REMUNERATION DE L'APPORT D' ACTIONS
DE LA SOCIETE ONEWEB HOLDINGS LIMITED DEVANT ETRE EFFECTUE AU PROFIT DE LA
SOCIETE EUTELSAT COMMUNICATIONS SA PAR LES APORTEURS MAJORITAIRES**

Mesdames, Messieurs,

En exécution de la mission qui nous a été confiée par ordonnance de Monsieur le Président du Tribunal de Commerce de Nanterre en date du 5 décembre 2022, concernant l'apport d'actions ordinaires de catégorie A de la société ONEWEB HOLDINGS LIMITED à la société EUTELSAT COMMUNICATIONS SA, nous avons établi le présent rapport sur la rémunération de l'apport, étant précisé que notre appréciation sur la valeur de l'apport fait l'objet d'un rapport distinct.

Les actions de la société EUTELSAT COMMUNICATIONS SA étant admises aux négociations sur un marché réglementé, le présent rapport sur la rémunération de l'apport est établi par référence à la position-recommandation 2020-06 de l'Autorité des Marchés Financiers (ci-après l'« **AMF** »).

La rémunération de l'apport a été définie dans le traité d'apport en nature signé par les représentants des sociétés concernées (qui sont présentés au paragraphe 1.2 ci-après) en date du 18 août 2023 (ci-après le « **Traité d'Apport** »).

Il nous appartient d'exprimer une conclusion sur le caractère équitable de la rémunération de l'apport. A cet effet, nous avons effectué nos diligences selon la doctrine professionnelle de la Compagnie Nationale des Commissaires aux Comptes applicable à la mission de Commissaire aux apports chargé d'apprécier le caractère équitable de la rémunération des apports. Cette doctrine professionnelle requiert la mise en œuvre de diligences destinées d'une part, à vérifier que les valeurs relatives attribuées aux apports et aux actions de la société bénéficiaire des apports sont pertinentes et, d'autre part, à analyser le positionnement de la rémunération proposée par rapport aux valeurs relatives jugées pertinentes.

Il n'est pas stipulé d'avantage particulier dans le cadre de la présente opération.

Notre rapport, est à destination des personnes visées par la loi française, en l'espèce les actionnaires d'EUTELSAT COMMUNICATIONS SA. Il répond aux exigences de cette réglementation, mais pas à celles de la réglementation anglaise, dont bénéficient les actionnaires de ONEWEB HOLDINGS LIMITED.

Notre mission prenant fin avec le dépôt de notre rapport, il ne nous appartient pas de le mettre à jour pour tenir compte des faits et circonstances postérieurs à sa date de signature.

A aucun moment nous ne nous sommes trouvés dans l'un des cas d'incompatibilité, d'interdiction ou de déchéance prévus par la loi.



Nous vous prions de trouver, ci-après, nos constatations et conclusion présentées dans l'ordre suivant :

1. Présentation des parties en présence
2. Vérification de la pertinence des valeurs relatives attribuées aux actions apportées et aux actions de la société bénéficiaire
3. Appréciation du caractère équitable de la rémunération proposée
4. Synthèse – Points clés
5. Conclusion

1. Présentation de l'opération envisagée

1.1 Contexte de l'opération

Par un communiqué commun du 26 juillet 2022, EUTELSAT COMMUNICATIONS SA (ci-après « **EUTELSAT** » ou la « **Société Bénéficiaire** ») et ONEWEB HOLDINGS LIMITED (ci-après « **ONEWEB** ») ont annoncé le projet de rapprochement par échange d'actions dans le but de former un acteur mondial unique de premier plan dans le domaine de la connectivité par satellite. L'accord-cadre définitif de rapprochement entre EUTELSAT et ONEWEB (*Framework Agreement*) a été conclu le 14 novembre 2022 entre EUTELSAT et les principaux actionnaires de ONEWEB visés au paragraphe 1.2 ci-dessous (ci-après l'« **Accord Cadre** »).

L'objectif de ce rapprochement est de créer un acteur mondial de premier plan positionné pour conquérir le marché de la connectivité satellitaire avec une offre complémentaire GEO/LEO¹.

Cet ensemble nouvellement constitué disposerait d'une offre enrichie de couverture satellitaire, notamment avec les satellites géostationnaires d'EUTELSAT (GEO) et les satellites en orbite terrestre basse de ONEWEB (LEO).

Il est ainsi envisagé que :

- (i) BHARTI SPACE LIMITED, le Secrétaire d'État à la Science, à l'Innovation et à la Technologie du Royaume-Uni² (« **Gouvernement Britannique** »), SOFTBANK GROUP CAPITAL LIMITED et HANWHA SYSTEMS UK LIMITED (les « **Apporteurs Majoritaires** ») et les autres actionnaires minoritaires de ONEWEB (autres qu'EUTELSAT SA) (les « **Apporteurs Minoritaires** » et ensemble les « **Apporteurs** ») apportent l'intégralité des actions ordinaires de catégorie A de

¹ Les satellites GEO (pour *Geostationary Earth Orbit*) sont des satellites géostationnaires, qui restent constamment au-dessus du même point de la surface de la Terre à une distance d'environ 36 000 km et fournissent des services de communications, de télévision et météorologiques. Les satellites LEO (pour *Low Earth Orbit*) sont des satellites non géostationnaires qui fonctionnent en orbite terrestre basse (environ 1 200 km) et fournissent des services mobiles de transmission de données et des systèmes téléphoniques mobiles.

² À la suite de l'annonce d'un changement d'appareil gouvernemental par le Premier Ministre le 7 février 2023, trois nouveaux ministères ont été créés, dont le département à la Science, à l'Innovation et à la Technologie (*Department for Science, Innovation and Technology*) (DSIT). En vertu d'un décret entré en vigueur le 3 mai 2023, la détention de la participation du gouvernement britannique a été transférée du Secrétaire d'État aux Affaires, à l'Énergie et à la Stratégie industrielle (*Secretary of State for Business, Energy & Industrial Strategy*) (BEIS) au Secrétaire d'État à la Science, à l'Innovation et à la Technologie.



ONEWEB qu'ils détiennent, soit un total de 2 186 644 actions, à la Société Bénéficiaire (ci-après les « **Apports des Actionnaires Existants** »), et

- (ii) BHARTI SPACE LIMITED et le Gouvernement Britannique cèdent à EUTELSAT l'intégralité des 4 actions différées (*deferred shares*) émises par ONEWEB qu'ils détiennent.

(ci-après l' « **Opération** »).

Il est également prévu que les titulaires d'options ONEWEB puissent, le cas échéant, exercer leurs options soit (i) immédiatement avant et sous réserve de la réalisation des Apports des Actionnaires Existants ; soit (ii) au cours de certaines fenêtres d'exercice réparties entre la réalisation de l'Opération et le 10 octobre 2024, en vue d'apporter les actions ordinaires de catégorie A de ONEWEB en résultant à EUTELSAT, dans le cadre d'opérations d'apports en nature réalisées sur délégation de l'Assemblée Générale extraordinaire d'EUTELSAT, et en retenant le même rapport d'échange que celui de l'Apport³.

A l'issue de l'Opération, EUTELSAT détiendra directement et indirectement à travers sa filiale EUTELSAT SA, 100% des actions émises par ONEWEB⁴.

Le présent rapport concerne la rémunération des apports des Apporteurs Majoritaires (ci-après l'« **Apport** »), étant précisé qu'un rapport distinct couvre la rémunération des Apporteurs Minoritaires et qu'un autre rapport couvrira la rémunération des éventuels Apports des Titulaires d'Options.

1.2 Présentation des parties en présence

1.2.1 EUTELSAT COMMUNICATIONS SA, Société Bénéficiaire de l'apport

EUTELSAT COMMUNICATIONS SA (« **EUTELSAT** ») est une société anonyme à Conseil d'Administration dont le siège social est situé au 32, Boulevard Gallieni à Issy-les-Moulineaux (92130). Elle est immatriculée au Registre du Commerce et des Sociétés (RCS) de Paris depuis le 15 février 2005, puis au RCS de Nanterre depuis le 30 octobre 2020 sous le numéro 481 043 040.

Son capital social s'élève à 248 926 325 €, divisé en 248 926 325 actions ordinaires d'une valeur nominale de 1 € chacune, toutes entièrement libérées et de même catégorie.

Les actions d'EUTELSAT sont admises aux négociations sur le compartiment A du marché Euronext Paris sous le code ISIN FR0010221234 depuis le 2 décembre 2005.

³ Dans certaines circonstances, à l'option d'EUTELSAT, les apports en nature pourraient être remplacés, par un échange contre des actions existantes selon le même rapport d'échange ou par un paiement en numéraire.

⁴ A l'exception d'une action de catégorie B émise par ONEWEB détenue par le Gouvernement britannique.



Selon ses statuts, EUTELSAT a pour objet, « en France et à l'étranger :

- la fourniture de capacité de Secteur Spatial, de systèmes et de services de communications par satellite. A cette fin, la Société entreprend toutes activités liées à la conception, la mise au point, la construction, la mise en place, l'exploitation et l'entretien de son Secteur Spatial et de ces systèmes et services satellitaires ;
- et plus généralement la participation à toute entreprise ou société créée ou à créer ainsi que toutes les opérations de quelque nature qu'elles soient, financières, commerciales, industrielles, civiles, immobilières ou autres, se rattachant, directement ou indirectement, à cet objet social ou à tous objets similaires, connexes ou complémentaires, et de nature à favoriser, directement ou indirectement, les buts poursuivis par la Société, son expansion dans d'autres domaines, son développement et son patrimoine social.

L'expression « Secteur Spatial » désigne un ensemble de satellites de télécommunications, ainsi que les installations de poursuite, de télémesure, de télécommande, de contrôle, de surveillance et les autres équipements associés, nécessaires au fonctionnement de ces satellites ».

La date de clôture des comptes d'EUTELSAT est fixée au 30 juin de chaque année.

La société EUTELSAT a marqué le début de l'industrie européenne des services de communication par satellite⁵. Le groupe EUTELSAT est aujourd'hui l'un des premiers opérateurs mondiaux de satellites de télécommunications commerciaux et opère 36 satellites⁶ en orbite géostationnaire couvrant jusqu'à 150 pays, du 139° Ouest au 174° Est.

Grâce à sa flotte de satellites et à ses infrastructures terrestres, le groupe EUTELSAT fournit de la capacité à des télédiffuseurs, d'opérateurs de télécommunications et d'organismes gouvernementaux desservis soit directement, soit par l'intermédiaire de distributeurs.

L'activité du groupe EUTELSAT s'organise, depuis le 30 juin 2023, autour de quatre secteurs d'activité opérationnels⁷ :

- Vidéo (62,0% du chiffre d'affaires) : le groupe EUTELSAT fournit à ses clients une capacité de diffusion et des services associés afin de leur permettre de transmettre des programmes de télévision essentiellement vers des foyers équipés pour la réception directe par satellite, ou vers des foyers raccordés au câble ou aux réseaux IP (permettant la diffusion d'environ 6 583 chaînes de télévision, dont environ 2 500 sont gratuites, principalement en Europe, au Moyen-Orient et en Afrique) ;
- Connectivité fixe (15,7% du chiffre d'affaires) : les données fixes intègrent les réseaux d'entreprise (permettant aux entreprises de connecter leur réseau dans des zones reculées), le raccordement des réseaux mobiles (*backhaul*) et la connexion à la dorsale

⁵ Les activités d'EUTELSAT étaient à l'origine exercées par une organisation intergouvernementale, l'Organisation européenne de télécommunications par satellites (IGO), qui a apporté la totalité de ses activités opérationnelles à EUTELSAT SA en juillet 2001 avant que celle-ci ne soit rachetée par EUTELSAT en 2005.

⁶ Au 30 juin 2023.

⁷ Pourcentages présentés sur la base du chiffre d'affaires consolidé annuel au 30 juin 2023.



internet⁸ (*trunking*). Ce secteur opérationnel comprend également des solutions d'accès à l'internet, notamment des services de connectivité IP ;

- Services aux gouvernements (12,6% du chiffre d'affaires) : le groupe EUTELSAT permet aux gouvernements des communications mondiales fiables et déployées rapidement dans le monde entier⁹ ;
- Connectivité mobile (9,7% du chiffre d'affaires) : le groupe EUTELSAT fournit aux distributeurs/intégrateurs et opérateurs télécoms la capacité dédiée à la connectivité mobile, en vol ou maritime.

Le groupe EUTELSAT a réalisé au 30 juin 2023 un chiffre d'affaires de 1,1 Mds€ et un résultat opérationnel de 573,5 m€ pour un effectif à cette date de près de 1 067 salariés.

1.2.2 ONEWEB HOLDINGS LIMITED, société dont les titres sont apportés

ONEWEB HOLDINGS LIMITED (« ONEWEB ») est une *private limited company*, société de droit anglais dont le siège social est situé West Works Building, 195 Wood Lane à Londres (W127FQ). Elle est immatriculée depuis le 25 mars 2020, sous le numéro 12534512.

Son capital est constitué de (i) 2 836 644 actions ordinaires de catégorie A¹⁰ d'une valeur nominale de 0,01 USD chacune, (ii) d'une action de catégorie B¹¹ d'une valeur nominale de 0,01 USD, et (iii) de 4 *deferred shares* d'une valeur nominale de 1,00 GBP.

La date de clôture des comptes de ONEWEB est fixée au 31 mars de chaque année.

ONEWEB est une société de communication par satellite, disposant d'une constellation de 634 satellites¹² de communication en orbite terrestre basse (LEO) lui permettant de couvrir toute la surface du globe. Les satellites de la constellation ONEWEB sont des satellites non-géostationnaires, circulant sur une orbite basse pour fournir aux professionnels et aux particuliers un service de communications abordable, rapide, à bande passante élevée et à faible latence¹³.

⁸ Ligne de transmission de données à très haut débit qui fournit des installations de mise en réseau à des fournisseurs de services internet locaux.

⁹ Permet l'interconnexion de sites dispersés ou isolés, la garantie de disponibilité immédiate de capacité, ainsi que la sécurité et la fiabilité, pour les opérations au sol ou en mer.

¹⁰ Il existe également des options attribuées aux employés de ONEWEB dans le cadre du *ONEWEB Executive Share Option Scheme 2021*, portant sur un nombre maximum de 39 550 actions ordinaires ONEWEB de catégorie A.

¹¹ Le Gouvernement britannique conservera son action ordinaire de catégorie B. Celle-ci bénéficie d'aucun droit économique (à l'exception en cas de liquidation, du remboursement du montant libéré au titre de l'action de catégorie B, avec le même rang de priorité que le remboursement des montants libérés au titre des actions ordinaires de catégorie A).

¹² A la suite des 17^{ème} et 18^{ème} lancements de ONEWEB respectivement par SPACEX et par NEWSPACE INDIA en mars 2023.

¹³ La latence est un délai de transmission de données dans les communications. Il désigne le temps nécessaire à un paquet de données pour passer de la source à la destination à travers un réseau.



La constellation ONEWEB est composée de satellites de première génération LEO GEN 1, dont les premiers ont été déployés en février 2019. Cette première constellation sera remplacée au fur et à mesure par la constellation LEO GEN 2, en cours de conception. Ces satellites de nouvelle génération devraient avoir une capacité supérieure, une durée de vie allongée et des performances supérieures à celles des satellites LEO GEN 1. Le lancement des premiers satellites LEO GEN 2 devrait coïncider avec la mise hors service des premiers satellites LEO GEN 1, prévue en 2027 ou 2028.

Chaque satellite est connecté à des infrastructures terrestres, qui transmettent les données à la constellation. ONEWEB dispose de trois types d'infrastructures au sol pour soutenir ses opérations :

- Stations TT&C¹⁴ : ces stations assurent les communications pendant certaines opérations sur ses satellites (pré-lancement, transfert d'orbite, etc.), ainsi qu'en cas d'urgence sur un engin spatial ;
- Portail SNP¹⁵ : ils fournissent l'accès à Internet pour la constellation de satellites de ONEWEB et sont répartis sur la surface du globe. Ils sont équipés de plusieurs antennes leur permettant d'atteindre un certain nombre de satellites ;
- Terminaux utilisateurs : ils fournissent aux utilisateurs finaux un accès Internet haut débit à partir de la constellation de satellites LEO de ONEWEB. Ces terminaux sont capables de fournir un service continu grâce aux transferts entre satellites actifs. ONEWEB développe différents terminaux utilisateurs pouvant répondre à des besoins multiples, pour les gouvernements, les opérateurs, les entreprises, à l'aviation ou à la mobilité maritime et terrestre.

1.2.3 BHARTI SPACE LIMITED, le Gouvernement Britannique, SOFTBANK GROUP CAPITAL LIMITED et HANWHA SYSTEMS UK LIMITED – les Apporteurs Principaux

BHARTI SPACE LIMITED

BHARTI SPACE LIMITED (« BHARTI ») est une *private limited company*, société de droit anglais dont le siège social est situé 53/54 Grosvenor Street, 2nd floor à Londres (W1K3HU). Elle est immatriculée depuis le 26 février 2021 sous le numéro 13228343. BHARTI SPACE LIMITED fait partie du groupe indien BHARTI qui est propriétaire d'AIROTEL, premier opérateur en téléphonie mobile de l'Inde.

BHARTI détient 850 000 actions ordinaires de catégorie A et 2 *deferred shares* de ONEWEB.

¹⁴ Système de télémétrie de suivi et de commande (*Telemetry, Tracking and Command systems*).

¹⁵ Portails de réseau satellitaires (*Satellite Network Portals*).



***SECRETARE D'ÉTAT A LA SCIENCE, A L'INNOVATION ET A LA TECHNOLOGIE DU ROYAUME-UNI
(Gouvernement Britannique)***

Le Gouvernement Britannique, situé au 100 Parliament Street à Londres, SW1A 2BQ, détient 500 000 actions ordinaires de catégorie A, 1 action ordinaire de catégorie B et 2 *deferred shares* de ONEWEB.

SOFTBANK GROUP CAPITAL LIMITED

SOFTBANK GROUP CAPITAL LIMITED (« SOFTBANK ») est une *private limited company*, société de droit anglais dont le siège social est situé 69 Grosvenor Street à Londres (W1K 3JP). Elle est immatriculée à la *Companies House* depuis le 30 avril 2015 sous le numéro 09569889.

SOFTBANK détient 500 000 actions ordinaires de catégorie A de ONEWEB.

HANWHA SYSTEMS UK LIMITED

HANWHA SYSTEMS UK LIMITED (« HANWA ») est une *private limited company*, société de droit anglais dont le siège social est situé Suite A, 6 Honduras Street à Londres (EC1Y 0TH). Elle est immatriculée à la *Companies House* depuis le 6 octobre 2021 sous le numéro 13665238. HANWHA SYSTEMS UK LIMITED fait partie du groupe sud-coréen HANWHA.

HANWA détient 250 000 actions ordinaires de catégorie A de ONEWEB.

1.2.4 Liens en capital entre les parties concernées par l'opération

A la date des présentes, EUTELSAT SA, filiale de la Société Bénéficiaire détient 650 000 actions ordinaires de catégorie A de ONEWEB qui représentent environ 22,91% du capital et des droits de vote de la Société (hors impact dilutif des options émises par ONEWEB). Cette prise de participation¹⁶ date des mois de septembre et d'octobre 2021.

A la date du présent rapport, BHARTI, qui est l'un des Apporteurs Majoritaires, est une filiale de BHARTI GLOBAL LIMITED qui détient directement 12 974 047 actions représentant 5,21% du capital social et des droits de vote d'EUTELSAT.

1.3 Modalités générales

Les modalités de réalisation de l'Apport, qui sont présentées de façon détaillée dans le Traité d'Apport conclu entre EUTELSAT et les Apporteurs Majoritaires, auquel il convient de se référer, peuvent se résumer comme suit.

¹⁶ Investissement initial annoncé en avril 2021 et réalisé en septembre 2021, puis exercice d'une option d'achat en octobre 2021.



Régime juridique de l'Apport

Sur le plan juridique, l'Apport est soumis au régime de droit commun des apports en nature prévu par les dispositions de l'article L. 225-147 du Code de commerce.

Régime fiscal

L'Apport sera enregistré gratuitement en application des dispositions de l'article 810, I du Code Général des Impôts.

Date de réalisation de l'Apport

La réalisation de l'Apport interviendra le jour où la dernière des conditions suspensives visées ci-après (§ 1.5) sera levée, telle que constatée notamment par une décision des actionnaires d'EUTELSAT constatant la réalisation définitive de l'augmentation de capital d'EUTELSAT en rémunération des Actionnaires Existants (ci-après la « **Date de Réalisation** »).

L'Apport prendra également effet, sur le plan fiscal, à la Date de Réalisation.

1.4 Description de l'Apport

1.4.1 Description de l'Apport

L'apport réalisé par les Apporteurs Majoritaires (l'« Apport ») est constitué de 2 100 000 actions ordinaires de catégorie A de ONEWEB, représentant, sur une base non diluée, 74,03% des actions ordinaires de catégorie A du capital social de la société ONEWEB, d'une valeur nominale de 0,01 USD chacune, et entièrement libérées.

Apporteurs	Nombre d'actions apportées
Bharti Space Limited	850 000
Gouvernement Britannique	500 000
Softbank Group Capital Limited	500 000
Hanwha Systems UK Limited	250 000
Total Apporteurs Majoritaires	2 100 000

Conformément aux termes du Traité d'Apport, chaque action ordinaire de catégorie A de ONEWEB apportée sera, à la date de réalisation de l'Apport, libre de tout nantissement, droit de tiers, charge ou autre sûreté.

Il est également convenu que les Apporteurs Majoritaires détenant les 4 *deferred shares* de ONEWEB, soit BHARTI SPACE LIMITED et le Gouvernement Britannique, les céderont à EUTELSAT avec la garantie d'un titre complet et libre de tout nantissement, droit de tiers, charge ou autre sûreté.



Enfin, à l'issue des apports des Apporteurs Majoritaires et des Apporteurs Minoritaires, EUTELSAT détiendra directement et indirectement à travers sa filiale EUTELSAT SA, 100% des actions émises par ONEWEB¹⁷.

1.4.2 Méthode et référence d'évaluation retenue

L'Apport est réalisé sur la base de la valeur réelle des actions apportées.

La valeur réelle des 2 100 000 actions ordinaires de catégorie A de ONEWEB apportées a été déterminée par référence au prix de transaction retenu par les parties et indiqué dans le communiqué de presse du 26 juillet 2022, soit 3 297 m€ pour 100% du capital social de ONEWEB.

La valeur des 2 100 000 actions ordinaires de catégorie A de ONEWEB apportées ressort à 2 407 502 789 €.

1.4.3 Rémunération de l'Apport

La rémunération de l'Apport est effectuée sur la base de la valeur réelle de l'Apport, d'une part, et de la valeur réelle de l'action de la Société Bénéficiaire, d'autre part.

Sur ces bases, l'Apport sera rémunéré par l'attribution de 217 287 000 actions nouvelles EUTELSAT de 1 € de valeur nominale chacune, à émettre par la Société Bénéficiaire qui augmentera son capital d'une somme de 217 287 000 €. Ces actions émises en rémunération de l'Apport seront visées par un engagement de conservation de 6 mois à compter de la date de réalisation prévue dans le pacte d'actionnaires d'EUTELSAT signé notamment par les Apporteurs Majoritaires.

La différence entre (i) la valeur globale de l'Apport, soit 2 407 502 789 € et (ii) le montant total de l'augmentation de capital de la Société Bénéficiaire, soit 217 287 000 €, constituera une prime d'apport dont le montant s'établira à 2 190 215 789 €.

Apporteurs	Nombre d'actions apportées	Valeur d'apport (en €)	Nombre d'actions Eutelsat émises	Augmentation de capital Eutelsat (€)	Prime d'émission Eutelsat (€)
Bharti Space Limited	850 000	974 465 415	87 949 500	87 949 500	886 515 915
Gouvernement Britannique	500 000	573 214 950	51 735 000	51 735 000	521 479 950
Softbank Group Capital Limited	500 000	573 214 950	51 735 000	51 735 000	521 479 950
Hanwha Systems UK Limited	250 000	286 607 475	25 867 500	25 867 500	260 739 975
Total Apporteurs Majoritaires	2 100 000	2 407 502 789	217 287 000	217 287 000	2 190 215 789

¹⁷ A l'exception d'une action de catégorie B émise par ONEWEB détenue par le Gouvernement britannique.

1.5 Conditions suspensives

La réalisation de l'Apport est soumise à la réalisation de l'intégralité des conditions suspensives détaillées dans la section 8 du Traité d'Apport :

- (i) *« la remise par le Commissaire aux Apports de ses rapports confirmant (i) que la Valeur de l'Apport retenue n'est pas surévaluée et que celle-ci est au moins égale au montant de l'Augmentation de Capital de la Société Bénéficiaire majoré de la Prime d'Apport ainsi que (ii) le caractère équitable de la Parité d'Echange ;*
- (ii) *le dépôt du Document d'exemption relatif à l'Apport auprès de l'AMF et sa mise à la disposition du public conformément à la réglementation française et européenne applicable (y compris la Position-Recommandation DOC-2020-06 de l'AMF) ; et*
- (iii) *l'approbation par l'Assemblée Générale de l'Apport, du Traité d'Apport, de l'Augmentation de Capital corrélative ainsi que des modifications des statuts de la Société Bénéficiaire et des changements dans la composition du Conseil d'administration de la Société Bénéficiaire tels que décrits à l'Annexe 8.1 (les « Résolutions des Actionnaires d'Eutelsat »), étant précisé qu'il est prévu que l'Assemblée Générale statue sur ces résolutions, le 28 septembre 2023.»*

2. Vérification de la pertinence des valeurs relatives attribuées aux actions apportées et aux actions de la Société Bénéficiaire

2.1 Diligences mises en œuvre

Notre mission a pour objet d'éclairer les actionnaires d'EUTELSAT et de ONEWEB sur les valeurs relatives retenues par les parties afin de déterminer le rapport d'échange et d'en apprécier le caractère équitable. En conséquence, elle ne relève ni d'une mission d'audit ni d'une mission d'examen limité au sens des normes professionnelles. Elle ne saurait être assimilée à une mission de *due diligence* effectuée pour un prêteur ou un acquéreur et ne comporte pas tous les travaux nécessaires à ce type d'intervention. Notre rapport ne peut donc pas être utilisé dans un tel contexte.

Nous avons effectué les diligences que nous avons estimé nécessaires par référence à la doctrine professionnelle de la Compagnie Nationale des Commissaires aux Comptes pour apprécier la pertinence des valeurs relatives attribuées aux actions apportées et à la Société Bénéficiaire.

Dans ce cadre, nous avons mis en œuvre les principales diligences suivantes :

- Nous nous sommes entretenus avec les représentants d'EUTELSAT et de ONEWEB, tant pour prendre connaissance de l'opération et du contexte dans lequel elle se situe, que pour analyser les modalités comptables, financières, juridiques et fiscales envisagées ;
- Nous avons pris connaissance de l'Accord-Cadre intervenu le 14 novembre 2022 entre EUTELSAT et les Apporteurs Majoritaires de ONEWEB ;



- Nous avons examiné le Traité d'Apport et ses annexes ;
- Nous avons pris connaissance des états financiers sociaux et consolidés de ONEWEB au 31 mars 2023, du bilan & compte de résultat trimestriel non-audités au 30 juin 2023 (« *Unaudited P&L and balance sheet for the quarter ended, 30 June 2023* »), ainsi que du *Reporting* à fin juin 2023 ;
- Nous avons pris connaissance du rapport de l'auditeur indépendant sur les comptes annuels et consolidés de ONEWEB au 31 mars 2023 ;
- Nous avons pris connaissance des états financiers sociaux et consolidés d'EUTELSAT au 30 juin 2023, et avons examiné le rapport des Commissaires aux comptes sur les comptes annuels et consolidés d'EUTELSAT au 30 juin 2023 ;
- Nous avons examiné les données budgétaires et prévisionnelles établies par les directions de ONEWEB et d'EUTELSAT et nous sommes entretenus avec les responsables concernés pour discuter de la pertinence des hypothèses retenues ;
- Nous avons examiné l'annexe 4.2 du Traité d'Apport qui définit la valeur de l'Apport et sa rémunération ;
- Nous avons analysé et revu avec le conseil financier d'EUTELSAT (ROTHSCHILD & CO) les éléments de valorisation de ONEWEB et d'EUTELSAT qui figurent dans le Projet de Document d'Exemption ainsi que le rapport de valorisation sous-jacent à ces analyses ;
- Nous avons obtenu (i) une lettre d'affirmation signée par les représentants d'EUTELSAT d'une part et (ii) une lettre d'affirmation signée par les représentants de ONEWEB et les Apporteurs Majoritaires d'autre part, nous confirmant l'exhaustivité des informations transmises à l'occasion de la présente Opération ainsi que, à leur connaissance, l'absence d'évènement significatif (jusqu'à la date de notre rapport) susceptible d'affecter de manière significative la rémunération de l'Apport.

2.2 Valeurs relatives retenues par les parties

2.2.1 Valorisation des actions ONEWEB

A l'issue de leur négociation, la valeur de ONEWEB a été fixée par les parties à 3 297 m€, soit environ 1 146,43 € par action ONEWEB. Sur ces bases, et en retenant un nombre d'actions ONEWEB dilué, la valeur de l'Apport ressort à 2 407 502 789 €.

Les parties ont mis en œuvre une évaluation multicritères de ONEWEB qui privilégie la référence et la méthode suivantes :

- Référence à la valorisation de ONEWEB extériorisée lors de la dernière opération sur le capital de ONEWEB annoncée en août 2021 et réalisée en février 2022,
- Méthode intrinsèque de l'actualisation des flux prévisionnels de trésorerie (DCF).



Les méthodes suivantes ont été écartées :

- L'actualisation des flux de dividendes futurs,
- Les comparables boursiers,
- Les transactions comparables,
- La valeur nette comptable et l'actif net comptable réévalué.

La valeur de ONEWEB a fait l'objet d'une valorisation multicritères présentée dans le Projet de Document d'Exemption. Cette analyse fait ressortir les valeurs de ONEWEB suivantes qui encadrent la valeur d'apport retenue par les parties :

	Valeur des fonds propres à 100% et en M\$	Valeur des fonds propres à 100% et en M€
Méthodes retenues à titre principal		
Actualisation des flux de trésorerie (fourchette basse)	2 889	2 802
Actualisation des flux de trésorerie (valeur centrale)	3 562	3 455
Actualisation des flux de trésorerie (fourchette haute)	4 399	4 266
Valorisation extériorisée lors de la dernière opération sur capital de OneWeb en août 2021 (méthode retenue par les parties)	3 400	3 297

2.2.2 Valorisation des actions de la Société Bénéficiaire

Pour fixer le nombre d'actions EUTELSAT à émettre en rémunération de l'Apport, les parties ont retenu, à l'issue de leur négociation, une valeur par action de cette société de 11,08 € (ex-dividende).

Dans ce contexte, les parties ont mis en œuvre une approche multicritères d'évaluation privilégiant les approches et références d'évaluation suivantes :

- La référence au cours de bourse d'EUTELSAT sur la base des cours moyens pondérés par les volumes sur les différentes périodes précédant l'annonce de l'Opération ;
- La référence aux objectifs de cours publiés par les analystes financiers ;
- Une approche intrinsèque fondée sur l'actualisation des flux de trésorerie prévisionnels d'EUTELSAT.

A titre illustratif, les parties ont également mis en œuvre :

- Une approche analogique par référence à un échantillon de sociétés comparables cotées, limité à la seule société SES.

Les parties ont écarté l'actualisation des flux de dividendes théoriques, la référence à l'actif net comptable, à l'actif net réévalué ainsi que les transactions des sociétés comparables.



Pour mémoire, les résultats de la valorisation multicritères d'EUTELSAT présentés dans le Projet de Document d'Exemption sont les suivants :

	Valeur des fonds propres à 100% et en M€
Méthodes retenues à titre principal	
Dernier cours de bourse au 22 juillet 2022	2 403
1 mois - CMPV	2 485
3 mois - CMPV	2 493
6 mois - CMPV	2 391
12 mois - CMPV	2 521
Objectifs de cours publiés par les analystes financiers	2 793
Flux de trésorerie disponibles futurs (fourchette basse)	2 651
Flux de trésorerie disponibles futurs (valeur centrale)	3 177
Flux de trésorerie disponibles futurs (fourchette haute)	3 853
Méthodes retenues à titre illustratif	
Approche par les comparables boursiers (VE/EBITDA juin23)	2 330
Approche par les comparables boursiers (VE/EBITDA juin24)	2 239

2.3 Appréciation de la pertinence des valeurs relatives

L'appréciation des valeurs relatives retenues par les parties appelle de notre part les commentaires suivants :

- S'agissant de l'appréciation de la rémunération dans un contexte de négociation entre tiers indépendants, les parties et leurs conseils ont apprécié la rémunération au regard de critères que nous considérons usuels et adaptés au regard des activités et des caractéristiques respectives des sociétés concernées ;
- EUTELSAT et ONEWEB interviennent sur le même secteur, mais ont des profils de développement différents. L'appréciation de la rémunération suppose donc de mettre en œuvre des méthodes de valorisation adaptées sur la base d'hypothèses homogènes ;
- Il convient de préciser que les calculs des valeurs relatives n'intègrent pas les synergies attendues de l'Opération ;
- Les valeurs relatives retenues dans le cadre des approches menées par les parties reposent sur des données antérieures à la date de l'annonce de l'Opération, à savoir le 26 juillet 2022. Si cette approche apparaît cohérente au regard des besoins des parties dans le cadre de la fixation de la rémunération, elle ne permet pas néanmoins de tenir compte des éventuels événements intervenus depuis cette date, susceptibles d'avoir un impact sur les valeurs relatives retenues. Le management d'EUTELSAT et de ONEWEB nous a confirmé par une lettre d'affirmation l'absence d'évènements, intervenus depuis cette date, qui soient de nature à remettre en cause les paramètres et les données utilisés par les parties dans le cadre de l'approche intrinsèque pour la fixation de la rémunération.



Dans le cadre de notre mission, nous avons par ailleurs mis en œuvre des approches de valorisation alternatives ou similaires à celles des parties avec nos propres paramètres, par référence à des données actualisées à une date récente, et procédé à des analyses de sensibilité.

Aussi, nous avons mis en œuvre une évaluation multicritères de ONEWEB et d'EUTELSAT fondée sur les approches suivantes :

- Une approche fondée sur la valorisation intrinsèque de ONEWEB et d'EUTELSAT par actualisation des flux prévisionnels de trésorerie (DCF). Cette approche, fondée sur nos propres paramètres d'actualisation, déterminés de façon homogène pour EUTELSAT et ONEWEB, a été réalisée à partir des prévisions qui nous ont été communiquées par les directions des deux Sociétés ;
- EUTELSAT étant une société cotée dont le titre est liquide et faisant l'objet d'un suivi régulier par des analystes, il nous semble que les références de valorisation boursière d'EUTELSAT sont incontournables même en l'absence d'un critère équivalent coté ONEWEB. Dans ce contexte, nous avons apprécié la rémunération de l'Apport au regard d'une comparaison entre les cours moyens pondérés par les volumes (CMPV) du titre EUTELSAT et la référence à la dernière transaction sur le titre ONEWEB, i.e. la dernière opération sur le capital de ONEWEB annoncée en août 2021 et réalisée en février 2022, extériorisant une valeur pour 100% du capital social de ONEWEB de 3 400 m\$.

Concernant les méthodes d'évaluation écartées, nous n'avons pas d'observation à formuler sur le fait de n'avoir pas retenu l'actif net comptable, l'actif net comptable réévalué ainsi que l'actualisation des flux futurs de dividendes.

Nous sommes également d'accord avec les parties pour ne pas retenir le critère des transactions comparables. Nous avons examiné cette approche, mais avons toutefois décidé de ne pas la retenir compte tenu des difficultés de mise en œuvre liée à l'absence d'une information publique suffisante pour les transactions identifiées concernant les particularités de chaque opération (clauses éventuelles de complément de prix, contexte historique des négociations, primes liées au contrôle, synergies attendues...).

De même, nous n'avons pas mis en œuvre le critère des comparables boursiers en raison de l'absence de société suffisamment comparable à EUTELSAT.

2.3.1 Eléments de passage de la valeur d'entreprise à la valeur des fonds propres

Les éléments de passage de la valeur d'entreprise à la valeur des fonds propres ont été déterminés sur la base des derniers comptes publiés par les sociétés concernées, à savoir : (i) sur la base des comptes annuels consolidés au 30/06/2023 concernant EUTELSAT, et (ii) des comptes consolidés annuels au 31/03/2023 concernant ONEWEB.

2.3.2 Actualisation des flux prévisionnels de trésorerie

Cette méthode consiste à déterminer la valeur intrinsèque d'une entreprise par l'actualisation des flux de trésorerie issus de son plan d'affaires à un taux qui reflète l'exigence de rentabilité du marché vis-à-vis de l'entreprise, en tenant compte d'une valeur de sortie à l'horizon de ce plan.

Cette méthode permet de reconnaître la valeur attribuable aux perspectives de développement de la société évaluée et nous paraît adaptée à la situation de ONEWEB et d'EUTELSAT, ainsi qu'à leur comparaison.

Nos travaux se sont fondés sur les plans d'affaires établis par les directions des deux sociétés :

- Le plan d'affaires EUTELSAT établi sur la période 2023-2033 intégrant une extrapolation par le *Management* sur la période 2027-2033, présenté au Conseil d'Administration d'EUTELSAT du 19 janvier 2023 ; ainsi que les mises à jour présentées au Conseil d'Administration d'EUTELSAT le 27 juillet 2023 (sur le produit de libération de la phase 2 de la bande C¹⁸ ainsi que le taux de change €/€) ;
- Le plan d'affaires ONEWEB établi sur la période 2023-2028, approuvé par le Conseil d'Administration de ONEWEB du 21 mars 2023. Ce plan d'affaires n'intègre que les prévisions relatives aux satellites LEO de 1^{re} génération (GEN1). Les dernières prévisions intégrant les satellites GEN2 ont été établies par la société en avril 2021 ;
- Le plan d'affaires ONEWEB, établi par le management d'EUTELSAT en octobre 2022, sur la période 2023-2033, ainsi que les analyses de sensibilité présentées au Conseil d'Administration d'EUTELSAT le 27 juillet 2023.

Les plans d'affaires des Sociétés ont été, le cas échéant, extrapolés et retraités afin de mettre en œuvre l'approche de valorisation sur des flux déterminés de manière homogène et cohérente avec les éléments retenus par ailleurs dans notre passage de la Valeur d'Entreprise à la Valeur des Fonds Propres.

Les flux de trésorerie ont été actualisés au coût moyen pondéré du capital, déterminé de manière homogène en fonction des caractéristiques de chacune des sociétés. Les taux d'actualisation retenus sont proches (i) des taux mentionnés dans les notes d'analystes d'EUTELSAT qui ont été portées à notre connaissance, (ii) et des taux retenus dans le cadre des tests de dépréciation des deux sociétés.

¹⁸ Voir Note 2.2 des comptes consolidés de EUTELSAT au 30 juin 2023 (« **Processus de libération de la Bande C** ») : « Dans le cadre de la libération des fréquences 3,7-4 GHz (bande C) sur le territoire américain faisant suite à la décision fédérale publiée par la Federal Communication Commission (FCC - le régulateur américain des communications) le 3 mars 2020, le Groupe a mis en place un plan de transition qui comporte deux phases correspondant chacune à la libération de certaines fréquences et donnant lieu au paiement d'incitations financières à hauteur de 125 millions de dollars U.S. pour la première phase et 382 millions de dollars U.S. pour la seconde phase. »



Nos tests de sensibilité sur (i) le taux d'actualisation, (ii) la croissance normative et (iii) la marge opérationnelle normative, font ressortir un nombre d'actions EUTELSAT à émettre en rémunération de l'Apport compris entre 215,2 et 223,1 millions.

Les analyses de sensibilité sur le plan d'affaires de ONEWEB ainsi que la mise à jour du plan d'affaires d'EUTELSAT présentées au Conseil d'Administration d'EUTELSAT du 27 juillet 2023 ne remettent pas en cause les fourchettes obtenues.

Cette approche permet de donner une valeur de référence objective et homogène, en *stand alone*, des deux entités à évaluer, indépendamment des synergies qui seront dégagées du rapprochement qui bénéficieront à tous les actionnaires, comme nous y reviendrons.

2.3.3 Cours moyen pondéré par les volumes du titre EUTELSAT au regard de la valeur extériorisée par la dernière opération sur le capital de ONEWEB

Nous avons analysé l'évolution du cours de bourse de l'action EUTELSAT sur les 12 derniers mois (antérieur au 22 juillet 2022, correspondant à la dernière date de cotation non polluée par les rumeurs relatives au rapprochement entre EUTELSAT et ONEWEB) et également procédé à des calculs de moyennes de cours pondérées par les volumes (CMPV) sur des périodes plus ou moins longues.

Cours moyens pondérés par les volumes	en €/action	Volume échangé (en K)		Capital échangé (en K)		% du capital		% du flottant	
		Moyen	Cumulé	Moyen	Cumulé	Volume échangé	Rotation du capital	Volume échangé	Rotation du flottant
Spot (22/7/2022)	10,43	309	309	3 234	3 234	0,13 %	0,13 %	0,19 %	0,19 %
CMPV 1 mois	10,77	291	6 103	3 130	65 723	0,13 %	2,65 %	0,18 %	3,68 %
CMPV 60 jours	10,83	325	19 494	3 520	211 186	0,14 %	8,47 %	0,20 %	11,74 %
CMPV 3 mois	10,81	340	22 414	3 670	242 205	0,15 %	9,73 %	0,20 %	13,53 %
CMPV 6 mois	10,40	408	52 240	4 244	543 267	0,18 %	22,69 %	0,25 %	31,55 %
CMPV 12 mois	10,87	513	132 942	5 580	1 445 321	0,22 %	57,73 %	0,34 %	86,95 %
CMPV 24 mois	10,06	603	310 361	6 061	3 121 523	0,26 %	134,78 %	0,40 %	205,42 %

Plus haut 12 mois (15/11/2021) 13,39
Plus bas 12 mois (7/3/2022) 8,96

Plus haut 24 mois (15/11/2021) 13,39
Plus bas 24 mois (2/10/2020) 8,11

ONEWEB n'étant pas cotée, nous n'avons pu nous appuyer sur une valeur de marché observable pour la valoriser. Nous avons donc cherché à appréhender cette valeur par référence à la dernière transaction sur les titres de cette société, à savoir la dernière opération sur le capital de ONEWEB correspondant à l'entrée d'HANWHA au capital de ONEWEB, annoncée en août 2021 et réalisée en février 2022.

Selon cette approche, le nombre d'actions EUTELSAT à émettre en rémunération de l'Apport est compris dans une fourchette de 209,1 et 226,1 millions.

A titre d'information, nous avons aussi analysé le cours de bourse d'EUTELSAT depuis le 22 juillet 2022 qui a suivi une tendance baissière et fait ressortir des CMPV de 1 à 6 mois se



situant entre 6,08€/par action et 6,26€/par action, au 1^{er} août 2023. Le calcul de la rémunération sur cette base entraînant une dilution plus importante pour les actionnaires d'EUTELSAT.

2.3.4 Synthèse des valeurs relatives

Les valeurs relatives obtenues à partir de nos travaux d'évaluation selon une approche multicritères sont supérieures à celles déterminées par les parties, ce qui s'explique par l'utilisation dans nos travaux de projections plus récentes que celles utilisées par les parties.

3. Appréciation du caractère équitable de la rémunération

3.1 Rémunération de l'Apport retenue par les parties

La parité proposée est de 103,47 actions nouvelles EUTELSAT pour une action ONEWEB apportée, déterminée d'après la valeur de l'Apport d'une part, et celle de l'action d'EUTELSAT d'autre part, présentées en §2.2. Elle se traduit par l'émission de 217 287 000 actions EUTELSAT aux bénéficiaires des Apporteurs Majoritaires.

Cette rémunération a été déterminée sur la base des négociations menées entre les parties et qui ont prévalu à un poids relatif des actionnaires d'EUTELSAT et de ONEWEB de 50% du capital social d'EUTELSAT à l'issue des apports (ratio ramené à 52,4% / 47,6% sur une base non diluée des options ONEWEB, et prenant en compte le versement d'une partie du dividende d'EUTELSAT en actions conformément à la décision de l'Assemblée Générale du 10 novembre 2022).

3.2 Diligences mises en œuvre

Nous avons effectué les diligences que nous avons estimé nécessaires selon la doctrine professionnelle de la Compagnie Nationale des Commissaires aux Comptes pour apprécier le caractère équitable de la rémunération de l'Apport.

En particulier, nous nous sommes appuyés sur les travaux, précédemment décrits (§ 2.3), à l'effet de vérifier la pertinence des valeurs relatives attribuées aux actions apportées et aux actions de la Société Bénéficiaire.

Sur cette base, nous avons apprécié le caractère équitable de la rémunération proposée, notamment au travers

- De l'analyse du positionnement de la rémunération par rapport aux valeurs jugées pertinentes ;
- De l'appréhension de l'incidence de la rémunération sur la situation future des actionnaires d'EUTELSAT.

3.3 Appréciation et positionnement de la rémunération de l'apport

Afin d'apprécier la rémunération retenue par les parties, nous avons déterminé le nombre d'actions EUTELSAT à émettre en rémunération de l'Apport, en considérant une approche multicritères.

Les valeurs relatives examinées déterminées à partir des critères que nous considérons pertinents, conduiraient à émettre un nombre de titres EUTELSAT compris entre 209 144 317 et 226 073 519.

Le nombre d'actions EUTELSAT qui doivent être émises en rémunération, soit 217 287 000, ressort dans la fourchette des analyses multicritères développées ci-avant.

Nous avons également analysé le poids de chaque catégorie d'actionnaires post-apports issue de notre analyse multicritères, au regard du poids induit par la parité retenue¹⁹.

	Répartition selon accord entre les parties	DCF		Cours de bourse	
		Fourchette basse	Fourchette haute	Fourchette basse	Fourchette haute
OneWeb	47,6 %	47,4 %	48,3 %	46,7 %	48,6 %
Eutelsat	52,4 %	52,6 %	51,7 %	53,3 %	51,4 %

Dans le cadre de notre appréciation du caractère équitable de la rémunération proposée, nous notons que la rémunération retenue par les parties s'inscrit dans la fourchette de nos approches retenues à titre principal et apparaît donc équitable pour les actionnaires actuels d'EUTELSAT.

3.4 Incidence de l'opération pour les différents groupes d'actionnaires

A l'issue des apports des Actionnaires Existants (i.e. après Apports Majoritaires et Apports Minoritaires), les actionnaires d'EUTELSAT détiendront une participation au capital et aux droits de vote d'EUTELSAT nettement inférieure à celle qu'ils détiennent actuellement, puisqu'ils ne détiendront plus que 52,4% du capital social du groupe combiné après la réalisation desdits apports²⁰, soit une dilution de l'ordre de 47,6%.

Compte tenu du profil de ONEWEB, en phase de démarrage de sa constellation, les comptes combinés EUTELSAT – ONEWEB post-Apport devraient présenter un résultat déficitaire à court terme, ce qui aura pour conséquence une absence de versement de dividendes au cours des 3 prochains exercices, comme stipulé dans le projet de Document d'Exemption.

EUTELSAT accédera en revanche au contrôle de ONEWEB et les actionnaires d'EUTELSAT bénéficieront à plus long terme des synergies évoquées ci-dessous.

¹⁹ Sur une base non diluée des options ONEWEB, et prenant en compte le versement d'une partie du dividende d'EUTELSAT en actions conformément à la décision de l'assemblée générale du 10 novembre 2022.

²⁰ Sur une base non diluée des options ONEWEB, et prenant en compte le versement d'une partie du dividende d'EUTELSAT en actions conformément à la décision de l'assemblée générale du 10 novembre 2022.



Les parties ont annoncé que le rapprochement devrait générer des synergies opérationnelles estimées à plus de 1,5 Md€, en valeur actuelle après impôts, net des coûts de mise en œuvre. Il s'agit de synergies de coûts, d'investissement et de chiffre d'affaires, permettant de réaliser des économies sur les dépenses opérationnelles en amont et d'optimiser l'efficacité opérationnelle.

Leur mise en œuvre sera progressive après la réalisation des apports des Actionnaires Existants (i.e. après Apports Majoritaires et Apports Minoritaires) et il nous a été confirmé qu'en raison de la forte complémentarité des sociétés en termes d'offre sur la connectivité par satellites, il ne devrait pas exister de dysnergies significatives. Les mises à jour présentées au Conseil d'Administration d'EUTELSAT du 27 juillet 2023 ont confirmé le niveau de synergies anticipé.

Ces synergies n'ont pas été intégrées dans notre appréciation des valeurs relatives en *stand alone* de ONEWEB et d'EUTELSAT, elles bénéficieront à tous les groupes d'actionnaires et constituent donc un élément d'appréciation important du caractère équitable de la rémunération qu'elles viennent renforcer.

Après prise en compte de la valeur (actualisée et après fiscalité) de ces synergies en complément des valeurs des capitaux propres des deux entités que nous avons obtenues, et sur la base du nombre d'actions d'EUTELSAT après rémunération des Apports des Apporteurs Majoritaires et Minoritaires, la valeur par action pour un actionnaire d'EUTELSAT s'apprécie de près de 50% du fait du rapprochement.

Par ailleurs, pour les actionnaires de ONEWEB qui seront désormais actionnaires d'une société cotée, l'Opération leur permet l'accès à la liquidité (à terme pour les Apporteurs Majoritaires, et immédiate pour les Apporteurs Minoritaires) dont ils ne disposaient pas.

4. Synthèse – Points clés

En synthèse de notre appréciation sur l'opération prise globalement, nous souhaitons attirer votre attention sur les points suivants :

- La présente opération vise à créer un acteur mondial de premier plan dans le domaine de la connectivité par satellites, et permettra au groupe EUTELSAT d'être positionné sur le marché de la connectivité avec une offre complémentaire GEO/LEO.
- Les parties ont négocié de façon indépendante les termes financiers du rapprochement et la gouvernance du nouveau groupe, et sont parvenues à un accord annoncé le 26 juillet 2022 qui se traduira par une détention par les actionnaires d'EUTELSAT de l'ensemble combiné à hauteur de 52,4% (sur une base non diluée) ;
- La rémunération proposée a été déterminée d'après une valeur de ONEWEB de 3 297 m€, et d'une valeur de l'action EUTELSAT de 11,08€, se traduisant par l'émission de 226 252 053²¹ actions EUTELSAT au titre de l'ensemble des apports des Actionnaires

²¹ Ce nombre pouvant être porté à 230 344 291 en cas d'apport, par les titulaires d'options ONEWEB, du nombre maximum d'actions ordinaires ONEWEB de catégorie A sous options (39 550 actions ordinaires ONEWEB de catégorie A).



Existants. Les travaux d'évaluation qui nous ont été présentés et figurent dans le projet de document d'exemption ont été revus par nos soins et nous paraissent appropriés, pour déterminer la valeur des actions ordinaires de catégorie A de ONEWEB apportées, d'une part, et celle d'EUTELSAT, d'autre part. Nous avons en outre procédé à nos propres travaux d'évaluation dont les résultats ne remettent pas en cause ceux présentés par les parties. Notamment, la rémunération retenue par les parties s'inscrit dans la fourchette de valorisation de l'approche de flux futurs de trésorerie actualisés, qui est, selon nous, l'approche la plus pertinente ;

- Par ailleurs, l'Opération devrait permettre une création de valeur significative au travers de synergies estimées par les parties à plus de 1,5 Md€ (montant actualisé et après impôts, net des coûts de mise en œuvre), dont bénéficieront tous les actionnaires. ;
- Enfin, l'Opération procure le contrôle de ONEWEB à EUTELSAT et permet l'accès à la liquidité pour les actionnaires de ONEWEB, à terme (engagement de conservation de 6 mois) pour les Apporteurs Majoritaires signataires du pacte d'actionnaires d'EUTELSAT, et immédiate pour les Apporteurs Minoritaires.



5. Conclusion

Sur la base de nos travaux et à la date du présent rapport, nous sommes d'avis que la rémunération proposée pour l'Apport conduisant à émettre 217 287 000 actions EUTELSAT, arrêtée par les parties présente un caractère équitable.

Fait à Paris, le 18 août 2023

FINEXSI EXPERT & CONSEIL FINANCIER

Olivier PERONNET

Le Commissaire aux apports



FINEXSI
EXPERT & CONSEIL FINANCIER

Free translation of the original « Rapport du Commissaire aux apports sur la rémunération de l'apport d'actions de la société ONEWEB HOLDINGS LIMITED devant être effectué au profit de la société EUTELSAT COMMUNICATIONS SA par les Apporteurs Majoritaires »

issued by the contribution auditor, dated August 18, 2023. French version shall prevail.

EUTELSAT COMMUNICATIONS SA

Public limited company with a Board of Directors
32 Boulevard Gallieni
92130 Issy-les-Moulineaux
RCS of Nanterre 481 043 040

Contribution auditor's report on the consideration of the contribution of ONEWEB HOLDINGS LIMITED shares by Major Shareholders Contributors to EUTELSAT COMMUNICATIONS SA

*Order of the President of the Nanterre
Commercial Court dated December 5,
2022*



Contribution auditor's report on the consideration of the contribution of ONEWEB HOLDINGS LIMITED shares by Major Shareholders Contributors to EUTELSAT COMMUNICATIONS SA

Ladies and Gentlemen,

Pursuant to the assignment entrusted to us by the order of the President of the Nanterre Commercial Court dated December 5, 2022, concerning the contribution of ONEWEB HOLDINGS LIMITED Class A ordinary shares to EUTELSAT COMMUNICATIONS SA, we have prepared this report on the consideration for the contribution, it being specified that our assessment of the value of the contributions is the subject of a separate report.

As the shares of EUTELSAT COMMUNICATIONS SA are admitted to trading on a regulated market, this report on the remuneration of the contribution is prepared with reference to the position recommendation 2020-06 of the *Autorité des Marchés Financiers* (hereinafter the "AMF").

The consideration for the contribution was set out in the contribution agreement signed by the representatives of the companies concerned (described in paragraph 1.2 hereafter) on August 18, 2023 (hereinafter the "**Contribution Agreement**").

Our responsibility is to express a conclusion on the fairness of the consideration for the contribution. For this purpose, we have performed our procedures in accordance with the professional standards of the *Compagnie Nationale des Commissaires aux Comptes* ("CNCC") applicable to the assignment of the statutory auditor in charge of assessing the fairness of the consideration for the contribution. This professional doctrine requires us to perform procedures to verify that the relative values attributed to the contributions and to the shares of the company receiving the contributions are relevant and to analyze the positioning of the proposed compensation in relation to the relative values deemed relevant.

No special benefit is stipulated in the context of this transaction.

Our report is intended for the persons covered by French law, in this case the shareholders of EUTELSAT COMMUNICATIONS SA. It meets the requirements of these regulations but not those of the English regulations, which apply to the shareholders of ONEWEB HOLDINGS LIMITED.

As our mission ends with the filing of our report, it is not our responsibility to update it to take into account facts and circumstances subsequent to the date of signature.

At no time did we find ourselves in one of the cases of incompatibility, prohibition or disqualification provided for by law.



Please find below our findings and conclusions presented in the following order:

1. Presentation of the planned operation
2. Verification of the relevance of the relative values attributed to the shares of the companies participating in the transaction
3. Assessment of the fairness of the proposed compensation
4. Summary – key points
5. Conclusion

1. Presentation of the proposed operation

1.1 Context of the transaction

In a joint press release dated July 26, 2022, EUTELSAT COMMUNICATIONS SA (hereinafter "EUTELSAT" or the "**Beneficiary Company**") and ONEWEB HOLDINGS LIMITED (hereinafter "ONEWEB") announced the proposed combination by way of an exchange of shares with the aim of forming a single leading global player in the field of connectivity. The definitive framework agreement for the combination between EUTELSAT and ONEWEB was entered into on November 14, 2022 between EUTELSAT and the principal shareholders of ONEWEB as mentioned in paragraph 1.2 hereunder (hereinafter the "**Framework Agreement**").

The objective of this combination is to create a leading global player positioned to conquer the satellite connectivity market with a complementary GEO/LEO offering¹.

This newly formed entity would have an enhanced range of satellite coverage, notably with EUTELSAT's geostationary satellites (GEO) and ONEWEB's low earth orbit satellites (LEO).

It is thus envisaged that:

- (i) BHARTI SPACE LIMITED, the *Secretary of State for Science, Innovation and Technology of United Kingdom*² ("**UK Government**"), SOFTBANK GROUP CAPITAL LIMITED and HANWHA SYSTEMS UK LIMITED (the "**Major Shareholders Contributors**") and the other minority shareholders of ONEWEB (other than EUTELSAT SA) (the "**Minority Shareholders Contributors**" and together the "**Contributors**") are contributing all of the Class A ordinary shares of ONEWEB that they hold, i.e. a total of 2,186,644 shares to the Beneficiary

¹ GEO (*Geostationary Earth Orbit*) satellites are geostationary satellites that remain constantly above the same point on the Earth's surface at a distance of about 36,000 km and provide communications, television and weather services. LEO (for *Low Earth Orbit*) satellites are non-geostationary satellites that operate in low earth orbit (about 1,200 km) and provide mobile data services and mobile telephone systems.

² Following the Prime Minister's announcement of a change of government apparatus on February 7, 2023, three new government departments were created, including the Department for Science, Innovation and Technology (DSIT). By an Order in Council which came into effect on May 3, 2023, the UK government's shareholding has been transferred from the Secretary of State for Business, Energy & Industrial Strategy (BEIS) to the Secretary for State for Science, Innovation and Technology (DSIT).



Company (the "**Existing Shareholders' Contributions**"), and

- (ii) BHARTI SPACE LIMITED and the UK Government are selling to EUTELSAT all of the 4 *deferred shares* issued by ONEWEB that they hold.

(hereinafter the "**Transaction**")

It is expected that ONEWEB option holders will be able to exercise their options either (i) immediately prior to and subject to the completion of the Major Shareholders Contributors' Contributions; or (ii) during certain exercise windows between completion of the Transaction and October 10, 2024, with a view to contributing the resulting ONEWEB Class A ordinary shares to EUTELSAT, in the context of contribution in kind transactions carried out by delegation of authority by the extraordinary general meeting of EUTELSAT, and using the same exchange ratio as the one of the Contribution³.

Following the Transaction, EUTELSAT will hold, directly and indirectly through its subsidiary EUTELSAT SA, 100% of the shares issued by ONEWEB⁴.

This report concerns the remuneration of the contributions of the Major Shareholders Contributors (hereinafter the "**Contribution**"), it being specified that a separate report will cover the remuneration of the Minority Shareholders Contributors and that another report will cover the remuneration of any contributions of the Option Holders.

1.2 Presentation of the parties involved

1.2.1 EUTELSAT COMMUNICATIONS SA, beneficiary of the contribution

EUTELSAT COMMUNICATIONS SA ("**EUTELSAT**") is a French *société anonyme* with a Board of Directors, whose registered office is located at 32, Boulevard Gallieni in Issy-les-Moulineaux (92130), and which has been registered with the Paris Trade and Companies Registry since February 15, 2005, and with the Nanterre Trade and Companies Registry since October 30, 2020, under number 481 043 040.

Its share capital amounts to €248,926,325, divided into 248,926,325 ordinary shares with a par value of €1 each, all fully paid up and of the same class.

EUTELSAT's shares have been listed on compartment A of the Euronext Paris market under ISIN code FR0010221234 since December 2, 2005.

³ In certain circumstances, at Eutelsat's option, the contributions in kind could be replaced by an exchange for existing shares at the same exchange ratio or by a payment in cash.

⁴ Except for one Class B share issued by ONEWEB held by the UK Government



According to its bylaws, EUTELSAT's purpose, "*in France and abroad*:"

- *to supply Space Segment capacity, and satellite communications systems and services. To that end, Eutelsat Communications undertakes any activities relating to the design, development, construction, installation, operation and maintenance of its Space Segment and of those satellite systems and services;*
- *and more generally, to take part in any existing or future enterprise or company and to participate in any transactions of any nature, be they financial, commercial, industrial, civil, real-estate-related or other, pertaining directly or indirectly to the corporate purpose or to any similar, related or complementary purposes, and likely to promote, directly or indirectly, the aims pursued by Eutelsat Communications, its expansion into other fields, its growth and its assets.*

The term "Space Segment" means a set of telecommunications satellites, and the tracking, telemetry, command, control, monitoring and related facilities and equipment necessary for the operation of those satellites."

The closing date for EUTELSAT's accounts is June 30 of each year.

EUTELSAT marked the beginning of the European satellite communications services industry⁵. Today, the EUTELSAT group is one of the world's leading operators of commercial telecommunications satellites and operates 36 satellites in geostationary orbit covering up to 150 countries, from 139° West to 174° East⁶.

Through its fleet of satellites and terrestrial infrastructure, the EUTELSAT group provides capacity to broadcasters, telecommunications operators and governmental bodies served either directly or through distributors. EUTELSAT group's business is organized since 30 June 2023 around four verticals⁷:

- Video (62.0% of revenues): the EUTELSAT group provides to its customers broadcasting capacity and associated services to enable them to broadcast television programs mainly to homes equipped for direct satellite reception, or to homes connected to cable or IP networks (enabling the broadcast of approximately 6,583 television channels mainly in Europe, in the Middle East and in Africa of which 2,500 are free mainly in Europe, in the Middle East and in Africa);
- Fixed connectivity (15.7% of revenues): fixed data includes enterprise networks (allowing companies to connect their network in remote areas), the connection of mobile

⁵ EUTELSAT 's activities were originally carried out by an intergovernmental organization, the European Telecommunications Organization (IGO), which transferred all of its operational activities to EUTELSAT SA in July 2001 before it was acquired by EUTELSAT in 2005.

⁶ As of 30 June 2023

⁷ % based on annual consolidated revenues as of June 30, 2023.



networks (*backhaul*) and the connection to the Internet backbone⁸ (*trunking*). Additionally, it includes internet access solutions, notably IP connectivity services;

- Government Services (12.6% of revenues): the EUTELSAT group enables reliable and rapidly deployed global communications for governments throughout the world⁹ ;
- Mobile connectivity (9.7% of revenues): the EUTELSAT group provides distributors/integrators and telecom operators with capacity dedicated to mobile connectivity, in-flight or maritime.

As of June 30, 2023, the EUTELSAT group had revenues of €1.1 billion and operating income of €573.5 million, with a workforce at that date of nearly 1,067 employees.

1.2.2 ONEWEB HOLDINGS LIMITED, a company whose securities are contributed

ONEWEB HOLDINGS LIMITED ("**ONEWEB**") is a *private limited company* incorporated under the laws of England and Wales with its registered office at West Works Building, 195 Wood Lane, London, W12 7FQ. It is registered since March 25, 2020, under number 12534512.

Its capital consists of (i) 2,836,644 Class A ordinary shares¹⁰ with a par value of USD 0.01 each, (ii) one Class B share with a par value of USD 0.01¹¹, and (iii) four *deferred shares with* a par value of GBP 1.00.

The closing date for ONEWEB's accounts is March 31 of each year.

ONEWEB is a satellite communications company with a constellation of 634 low earth orbit (LEO) communication satellites¹² covering the entire globe. The ONEWEB constellation of satellites are non-geostationary, low-earth orbiting satellites that provide businesses and consumers with an affordable, high-bandwidth, low-latency communications service¹³.

The ONEWEB constellation consists of first-generation LEO GEN 1 satellites, the first of which were deployed in February 2019. This first constellation will be replaced over time by the LEO GEN 2 constellation, which is currently being designed. These next-generation satellites are expected to have greater capacity, longer lifetime, and enhanced performance than the LEO GEN 1 satellites. The launch of the first LEO GEN 2 satellites is expected to coincide with the decommissioning of the first LEO GEN 1 satellites in 2027 or 2028.

⁸ Very high-speed data transmission line that provides networking facilities to local internet service providers.

⁹ Allows the interconnection of dispersed or isolated sites, the guarantee of immediate availability of capacity, as well as security and reliability, for ground or sea operations.

¹⁰ There are also options granted to ONEWEB employees under the *ONEWEB Executive Share Option Scheme 2021*, giving right to a maximum of 39,550 OneWeb Class A ordinary shares.

¹¹ The UK Government will keep its Class B share. The latter has no economic rights (with the exception, in the event of liquidation, of the repayment of the amount paid up in respect of the Class B share, with the same priority as the repayment of the amounts paid up in respect of the Class A ordinary shares).

¹² Following the 17th and 18th launches of ONEWEB by SPACEX and NEWSpace INDIA respectively in March 2023.

¹³ Latency is a data transmission delay in communications. It refers to the time it takes for a data packet to travel from source to destination across a network.



Each satellite is connected to terrestrial infrastructure, which transmits data to the constellation. ONEWEB has three types of ground infrastructure to support its operations:

- TT&C stations¹⁴: these stations ensure communications during some operations on its satellites (pre-launch, orbit transfer, etc.), and in case of emergency on a spacecraft;
- SNPs¹⁵: these provide Internet access for the ONEWEB'S constellation of satellites and are distributed around the globe. They are equipped with several antennas allowing them to reach a number of satellites;
- User terminals: provide end-users with broadband Internet access from the LEO satellite constellation of ONEWEB. These terminals are capable of providing continuous service through transfers between active satellites. ONEWEB develops different user terminals to meet multiple needs, for governments, operators, enterprises, aviation, maritime and land mobility.

1.2.3 BHARTI SPACE LIMITED, the UK Government, SOFTBANK GROUP CAPITAL LIMITED and HANWHA SYSTEMS UK LIMITED - the Major Shareholders Contributors

BHARTI SPACE LIMITED

BHARTI SPACE LIMITED (“**Bharti**”) is a *private limited company incorporated in England and Wales* with its registered office at 53/54 Grosvenor Street, 2nd floor, London, W1K 3HU. It has been registered since 26 February 2021 under number 13228343. BHARTI SPACE LIMITED IS part of the Indian group BHARTI which owns AIRTEL, India's leading cell phone operator.

Bharti holds 850,000 Class A ordinary shares and 2 deferred shares in ONEWEB.

THE SECRETARY OF STATE FOR SCIENCE, INNOVATION AND TECHNOLOGY (UK Government)

The UK Government, located at 100 Parliament Street, London, SW1A 2BQ, holds 500,000 Class A ordinary shares, 1 Class B ordinary share and 2 deferred shares in ONEWEB.

SOFTBANK GROUP CAPITAL LIMITED

SOFTBANK GROUP CAPITAL LIMITED (“**SOFTBANK**”) is a *private limited company* incorporated under the laws of England and Wales with its registered office at 69 Grosvenor Street, London, W1K 3JP. It has been registered at *Companies House* since April 30, 2015 under number 09569889.

SoftBank holds 500,000 Class A ordinary shares in ONEWEB.

HANWHA SYSTEMS UK LIMITED

HANWHA SYSTEMS UK LIMITED (“**HANWHA**”) is a *private limited company* incorporated under the laws of England and Wales with its registered office at Suite A, 6 Honduras Street, London,

¹⁴ Telemetry, Tracking and Command systems

¹⁵ Satellite *Network* Portals



EC1Y 0TH. It was registered at *Companies House* on October 6, 2021 under number 13665238. HANWHA SYSTEMS UK LIMITED IS part of the South Korean HANWHA Group.

Hanwha holds 250,000 Class A ordinary shares of ONEWEB.

1.2.4 Capital links between the parties involved in the transaction

As of the date hereof, EUTELSAT SA, subsidiary of the Beneficiary Company, holds 650,000 Class A ordinary shares of ONEWEB, representing approximately 22.91% of the company's capital and voting rights (excluding the dilutive impact of options issued by ONEWEB). This equity investment¹⁶ dates from September and October 2021.

As of the date hereof, BHARTI, which is one of the Major Shareholders' Contributors, is a subsidiary of BHARTI GLOBAL LIMITED which directly holds 12,974,047 representing 5.21% of EUTELSAT's share capital and voting rights.

1.3 General terms and conditions

The terms and conditions of the Contribution, which are set out in detail in the Contribution Agreement, to which reference should be made, can be summarized as follows.

Legal regime of the Contribution

From a legal standpoint, the Contribution is subject to the common law regime for contributions in kind provided for in Article L.225-147 of the French Commercial Code.

Tax system

The Contribution will be registered free of charge in accordance with the provisions of Article 810, I of the French General Tax Code.

Date of completion of the Contribution

The Contribution will be completed on the date on which the last of the conditions precedent referred to below (§ 1.5) is satisfied or is lifted, as evidenced by a decision of the shareholders of EUTELSAT recording the definitive completion of the increase in EUTELSAT's share capital as consideration for the Existing Shareholders' Contributions (hereinafter the "**Completion Date**").

The Contribution will also take effect, for tax purposes, on the Completion Date.

¹⁶ Initial investment announced in April 2021 and completed in September 2021 then exercise of a call option in October 2021.



1.4 Description of the Contribution

1.4.1 Description of the Contribution

The contribution made by the Major Shareholders Contributors (the “**Contribution**”) consists of 2,100,000 Class A ordinary shares of ONEWEB, representing, on an undiluted basis, 74.03% of the Class A ordinary shares in the share capital of ONEWEB, with a par value of \$0.01 each, and fully paid.

Contributors	Number of shares contributed
Bharti Space Limited	850,000
UK Government	500,000
Softbank Group Capital Limited	500,000
Hanwha Systems UK Limited	250,000
Total major contributors	2,100,000

In accordance with the terms of the Contribution Agreement, each contributed Class A ordinary share of ONEWEB will be, at the date of completion of the Contribution, free of any pledge, third party right, charge or other security interest.

It is also agreed that the Major Shareholders Contributors holding the 4 ONEWEB *deferred shares*, i.e. BHARTI SPACE LIMITED and the UK Government, will transfer them to EUTELSAT with the guarantee of full title and free of any pledge, third party rights, encumbrance or other security.

Finally, following the contributions of the Major Shareholders Contributors and the Minority Shareholders Contributors, EUTELSAT will own directly and indirectly through its subsidiary EUTELSAT SA, 100% of the shares issued by ONEWEB¹⁷.

1.4.2 Valuation method and reference

The Contribution is made on the basis of the real value of the contributed shares.

The real value of the 2,100,000 ONEWEB Class A ordinary shares has been determined by reference to the transaction price agreed by the parties and indicated in the press release of 26 July 2022, i.e. €3,297 million for 100% of the share capital of ONEWEB.

The value of the 2,100,000 ONEWEB Class A ordinary shares contributed is €2,407,502,789.

¹⁷ With the exception of one Class B share issued by ONEWEB held by the UK Government.



1.4.3 Remuneration of contributions

The remuneration of the Contribution is made on the basis of the real value of the Contribution, on the one hand, and the real value of the shares of the Beneficiary Company, on the other hand.

On this basis, the Contribution will be remunerated by the allocation of 217,287,000 new EUTELSAT shares with a par value of €1 each, to be issued by the Beneficiary Company, which will increase its capital by €217,287,000. The shares issued in consideration for the Contribution, will be subject to a 6-month lock-up period from the completion date, as provided for in the EUTELSAT shareholders' agreement signed by the Major Shareholders Contributors.

The difference between (i) the total value of the Contribution, i.e. €2,407,502,789 and (ii) the total amount of the capital increase of the Beneficiary Company, i.e. €217,287,000, will constitute a contribution premium of €2,190,215,789.

Contributors	Number of shares contributed	Contribution value (€)	Number of Eutelsat shares issued	Eutelsat's capital increase (€)	Share premium (€)
Bharti Space Limited	850,000	974,465,415	87,949,500	87,949,500	886,515,915
UK Government	500,000	573,214,950	51,735,000	51,735,000	521,479,950
Softbank Group Capital Limited	500,000	573,214,950	51,735,000	51,735,000	521,479,950
Hanwha Systems UK Limited	250,000	286,607,475	25,867,500	25,867,500	260,739,975
Total major contributors	2,100,000	2,407,502,789	217,287,000	217,287,000	2,190,215,789

1.5 Conditions precedent

The completion of the Contribution is subject to the fulfillment of all conditions precedent detailed in section 8 of the Contribution Agreement:

- (i) *"the submission by the Contribution Auditor of its reports confirming (i) that the Contribution Value retained is not overvalued and that it is at least equal to the amount of the Capital Increase of the Beneficiary Company plus the Contribution Premium, and (ii) the fairness of the Exchange Ratio;*
- (ii) *filing the Exemption Document relating to the Contribution with the AMF and making it available to the public in accordance with applicable French and European regulations (including AMF Position-Recommendation DOC-2020-06); and*
- (iii) *the approval by the Shareholders' Meeting of the Contribution, of the Contribution Agreement, of the corresponding Capital Increase as well as of the amendments to the bylaws of the Beneficiary Company and of the changes in the composition of the Board of Directors of the Beneficiary Company as described in Appendix 8.1 (the "EUTELSAT Shareholders' Resolutions"), it being specified that the Shareholders' Meeting is scheduled to vote on this matter on September 28, 2023."*



2. Verification of the relevance of the relative values attributed to the contributed shares and to the shares of the beneficiary company

2.1 Diligences implemented

The purpose of our mission is to inform the shareholders of EUTELSAT and ONEWEB on the relative values retained by the parties in order to determine the exchange ratio and to assess its fairness. Consequently, it is neither an audit nor a limited review within the meaning of professional standards. It cannot be assimilated to a *due diligence* mission carried out for a lender or an acquirer and does not include all the work necessary for this type of intervention. Our report cannot therefore be used in such a context.

We performed the procedures that we considered necessary in accordance with the professional standards issued by the Compagnie Nationale des Commissaires aux Comptes (CNCC) to assess the appropriateness of the relative values attributed to the contributed shares and to the recipient company.

In this context, we performed the following principal procedures:

- We met with representatives of EUTELSAT and ONEWEB to learn about the transaction and the context in which it is taking place, and to analyze the accounting, financial, legal and tax terms and conditions envisaged;
- We have taken note of the Framework Agreement entered into on November 14, 2022 between EUTELSAT and the Major Shareholders Contributors of ONEWEB;
- We have examined the Contribution Agreement and its schedules;
- We have reviewed the Company and consolidated financial statements of ONEWEB as of March 31, 2023, unaudited P&L and balance sheet for the quarter ended, as of June 30, 2023, and the *reporting* at the end of June 2023;
- We have read the independent auditor's report on the annual and consolidated financial statements of ONEWEB as of March 31, 2023;
- We have read the consolidated financial statements of EUTELSAT as of June 30, 2023, and have examined the statutory auditors' report on EUTELSAT's annual consolidated accounts as of June 30, 2023;
- We have reviewed the budget and forecast data prepared by ONEWEB and EUTELSAT management and met with the relevant managers to discuss the appropriateness of the assumptions made;
- We have reviewed Schedule 4.2 of the Contribution Agreement, which defines the value of the Contribution and its consideration;



- We have analyzed and reviewed with EUTELSAT's financial advisor (ROTHSCHILD & CO) the valuation elements of ONEWEB and EUTELSAT contained in the Draft Exemption Document and the valuation report underlying these analyses;
- We have obtained (i) a letter of representation signed by the representatives of EUTELSAT, on the one hand, and (ii) a letter of representation signed by the representatives of ONEWEB and Major Shareholders Contributors, on the other hand, confirming the completeness of the information provided in connection with the present Transaction and, to their knowledge, the absence of any significant event (up to the date of our report) that could materially affect the consideration for the Contribution.

2.2 Relative values retained by the parties

2.2.1 Valuation of ONEWEB shares

At the end of their negotiations, the parties agreed on a value for ONEWEB of €3,297 million, or approximately €1,146.43 per share ONEWEB. On this basis, and using a diluted number of ONEWEB shares, the value of the Contribution is €2,407,502,789.

The parties have implemented a multi-criteria evaluation of ONEWEB that favors the following benchmark and methodology:

- Reference to ONEWEB's implied valuation at the time of the last transaction on the share capital of ONEWEB announced in August 2021 and completed in February 2022,
- Intrinsic discounted cash flow (DCF) method.

The following methods were not considered:

- Discounting of theoretical dividend flows,
- Stock market comparables,
- Comparable transactions,
- The net book value and the revalued net book assets.



The value of ONEWEB has been the subject of a multi-criteria valuation presented in the Draft Exemption Document. This analysis reveals the following values for ONEWEB, which are in line with the contribution value retained by the parties:

	Equity value (100%, in \$M)	Equity value (100%, in €M)
Primary Methods		
Discounted cash flows (low case)	2,889	2,802
Discounted cash flows (base case)	3,562	3,455
Discounted cash flows (high case)	4,399	4,266
Valuation at the time of the last transaction on OneWeb's capital in August 2021 (method retained by the parties)	3,400	3,297

2.2.2 Valuation of the shares of the Beneficiary Company

In order to determine the number of EUTELSAT shares to be issued as consideration for the Contribution, the parties have agreed, following their negotiations, on a value per share of €11.08 (ex-dividend).

In this context, the parties have implemented a multi-criteria evaluation approach that favors the following evaluation approaches and references:

- The reference to EUTELSAT's share price on the basis of the volume-weighted average prices over the various periods preceding the announcement of the Transaction;
- Reference to target prices published by financial analysts;
- An intrinsic approach based on the discounting of EUTELSAT's projected cash flows.

By way of illustration, the parties have also implemented:

- An analogical approach by reference to a sample of comparable listed companies, limited to SES.

The parties have rejected the reference to discounting of theoretical dividend flows, net book value, net asset value and the transactions of comparable companies.



For the record, the results of the multi-criteria valuation of EUTELSAT presented in the Draft Exemption Document are as follows:

	Equity value (100%, in €M)
Primary Methods	
Last trading price on July 22, 2022	2,403
1 month - VWAP	2,485
3 months - VWAP	2,493
6 months - VWAP	2,391
12 months - VWAP	2,521
Target price published by financial analysts	2,793
Discounted cash flows (low case)	2,651
Discounted cash flows (base case)	3,177
Discounted cash flows (high case)	3,853
Methods for illustrative purposes	
Comparable companies (EV/EBITDA june23)	2,330
Comparable companies (EV/EBITDA june24)	2,239

2.3 Assessment of the relevance of relative values

The assessment of the relative values retained by the parties calls for the following comments on our part:

- With regard to the assessment of compensation in the context of negotiations between independent third parties, the parties and their advisors have assessed the compensation in the light of criteria that we consider to be customary and appropriate in view of the activities and respective characteristics of the companies concerned;
- EUTELSAT and ONEWEB operate in the same sector. The assessment of the compensation implies the use of adapted valuation methods based on homogeneous assumptions;
- It should be noted that the calculations of relative values do not include the synergies expected from the Operation.
- The relative values retained in the approaches carried out by the parties are based on data prior to the date of the announcement of the Transaction, namely July 26, 2022. While this approach appears to be consistent with the needs of the parties in the context of the determination of the compensation, it does not allow for the taking into account of any events that may have occurred since that date, which could have an impact on the relative values retained. The management of EUTELSAT and ONEWEB have confirmed to us in a letter of affirmation that no events have occurred since that date that would call into question the parameters and data used by the parties as part of the intrinsic approach to set the compensation.



In the context of our assignment, we have also implemented alternative or similar valuation approaches to those of the parties with our own parameters, by reference to data updated to a recent date, and carried out sensitivity analyses.

Therefore, we implemented a multi-criteria evaluation of ONEWEB and EUTELSAT based on the following approaches:

- An approach based on the intrinsic value of ONEWEB and EUTELSAT by discounting projected cash flows (DCF). This approach, based on our own discounting parameters, determined in a consistent manner for Eutelsat and ONEWEB, was carried out on the basis of forecasts provided to us by the management of both companies;
- As EUTELSAT is a listed company whose stock is liquid and is regularly monitored by analysts, we believe that the valuation of Eutelsat's stock is essential, even in the absence of an equivalent criterion for ONEWEB. In this context, we have assessed the remuneration of the Contribution by comparing the volume-weighted average price (VWAP) of EUTELSAT shares and the reference to the last transaction in ONEWEB shares, i.e. the last transaction on the share capital of OneWeb announced in August 2021 and completed in February 2022, which resulted in an implied value of \$3,400m for 100% of ONEWEB share capital.

With regard to the valuation methods used, we have no comment to make on the fact that we did not use the book value, the revalued book value and the discounted cash flow.

We also agree with the parties that the comparable transactions criterion should not be used. We have examined this approach but decided not to use it because of the difficulties involved in implementing it given the lack of sufficient public information for the transactions identified concerning the particularities of each transaction (possible earn-out clauses, historical context of the negotiations, control premiums, expected synergies, etc.).

Similarly, we did not apply the comparable listed companies approach due to the absence of any company sufficiently comparable to EUTELSAT.

2.3.1 Elements of the transition from enterprise value to equity value

The elements of the transition from enterprise value to equity value have been determined on the basis of the latest published accounts of the companies concerned, namely: (i) on the basis of the annual consolidated accounts at 30/06/2023 for EUTELSAT, and (ii) on the basis of the annual consolidated accounts at 31/03/2023 for ONEWEB.

2.3.2 Discounting of projected cash flows

This method consists of determining the intrinsic value of a company by discounting the cash flows from its business plan at a rate that reflects the market's requirement for profitability with respect to the company, taking into account an exit value at the horizon of this plan.



This method makes it possible to recognize the value attributable to the development prospects of the company being valued and seems to us to be appropriate to the situation of ONEWEB and EUTELSAT, and to their comparison.

Our work was based on the business plans established by the management of both companies:

- The EUTELSAT business plan for the period 2023-2033, including extrapolation by Management over the 2027-2023 period, presented to the EUTELSAT Board of Directors on January 19, 2023; and the updates presented to the EUTELSAT Board of Directors on July 27, 2023 (on the C-band¹⁸ phase 2 release product and the €/€ exchange rate);
- The ONEWEB business plan established for the period 2023-2028, approved by the ONEWEB Board of Directors on March 21, 2023. This business plan only includes forecasts for the 1^{ère} generation LEO satellites (GEN1). The latest forecast incorporating GEN2 satellites was prepared by the company in April 2021;
- The ONEWEB business plan, established by EUTELSAT's management in October 2022, for the period 2023-2033 as well as the sensitivity analyses presented to EUTELSAT's Board of Directors on July 27, 2023.

The business plans of the companies have been extrapolated and restated, where necessary, in order to implement the valuation approach based on flows determined in a manner that is consistent with the elements used in our transition from Enterprise Value to Equity Value.

The cash flows were discounted at the weighted average cost of capital, determined in a consistent manner according to the characteristics of each company. The discount rates used are close to (i) the rates mentioned in EUTELSAT's analysts' notes that were brought to our attention, and (ii) the rates used in the impairment tests of the two companies.

Our sensitivity tests on (i) the discount rate, (ii) normative growth and (iii) normative operating margin, show a range of EUTELSAT shares to be issued as consideration for the Contribution of between 215.2 and 223.1 million.

Sensitivity analyses of the ONEWEB business plan and the updates of EUTELSAT's business plan, presented to the EUTELSAT Board of Directors on July 27, 2023, do not call into question the ranges obtained.

¹⁸ See Note 2.2 to EUTELSAT's consolidated financial statements at June 30, 2023 ("**C-band release process**"): "*As part of the release of 3.7 - 4 GHz (C-band) frequencies in the United States following the federal decision published by the Federal Communication Commission (FCC – the US communications regulator) on March 3, 2020, the Group has set up a transition plan comprising two phases, each corresponding to the release of certain frequencies and giving rise to 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.*"



This approach makes it possible to give an objective and homogeneous reference value, on a stand-alone basis, for the two entities to be valued, irrespective of the synergies that will be generated by the merger, which will benefit all shareholders, as we will come back to later.

2.3.3 Volume-weighted average price of EUTELSAT shares compared to the value of ONEWEB implied by the last transaction on the share capital of ONEWEB

We have analyzed the evolution of EUTELSAT'S share price over the last 12 months (prior to July 22, 2022, corresponding to the last trading date not polluted by rumors of a merger between EUTELSAT and ONEWEB) and also calculated volume-weighted average prices (VWAP) over more or less long periods.

Volume-Weighted Average Price	in €/share	Volume exchanged (in K)		Capital exchanged (in K)		% of capital		% of free float	
		Average	Cumulative	Average	Cumulative	Exchanged volume	Capital turnover	Exchanged volume	Float rotation
Spot (22/7/2022)	10,43	309	309	3 234	3 234	0,13 %	0,13 %	0,19 %	0,19 %
VWAP 1 month	10,77	291	6 103	3 130	65 723	0,13 %	2,65 %	0,18 %	3,68 %
VWAP 60 days	10,83	325	19 494	3 520	211 186	0,14 %	8,47 %	0,20 %	11,74 %
VWAP 3 months	10,81	340	22 414	3 670	242 205	0,15 %	9,73 %	0,20 %	13,53 %
VWAP 6 months	10,40	408	52 240	4 244	543 267	0,18 %	22,69 %	0,25 %	31,55 %
VWAP 12 months	10,87	513	132 942	5 580	1 445 321	0,22 %	57,73 %	0,34 %	86,95 %
VWAP 24 months	10,06	603	310 361	6 061	3 121 523	0,26 %	134,78 %	0,40 %	205,42 %

12-month high (15/11/2021) 13,39

12-month low (7/3/2022) 8,96

24-month high (15/11/2021) 13,39

24-month low (2/10/2020) 8,11

As ONEWEB is not listed, we could not rely on an observable market value to value it. We have therefore sought to capture this value through a valuation derived from the last transaction in the company's shares, i.e., the last transaction on the share capital of ONEWEB corresponding to the entry of HANWHA in the share capital of ONEWEB announced in August 2021 and completed in February 2022

Based on this approach, the number of EUTELSAT shares to be issued as consideration for the Contribution is in the range of 209.1 million and 226.1 million.

For information purposes, we have also analyzed EUTELSAT'S share price since July 22, 2022, which has followed a downward trend and shows 1-to-6-month VWAPs of between 6.08€/share and 6.26€/share, as of August 1, 2023. The calculation of the remuneration on this basis results in a higher dilution for EUTELSAT'S shareholders.

2.3.4 Summary of relative values

The relative values obtained from our multi-criteria valuation work are higher than those determined by the parties, which is explained by the use in our work of more recent projections than those used by the parties.



3. Assessment of the fairness of the compensation

3.1 Remuneration of the Contribution retained by the parties

The proposed exchange ratio is 103.47 new EUTELSAT shares for one ONEWEB share contributed, determined on the basis of the value of the Contribution on the one hand, and the value of the EUTELSAT share on the other, as presented in §2.2. This results in the issue of 217,287,000 EUTELSAT shares for the Major Shareholders Contributors.

This remuneration was determined on the basis of negotiations between the parties, which resulted in a relative weighting of EUTELSAT and ONEWEB shareholders of 50% of EUTELSAT's share capital at the end of the contributions (reduced to 52.4% / 47.6% on a non-diluted basis of the ONEWEB options and taking into account the payment of part of EUTELSAT's dividend in shares in accordance with the decision of the general meeting of 10 November 2022).

3.2 Diligences implemented

We performed the procedures we considered necessary in accordance with the professional standards of the Compagnie Nationale des Commissaires aux Comptes (CNCC) to assess the fairness of the consideration for the Contribution.

In particular, we relied on the work described above (§ 2.3) in order to verify the relevance of the relative values attributed to the contributed shares and the shares of the Beneficiary Company.

On this basis, we assessed the fairness of the proposed remuneration, in particular through

- The analysis of the positioning of the remuneration in relation to the values considered relevant;
- The impact of the compensation on the future situation of EUTELSAT's shareholders.

3.3 Assessment and positioning of the remuneration of the contribution

In order to assess the compensation retained by the parties, we have determined the number of EUTELSAT shares to be issued as consideration for the Contribution, using a multi-criteria approach.

The relative values examined, determined on the basis of the criteria that we consider relevant, would lead to the issuance of a number of EUTELSAT shares between 209,144,317 and 226,073,519.

The number of EUTELSAT shares to be issued as consideration is 217,287,000, within the range of the multi-criteria analyses developed above.



We also analyzed the weight of each category of post-contribution shareholders resulting from our multi-criteria analysis, with regard to the weight induced by the parity retained by the parties¹⁹.

	Allocation according to agreement between the parties	DCF		Share price	
		Low case	High case	Low case	High case
OneWeb	47,6 %	47,4 %	48,3 %	46,7 %	48,6 %
Eutelsat	52,4 %	52,6 %	51,7 %	53,3 %	51,4 %

In our assessment of the fairness of the proposed compensation, we note that the compensation selected by the parties falls within the range of our primary approaches and therefore appears fair to the current shareholders of EUTELSAT.

3.4 Impact of the transaction on the various shareholder groups

Following the completion of the Existing Shareholders' contributions (i.e. after Majority and Minority Contributions), EUTELSAT's shareholders will hold a significantly smaller stake in EUTELSAT's share capital and voting rights than they currently do, since they will only hold 52.4% of the enlarged group's share capital after the completion²⁰, i.e. a dilution of around 47.6%.

Given the profile of ONEWEB, which is in the start-up phase of its constellation, the enlarged EUTELSAT-ONEWEB post-Contribution accounts are expected to show a short-term loss, which will result in no dividend being paid over the next three years, as stipulated in the Exemption Document.

EUTELSAT will gain control of ONEWEB and EUTELSAT's shareholders will benefit in the longer term from the synergies described below.

The parties announced that the combination is expected to generate operating synergies estimated over €1.5 billion, in present value after tax, net of implementation costs. These include cost, investment and revenue synergies, enabling savings on upstream operating expenses and optimizing operational efficiency.

Their implementation will be progressive after the completion of the Existing Shareholders' contributions (i.e. after Majority and Minority Contributions) and it has been confirmed to us that due to the strong complementarity of the companies in terms of satellite connectivity offer, there should not be significant dysnergies. Updates presented to the EUTELSAT Board of Directors on July 27, 2023 confirmed the anticipated level of synergies.

¹⁹ On a non-diluted basis of the ONEWEB options and taking into account the payment of a part of the EUTELSAT dividend in actions pursuant to the decision of the general meeting dated 10 November 2022.

²⁰ On a non-diluted basis of the ONEWEB options and taking into account the payment of a part of the EUTELSAT dividend in actions pursuant to the decision of the general meeting dated 10 November 2022.



These synergies have not been included in our assessment of the relative values of ONEWEB and EUTELSAT, but they will benefit all groups of shareholders and are therefore an important element in assessing the fairness of the compensation that they reinforce.

After taking into account the value (discounted and after tax) of these synergies in addition to the equity values of the two entities that we have obtained, and on the basis of the number of EUTELSAT shares after remuneration of the Major Shareholders Contribution and the Minority Shareholders Contribution, the value per share for an EUTELSAT shareholder appreciates by almost 50% as a result of the combination.

Moreover, for ONEWEB shareholders, who will now be shareholders in a listed company, the Transaction will give them access to liquidity (long-term for the Major Shareholders Contributors and immediate for the Minority Shareholders Contributors) that they did not have before.

4. Summary - Key points

In summary of our assessment of the operation as a whole, we wish to draw your attention to the following points:

- This transaction aims to create a leading global player in satellite connectivity and will enable the EUTELSAT group to be positioned in the connectivity market with a complementary GEO/LEO offering.
- The parties independently negotiated the financial terms of the combination and the governance of the new group, and reached an agreement announced on July 26, 2022 that will result in EUTELSAT shareholders owning 52.4% of the enlarged entity (on a non-diluted basis);
- The proposed remuneration has been determined on the basis of a ONEWEB value of €3,297m and a EUTELSAT share value of €11.08, resulting in the issuance of 226,252,053²¹ EUTELSAT shares in respect of all the contributions of the Existing Shareholders. The valuation work presented to us and set out in the draft Exemption document has been reviewed by us and appears to us to be appropriate to determine the value of the contributed ONEWEB Class A Ordinary shares on the one hand, and of EUTELSAT on the other. We have also performed our own valuation work, the results of which do not call into question those presented by the parties. In particular, the remuneration retained by the parties falls within the valuation range of the discounted cash flow approach, which is, in our opinion, the most relevant approach;

²¹ This number being increased to 230,344,291 in case of contribution by the ONEWEB options holders of the maximum number of ONEWEB Class A ordinary shares under options (39,550 ONEWEB Class A ordinary shares)



- In addition, the Transaction is expected to create significant value through synergies estimated by the parties of over €1.5 billion (discounted and after-tax, net of implementation costs), which will benefit all shareholders;
- Lastly, the Transaction gives control of ONEWEB to EUTELSAT and provides access to liquidity for ONEWEB shareholders, both over time (with a 6-month holding period) for the Major Shareholders Contributors who are signatories to the EUTELSAT shareholders' agreement, and immediately for the Minority Shareholders Contributors.



5. Conclusion

On the basis of our work and as of the date of this report, we are of the opinion that the consideration proposed by the parties for the Contribution, leading to the issuance of 217,287,000 EUTELSAT shares, is fair.



FINEXSI
EXPERT & CONSEIL FINANCIER

EUTELSAT COMMUNICATIONS SA

Société anonyme à Conseil d'Administration
32 Boulevard Gallieni
92130 Issy-les-Moulineaux
RCS de Nanterre 481 043 040

Rapport du Commissaire aux apports sur la valeur de l'apport d'actions de la société ONEWEB HOLDINGS LIMITED devant être effectué au profit de la société EUTELSAT COMMUNICATIONS SA par les Apporteurs Minoritaires

*Ordonnance de Monsieur le Président
du Tribunal de Commerce de Nanterre
en date du 5 décembre 2022*



RAPPORT DU COMMISSAIRE AUX APPORTS SUR LA VALEUR DE L'APPORT D' ACTIONS DE LA SOCIETE ONEWEB HOLDINGS LIMITED DEVANT ETRE EFFECTUE AU PROFIT DE LA SOCIETE EUTELSAT COMMUNICATIONS SA PAR LES APORTEURS MINORITAIRES

Mesdames, Messieurs,

En exécution de la mission qui nous a été confiée par ordonnance de Monsieur le Président du Tribunal de Commerce de Nanterre en date du 5 décembre 2022, concernant l'apport d'actions ordinaires de catégorie A de la société ONEWEB HOLDINGS LIMITED à la société EUTELSAT COMMUNICATIONS SA, nous avons établi le rapport sur la valeur de l'apport prévu par l'article L.225-147 du Code de commerce.

Les actions de la société EUTELSAT COMMUNICATIONS SA étant admis aux négociations sur un marché réglementé, notre mission a été étendue, par référence à la position-recommandation 2020-06 de l'Autorité des Marchés Financiers (ci-après « AMF »), à l'appréciation du caractère équitable de la rémunération de l'apport proposée. Nous avons ainsi émis un avis sur la rémunération de l'apport, qui fait l'objet d'un rapport distinct.

La valeur de l'apport a été arrêtée dans le traité d'apport signé par les représentants des sociétés concernées (qui sont présentés au paragraphe 1.2 ci-après) en date du 18 août 2023 (ci-après le « **Traité d'Apport** »).

Il nous appartient d'exprimer une conclusion sur le fait que la valeur de l'apport n'est pas surévaluée. A cet effet, nous avons effectué nos diligences selon la doctrine professionnelle de la Compagnie Nationale des Commissaires aux Comptes applicable à cette mission. Cette doctrine professionnelle requiert la mise en œuvre de diligences destinées à apprécier la valeur des apports, à s'assurer que celle-ci n'est pas surévaluée et à vérifier qu'elle correspond au moins à la valeur au nominal des actions à émettre par la société bénéficiaire de l'apport, augmentée de la prime d'émission.

Il n'est pas stipulé d'avantage particulier dans le cadre de la présente opération.

Notre rapport, est à destination des personnes visées par la loi française, en l'espèce les actionnaires d'EUTELSAT COMMUNICATIONS SA. Il répond aux exigences de cette réglementation, mais pas à celles de la réglementation anglaise, dont bénéficient les actionnaires de ONEWEB HOLDINGS LIMITED.

Notre mission prenant fin avec le dépôt de notre rapport, il ne nous appartient pas de le mettre à jour pour tenir compte des faits et circonstances postérieurs à sa date de signature.

A aucun moment nous ne nous sommes trouvés dans l'un des cas d'incompatibilité, d'interdiction ou de déchéance prévus par la loi.



Nous vous prions de trouver, ci-après, nos constatations et conclusion présentées dans l'ordre suivant :

1. Présentation de l'opération envisagée et description de l'apport
2. Diligences accomplies et appréciation de la valeur de l'apport
3. Synthèse – Points clés
4. Conclusion

1. Présentation de l'opération envisagée et description de l'apport

1.1 Contexte de l'opération

Par un communiqué commun du 26 juillet 2022, EUTELSAT COMMUNICATIONS SA (ci-après « **EUTELSAT** » ou la « **Société Bénéficiaire** ») et ONEWEB HOLDINGS LIMITED (ci-après « **ONEWEB** ») ont annoncé le projet de rapprochement par échange d'actions dans le but de former un acteur mondial unique de premier plan dans le domaine de la connectivité par satellite. L'accord-cadre définitif de rapprochement entre EUTELSAT et ONEWEB (*Framework Agreement*) a été conclu le 14 novembre 2022 entre EUTELSAT et les principaux actionnaires de ONEWEB visés au paragraphe 1.2 ci-dessous (ci-après l'« **Accord Cadre** »).

L'objectif de ce rapprochement est de créer un acteur mondial de premier plan positionné pour conquérir le marché de la connectivité satellitaire avec une offre complémentaire GEO/LEO¹.

Cet ensemble nouvellement constitué disposerait d'une offre enrichie de couverture satellitaire, notamment avec les satellites géostationnaires d'EUTELSAT (GEO) et les satellites en orbite terrestre basse de ONEWEB (LEO).

Il est ainsi envisagé que :

- (i) BHARTI SPACE LIMITED, le Secrétaire d'Etat à la Science, à l'Innovation et à la Technologie du Royaume-Uni² (« **Gouvernement Britannique** »), SOFTBANK GROUP CAPITAL LIMITED et HANWHA SYSTEMS UK LIMITED (les « **Apporteurs Majoritaires** ») et les autres actionnaires minoritaires de ONEWEB (autres qu'EUTELSAT SA) (les « **Apporteurs Minoritaires** » et ensemble les « **Apporteurs** ») apportent l'intégralité des actions ordinaires de catégorie A de ONEWEB qu'ils détiennent, soit un total de 2 186 644 actions, à la Société Bénéficiaire (ci-après les « **Apports des Actionnaires Existants** »), et

¹ Les satellites GEO (pour *Geostationary Earth Orbit*) sont des satellites géostationnaires, qui restent constamment au-dessus du même point de la surface de la Terre à une distance d'environ 36 000 km et fournissent des services de communications, de télévision et météorologiques. Les satellites LEO (pour *Low Earth Orbit*) sont des satellites non géostationnaires qui fonctionnent en orbite terrestre basse (environ 1 200 km) et fournissent des services mobiles de transmission de données et des systèmes téléphoniques mobiles.

² À la suite de l'annonce d'un changement d'appareil gouvernemental par le Premier Ministre le 7 février 2023, trois nouveaux ministères ont été créés, dont le département à la Science, à l'Innovation et à la Technologie (*Department for Science, Innovation and Technology*) (DSIT). En vertu d'un décret entré en vigueur le 3 mai 2023, la détention de la participation du gouvernement Britannique a été transférée du Secrétaire d'Etat aux Affaires, à l'Energie et à la Stratégie industrielle (*Secretary of State for Business, Energy & Industrial Strategy*) (BEIS) au Secrétaire d'Etat à la Science, à l'Innovation et à la Technologie.



- (ii) BHARTI SPACE LIMITED et le Gouvernement Britannique cèdent à EUTELSAT l'intégralité des 4 actions différées (*deferred shares*) émises par ONEWEB qu'ils détiennent.

(ci-après l' « **Opération** »).

Il est également prévu que les titulaires d'options ONEWEB puissent, le cas échéant, exercer leurs options soit (i) immédiatement avant et sous réserve de la réalisation des Apports des Actionnaires Existants ; soit (ii) au cours de certaines fenêtres d'exercice réparties entre la réalisation de l'Opération et le 10 octobre 2024, en vue d'apporter les actions ordinaires de catégorie A de ONEWEB en résultant à EUTELSAT, dans le cadre d'opérations d'apports en nature réalisées sur délégation de l'Assemblée Générale Extraordinaire d'EUTELSAT, et en retenant le même rapport d'échange que celui de l'Apport³.

A l'issue de l'Opération, EUTELSAT détiendra directement et indirectement à travers sa filiale EUTELSAT SA, 100% des actions émises par ONEWEB⁴.

Le présent rapport concerne les apports des Apporteurs Minoritaires (ci-après l' « **Apport** »), étant précisé qu'un rapport distinct couvre les apports des Apporteurs Majoritaires et qu'un autre rapport couvrira les éventuels Apports des Titulaires d'Options.

1.2 Présentation des parties en présence

1.2.1 EUTELSAT COMMUNICATIONS SA, société bénéficiaire de l'apport

EUTELSAT COMMUNICATIONS SA (« EUTELSAT ») est une société anonyme à Conseil d'Administration dont le siège social est situé au 32, Boulevard Gallieni à Issy-les-Moulineaux (92130). Elle est immatriculée au Registre du Commerce et des Sociétés (RCS) de Paris depuis le 15 février 2005, puis au RCS de Nanterre depuis le 30 octobre 2020 sous le numéro 481 043 040.

Son capital social s'élève à 248 926 325 €, divisé en 248 926 325 actions ordinaires d'une valeur nominale de 1 € chacune, toutes entièrement libérées et de même catégorie.

Les actions d'EUTELSAT sont admises aux négociations sur le compartiment A du marché Euronext Paris sous le code ISIN FR0010221234 depuis le 2 décembre 2005.

Selon ses statuts, EUTELSAT a pour objet, « *en France et à l'étranger* :

- *la fourniture de capacité de Secteur Spatial, de systèmes et de services de communications par satellite. A cette fin, la Société entreprend toutes activités liées à la conception, la mise au point, la construction, la mise en place, l'exploitation et l'entretien de son Secteur Spatial et de ces systèmes et services satellitaires ;*

³ Dans certaines circonstances, à l'option d'EUTELSAT, les apports en nature pourraient être remplacés, par un échange contre des actions existantes selon le même rapport d'échange ou par un paiement en numéraire.

⁴ A l'exception d'une action de catégorie B émise par ONEWEB détenue par le Gouvernement Britannique.

- *et plus généralement la participation à toute entreprise ou société créée ou à créer ainsi que toutes les opérations de quelque nature qu'elles soient, financières, commerciales, industrielles, civiles, immobilières ou autres, se rattachant, directement ou indirectement, à cet objet social ou à tous objets similaires, connexes ou complémentaires, et de nature à favoriser, directement ou indirectement, les buts poursuivis par la Société, son expansion dans d'autres domaines, son développement et son patrimoine social.*

L'expression « Secteur Spatial » désigne un ensemble de satellites de télécommunications, ainsi que les installations de poursuite, de télémessure, de télécommande, de contrôle, de surveillance et les autres équipements associés, nécessaires au fonctionnement de ces satellites ».

La date de clôture des comptes d'EUTELSAT est fixée au 30 juin de chaque année.

La société EUTELSAT a marqué le début de l'industrie européenne des services de communication par satellite⁵. Le groupe EUTELSAT est aujourd'hui l'un des premiers opérateurs mondiaux de satellites de télécommunications commerciaux et opère 36 satellites⁶ en orbite géostationnaire couvrant jusqu'à 150 pays, du 139° Ouest au 174° Est.

Grâce à sa flotte de satellites et à ses infrastructures terrestres, le groupe EUTELSAT fournit la capacité à des télédiffuseurs, d'opérateurs de télécommunications et d'organismes gouvernementaux desservis soit directement, soit par l'intermédiaire de distributeurs.

L'activité du groupe EUTELSAT s'organise, depuis le 30 juin 2023, autour de quatre secteurs d'activité opérationnels⁷ :

- Vidéo (62,0% du chiffre d'affaires) : le groupe EUTELSAT fournit à ses clients une capacité de diffusion et des services associés afin de leur permettre de transmettre des programmes de télévision essentiellement vers des foyers équipés pour la réception directe par satellite, ou vers des foyers raccordés au câble ou aux réseaux IP (permettant la diffusion d'environ 6 583 chaînes de télévision, dont environ 2 500 sont gratuites, principalement en Europe, au Moyen-Orient et en Afrique) ;
- Connectivité fixe (15,7% du chiffre d'affaires) : les données fixes intègrent les réseaux d'entreprise (permettant aux entreprises de connecter leur réseau dans des zones reculées), le raccordement des réseaux mobiles (*backhaul*) et la connexion à la dorsale internet⁸ (*trunking*). Ce secteur opérationnel comprend également des solutions d'accès à l'internet, notamment des services de connectivité IP ;

⁵ Les activités d'EUTELSAT étaient à l'origine exercées par une organisation intergouvernementale, l'Organisation européenne de télécommunications par satellites (IGO), qui a apporté la totalité de ses activités opérationnelles à EUTELSAT SA en juillet 2001 avant que celle-ci ne soit rachetée par EUTELSAT en 2005.

⁶ Au 30 juin 2023.

⁷ Pourcentages présentés sur la base du chiffre d'affaires consolidé au 30 juin 2023.

⁸ Ligne de transmission de données à très haut débit qui fournit des installations de mise en réseau à des fournisseurs de services internet locaux.



- Services aux gouvernements (12,6% du chiffre d'affaires) : le groupe EUTELSAT permet aux gouvernements des communications mondiales fiables et déployées rapidement dans le monde entier⁹ ;
- Connectivité mobile (9,7% du chiffre d'affaires) : le groupe EUTELSAT fournit aux distributeurs/intégrateurs et opérateurs télécoms la capacité dédiée à la connectivité mobile, en vol ou maritime.

Le groupe EUTELSAT a réalisé au 30 juin 2023 un chiffre d'affaires de 1,1 Mds€ et un résultat opérationnel de 573,5 m€ pour un effectif à cette date de près de 1 067 salariés.

1.2.2 ONEWEB HOLDINGS LIMITED, société dont les titres sont apportés

ONEWEB HOLDINGS LIMITED (« **ONEWEB** ») est une *private limited company*, société de droit anglais dont le siège social est situé West Works Building, 195 Wood Lane à Londres (W127FQ). Elle est immatriculée depuis le 25 mars 2020, sous le numéro 12534512.

Son capital est constitué de (i) 2 836 644 actions ordinaires de catégorie A¹⁰ d'une valeur nominale de 0,01 USD chacune, (ii) d'une action de catégorie B¹¹ d'une valeur nominale de 0,01 USD, et (iii) de 4 *deferred shares* d'une valeur nominale de 1,00 GBP.

La date de clôture des comptes de ONEWEB est fixée au 31 mars de chaque année.

ONEWEB est une société de communication par satellite, disposant d'une constellation de 634 satellites¹² de communication en orbite terrestre basse (LEO) lui permettant de couvrir toute la surface du globe. Les satellites de la constellation ONEWEB sont des satellites non-géostationnaires, circulant sur une orbite basse pour fournir aux professionnels et aux particuliers un service de communications abordable, rapide, à bande passante élevée et à faible latence¹³.

La constellation ONEWEB est composée de satellites de première génération LEO GEN 1, dont les premiers ont été déployés en février 2019. Cette première constellation sera remplacée au fur et à mesure par la constellation LEO GEN 2, en cours de conception. Ces satellites de nouvelle génération devraient avoir une capacité supérieure, une durée de vie allongée et des performances supérieures à celles des satellites LEO GEN 1. Le lancement des premiers

⁹ Permet l'interconnexion de sites dispersés ou isolés, la garantie de disponibilité immédiate de capacité, ainsi que la sécurité et la fiabilité, pour les opérations au sol ou en mer.

¹⁰ Il existe également des options attribuées aux employés de ONEWEB dans le cadre du *ONEWEB Executive Share Option Scheme 2021*, portant sur un nombre maximum de 39 550 actions ordinaires ONEWEB de catégorie A.

¹¹ Le Gouvernement Britannique conservera son action ordinaire de catégorie B. Celle-ci ne bénéficie d'aucun droit économique (à l'exception en cas de liquidation, du remboursement du montant libéré au titre de l'action de catégorie B, avec le même rang de priorité que le remboursement des montants libérés au titre des actions ordinaires de catégorie A).

¹² A la suite des 17^{ème} et 18^{ème} lancements de ONEWEB respectivement par SPACEX et par NEWSPACE INDIA en mars 2023.

¹³ La latence est un délai de transmission de données dans les communications. Il désigne le temps nécessaire à un paquet de données pour passer de la source à la destination à travers un réseau.



satellites LEO GEN 2 devrait coïncider avec la mise hors service des premiers satellites LEO GEN 1, prévue en 2027 ou 2028.

Chaque satellite est connecté à des infrastructures terrestres, qui transmettent les données à la constellation. ONEWEB dispose de trois types d'infrastructures au sol pour soutenir ses opérations :

- Stations TT&C¹⁴ : ces stations assurent les communications pendant certaines opérations sur ses satellites (pré-lancement, transfert d'orbite, etc.), ainsi qu'en cas d'urgence sur un engin spatial ;
- Portails SNP¹⁵ : ils fournissent l'accès à Internet pour la constellation de satellites de ONEWEB et sont répartis sur la surface du globe. Ils sont équipés de plusieurs antennes leur permettant d'atteindre un certain nombre de satellites ;
- Terminaux utilisateurs : ils fournissent aux utilisateurs finaux un accès Internet haut débit à partir de la constellation de satellites LEO de ONEWEB. Ces terminaux sont capables de fournir un service continu grâce aux transferts entre satellites actifs. ONEWEB développe différents terminaux utilisateurs pouvant répondre à des besoins multiples, pour les gouvernements, les opérateurs, les entreprises, à l'aviation ou à la mobilité maritime et terrestre.

1.2.3 AIRBUS DEFENCE AND SPACE NETHERLANDS B.V., BANCO AZTECA S.A., ECHOSTAR OPERATING L.L.C., QUALCOMM TECHNOLOGIES INC. ET RWANDA SOCIAL SECURITY BOARD (RRSB) – les Apporteurs Minoritaires

AIRBUS DEFENCE AND SPACE NETHERLANDS B.V.

AIRBUS DEFENCE AND SPACE NETHERLANDS B.V. est une société de droit néerlandais dont le siège social est situé Mendelweg 30, 2333 CS Leiden. Elle est immatriculée à la Chambre de Commerce des Pays-Bas sous le numéro 28086907. AIRBUS DEFENCE AND SPACE NETHERLANDS B.V. fait partie du groupe AIRBUS SE.

La société détient 12 064 actions ordinaires de catégorie A de ONEWEB.

BANCO AZTECA S.A.

BANCO AZTECA S.A. est une société de droit mexicain dont le siège social est situé à Insurgentes sur 3579 T3P6, 14000 Tlalpan.

La société détient 16 879 actions ordinaires de catégorie A de ONEWEB.

¹⁴ Système de télémétrie de suivi et de commande (*Telemetry, Tracking and Command systems*).

¹⁵ Portails de réseau satellitaires (*Satellite Network Portals*).



ECHOSTAR OPERATING L.L.C.

ECHOSTAR OPERATING L.L.C. est une filiale d'ECHOSTAR CORPORATION, société de droit américain dont le siège social est situé au 100 Inverness Terrace East, Englewood, Colorado 80112.

La société détient 50 000 actions ordinaires de catégorie A de ONEWEB.

QUALCOMM TECHNOLOGIES INC.

QUALCOMM TECHNOLOGIES INC. Est une société de droit américain dont le siège social est situé au 5775 Morehouse Drive, 92121 San Diego Californie. Elle est immatriculée sous le numéro 45-3157787.

La société détient 6 072 actions ordinaires de catégorie A de ONEWEB.

RWANDA SOCIAL SECURITY BOARD (RSSB)

L'entité RWANDA SOCIAL SECURITY BOARD (RSSB) est née de la fusion de *SOCIAL SECURITY FUND OF RWANDA (SSFR)* avec *RWANDA HEALTH INSURANCE FUND (RAMA)*, et est située Plot 1003 Ubumwe Cell, African Union Boulevard, Kigali au Rwanda.

La société détient 1 629 actions ordinaires de catégorie A de ONEWEB.

1.2.4 Liens en capital entre les parties concernées par l'opération

A la date des présentes, EUTELSAT SA, filiale de la Société Bénéficiaire, détient 650 000 actions ordinaires de catégorie A de ONEWEB qui représentent environ 22,91% du capital et des droits de vote de la société (hors impact dilutif des options émises par ONEWEB). Cette prise de participation¹⁶ date des mois de septembre et d'octobre 2021.

1.3 Modalités générales

Les modalités de réalisation de l'Apport, qui sont présentées de façon détaillée dans le Traité d'Apport, auquel il convient de se référer, peuvent se résumer comme suit.

Régime juridique de l'Apport

Sur le plan juridique, l'Apport est soumis au régime de droit commun des apports en nature prévu par les dispositions de l'article L. 225-147 du Code de commerce.

Régime fiscal

L'Apport sera enregistré gratuitement en application des dispositions de l'article 810, I du Code Général des Impôts.

¹⁶ Investissement initial annoncé en avril 2021 et réalisé en septembre 2021 puis exercice d'une option d'achat en octobre 2021.



Date de réalisation de l'Apport

La réalisation de l'Apport interviendra le jour où la dernière des conditions suspensives visées ci-après (§ 1.5) sera levée, telle que constatée notamment par une décision des actionnaires d'EUTELSAT constatant la réalisation définitive de l'augmentation de capital d'EUTELSAT en rémunération des Apports des Actionnaires Existants (ci-après la « **Date de Réalisation** »).

L'Apport prendra également effet, sur le plan fiscal, à la Date de Réalisation.

1.4 Description et évaluation de l'Apport

1.4.1 Description de l'Apport

L'apport réalisé par les Apporteurs Minoritaires (l'« Apport ») est constitué de 86 644 actions ordinaires de catégorie A de ONEWEB, représentant, sur une base non diluée, 3,05% des actions ordinaires de catégorie A du capital social de la société ONEWEB, d'une valeur nominale de 0,01 USD chacune, et entièrement libérées.

Apporteurs	Nombre d'actions apportées
Airbus Group Proj B.V.	12 064
Banco Azteca S.A.	16 879
Echostar Operating L.L.C.	50 000
Qualcomm Technologies Inc.	6 072
Rwanda Social Security Board (Rssb)	1 629
Total Apporteurs Minoritaires	86 644

Conformément aux termes du Traité d'Apport, chaque action ordinaire de catégorie A de ONEWEB apportée sera, à la date de réalisation de l'Apport, libre de tout nantissement, droit de tiers, charge ou autre sûreté.

Enfin, à l'issue des apports des Apporteurs Majoritaires et des Apporteurs Minoritaires, EUTELSAT détiendra directement et indirectement à travers sa filiale EUTELSAT SA, 100% des actions émises par ONEWEB¹⁷.

1.4.2 Méthode et référence d'évaluation retenue

L'Apport est réalisé sur la base de la valeur réelle des actions apportées.

La valeur réelle des 86 644 actions ordinaires de catégorie A de ONEWEB apportées a été déterminée par référence au prix de transaction retenu par les parties et indiqué dans le communiqué de presse du 26 juillet 2022, soit 3 297 m€ pour 100% du capital social de ONEWEB.

¹⁷ A l'exception d'une action de catégorie B émise par ONEWEB détenue par le Gouvernement Britannique.



La valeur de l'Apport se présente comme suit par apporteur :

Apporteurs	Nombre d'actions apportées	Valeur d'apport (en €)
Airbus Group Proj B.V.	12 064	13 830 532
Banco Azteca S.A.	16 879	19 350 592
Echostar Operating L.L.C.	50 000	57 321 506
Qualcomm Technologies Inc.	6 072	6 961 114
Rwanda Social Security Board (Rssb)	1 629	1 867 528
Total Apporteurs Minoritaires	86 644	99 331 272

1.4.3 Rémunération de l'Apport

La rémunération de l'Apport est effectuée sur la base de la valeur réelle de l'Apport, d'une part, et de la valeur réelle de l'action de la Société Bénéficiaire, d'autre part.

Sur ces bases, l'Apport sera rémunéré par l'attribution de 8 965 053 actions nouvelles EUTELSAT de 1 € de valeur nominale chacune, à émettre par la Société Bénéficiaire qui augmentera son capital d'une somme de 8 965 053 €.

La différence entre (i) la valeur globale de l'Apport, soit 99 331 272 € et (ii) le montant total de l'augmentation de capital de la Société Bénéficiaire, soit 8 965 053 €, constituera une prime d'apport dont le montant s'établira à 90 366 219 €.

Apporteurs	Nombre d'actions apportées	Valeur d'apport (en €)	Nombre d'actions Eutelsat émises	Augmentation de capital Eutelsat (€)	Prime d'émission Eutelsat (€)
Airbus Group Proj B.V.	12 064	13 830 532	1 248 262	1 248 262	12 582 270
Banco Azteca S.A.	16 879	19 350 592	1 746 470	1 746 470	17 604 122
Echostar Operating L.L.C.	50 000	57 321 506	5 173 500	5 173 500	52 148 006
Qualcomm Technologies Inc.	6 072	6 961 114	628 269	628 269	6 332 845
Rwanda Social Security Board (Rssb)	1 629	1 867 528	168 552	168 552	1 698 976
Total Apporteurs Minoritaires	86 644	99 331 272	8 965 053	8 965 053	90 366 219

1.5 Conditions suspensives

La réalisation de l'Apport est soumise à la réalisation de l'intégralité des conditions suspensives détaillées dans la section 9 du Traité d'Apport : « *l'Apport et l'Augmentation de Capital ne seront définitivement réalisés que sous réserve (i) du dépôt auprès de l'AMF du document d'exemption relatif à l'Apport et à l'apport à réaliser au titre du Traité d'Apport des Actionnaires Majoritaires, et sa mise à la disposition du public conformément aux réglementations française et européenne applicables (y compris la Position-Recommandation DOC-2020-06 de l'AMF et (ii) de l'obtention de l'Approbation des Actionnaires d'Eutelsat (les « Conditions Suspensives »).* »



2. Diligences accomplies et appréciation de la valeur de l'Apport

2.1 Diligences effectuées

Notre mission a pour objet d'éclairer les actionnaires d'EUTELSAT sur l'absence de surévaluation de l'apport devant être effectué par les Apporteurs Minoritaires de ONEWEB. En conséquence, elle ne relève ni d'une mission d'audit ni d'une mission d'examen limité au sens des normes professionnelles. Elle ne saurait être assimilée à une mission de *due diligence* effectuée pour un prêteur ou un acquéreur et ne comporte pas tous les travaux nécessaires à ce type d'intervention. Notre rapport ne peut donc pas être utilisé dans un tel contexte.

Nous avons effectué les diligences que nous avons estimé nécessaires, par référence à la doctrine professionnelle de la Compagnie Nationale des Commissaires aux Comptes, pour :

- Contrôler la propriété et la libre transférabilité des actions apportées ;
- Analyser la valeur individuelle des actions apportées proposée dans le Traité d'Apport ;
- Vérifier que la valeur réelle de l'apport pris dans son ensemble est au moins égale à la valeur d'apport proposée dans le Traité d'Apport ;
- Nous assurer, jusqu'à la date de ce rapport, de l'absence de faits ou d'événements susceptibles de remettre en cause la valeur de l'Apport.

Dans ce cadre, nous avons mis en œuvre les principales diligences suivantes :

- Nous nous sommes entretenus avec les représentants d'EUTELSAT et de ONEWEB, tant pour prendre connaissance de l'opération et du contexte dans lequel elle se situe, que pour analyser les modalités comptables, financières, juridiques et fiscales envisagées ;
- Nous avons pris connaissance de l'Accord-Cadre intervenu le 14 novembre 2022 entre EUTELSAT et les Apporteurs Majoritaires de ONEWEB ;
- Nous avons examiné le Traité d'Apport et ses annexes ;
- Nous avons pris connaissance des états financiers sociaux et consolidés de ONEWEB au 31 mars 2023, du bilan & compte de résultat trimestriel non-audités au 30 juin 2023 (« *Unaudited P&L and balance sheet for the quarter ended, 30 june 2023* »), ainsi que du *Reporting* à fin juin 2023 ;
- Nous avons pris connaissance du rapport de l'auditeur indépendant sur les comptes annuels et consolidés de ONEWEB au 31 mars 2023 ;
- Nous avons vérifié le respect de la réglementation comptable en vigueur en matière de valorisation des apports ;

- Nous avons examiné les méthodes de valorisation de l'Apport retenues par les parties et avons mis en œuvre notre propre évaluation des actions apportées selon une approche multicritères ;
- Nous avons obtenu (i) une lettre d'affirmation signée par les représentants d'EUTELSAT d'une part et (ii) une lettre d'affirmation signée par les représentants de ONEWEB et les Apporteurs Majoritaires d'autre part, nous confirmant l'exhaustivité des informations transmises à l'occasion de la présente Opération ainsi que, à leur connaissance, l'absence d'événement significatif (jusqu'à la date de notre rapport) susceptible de remettre en cause la valeur de l'Apport.

2.2 Appréciation de la méthode de valorisation de l'Apport et de sa conformité à la réglementation comptable

Les 86 644 actions ordinaires de catégorie A de ONEWEB apportées sont retenues pour leur valeur réelle.

Le présent apport représentant 3,05% du capital de ONEWEB, porte sur des actifs isolés et n'est donc pas soumis aux dispositions du titre VII du Règlement n°2014-03 de l'Autorité des Normes Comptables relatif sur le Plan Comptable Général.

L'Apport est assimilable à un échange à la valeur vénale et doit donc être réalisé sur la base de la valeur réelle des actifs apportés selon les articles 213-2 et 213-3 dudit Règlement.

Dans la mesure où cet apport est réalisé par des personnes morales de droit étranger au profit d'une société bénéficiaire française, conformément à l'article 720-1 du Règlement ANC 2014-03, les modalités d'évaluation des apports définies par la réglementation comptable française s'appliquent sauf si la réglementation locale impose une méthode contraire.

En retenant la valeur réelle, les parties ont donc retenu une méthode de valorisation de l'apport conforme à la réglementation comptable française en vigueur, ce qui n'appelle pas d'observation particulière de notre part.

2.3 Réalité de l'Apport

Nous nous sommes assurés de la propriété des titres transmis à partir du registre de mouvement de titres et des comptes d'actionnaires de ONEWEB qui désignent les Apporteurs Minoritaires comme titulaires des actions apportées.



2.4 Appréciation de la valeur de l'Apport

L'Apport est constitué de 86 644 actions ordinaires de catégorie A de ONEWEB représentant 3,05% de son capital social.

L'Apport étant constitué des seuls titres de la société ONEWEB, et la même valeur unitaire étant retenue pour chaque action apportée, notre appréciation de la valeur individuelle et de la valeur globale de l'Apport est identique.

2.4.1 Valeur retenue par les parties

La valeur de l'Apport retenue correspond à la valeur réelle des 86 644 actions ordinaires de catégorie A de la société ONEWEB apportés, reposant sur une approche multicritères d'évaluation qui privilégie la référence et la méthode suivantes :

- Référence à la valorisation de ONEWEB extériorisée lors de la dernière opération sur le capital de ONEWEB annoncée en août 2021 et réalisée en février 2022,
- Méthode intrinsèque de l'actualisation des flux prévisionnels de trésorerie (DCF).

Les méthodes suivantes ont été écartées :

- L'actualisation des flux de dividendes futurs,
- Les comparables boursiers,
- Les transactions comparables,
- La valeur nette comptable et l'actif net comptable réévalué.

La valeur de 100% du capital social de ONEWEB finalement retenue s'élève à 3 297 m€ et correspond à la valeur de 3 400 m\$¹⁸ induite par l'entrée de HANWHA SYSTEMS UK LIMITED au capital de ONEWEB annoncée en août 2021 et réalisée en février 2022.

Les critères retenus nous semblent complémentaires et permettent de refléter la valeur du groupe ONEWEB, avec une pertinence relative différente pour chacun d'entre eux dans le contexte de l'Opération et en fonction des modalités de leur mise en œuvre.

Nous avons pris connaissance des travaux d'évaluation réalisés par les parties et leurs conseils.

2.4.2 Travaux mis en œuvre par le Commissaire aux apports

Pour apprécier la valeur de l'Apport, nous avons procédé à notre propre évaluation sur la base d'une approche multicritères.

Nous avons écarté les méthodes basées sur la valeur nette comptable et l'actif net comptable réévalué, ne permettant pas de refléter les perspectives futures de ONEWEB, dont la

¹⁸ Au taux de conversion un mois \$/€ de 1,0311 au 20 juillet 2022

constellation vient juste d'être totalement déployée et qui devrait être opérationnelle d'ici la fin d'année 2023.

De même, compte tenu de l'absence de bénéfices à date, les méthodes des comparables boursiers, transactions comparables, et d'actualisation des dividendes futurs n'ont pu être mises en œuvre.

Nous avons retenu :

- La référence à la valeur de ONEWEB extériorisée par la dernière opération sur le capital de ONEWEB annoncée en août 2021 et réalisée en février 2022 : la société HANWHA SYSTEMS UK LIMITED a acquis 250 000 actions ONEWEB correspondant à 8,81% du capital pour un total de 300m\$, extériorisant une valeur à 100% de ONEWEB de 3 400m\$.
- Nous avons apprécié la valeur intrinsèque de la société par actualisation des flux futurs de trésorerie prévisionnels (DCF) issus (i) du plan d'affaires de ONEWEB établi par le management de ONEWEB sur la période 2023-2028¹⁹ d'une part, et (ii) du plan d'affaires de ONEWEB établi par le management d'EUTELSAT sur la période 2023-2033²⁰ d'autre part. Ces plans d'affaires intègrent les hypothèses et ambitions des managements respectifs, la principale différence étant une vision plus volontariste des perspectives de marché à moyen terme, retenues par ONEWEB par rapport à celles retenues par EUTELSAT, les parties s'étant majoritairement basées sur les études de marchés réalisées par EUROCONSULT et NSR respectivement.

Concernant les paramètres d'évaluation et résultats obtenus :

- Concernant la valeur terminale, nous avons retenu un niveau de profitabilité cohérent avec celui de la dernière année des plans d'affaires (extrapolés jusqu'en 2033 afin de refléter pleinement la mise en orbite des satellites GEN 2) ;
- Le taux d'actualisation est calculé sur la base des paramètres de marché observés, et reflète le niveau de risque attaché aux prévisions de trésorerie. Le taux retenu pour actualiser les flux de trésorerie ressort ainsi à 11,0%, soit proche du taux retenu par la société ONEWEB pour ses tests d'*impairment* et dans la fourchette retenue par les parties pour évaluer les apports selon la méthode du DCF²¹;
- Nous avons retenu un taux de croissance à l'infini de 3,0% ;
- Nous avons procédé à des analyses de sensibilité sur les paramètres clés, soit le taux d'actualisation et le taux de croissance à l'infini, ainsi que le taux de marge d'EBITDA normatif ;
- Les éléments de passage de la valeur d'entreprise à la valeur des fonds propres ont été déterminés sur la base des comptes consolidés annuels de ONEWEB au 31 mars 2023, ayant fait l'objet d'une certification par le contrôleur légal.

¹⁹ Plan d'affaires approuvé par le Conseil d'Administration de ONEWEB du 21 mars 2023.

²⁰ Plan d'affaires établi en octobre 2022.

²¹ Fourchette de 10% à 11,5%



Les valeurs obtenues par l'actualisation des flux de trésorerie sur la base de ces 2 plans d'affaires sont supérieures à la valeur d'Apport et ne remettent ainsi pas en cause la valeur retenue dans le cadre du présent Apport.

3. Synthèse – Points clés

En synthèse de nos appréciations, nous souhaitons attirer votre attention sur les points suivants :

L'Apport porte sur 86 644 actions ordinaires de catégorie A représentant 3,05 % du capital de ONEWEB. Dans ce cadre, la valeur globale de 100% du capital social de ONEWEB fixée par les parties à 3 297 m€, résulte de leurs négociations et du processus de *due diligence* mené par EUTELSAT en tant que bénéficiaire des Apports.

Les apports des Apporteurs Majoritaires et Minoritaires permettent la prise de contrôle de ONEWEB et donne accès aux actionnaires de celle-ci à la liquidité immédiate pour les Apporteurs Minoritaires, et différée (engagement de conservation de 6 mois) pour les Apporteurs Majoritaires.

Notons qu'EUTELSAT SA dispose de 3 sièges au Conseil d'Administration de ONEWEB depuis sa prise de participation en septembre 2021, et en préside le comité technique. A ce titre, EUTELSAT a une bonne connaissance des spécificités de ONEWEB, et du marché sur lequel elle évolue.

La valeur ainsi fixée est corroborée par une évaluation multicritères intégrant la valeur intrinsèque de ONEWEB sur la base d'une actualisation des flux de trésorerie prévisionnels estimés par le management de ONEWEB d'une part, et par le management d'EUTELSAT d'autre part.

Nos estimations de valeurs sont fondées sur une approche *standalone* n'intégrant aucune des synergies anticipées par les parties, lesquelles sont estimées à un montant de plus de 1,5Mds€ (après actualisation et fiscalité, net des coûts de mise en œuvre).

Nous nous sommes assurés auprès de ONEWEB et d'EUTELSAT qu'aucun élément, à leur connaissance, ne remettait en cause significativement les données qui nous ont été communiquées et que nous avons retenues dans le cadre de nos travaux.

En définitive, les valeurs auxquelles conduisent nos travaux de valorisation et les analyses de sensibilité aux paramètres clés ne remettent pas en cause la valeur de l'Apport.



4. Conclusion

Sur la base de nos travaux et à la date du présent rapport, nous sommes d'avis que la valeur de l'Apport retenue s'élevant à 99 331 272 € n'est pas surévaluée et, en conséquence, qu'elle est au moins égale au montant de l'augmentation de capital de la Société Bénéficiaire de l'Apport, majorée de la prime d'apport.

Fait à Paris, le 18 août 2023

FINEXSI EXPERT & CONSEIL FINANCIER

Olivier PERONNET

Le Commissaire aux apports



FINEXSI
EXPERT & CONSEIL FINANCIER

Free translation of the original « *Rapport du Commissaire aux apports sur la valeur de l'apport d'actions de la société ONEWEB HOLDINGS LIMITED devant être effectué au profit de la société EUTELSAT COMMUNICATIONS SA par les Apporteurs Minoritaires* »

issued by the contribution auditor, dated August 18, 2023. French version shall prevail.

EUTELSAT COMMUNICATIONS SA

Public limited company with a Board of Directors
32 Boulevard Gallieni
92130 Issy-les-Moulineaux
RCS of Nanterre 481 043 040

Contribution auditor's report on the value of the contribution of the ONEWEB HOLDINGS LIMITED shares by Minority Shareholders Contributors to EUTELSAT COMMUNICATIONS SA

*Order of the President of the Nanterre
Commercial Court dated December 5, 2022*



Contribution auditor's report on the value of the contribution of the ONEWEB HOLDINGS LIMITED shares by Minority Shareholders Contributors to EUTELSAT COMMUNICATIONS SA

Ladies and Gentlemen,

Pursuant to the assignment entrusted to us by order of the President of the Nanterre Commercial Court dated December 5, 2022, regarding the contribution of ONEWEB HOLDINGS LIMITED Class A ordinary shares to EUTELSAT COMMUNICATIONS SA, we have prepared this report on the value of the contribution, as provided for in Article L.225-147 of the French Commercial Code.

As the shares of EUTELSAT COMMUNICATIONS SA are admitted to trading on a regulated market, our assignment has been extended, with reference to position-recommendation 2020-06 of the *Autorité des Marchés Financiers* (hereinafter the "AMF"), to the assessment of the fairness of the remuneration of the proposed contribution. We have therefore issued an opinion on the consideration for the contribution, which is the subject of a separate report.

The value of the contribution was set out in the contribution agreement signed by the representatives of the companies concerned (described in paragraph **Erreur ! Source du renvoi introuvable.** hereafter) on August 18, 2023 (hereinafter the "**Contribution Agreement**").

It is our responsibility to express a conclusion as to whether the value of the contribution is not overstated. For this purpose, we have performed our procedures in accordance with the professional standards of the *Compagnie Nationale des Commissaires aux Comptes* applicable to this engagement. These standards require that we perform the necessary procedures to assess the value of the contribution, to ensure that it is not overstated and to verify that it corresponds at least to the nominal value of the shares to be issued by the company receiving the contribution, plus the issue premium.

No special benefit is stipulated in the context of this transaction.

Our report is intended for the persons covered by French law, in this case the shareholders of EUTELSAT COMMUNICATIONS SA. It meets the requirements of these regulations but not those of the English regulations, which apply to the shareholders of ONEWEB HOLDINGS LIMITED.

As our mission ends with the filing of our report, it is not our responsibility to update it to take into account facts and circumstances subsequent to the date of signature.

At no time did we find ourselves in one of the cases of incompatibility, prohibition or disqualification provided for by law.



Please find below our findings and conclusions presented in the following order:

1. Presentation of the proposed transaction and description of the contribution
2. Due diligence and assessment of the value of the contribution
3. Summary - key points
4. Conclusion

1. Presentation of the proposed transaction and description of the contribution

1.1 Context of the transaction

In a joint press release dated July 26, 2022, EUTELSAT COMMUNICATIONS SA (hereinafter "EUTELSAT" or the "**Beneficiary Company**") and ONEWEB HOLDINGS LIMITED (hereinafter "**ONEWEB**") announced the proposed combination by way of an exchange of shares with the aim of forming a single leading global player in the field of satellite connectivity. The definitive framework agreement for the combination between EUTELSAT and ONEWEB WAS entered into on November 14, 2022, between EUTELSAT and the principal shareholders of ONEWEB as mentioned in paragraph 1.2 hereunder (hereinafter the "**Framework Agreement**").

The objective of this combination is to create a leading global player positioned to conquer the satellite connectivity market with a complementary GEO/LEO offering¹.

This newly formed entity would have an enhanced range of satellite coverage, notably with EUTELSAT's geostationary satellites (GEO) and ONEWEB's low earth orbit satellites (LEO).

It is thus envisaged that:

- (i) BHARTI SPACE LIMITED, the *Secretary of State for Science, Innovation and Technology of United Kingdom*² ("**UK Government**"), SOFTBANK GROUP CAPITAL LIMITED and HANWHA SYSTEMS UK LIMITED (the "**Major Shareholders Contributors**") and the other minority shareholders of ONEWEB (other than EUTELSAT SA) (the "**Minority Shareholders Contributors**" and together the "**Contributors**") are contributing all of the Class A ordinary shares of ONEWEB held by them, representing a total of 2,186,644 shares, to the Beneficiary Company (the "**Existing Shareholders' Contributions**"), and

¹ GEO (*Geostationary Earth Orbit*) satellites are geostationary satellites that remain constantly above the same point on the Earth's surface at a distance of about 36,000 km and provide communications, television and weather services. LEO (*Low Earth Orbit*) satellites are non-geostationary satellites that operate in low earth orbit (about 1,200 km) and provide mobile data services and cell phone systems.

² Following the Prime Minister's announcement of a change of government apparatus on February 7, 2023, three new government departments were created, including the Department for Science, Innovation and Technology (DSIT). By an Order in Council which came into effect on May 3, 2023, the UK government's shareholding has been transferred from the Secretary of State for Business, Energy & Industrial Strategy (BEIS) to the Secretary for State for Science, Innovation and Technology (DSIT).



- (ii) BHARTI SPACE LIMITED and the UK Government are selling to EUTELSAT all of the 4 *deferred shares* issued by ONEWEB that they hold.

(hereinafter the “**Transaction**”)

It is expected that ONEWEB option holders will be able to exercise their options either (i) immediately prior to and subject to the completion of the Major Shareholders Contributors’ Contributions; or (ii) during certain exercise windows between completion of the Transaction and October 10, 2024, with a view to contributing the resulting ONEWEB Class A ordinary shares to EUTELSAT, in the context of contribution in kind transactions carried out by delegation of authority by the extraordinary general meeting of EUTELSAT, and using the same exchange ratio as the one of the Contribution³.

Following the Transaction, EUTELSAT WILL hold, directly and indirectly through its subsidiary EUTELSAT SA, 100% of the shares issued by ONEWEB⁴.

This report relates to the contributions of the Minority Shareholders Contributors (the “**Contribution**”), it being specified that a separate report will cover the contributions of the Major Shareholders Contributors and that another report will cover any contributions of the Option Holders.

1.2 Presentation of the parties involved

1.2.1 EUTELSAT COMMUNICATIONS SA, beneficiary of the contribution

EUTELSAT COMMUNICATIONS SA (“EUTELSAT”) is a French *société anonyme* with a Board of Directors, whose registered office is located at 32, Boulevard Gallieni in Issy-les-Moulineaux (92130), and which has been registered with the Paris Trade and Companies Registry since February 15, 2005, and with the Nanterre Trade and Companies Registry since October 30, 2020 under number 481 043 040.

Its share capital amounts to €248,926,325, divided into 248,926,325 ordinary shares with a par value of €1 each, all fully paid up and of the same class.

EUTELSAT's shares have been listed on compartment A of the Euronext Paris market under ISIN code FR0010221234 since December 2, 2005.

According to its bylaws, EUTELSAT's purpose is, “*in France and abroad:*

- *to supply Space Segment capacity, and satellite communications systems and services. To that end, Eutelsat Communications undertakes any activities relating to the design,*

³ In certain circumstances, at Eutelsat's option, the contributions in kind could be replaced by an exchange for existing shares at the same exchange ratio or by payment in cash.

⁴ Except for one Class B share issued by ONEWEB held by the UK Government.



development, construction, installation, operation and maintenance of its Space Segment and of those satellite systems and services;

- *and more generally, to take part in any existing or future enterprise or company and to participate in any transactions of any nature, be they financial, commercial, industrial, civil, real-estate-related or other, pertaining directly or indirectly to the corporate purpose or to any similar, related or complementary purposes, and likely to promote, directly or indirectly, the aims pursued by Eutelsat Communications, its expansion into other fields, its growth and its assets.*

The term "Space Sector" means a set of telecommunications satellites, as well as the tracking, telemetry, remote control, monitoring and other associated equipment necessary for the operation of these satellites.

The closing date for EUTELSAT's accounts is June 30 of each year.

EUTELSAT marked the beginning of the European satellite communications services industry⁵. Today, the EUTELSAT group is one of the world's leading operators of commercial communications satellites and operates 36 satellites in geostationary orbit covering up to 150 countries, from 139° West to 174° East⁶.

Through its fleet of satellites and terrestrial infrastructure, the EUTELSAT group provides capacity to broadcasters, telecommunications operators and governmental bodies served either directly or through distributors. EUTELSAT group's business is organized since 30 June 2023 around four verticals⁷:

- Video (62.0% of revenues): the EUTELSAT group provides to its customers broadcasting capacity and associated services to enable them to broadcast television programs mainly to homes equipped for direct satellite reception, or to homes connected to cable or IP networks (enabling the broadcast of approximately 6,583 television channels mainly in Europe, in the Middle East and in Africa of which 2,500 are free mainly in Europe, in the Middle East and in Africa);
- Fixed connectivity (15.7% of revenues): fixed data includes enterprise networks (allowing companies to connect their network in remote areas), the connection of mobile networks (*backhaul*) and the connection to the Internet backbone⁸ (*trunking*). Additionally, it includes internet access solutions, notably IP connectivity services;
- Government Services (12.6% of revenues): the EUTELSAT group enables reliable and rapidly deployed global communications for governments throughout the world⁹;

⁵ EUTELSAT's activities were originally carried out by an intergovernmental organisation, the European Telecommunications Organisation (IGO), which transferred all of its operational activities to EUTELSAT SA in July 2001 before it was acquired by EUTELSAT in 2005.

⁶ As of 30 June 2023

⁷ % based on annual consolidated revenues as of June 30, 2023.

⁸ Very high speed data transmission line that provides networking facilities to local internet service providers.

⁹ Allows the interconnection of dispersed or isolated sites, the guarantee of immediate availability of capacity, as well as security and reliability, for ground or sea operations.



- Mobile connectivity (9.7% of revenues): the EUTELSAT group provides distributors/integrators and telecom operators with capacity dedicated to mobile connectivity, in-flight or maritime.

As of June 30, 2023, the EUTELSAT group had revenues of €1.1 billion and operating income of €573.5 million, with a workforce at that date of nearly 1,067 employees.

1.2.2 ONEWEB HOLDINGS LIMITED, A company whose securities are contributed

ONEWEB HOLDINGS LIMITED ("**ONEWEB**") is a *private limited company* incorporated under the laws of England and Wales with its registered office at West Works Building, 195 Wood Lane, London, W12 7 FQ. It is registered since March 25, 2020, under number 12534512.

Its capital consists of (i) 2,836,644 Class A ordinary shares¹⁰ with a par value of USD 0.01 each, (ii) one Class B share with a par value of USD 0.01¹¹, and (iii) four *deferred shares* with a par value of GBP 1.00.

The closing date for ONEWEB's accounts is March 31 of each year.

ONEWEB is a satellite communications company with a constellation of 634 low earth orbit (LEO) communication satellites¹² covering the entire globe. THE ONEWEB constellation of satellites are non-geostationary, low-earth orbiting satellites that provide affordable, fast, high-bandwidth, low-latency communications to businesses and consumers¹³.

The ONEWEB constellation consists of first-generation LEO GEN 1 satellites, the first of which were deployed in February 2019. This first constellation will be replaced over time by the LEO GEN 2 constellation, which is currently being designed. These next-generation satellites are expected to have greater capacity, longer lifetime, and enhanced performance than the LEO GEN 1 satellites. The launch of the first LEO GEN 2 satellites is expected to coincide with the decommissioning of the first LEO GEN 1 satellites in 2027 or 2028.

Each satellite is connected to terrestrial infrastructure, which transmits data to the constellation. ONEWEB has three types of ground infrastructure to support its operations:

- TT&C stations¹⁴: these stations ensure communications during some operations on its satellites (pre-launch, orbit transfer, etc.), and in case of emergency on a spacecraft;

¹⁰ There are also options granted to ONEWEB employees under the *ONEWEB Executive Share Option Scheme 2021*, giving right to a maximum of 39,550 ONEWEB Class A ordinary shares.

¹¹ The UK Government will keep its Class B share. The latter has no economic rights (with the exception, in the event of liquidation, of the repayment of the amount paid up in respect of the Class B share, with the same priority as the repayment of the amounts paid up in respect of the Class A ordinary shares).

¹² Following the 17th and 18th launches of ONEWEB by SPACEX and NEWSpace INDIA respectively in March 2023.

¹³ Latency is a data transmission delay in communications. It refers to the time it takes for a data packet to travel from source to destination across a network.

¹⁴ *Telemetry, Tracking and Command systems*



- SNPs¹⁵: these provide Internet access for ONEWEB's constellation of satellites and are distributed around the globe. They are equipped with several antennas allowing them to reach a number of satellites;
- User terminals: provide end-users with broadband Internet access from the LEO satellite constellation of ONEWEB. These terminals are capable of providing continuous service through transfers between active satellites. ONEWEB develops different user terminals to meet multiple needs, for governments, operators, enterprises, aviation, maritime and land mobility.

1.2.3 AIRBUS DEFENCE AND SPACE NETHERLANDS B.V., BANCO AZTECA S.A., ECHOSTAR OPERATING L.L.C., QUALCOMM TECHNOLOGIES INC. ET RWANDA SOCIAL SECURITY BOARD (RRSB) – the Minority Shareholders Contributors

AIRBUS DEFENCE AND SPACE NETHERLANDS B.V.

AIRBUS DEFENCE AND SPACE NETHERLANDS B.V. is a company incorporated under Dutch law, with its registered office at Mendelweg 30, 2333 CS Leiden. It is registered with the Dutch Chamber of Commerce under number 28086907. AIRBUS DEFENCE AND SPACE NETHERLANDS B.V. is part of the AIRBUS SE group.

The company holds 12,064 Class A ordinary shares in ONEWEB.

BANCO AZTECA S.A.

BANCO AZTECA S.A. is a Mexican corporation with its registered office at Insurgentes sur 3579 T3P6, 14000 Tlalpan.

The company holds 16,879 Class A ordinary shares in ONEWEB.

ECHOSTAR OPERATING L.L.C.

ECHOSTAR OPERATING L.L.C. is a subsidiary of ECHOSTAR CORPORATION, a U.S. corporation with headquarters at 100 Inverness Terrace East, Englewood, Colorado 80112.

The company holds 50,000 Class A ordinary shares in ONEWEB.

QUALCOMM TECHNOLOGIES INC.

QUALCOMM TECHNOLOGIES INC. is a U.S. corporation whose registered office is located at 5775 Morehouse Drive, 92121 San Diego, California. It is registered under number 45-3157787.

The company holds 6,072 Class A ordinary shares in ONEWEB.

¹⁵ Satellite Network Portals



RWANDA SOCIAL SECURITY BOARD (RSSB)

RWANDA SOCIAL SECURITY BOARD is the result of the merger of SOCIAL SECURITY FUND OF RWANDA (SSFR) with RWANDA HEALTH INSURANCE FUND (RAMA) and is located at Plot 1003 Ubumwe Cell, African Union Boulevard, Kigali, Rwanda.

The company holds 1,629 Class A ordinary shares in ONEWEB.

1.2.4 Capital links between the parties involved in the transaction

As of the date hereof, EUTELSAT SA, subsidiary of the Beneficiary Company, holds 650,000 Class A ordinary shares of ONEWEB, representing approximately 22.91% of the company's capital and voting rights (excluding the dilutive impact of options issued by ONEWEB). This equity investment¹⁶ dates from September and October 2021.

1.3 General terms and conditions

The terms and conditions of the Contribution, which are set out in detail in the Contribution Agreement, to which reference should be made, can be summarized as follows.

Legal regime of the Contribution

From a legal standpoint, the Contribution is subject to the common law regime for contributions in kind provided for in Article L.225-147 of the French Commercial Code.

Tax system

The Contribution will be registered free of charge in accordance with the provisions of Article 810, I of the French General Tax Code.

Date of completion of the Contribution

The Contribution will be completed on the date on which the last of the conditions precedent referred to below (§ 1.5) is satisfied or is lifted, as evidenced by a decision of the shareholders of EUTELSAT recording the definitive completion of the increase in EUTELSAT's share capital as consideration for the Existing Shareholders' Contributions (hereinafter the "**Completion Date**").

The Contribution will also take effect, for tax purposes, on the Completion Date.

¹⁶ Initial investment announced in April 2021 and completed in September 2021 then exercise of a call option in October 2021.



1.4 Description and evaluation of the Contribution

1.4.1 Description of the Contribution

The contribution made by the Minority Shareholders Contributors (the “**Contribution**”) consists of 86,644 Class A ordinary shares of ONEWEB, representing, on an undiluted basis, 3,05% of the Class A ordinary shares in the share capital of ONEWEB, with a par value of \$0.01 each, and fully paid.

Contributors	Number of shares contributed
Airbus Group Proj B.V.	12,064
Banco Azteca S.A.	16,879
Echostar Operating L.L.C.	50,000
Qualcomm Technologies Inc.	6,072
Rwanda Social Security Board (Rssb)	1,629
Total minority contributors	86,644

In accordance with the terms of the Contribution Agreement, each contributed Class A ordinary share of ONEWEB will be, at the date of completion of the Contribution, free of any pledge, third party right, charge or other security interest.

Finally, following the contributions of the Major Shareholders Contributors and the Minority Shareholders Contributors, EUTELSAT will own directly and indirectly through its subsidiary EUTELSAT SA, 100% of the shares issued by ONEWEB¹⁷.

1.4.2 Valuation method and reference

The Contribution is made on the basis of the real value of the contributed shares.

The real value of the 86,644 ONEWEB Class A ordinary shares has been determined by reference to the transaction price agreed by the parties and indicated in the press release of 26 July 2022, i.e. €3,297 million for 100% of the share capital of ONEWEB.

The value of the Contribution is as follows per contributor (in €):

Contributors	Number of shares contributed	Contribution value (in €)
Airbus Group Proj B.V.	12,064	13,830,532
Banco Azteca S.A.	16,879	19,350,592
Echostar Operating L.L.C.	50,000	57,321,506
Qualcomm Technologies Inc.	6,072	6,961,114
Rwanda Social Security Board (Rssb)	1,629	1,867,528
Total minority contributors	86,644	99,331,272

¹⁷ With the exception of one Class B share issued by ONEWEB held by the UK Government



1.4.3 Remuneration of Contribution

The remuneration of the Contribution is made on the basis of the real value of the Contribution, on the one hand, and the real value of the shares of the Beneficiary Company, on the other hand.

On this basis, the Contribution will be remunerated by the allocation of 8,965,053 new EUTELSAT shares with a par value of €1 each, to be issued by the Beneficiary Company, which will increase its capital by €8,965,053.

The difference between (i) the total value of the Contribution, i.e. €99,331,272 and (ii) the total amount of the capital increase of the Beneficiary Company, i.e. €8,965,053, will constitute a contribution premium of €90,366,219.

Contributors	Number of shares contributed	Contribution value (€)	Number of Eutelsat shares issued	Eutelsat's capital increase (€)	Share premium (€)
Airbus Group Proj B.V.	12,064	13,830,532	1,248,262	1,248,262	12,582,270
Banco Azteca S.A.	16,879	19,350,592	1,746,470	1,746,470	17,604,122
Echostar Operating L.L.C.	50,000	57,321,506	5,173,500	5,173,500	52,148,006
Qualcomm Technologies Inc.	6,072	6,961,114	628,269	628,269	6,332,845
Rwanda Social Security Board (Rssb)	1,629	1,867,528	168,552	168,552	1,698,976
Total minority contributors	86,644	99,331,272	8,965,053	8,965,053	90,366,219

1.5 Conditions precedent

The completion of the Contribution is subject to the fulfillment of all conditions precedent detailed in section 8 of the Contribution Agreement: *“the Contribution and the Capital Increase will only be definitively completed subject to (i) the filing with the AMF of the exemption document relating to the Contribution and the contribution to be made pursuant to the Major Shareholders’ Contribution Agreement, and its availability to the public in accordance with applicable French and European regulations (including AMF Position-Recommendation DOC 2020-06) and (ii) Eutelsat’s Shareholder Approval (the “Conditions Precedent”).”*

2. Due diligence and assessment of the value of the contribution

2.1 Diligences carried out

The purpose of our mission is to inform the shareholders of EUTELSAT on the absence of overvaluation of the contribution to be made by the Minority Shareholders Contributors of ONEWEB. Consequently, it does not fall within the scope of an audit engagement or a limited review engagement within the meaning of professional standards. It cannot be compared to a *due diligence* mission performed for a lender or an acquirer and does not include all the work required for this type of intervention. Our report cannot therefore be used in such a context.



We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (*Compagnie Nationale des Commissaires aux Comptes*):

- Control the ownership and free transferability of the shares contributed;
- Analyze the individual value of the contributed shares proposed in the Contribution Agreement;
- Verify that the actual value of the Contribution taken as a whole is at least equal to the Contribution Value proposed in the Contribution Agreement;
- Ensure, up to the date of this report, that there are no facts or events that could call into question the value of the Contribution.

In this context, we performed the following principal procedures:

- We met with representatives of EUTELSAT and ONEWEB TO LEARN ABOUT THE transaction and the context in which it is taking place, and to analyze the accounting, financial, legal and tax terms and conditions envisaged;
- We have taken note of the Framework Agreement entered into on November 14, 2022 between EUTELSAT and the Major Shareholders Contributors of ONEWEB;
- We have examined the Contribution Agreement and its schedules;
- We have read the corporate and consolidated financial statements of ONEWEB as of March 31, 2023, unaudited P&L and balance sheet for the quarter ended as of June 30, 2023, and the *reporting* at the end of June 2023;
- We have read the independent auditor's report on the annual and consolidated financial statements of ONEWEB as of March 31, 2023;
- We have verified compliance with the applicable accounting regulations regarding the valuation of contributions;
- We have examined the valuation methods used by the parties for the contribution and have performed our own valuation of the contributed shares using a multi-criteria approach;
- We have obtained (i) a letter of representation signed by the representative of EUTELSAT on the one hand and (ii) a letter of representation signed by the representatives of ONEWEB and Major Shareholders Contributors on the other hand, confirming the completeness of the information provided in connection with the present Transaction and, to their knowledge, the absence of any significant event (up to the date of our report) that could call into question the value of the Contribution.



2.2 Assessment of the valuation method of the Contribution and its compliance with accounting regulations

The 86,644 ONEWEB Class A ordinary shares contributed are retained at their real value.

The present Contribution, representing 3,05% of ONEWEB's capital, relates to isolated assets and is therefore not subject to the provisions of Title VII of Regulation no. 2014-03 of the French Accounting Standards Authority (*Autorité des Normes Comptables*) relating to the General Accounting Plan.

The Contribution is comparable to an exchange at market value and must therefore be carried out on the basis of the actual value of the assets contributed, in accordance with articles 213-2 and 213-3 of said regulation.

However, insofar as this contribution is made by foreign legal entities to a French beneficiary company, in accordance with Article 720-1 of ANC Regulation 2014-03, the contribution valuation methods defined by French accounting regulations apply unless local regulations impose a contrary method.

By retaining the fair value, the parties have therefore used a valuation method for the contribution that complies with current French accounting regulations, which does not call for any particular comment on our part.

2.3 Reality of the contribution

We have ascertained the ownership of the securities transferred from the securities movement register and ONEWEB's shareholder accounts which designate the Minority Shareholders Contributors as the owners of the shares contributed.

2.4 Assessment of the value of the contribution

The Contribution consists of 86,644 ONEWEB Class A ordinary shares representing 3,05% of its share capital.

As the Contribution consists solely of the shares of ONEWEB, and as the same unit value is used for each share contributed, our assessment of the individual value and the overall value of the Contribution is identical.



2.4.1 Value retained by the parties

The value of the Contribution corresponds to the real value of the 86,644 ONEWEB Class A ordinary shares contributed, based on a multi-criteria valuation approach that favors the following reference and method:

- Reference to ONEWEB's implied valuation at the time of the last transaction on the share capital of ONEWEB announced in August 2021 and completed in February 2022,
- Intrinsic discounted cash flow (DCF) method.

The following methods were discarded:

- Discounting of theoretical dividend flows,
- Stock market comparables,
- Comparable transactions,
- The net book value and the revalued net book assets.

The value of 100% of the share capital of ONEWEB finally retained amounts to €3,297m and corresponds to the value of \$3,400m¹⁸ induced by the entry of HANWHA SYSTEMS UK LIMITED in the company's capital announced in August 2021 and completed in February 2022.

The criteria selected seem to us to be complementary and to reflect the value of the ONEWEB group, with a different relative relevance for each of them in the context of the Transaction and according to the way they are implemented.

We have reviewed the valuation work performed by the parties and their counsel.

2.4.2 Work carried out by the contribution auditor

In order to assess the value of the Contribution, we conducted our own valuation based on a multi-criteria approach.

We rejected the net book value and net asset value methods, as they do not reflect the future prospects of ONEWEB, whose constellation has just been fully deployed and should be operational by the end of 2023.

Similarly, given the absence of earnings to date, the methods of stock market comparisons, comparable transactions and discounting of future dividends could not be applied.

We have selected :

- The reference to ONEWEB's value in the last transaction on the share capital of ONEWEB announced in August 2021 and completed in February 2022: the company HANWHA

¹⁸ At a one-month \$/€ conversion rate of 1.0311 on July 20, 2022



SYSTEMS UK LIMITED acquired 250,000 ONEWEB shares corresponding to 8.81% of the capital for a total of \$300m, resulting in a 100% value of ONEWEB of \$3,400m.

- We assessed the intrinsic value of the company by discounting the projected future cash flows (DCF) derived from (i) ONEWEB's business plan drawn up by ONEWEB's management for the period 2023-2028¹⁹ and (ii) ONEWEB's business plan drawn up by EUTELSAT's management for the period 2023-2033²⁰. These business plans incorporate the assumptions and ambitions of the respective management teams, the main difference being a more proactive view of the medium-term market outlook, as adopted by ONEWEB compared with that adopted by EUTELSAT, since the parties have based themselves mainly on the market studies carried out by EUROCONSULT and NSR respectively.

Regarding the evaluation parameters and results obtained:

- For the terminal value, we have assumed a level of profitability equivalent to that of the last year of the business plan (extrapolated to 2033 for ONEWEB's management business plan, in order to fully reflect the launch of the GEN 2 satellites);
- The discount rate is calculated on the basis of observed market parameters and reflects the level of risk attached to the cash flow forecasts. The rate used to discount cash flows is 11.0%, which is close to the rate used by the company ONEWEB for its *impairment* tests and within the range used by the parties to value the contributions using the DCF method²¹;
- We have assumed a growth rate to infinity of 3.0%;
- We performed sensitivity analyses on the key parameters, namely the discount rate and the perpetual growth rate, as well as the normative EBITDA margin rate.
- The elements for the transition from enterprise value to equity value have been determined on the basis of the annual consolidated financial statements of ONEWEB as of March 31, 2023, which have been certified by the statutory auditor.

The values obtained by discounting the cash flows on the basis of these two business plans are higher than the Contribution value and therefore do not call into question the value retained in the context of this Contribution.

¹⁹ Business plan approved by ONEWEB's Board of Directors on March 21, 2023

²⁰ Business plan established in October 2022

²¹ 10% to 11.5% range



3. Summary - Key points

In summary of our assessments, we would like to draw your attention to the following points:

The Contribution relates to 86,644 Class A ordinary shares of ONEWEB representing 3.05 % of the share capital of ONEWEB. In this context, the overall value of 100% of the share capital of ONEWEB, set by the parties at 3,297 m€, is the result of their negotiations and of the *due diligence* process carried out by EUTELSAT as the beneficiary of the Contribution.

The contributions of the Major Shareholders Contributors and the Minority Shareholders Contributors enables EUTELSAT to take control of ONEWEB and gives its shareholders access to immediate liquidity for the Minority Shareholders Contributors and deferred liquidity (6-month lock-up period) for the Major Shareholders Contributors.

EUTELSAT SA holds three seats on ONEWEB's Board of Directors since it acquired its stake in September 2021, and chairs the Technical Committee. As such, EUTELSAT has a good knowledge of ONEWEB's specificities and the market in which it operates.

The value thus determined is corroborated by a multi-criteria valuation integrating the intrinsic value of ONEWEB on the basis of discounted cash flows forecasts estimated by ONEWEB's management on the one hand, and by EUTELSAT's management on the other.

Our valuation estimates are based on a *standalone* approach not including any of the synergies anticipated by the parties, which are estimated at a total amount of over €1.5 billion (discounted and after-tax, net of implementation costs).

We have verified with ONEWEB and EUTELSAT that, to their knowledge, there is nothing that would significantly call into question the data provided to us and which we have used in our work.

In the end, the values arrived at by our valuation work and the sensitivity analyses to key parameters do not call into question the value of the Contribution.



4. Conclusion

On the basis of our work and as of the date of this report, we are of the opinion that the value of the Contribution amounting to €99,331,272 is not overvalued and, consequently, that it is at least equal to the amount of the capital increase of the Beneficiary Company, plus the contribution premium.



FINEXSI
EXPERT & CONSEIL FINANCIER

EUTELSAT COMMUNICATIONS SA

Société anonyme à Conseil d'Administration
32 Boulevard Gallieni
92130 Issy-les-Moulineaux
RCS de Nanterre 481 043 040

Rapport du Commissaire aux apports sur la rémunération de l'apport d'actions de la société ONEWEB HOLDINGS LIMITED devant être effectué au profit de la société EUTELSAT COMMUNICATIONS SA par les Apporteurs Minoritaires

*Ordonnance de Monsieur le Président
du Tribunal de Commerce de Nanterre
en date du 5 décembre 2022*



**RAPPORT DU COMMISSAIRE AUX APPORTS SUR LA REMUNERATION DE L'APPORT D' ACTIONS
DE LA SOCIETE ONEWEB HOLDINGS LIMITED DEVANT ETRE EFFECTUE AU PROFIT DE LA
SOCIETE EUTELSAT COMMUNICATIONS SA PAR LES APORTEURS MINORITAIRES**

Mesdames, Messieurs,

En exécution de la mission qui nous a été confiée par ordonnance de Monsieur le Président du Tribunal de Commerce de Nanterre en date du 5 décembre 2022, concernant l'apport d'actions ordinaires de catégorie A de la société ONEWEB HOLDINGS LIMITED à la société EUTELSAT COMMUNICATIONS SA, nous avons établi le présent rapport sur la rémunération de l'apport, étant précisé que notre appréciation sur la valeur de l'apport fait l'objet d'un rapport distinct.

Les actions de la société EUTELSAT COMMUNICATIONS SA étant admis aux négociations sur un marché réglementé, le présent rapport sur la rémunération de l'apport est établi par référence à la position-recommandation 2020-06 de l'Autorité des Marchés Financiers (ci-après l'« **AMF** »).

La rémunération de l'apport a été définie dans le traité d'apport en nature signé par les représentants des sociétés concernées (qui sont présentés au paragraphe 1.2 ci-après) en date du 18 août 2023 (ci-après le « **Traité d'Apport** »).

Il nous appartient d'exprimer une conclusion sur le caractère équitable de la rémunération de l'apport. A cet effet, nous avons effectué nos diligences selon la doctrine professionnelle de la Compagnie Nationale des Commissaires aux Comptes applicable à la mission de commissaire aux apports chargé d'apprécier le caractère équitable de la rémunération des apports. Cette doctrine professionnelle requiert la mise en œuvre de diligences destinées d'une part, à vérifier que les valeurs relatives attribuées aux apports et aux actions de la société bénéficiaire des apports, sont pertinentes et, d'autre part, à analyser le positionnement de la rémunération proposée par rapport aux valeurs relatives jugées pertinentes.

Il n'est pas stipulé d'avantage particulier dans le cadre de la présente opération.

Notre rapport, est à destination des personnes visées par la loi française, en l'espèce les actionnaires d'EUTELSAT COMMUNICATIONS SA. Il répond aux exigences de cette réglementation, mais pas à celles de la réglementation anglaise, dont bénéficient les actionnaires de ONEWEB HOLDINGS LIMITED.

Notre mission prenant fin avec le dépôt de notre rapport, il ne nous appartient pas de le mettre à jour pour tenir compte des faits et circonstances postérieurs à sa date de signature.

A aucun moment nous ne nous sommes trouvés dans l'un des cas d'incompatibilité, d'interdiction ou de déchéance prévus par la loi.

Nous vous prions de trouver, ci-après, nos constatations et conclusion présentées dans l'ordre suivant :

1. Présentation des parties en présence
2. Vérification de la pertinence des valeurs relatives attribuées aux actions apportées at aux actions de la société bénéficiaire
3. Appréciation du caractère équitable de la rémunération proposée
4. Synthèse – Points clés
5. Conclusion

1. Présentation de l'opération envisagée

1.1 Contexte de l'opération

Par un communiqué commun du 26 juillet 2022, EUTELSAT COMMUNICATIONS SA (ci-après « **EUTELSAT** » ou la « **Société Bénéficiaire** ») et ONEWEB HOLDINGS LIMITED (ci-après « **ONEWEB** ») ont annoncé le projet de rapprochement par échange d'actions dans le but de former un acteur mondial unique de premier plan dans le domaine de la connectivité par satellite. L'accord-cadre définitif de rapprochement entre EUTELSAT et ONEWEB (*Framework Agreement*) a été conclu le 14 novembre 2022 entre EUTELSAT et les principaux actionnaires de ONEWEB visés au paragraphe 1.2 ci-dessous (ci-après l'« **Accord Cadre** »).

L'objectif de ce rapprochement est de créer un acteur mondial de premier plan positionné pour conquérir le marché de la connectivité satellitaire avec une offre complémentaire GEO/LEO¹.

Cet ensemble nouvellement constitué disposerait d'une offre enrichie de couverture satellitaire, notamment avec les satellites géostationnaires d'EUTELSAT (GEO) et les satellites en orbite terrestre basse de ONEWEB (LEO).

Il est ainsi envisagé que :

- (i) BHARTI SPACE LIMITED, le Secrétaire d'État à la Science, à l'Innovation et à la Technologie du Royaume-Uni² (« **Gouvernement Britannique** »), SOFTBANK GROUP CAPITAL LIMITED et HANWHA SYSTEMS UK LIMITED (les « **Apporteurs Majoritaires** ») et les autres actionnaires minoritaires de ONEWEB (autres qu'EUTELSAT SA) (les « **Apporteurs Minoritaires** » et ensemble les « **Apporteurs** ») apportent l'intégralité des actions ordinaires de catégorie A de

¹ Les satellites GEO (pour *Geostationary Earth Orbit*) sont des satellites géostationnaires qui restent constamment au-dessus du même point de la surface de la Terre à une distance d'environ 36 000 km et fournissent des services de communications, de télévision et météorologiques. Les satellites LEO (pour *Low Earth Orbit*) sont des satellites non géostationnaires qui fonctionnent en orbite terrestre basse (environ 1 200 km) et fournissent des services mobiles de transmission de données et des systèmes téléphoniques mobiles.

² À la suite de l'annonce d'un changement d'appareil gouvernemental par le Premier Ministre le 7 février 2023, trois nouveaux ministères ont été créés, dont le département à la Science, à l'Innovation et à la Technologie (*Department for Science, Innovation and Technology*) (DSIT). En vertu d'un décret entré en vigueur le 3 mai 2023, la détention de la participation du gouvernement Britannique a été transférée du Secrétaire d'État aux Affaires, à l'Energie et à la Stratégie industrielle (*Secretary of State for Business, Energy & Industrial Strategy*) (BEIS) au Secrétaire d'État à la Science, à l'Innovation et à la Technologie.



ONEWEB qu'ils détiennent, soit un total de 2 186 644 actions, à la Société Bénéficiaire (ci-après les « **Apports des Actionnaires Existants** »), et

- (ii) BHARTI SPACE LIMITED et le Gouvernement Britannique cèdent à EUTELSAT l'intégralité des 4 actions différées (*deferred shares*) émises par ONEWEB qu'ils détiennent.

(ci-après l' « **Opération** »).

Il est également prévu que les titulaires d'options ONEWEB puissent, le cas échéant, exercer leurs options soit (i) immédiatement avant et sous réserve de la réalisation des Apports des Actionnaires Existants ; soit (ii) au cours de certaines fenêtres d'exercice réparties entre la réalisation de l'Opération et le 10 octobre 2024, en vue d'apporter les actions ordinaires de catégorie A de ONEWEB en résultant à EUTELSAT, dans le cadre d'opérations d'apports en nature réalisées sur délégation de l'Assemblée Générale Extraordinaire d'EUTELSAT, et en retenant le même rapport d'échange que celui de l'Apport³.

A l'issue de l'Opération, EUTELSAT détiendra directement et indirectement à travers sa filiale EUTELSAT SA, 100% des actions émises par ONEWEB⁴.

Le présent rapport concerne la rémunération des apports des Apporteurs Minoritaires (ci-après l'« **Apport** »), étant précisé qu'un rapport distinct couvre la rémunération des Apporteurs Majoritaires et qu'un autre rapport couvrira la rémunération des éventuels Apports des Titulaires d'Options.

1.2 Présentation des parties en présence

1.2.1 EUTELSAT COMMUNICATIONS SA, Société Bénéficiaire de l'apport

EUTELSAT COMMUNICATIONS SA (« **EUTELSAT** ») est une Société anonyme à Conseil d'Administration dont le siège social est situé au 32, Boulevard Gallieni à Issy-les-Moulineaux (92130). Elle est immatriculée au Registre du Commerce et des Sociétés (RCS) de Paris depuis le 15 février 2005, puis au RCS de Nanterre depuis le 30 octobre 2020 sous le numéro 481 043 040.

Son capital social s'élève à 248 926 325 €, divisé en 248 926 325 actions ordinaires d'une valeur nominale de 1 € chacune, toutes entièrement libérées et de même catégorie.

Les actions d'EUTELSAT sont admises aux négociations sur le compartiment A du marché Euronext Paris sous le code ISIN FR0010221234 depuis le 2 décembre 2005.

³ Dans certaines circonstances, à l'option d'EUTELSAT, les apports en nature pourraient être remplacés, par un échange contre des actions existantes selon le même rapport d'échange ou par un paiement en numéraire.

⁴ A l'exception d'une action de catégorie B émise par ONEWEB détenue par le Gouvernement Britannique.



Selon ses statuts, EUTELSAT a pour objet, « en France et à l'étranger :

- la fourniture de capacité de Secteur Spatial, de systèmes et de services de communications par satellite. A cette fin, la Société entreprend toutes activités liées à la conception, la mise au point, la construction, la mise en place, l'exploitation et l'entretien de son Secteur Spatial et de ces systèmes et services satellitaires ;
- et plus généralement la participation à toute entreprise ou société créée ou à créer ainsi que toutes les opérations de quelque nature qu'elles soient, financières, commerciales, industrielles, civiles, immobilières ou autres, se rattachant, directement ou indirectement, à cet objet social ou à tous objets similaires, connexes ou complémentaires, et de nature à favoriser, directement ou indirectement, les buts poursuivis par la Société, son expansion dans d'autres domaines, son développement et son patrimoine social.

L'expression « Secteur Spatial » désigne un ensemble de satellites de télécommunications, ainsi que les installations de poursuite, de télémesure, de télécommande, de contrôle, de surveillance et les autres équipements associés, nécessaires au fonctionnement de ces satellites ».

La date de clôture des comptes d'EUTELSAT est fixée au 30 juin de chaque année.

La société EUTELSAT a marqué le début de l'industrie européenne des services de communication par satellite⁵. Le groupe EUTELSAT est aujourd'hui l'un des premiers opérateurs mondiaux de satellites de télécommunications commerciaux et opère 36 satellites⁶ en orbite géostationnaire couvrant jusqu'à 150 pays, du 139° Ouest au 174° Est.

Grâce à sa flotte de satellites et à ses infrastructures terrestres, le groupe EUTELSAT fournit de la capacité à des télédiffuseurs, d'opérateurs de télécommunications et d'organismes gouvernementaux desservis soit directement, soit par l'intermédiaire de distributeurs.

L'activité du groupe EUTELSAT s'organise, depuis le 30 juin 2023, autour de quatre secteurs d'activité opérationnels⁷ :

- Vidéo (62,0% du chiffre d'affaires) : le groupe EUTELSAT fournit à ses clients une capacité de diffusion et des services associés afin de leur permettre de transmettre des programmes de télévision essentiellement vers des foyers équipés pour la réception directe par satellite, ou vers des foyers raccordés au câble ou aux réseaux IP (permettant la diffusion d'environ 6 583 chaînes de télévision, dont environ 2 500 sont gratuites, principalement en Europe, au Moyen-Orient et en Afrique) ;
- Connectivité fixe (15,7% du chiffre d'affaires) : les données fixes intègrent les réseaux d'entreprise (permettant aux entreprises de connecter leur réseau dans des zones reculées), le raccordement des réseaux mobiles (*backhaul*) et la connexion à la dorsale

⁵ Les activités d'EUTELSAT étaient à l'origine exercées par une organisation intergouvernementale, l'Organisation européenne de télécommunications par satellites (IGO), qui a apporté la totalité de ses activités opérationnelles à EUTELSAT SA en juillet 2001 avant que celle-ci ne soit rachetée par EUTELSAT en 2005.

⁶ Au 30 juin 2023.

⁷ Pourcentages présentés sur la base du chiffre d'affaires consolidé annuel au 30 juin 2023.



internet⁸ (*trunking*). Ce secteur opérationnel comprend également des solutions d'accès à l'internet, notamment des services de connectivité IP ;

- Services aux gouvernements (12,6% du chiffre d'affaires) : le groupe EUTELSAT permet aux gouvernements des communications mondiales fiables et déployées rapidement dans le monde entier⁹ ;
- Connectivité mobile (9,7% du chiffre d'affaires) : le groupe EUTELSAT fournit aux distributeurs/intégrateurs et opérateurs télécoms la capacité dédiée à la connectivité mobile, en vol ou maritime.

Le groupe EUTELSAT a réalisé au 30 juin 2023 un chiffre d'affaires de 1,1 Mds€ et un résultat opérationnel de 573,5 m€ pour un effectif à cette date de près de 1 067 salariés.

1.2.2 ONEWEB HOLDINGS LIMITED, société dont les titres sont apportés

ONEWEB HOLDINGS LIMITED (« ONEWEB ») est une *private limited company*, société de droit anglais dont le siège social est situé West Works Building, 195 Wood Lane à Londres (W127FQ). Elle est immatriculée depuis le 25 mars 2020, sous le numéro 12534512.

Son capital est constitué de (i) 2 836 644 actions ordinaires de catégorie A¹⁰ d'une valeur nominale de 0,01 USD chacune, (ii) d'une action de catégorie B¹¹ d'une valeur nominale de 0,01 USD, et (iii) de 4 *deferred shares* d'une valeur nominale de 1,00 GBP.

La date de clôture des comptes de ONEWEB est fixée au 31 mars de chaque année.

ONEWEB est une société de communication par satellite, disposant d'une constellation de 634 satellites¹² de communication en orbite terrestre basse (LEO) lui permettant de couvrir toute la surface du globe. Les satellites de la constellation ONEWEB sont des satellites non-géostationnaires, circulant sur une orbite basse pour fournir aux professionnels et aux particuliers un service de communications abordable, rapide, à bande passante élevée et à faible latence¹³.

La constellation ONEWEB est composée de satellites de première génération LEO GEN 1, dont les premiers ont été déployés en février 2019. Cette première constellation sera remplacée au

⁸ Ligne de transmission de données à très haut débit qui fournit des installations de mise en réseau à des fournisseurs de services internet locaux.

⁹ Permet l'interconnexion de sites dispersés ou isolés, la garantie de disponibilité immédiate de capacité, ainsi que la sécurité et la fiabilité, pour les opérations au sol ou en mer.

¹⁰ Il existe également des options attribuées aux employés de ONEWEB dans le cadre du *ONEWEB Executive Share Option Scheme 2021*, portant sur un nombre maximum de 39 550 actions ordinaires ONEWEB de catégorie A.

¹¹ Le Gouvernement Britannique conservera son action ordinaire de catégorie B. Celle-ci bénéficie d'aucun droit économique (à l'exception en cas de liquidation, du remboursement du montant libéré au titre de l'action de catégorie B, avec le même rang de priorité que le remboursement des montants libérés au titre des actions ordinaires de catégorie A).

¹² A la suite des 17^{ème} et 18^{ème} lancements de ONEWEB respectivement par SPACEX et par NEWSPACE INDIA en mars 2023.

¹³ La latence est un délai de transmission de données dans les communications. Il désigne le temps nécessaire à un paquet de données pour passer de la source à la destination à travers un réseau.



fur et à mesure par la constellation LEO GEN 2, en cours de conception. Ces satellites de nouvelle génération devraient avoir une capacité supérieure, une durée de vie allongée et des performances supérieures à celles des satellites LEO GEN 1. Le lancement des premiers satellites LEO GEN 2 devrait coïncider avec la mise hors service des premiers satellites LEO GEN 1, prévue en 2027 ou 2028.

Chaque satellite est connecté à des infrastructures terrestres, qui transmettent les données à la constellation. ONEWEB dispose de trois types d'infrastructures au sol pour soutenir ses opérations :

- Stations TT&C¹⁴ : ces stations assurent les communications pendant certaines opérations sur ses satellites (pré-lancement, transfert d'orbite, etc.) ; ainsi qu'en cas d'urgence sur un engin spatial ;
- Portail SNP¹⁵ : ils fournissent l'accès à Internet pour la constellation de satellites de ONEWEB et sont répartis sur la surface du globe. Ils sont équipés de plusieurs antennes leur permettant d'atteindre un certain nombre de satellites ;
- Terminaux utilisateurs : ils fournissent aux utilisateurs finaux un accès Internet haut débit à partir de la constellation de satellites LEO de ONEWEB. Ces terminaux sont capables de fournir un service continu grâce aux transferts entre satellites actifs. ONEWEB développe différents terminaux utilisateurs pouvant répondre à des besoins multiples, pour les gouvernements, les opérateurs, les entreprises, à l'aviation ou à la mobilité maritime et terrestre.

1.2.3 AIRBUS DEFENCE AND SPACE NETHERLANDS B.V., BANCO AZTECA S.A., ECHOSTAR OPERATING L.L.C., QUALCOMM TECHNOLOGIES INC. ET RWANDA SOCIAL SECURITY BOARD (RRSB) – les Apporteurs Minoritaires

AIRBUS DEFENCE AND SPACE NETHERLANDS B.V.

AIRBUS DEFENCE AND SPACE NETHERLANDS B.V. est une société de droit néerlandais dont le siège social est situé Mendelweg 30, 2333 CS Leiden. Elle est immatriculée à la Chambre de Commerce des Pays-Bas sous le numéro 28086907. AIRBUS DEFENCE AND SPACE NETHERLANDS B.V. fait partie du groupe AIRBUS SE.

La Société détient 12 064 actions ordinaires de catégorie A de ONEWEB.

BANCO AZTECA S.A.

BANCO AZTECA S.A. est une société de droit mexicain dont le siège social est situé à Insurgentes sur 3579 T3P6, 14000 Tlalpan.

La Société détient 16 879 actions ordinaires de catégorie A de ONEWEB.

ECHOSTAR OPERATING L.L.C.

¹⁴ Système de télémétrie de suivi et de commande (*Telemetry, Tracking and Command systems*).

¹⁵ Portails de réseau satellitaires (*Satellite Network Portals*).



ECHOSTAR OPERATING L.L.C. est une filiale d'ECHOSTAR CORPORATION, société de droit américain dont le siège social est situé au 100 Inverness Terrace East, Englewood, Colorado 80112.

La Société détient 50 000 actions ordinaires de catégorie A de ONEWEB.

QUALCOMM TECHNOLOGIES INC.

QUALCOMM TECHNOLOGIES INC. Est une société de droit américain dont le siège social est situé au 5775 Morehouse Drive, 92121 San Diego Californie. Elle est immatriculée sous le numéro 45-3157787.

La Société détient 6 072 actions ordinaires de catégorie A de ONEWEB.

RWANDA SOCIAL SECURITY BOARD (RSSB)

L'entité RWANDA SOCIAL SECURITY BOARD (RSSB) est née de la fusion de *SOCIAL SECURITY FUND OF RWANDA (SSFR)* avec *RWANDA HEALTH INSURANCE FUND (RAMA)*, et est située au Plot 1003 Ubumwe Cell, African Union Boulevard, Kigali au Rwanda.

La Société détient 1 629 actions ordinaires de catégorie A de ONEWEB.

1.2.4 Liens en capital entre les parties concernées par l'opération

A la date des présentes, EUTELSAT SA, filiale de la Société Bénéficiaire détient 650 000 actions ordinaires de catégorie A de ONEWEB qui représentent environ 22,91% du capital et des droits de vote de la société (hors impact dilutif des options émises par ONEWEB). Cette prise de participation¹⁶ date des mois de septembre et d'octobre 2021.

1.3 Modalités générales

Les modalités de réalisation de l'Apport, qui sont présentées de façon détaillée dans le Traité d'Apport conclu entre EUTELSAT et les Apporteurs Majoritaires, auquel il convient de se référer, peuvent se résumer comme suit.

Régime juridique de l'Apport

Sur le plan juridique, l'Apport est soumis au régime de droit commun des apports en nature prévu par les dispositions de l'article L. 225-147 du Code de commerce.

Régime fiscal

L'Apport sera enregistré gratuitement en application des dispositions de l'article 810, I du Code Général des Impôts.

Date de réalisation de l'Apport

¹⁶ Investissement initial annoncé en avril 2021 et réalisé en septembre 2021, puis exercice d'une option d'achat en octobre 2021.



La réalisation de l'Apport interviendra le jour où la dernière des conditions suspensives visées ci-après (§ 1.5) sera levée, telle que constatée notamment par une décision des actionnaires d'EUTELSAT constatant la réalisation définitive de l'augmentation de capital d'EUTELSAT en rémunération des Actionnaires Existants (ci-après la « **Date de Réalisation** »).

L'Apport prendra également effet, sur le plan fiscal, à la Date de Réalisation.

1.4 Description de l'Apport

1.4.1 Description de l'Apport

L'apport réalisé par les Apporteurs Minoritaires (l'« Apport ») est constitué de 86 644 actions ordinaires de catégorie A de ONEWEB, représentant, sur une base non diluée, 3,05% des actions ordinaires de catégorie A du capital social de la société ONEWEB, d'une valeur nominale de 0,01 USD chacune, et entièrement libérées.

Apporteurs	Nombre d'actions apportées
Airbus Group Proj B.V.	12 064
Banco Azteca S.A.	16 879
Echostar Operating L.L.C.	50 000
Qualcomm Technologies Inc.	6 072
Rwanda Social Security Board (Rssb)	1 629
Total Apporteurs Minoritaires	86 644

Conformément aux termes du Traité d'Apport, chaque action ordinaire de catégorie A de ONEWEB apportée sera, à la date de réalisation de l'Apport, libre de tout nantissement, droit de tiers, charge ou autre sûreté.

Enfin, à l'issue des apports des Apporteurs Majoritaires et des Apporteurs Minoritaires, EUTELSAT détiendra directement et indirectement à travers sa filiale EUTELSAT SA, 100% des actions émises par ONEWEB¹⁷.

1.4.2 Méthode et référence d'évaluation retenue

L'Apport est réalisé sur la base de la valeur réelle des actions apportées.

La valeur réelle des 86 644 actions ordinaires de catégorie A de ONEWEB apportées a été déterminée par référence au prix de transaction retenu par les parties et indiqué dans le communiqué de presse du 26 juillet 2022, soit 3 297 m€ pour 100% du capital social de ONEWEB.

La valeur des 86 644 actions ordinaires de catégorie A de ONEWEB apportées ressort à 99 331 272 €.

¹⁷ A l'exception d'une action de catégorie B émise par ONEWEB détenue par le Gouvernement Britannique.

1.4.3 Rémunération de l'Apport

La rémunération de l'Apport est effectuée sur la base de la valeur réelle de l'Apport, d'une part, et de la valeur réelle de l'action de la Société Bénéficiaire, d'autre part.

Sur ces bases, l'Apport sera rémunéré par l'attribution de 8 965 053 actions nouvelles EUTELSAT de 1 € de valeur nominale chacune, à émettre par la Société Bénéficiaire qui augmentera son capital d'une somme de 8 965 053 €.

La différence entre (i) la valeur globale de l'Apport, soit 99 331 272 € et (ii) le montant total de l'augmentation de capital de la Société Bénéficiaire, soit 8 965 053 €, constituera une prime d'apport dont le montant s'établira à 90 366 219 €.

Apporteurs	Nombre d'actions apportées	Valeur d'apport (en €)	Nombre d'actions Eutelsat émises	Augmentation de capital Eutelsat (€)	Prime d'émission Eutelsat (€)
Airbus Group Proj B.V.	12 064	13 830 532	1 248 262	1 248 262	12 582 270
Banco Azteca S.A.	16 879	19 350 592	1 746 470	1 746 470	17 604 122
Echostar Operating L.L.C.	50 000	57 321 506	5 173 500	5 173 500	52 148 006
Qualcomm Technologies Inc.	6 072	6 961 114	628 269	628 269	6 332 845
Rwanda Social Security Board (Rssb)	1 629	1 867 528	168 552	168 552	1 698 976
Total Apporteurs Minoritaires	86 644	99 331 272	8 965 053	8 965 053	90 366 219

1.5 Conditions suspensives

La réalisation de l'Apport est soumise à la réalisation de l'intégralité des conditions suspensives détaillées dans la section 8 du Traité d'Apport : « *l'Apport et l'Augmentation de Capital ne seront définitivement réalisés que sous réserve (i) du dépôt auprès de l'AMF du document d'exemption relatif à l'Apport et à l'apport à réaliser au titre du Traité d'Apport des Actionnaires Majoritaires, et sa mise à la disposition du public conformément aux réglementations française et européenne applicables (y compris la Position-Recommandation DOC-2020-06 de l'AMF et (ii) de l'obtention de l'Approbation des Actionnaires d'Eutelsat (les « Conditions Suspensives »).* »

2. Vérification de la pertinence des valeurs relatives attribuées aux actions apportées et aux actions de la société bénéficiaire

2.1 Diligences mises en œuvre

Notre mission a pour objet d'éclairer les actionnaires d'EUTELSAT et de ONEWEB sur les valeurs relatives retenues par les parties afin de déterminer le rapport d'échange et d'en apprécier le caractère équitable. En conséquence, elle ne relève ni d'une mission d'audit ni d'une mission d'examen limité au sens des normes professionnelles. Elle ne saurait être assimilée à une mission de *due diligence* effectuée pour un prêteur ou un acquéreur et ne comporte pas tous les



travaux nécessaires à ce type d'intervention. Notre rapport ne peut donc pas être utilisé dans un tel contexte.

Nous avons effectué les diligences que nous avons estimé nécessaires par référence à la doctrine professionnelle de la Compagnie Nationale des Commissaires aux Comptes pour apprécier la pertinence des valeurs relatives attribuées aux actions apportées et à la société bénéficiaire.

Dans ce cadre, nous avons mis en œuvre les principales diligences suivantes :

- Nous nous sommes entretenus avec les représentants d'EUTELSAT et de ONEWEB, tant pour prendre connaissance de l'opération et du contexte dans lequel elle se situe, que pour analyser les modalités comptables, financières, juridiques et fiscales envisagées ;
- Nous avons pris connaissance de l'Accord-Cadre intervenu le 14 novembre 2022 entre EUTELSAT et les Apporteurs Majoritaires de ONEWEB ;
- Nous avons examiné le Traité d'Apport et ses annexes ;
- Nous avons pris connaissance des états financiers sociaux et consolidés de ONEWEB au 31 mars 2023, du bilan & compte de résultat trimestriel non-audités au 30 juin 2023 (« *Unaudited P&L and balance sheet for the quarter ended, 30 June 2023* »), ainsi que du *Reporting* à fin juin 2023 ;
- Nous avons pris connaissance du rapport de l'auditeur indépendant sur les comptes annuels et consolidés de ONEWEB au 31 mars 2023 ;
- Nous avons pris connaissance des états financiers sociaux et consolidés d'EUTELSAT au 30 juin 2023, et avons examiné le rapport des Commissaires aux comptes sur les comptes annuels et consolidés d'EUTELSAT au 30 juin 2023 ;
- Nous avons examiné les données budgétaires et prévisionnelles établies par les directions de ONEWEB et d'EUTELSAT et nous sommes entretenus avec les responsables concernés pour discuter de la pertinence des hypothèses retenues ;
- Nous avons examiné l'annexe 4.2 du Traité d'Apport qui définit la valeur de l'Apport et sa rémunération ;
- Nous avons analysé et revu avec le conseil financier d'EUTELSAT (ROTHSCHILD & CO) les éléments de valorisation de ONEWEB et d'EUTELSAT qui figurent dans le Projet de Document d'Exemption ainsi que le rapport de valorisation sous-jacent à ces analyses ;
- Nous avons obtenu (i) une lettre d'affirmation signée par les représentants d'EUTELSAT d'une part et (ii) une lettre d'affirmation signée par les représentants de ONEWEB et les Apporteurs Majoritaires d'autre part, nous confirmant l'exhaustivité des informations transmises à l'occasion de la présente Opération ainsi que, à leur connaissance,



l'absence d'événement significatif (jusqu'à la date de notre rapport) susceptible d'affecter de manière significative la rémunération de l'Apport.

2.2 Valeurs relatives retenues par les parties

2.2.1 Valorisation des actions ONEWEB

A l'issue de leur négociation, la valeur de ONEWEB a été fixée par les parties à 3 297 m€, soit environ 1 146,43 € par action ONEWEB. Sur ces bases, et en retenant un nombre d'actions ONEWEB dilué, la valeur de l'Apport ressort à 99 331 272 €.

Les parties ont mis en œuvre une évaluation multicritères de ONEWEB qui privilégie la référence et la méthode suivantes :

- Référence à la valorisation de ONEWEB extériorisée lors de la dernière opération sur le capital de ONEWEB annoncée en août 2021 et réalisée en février 2022,
- Méthode intrinsèque de l'actualisation des flux prévisionnels de trésorerie (DCF).

Les méthodes suivantes ont été écartées :

- L'actualisation des flux de dividendes futurs,
- Les comparables boursiers,
- Les transactions comparables,
- La valeur nette comptable et l'actif net comptable réévalué.

La valeur de ONEWEB a fait l'objet d'une valorisation multicritères présentée dans le Projet de Document d'Exemption. Cette analyse fait ressortir les valeurs de ONEWEB suivantes qui encadrent la valeur d'apport retenue par les parties :

	Valeur des fonds propres à 100% et en M\$	Valeur des fonds propres à 100% et en M€
<u>Méthodes retenues à titre principal</u>		
Actualisation des flux de trésorerie (fourchette basse)	2 889	2 802
Actualisation des flux de trésorerie (valeur centrale)	3 562	3 455
Actualisation des flux de trésorerie (fourchette haute)	4 399	4 266
Valorisation extériorisée lors de la dernière opération sur capital de OneWeb en août 2021 (méthode retenue par les parties)	3 400	3 297



2.2.2 Valorisation des actions de la Société Bénéficiaire

Pour fixer le nombre d'actions EUTELSAT à émettre en rémunération de l'Apport, les parties ont retenu, à l'issue de leur négociation, une valeur par action de cette société de 11,08 € (ex-dividende).

Dans ce contexte, les parties ont mis en œuvre une approche multicritères d'évaluation privilégiant les approches et références d'évaluation suivantes :

- La référence au cours de bourse d'EUTELSAT sur la base des cours moyens pondérés par les volumes sur les différentes périodes précédant l'annonce de l'Opération ;
- La référence aux objectifs de cours publiés par les analystes financiers ;
- Une approche intrinsèque fondée sur l'actualisation des flux de trésorerie prévisionnels d'EUTELSAT.

A titre illustratif, les parties ont également mis en œuvre :

- Une approche analogique par référence à un échantillon de sociétés comparables cotées, limité à la seule société SES.

Les parties ont écarté l'actualisation des flux de dividendes théoriques, la référence à l'actif net comptable, à l'actif net réévalué ainsi que les transactions des sociétés comparables.

Pour mémoire, les résultats de la valorisation multicritères d'EUTELSAT présentés dans le Projet de Document d'Exemption sont les suivants :

	Valeur des fonds propres à 100% et en M€
Méthodes retenues à titre principal	
Dernier cours de bourse au 22 juillet 2022	2 403
1 mois - CMPV	2 485
3 mois - CMPV	2 493
6 mois - CMPV	2 391
12 mois - CMPV	2 521
Objectifs de cours publiés par les analystes financiers	2 793
Flux de trésorerie disponibles futurs (fourchette basse)	2 651
Flux de trésorerie disponibles futurs (valeur centrale)	3 177
Flux de trésorerie disponibles futurs (fourchette haute)	3 853
Méthodes retenues à titre illustratif	
Approche par les comparables boursiers (VE/EBITDA juin23)	2 330
Approche par les comparables boursiers (VE/EBITDA juin24)	2 239

2.3 Appréciation de la pertinence des valeurs relatives

L'appréciation des valeurs relatives retenues par les parties appelle de notre part les commentaires suivants :

- S'agissant de l'appréciation de la rémunération dans un contexte de négociation entre tiers indépendants, les parties et leurs conseils ont apprécié la rémunération au regard de critères que nous considérons usuels et adaptés au regard des activités et des caractéristiques respectives des Sociétés concernées ;
- EUTELSAT et ONEWEB interviennent sur le même secteur, mais ont des profils de développement différents. L'appréciation de la rémunération suppose donc de mettre en œuvre des méthodes de valorisation adaptées sur la base d'hypothèses homogènes ;
- Il convient de préciser que les calculs des valeurs relatives n'intègrent pas les synergies attendues de l'Opération ;
- Les valeurs relatives retenues dans le cadre des approches menées par les parties reposent sur des données antérieures à la date de l'annonce de l'Opération, à savoir le 26 juillet 2022. Si cette approche apparaît cohérente au regard des besoins des parties dans le cadre de la fixation de la rémunération, elle ne permet pas néanmoins de tenir compte des éventuels événements intervenus depuis cette date, susceptibles d'avoir un impact sur les valeurs relatives retenues. Le management d'EUTELSAT et de ONEWEB nous ont confirmé par une lettre d'affirmation l'absence d'évènements, intervenus depuis cette date, qui soient de nature à remettre en cause les paramètres et les données utilisés par les parties dans le cadre de l'approche intrinsèque pour la fixation de la rémunération.

Dans le cadre de notre mission, nous avons par ailleurs mis en œuvre des approches de valorisation alternatives ou similaires à celles des parties avec nos propres paramètres, par référence à des données actualisées à une date récente, et procédé à des analyses de sensibilité.

Aussi, nous avons mis en œuvre une évaluation multicritères de ONEWEB et d'EUTELSAT fondée sur les approches suivantes :

- Une approche fondée sur la valorisation intrinsèque de ONEWEB et d'EUTELSAT par actualisation des flux prévisionnels de trésorerie (DCF). Cette approche, fondée sur nos propres paramètres d'actualisation, déterminés de façon homogène pour EUTELSAT et ONEWEB, a été réalisée à partir des prévisions qui nous ont été communiquées par les directions des deux Sociétés ;
- EUTELSAT étant une société cotée dont le titre est liquide et faisant l'objet d'un suivi régulier par des analystes, il nous semble que les références de valorisation boursière d'EUTELSAT sont incontournables même en l'absence d'un critère équivalent coté ONEWEB. Dans ce contexte, nous avons apprécié la rémunération de l'Apport au regard d'une comparaison entre les cours moyens pondérés par les volumes (CMPV) du titre EUTELSAT et la référence à la dernière transaction sur le titre ONEWEB, i.e. la dernière



opération sur le capital de ONEWEB annoncée en août 2021 et réalisée en février 2022, extériorisant une valeur pour 100% du capital social de ONEWEB de 3 400 m\$.

Concernant les méthodes d'évaluation écartées, nous n'avons pas d'observation à formuler sur le fait de n'avoir pas retenu l'actif net comptable, l'actif net comptable réévalué ainsi que l'actualisation des flux futurs de dividendes.

Nous sommes également d'accord avec les parties pour ne pas retenir le critère des transactions comparables. Nous avons examiné cette approche, mais avons toutefois décidé de ne pas la retenir compte tenu des difficultés de mise en œuvre liées à l'absence d'une information publique suffisante pour les transactions identifiées concernant les particularités de chaque opération (clauses éventuelles de complément de prix, contexte historique des négociations, primes liées au contrôle, synergies attendues...).

De même, nous n'avons pas mis en œuvre le critère des comparables boursiers en raison de l'absence de société suffisamment comparable à EUTELSAT.

2.3.1 Éléments de passage de la valeur d'entreprise à la valeur des fonds propres

Les éléments de passage de la valeur d'entreprise à la valeur des fonds propres ont été déterminés sur la base des derniers comptes publiés par les sociétés concernées, à savoir : (i) sur la base des comptes annuels consolidés au 30/06/2023 concernant EUTELSAT, et (ii) des comptes consolidés annuels au 31/03/2023 concernant ONEWEB.

2.3.2 Actualisation des flux prévisionnels de trésorerie

Cette méthode consiste à déterminer la valeur intrinsèque d'une entreprise par l'actualisation des flux de trésorerie issus de son plan d'affaires à un taux qui reflète l'exigence de rentabilité du marché vis-à-vis de l'entreprise, en tenant compte d'une valeur de sortie à l'horizon de ce plan.

Cette méthode permet de reconnaître la valeur attribuable aux perspectives de développement de la société évaluée et nous paraît adaptée à la situation de ONEWEB et d'EUTELSAT, ainsi qu'à leur comparaison.

Nos travaux se sont fondés sur les plans d'affaires établis par les directions des deux sociétés :

- Le plan d'affaires EUTELSAT établi sur la période 2023-2033 intégrant une extrapolation par le management sur la période 2027-2033, présenté au Conseil d'Administration d'EUTELSAT du 19 janvier 2023 ; ainsi que les mises à jour présentées au Conseil d'Administration d'EUTELSAT le 27 juillet 2023 (sur le produit de libération de la phase 2 de la bande C¹⁸ ainsi que le taux de change €/€) ;

¹⁸ Voir Note 2.2 des comptes consolidés d'EUTELSAT au 30 juin 2023 (« **Processus de libération de la Bande C** ») : « Dans le cadre de la libération des fréquences 3,7-4 GHz (bande C) sur le territoire américain faisant suite à la décision fédérale publiée par la Federal Communication Commission (FCC



- Le plan d'affaires ONEWEB établi sur la période 2023-2028, approuvé par le Conseil d'Administration de ONEWEB du 21 mars 2023. Ce plan d'affaires n'intègre que les prévisions relatives aux satellites LEO de 1^{ère} génération (GEN1). Les dernières prévisions intégrant les satellites GEN2 ont été établies par la société en avril 2021 ;
- Le plan d'affaires ONEWEB, établi par le management d'EUTELSAT en octobre 2022, sur la période 2023-2033, ainsi que les analyses de sensibilité présentées au Conseil d'Administration d'EUTELSAT le 27 juillet 2023.

Les plans d'affaires des Sociétés ont été, le cas échéant, extrapolés et retraités afin de mettre en œuvre l'approche de valorisation sur des flux déterminés de manière homogène et cohérente avec les éléments retenus par ailleurs dans notre passage de la Valeur d'Entreprise à la Valeur des Fonds Propres.

Les flux de trésorerie ont été actualisés au coût moyen pondéré du capital, déterminé de manière homogène en fonction des caractéristiques de chacune des sociétés. Les taux d'actualisation retenus sont proches (i) des taux mentionnés dans les notes d'analystes d'EUTELSAT qui ont été portées à notre connaissance, (ii) et des taux retenus dans le cadre des tests de dépréciation des deux sociétés.

Nos tests de sensibilité sur (i) le taux d'actualisation, (ii) la croissance normative et (iii) la marge opérationnelle normative, font ressortir une fourchette d'actions EUTELSAT à émettre en rémunération de l'Apport comprise entre 8,9 et 9,2 millions.

Les analyses de sensibilité sur le plan d'affaires de ONEWEB ainsi que la mise à jour du plan d'affaires d'EUTELSAT présentées au Conseil d'Administration d'EUTELSAT du 27 juillet 2023 ne remettent pas en cause les fourchettes obtenues.

Cette approche permet de donner une valeur de référence objective et homogène, en *stand alone*, des deux entités à évaluer, indépendamment des synergies qui seront dégagés du rapprochement qui bénéficieront à tous les actionnaires, comme nous y reviendrons.

2.3.3 Cours moyen pondéré par les volumes du titre EUTELSAT au regard de la valeur extériorisée par la dernière opération sur le capital de ONEWEB

Nous avons analysé l'évolution du cours de bourse de l'action EUTELSAT sur les 12 derniers mois (antérieur au 22 juillet 2022, correspondant à la dernière date de cotation non polluée par les rumeurs relatives au rapprochement entre EUTELSAT et ONEWEB) et également procédé à des calculs de moyennes de cours pondérées par les volumes (CMPV) sur des périodes plus ou moins longues.

- le régulateur américain des communications) le 3 mars 2020, le Groupe a mis en place un plan de transition qui comporte deux phases correspondant chacune à la libération de certaines fréquences et donnant lieu au paiement d'incitations financières à hauteur de 125 millions de dollars U.S. pour la première phase et 382 millions de dollars U.S. pour la seconde phase. »



Cours moyens pondérés par les volumes	en €/action	Volume échangé (en K)		Capital échangé (en K)		% du capital		% du flottant	
		Moyen	Cumulé	Moyen	Cumulé	Volume échangé	Rotation du capital	Volume échangé	Rotation du flottant
Spot (22/7/2022)	10,43	309	309	3 234	3 234	0,13 %	0,13 %	0,19 %	0,19 %
CMPV 1 mois	10,77	291	6 103	3 130	65 723	0,13 %	2,65 %	0,18 %	3,68 %
CMPV 60 jours	10,83	325	19 494	3 520	211 186	0,14 %	8,47 %	0,20 %	11,74 %
CMPV 3 mois	10,81	340	22 414	3 670	242 205	0,15 %	9,73 %	0,20 %	13,53 %
CMPV 6 mois	10,40	408	52 240	4 244	543 267	0,18 %	22,69 %	0,25 %	31,55 %
CMPV 12 mois	10,87	513	132 942	5 580	1 445 321	0,22 %	57,73 %	0,34 %	86,95 %
CMPV 24 mois	10,06	603	310 361	6 061	3 121 523	0,26 %	134,78 %	0,40 %	205,42 %

Plus haut 12 mois (15/11/2021) 13,39

Plus bas 12 mois (7/3/2022) 8,96

Plus haut 24 mois (15/11/2021) 13,39

Plus bas 24 mois (2/10/2020) 8,11

ONEWEB n'étant pas cotée, nous n'avons pu nous appuyer sur une valeur de marché observable pour la valoriser. Nous avons donc cherché à appréhender cette valeur par référence à la dernière transaction sur les titres de cette société, à savoir la dernière opération sur le capital de ONEWEB correspondant à l'entrée d'HANWHA au capital de ONEWEB, annoncée en août 2021 et réalisée en février 2022.

Selon cette approche, le nombre d'actions EUTELSAT à émettre en rémunération de l'Apport est compris dans une fourchette de 8,6 et 9,3 millions.

A titre d'information, nous avons aussi analysé le cours de bourse d'EUTELSAT depuis le 22 juillet 2022 qui a suivi une tendance baissière et fait ressortir des CMPV de 1 à 6 mois se situant entre 6,08€/par action et 6,26€/par action, au 1^{er} août 2023. Le calcul de la rémunération sur cette base entraînerait une dilution plus importante pour les actionnaires d'EUTELSAT.

2.3.4 Synthèse des valeurs relatives

Les valeurs relatives obtenues à partir de nos travaux d'évaluation selon une approche multicritères sont supérieures à celles déterminées par les parties, ce qui s'explique par l'utilisation dans nos travaux de projections plus récentes que celles utilisées par les parties.

3. Appréciation du caractère équitable de la rémunération

3.1 Rémunération de l'Apport retenue par les parties

La parité proposée est de 103,47 actions nouvelles EUTELSAT pour une action ONEWEB apportée, déterminée d'après la valeur de l'Apport d'une part, et celle de l'action d'EUTELSAT d'autre part, présentées en §2.2. Elle se traduit par l'émission de 8 965 053 actions EUTELSAT, au bénéfice des Apporteurs Minoritaires.

Cette rémunération a été déterminée sur la base des négociations menées entre les parties et qui ont prévalu à un poids relatif des actionnaires d'EUTELSAT et de ONEWEB de 50% du capital social d'EUTELSAT à l'issue des apports (ratio ramené à 52,4% / 47,6% sur une base non diluée

des options ONEWEB, et prenant en compte le versement d'une partie du dividende d'EUTELSAT en actions conformément à la décision de l'Assemblée Générale du 10 novembre 2022).

3.2 Diligences mises en œuvre

Nous avons effectué les diligences que nous avons estimé nécessaires selon la doctrine professionnelle de la Compagnie Nationale des Commissaires aux Comptes pour apprécier le caractère équitable de la rémunération de l'Apport.

En particulier, nous nous sommes appuyés sur les travaux, précédemment décrits (§ 2.3), à l'effet de vérifier la pertinence des valeurs relatives attribuées aux actions apportées et aux actions de la Société Bénéficiaire.

Sur cette base, nous avons apprécié le caractère équitable de la rémunération proposée, notamment au travers

- De l'analyse du positionnement de la rémunération par rapport aux valeurs jugées pertinentes ;
- De l'appréhension de l'incidence de la rémunération sur la situation future des actionnaires d'EUTELSAT.

3.3 Appréciation et positionnement de la rémunération de l'apport

Afin d'apprécier la rémunération retenue par les parties, nous avons déterminé le nombre d'actions EUTELSAT à émettre en rémunération de l'Apport, en considérant une approche multicritères.

Les valeurs relatives examinées déterminées à partir des critères que nous considérons pertinents, conduiraient à émettre un nombre de titres EUTELSAT compris entre 8 629 093 et 9 327 575.

Le nombre d'actions EUTELSAT qui doivent être émises en rémunération, soit 8 965 053, ressort dans la fourchette des analyses multicritères développées ci-avant.

Nous avons également analysé le poids de chaque catégorie d'actionnaires post-apports issue de notre analyse multicritères, au regard du poids induit par la parité retenue¹⁹.

	Répartition selon accord entre les parties	DCF		Cours de bourse	
		Fourchette basse	Fourchette haute	Fourchette basse	Fourchette haute
OneWeb	47,6 %	47,4 %	48,3 %	46,7 %	48,6 %
Eutelsat	52,4 %	52,6 %	51,7 %	53,3 %	51,4 %

¹⁹ Sur une base non diluée des options ONEWEB, et prenant en compte le versement d'une partie du dividende d'EUTELSAT en actions conformément à la décision de l'assemblée générale du 10 novembre 2022.



Dans le cadre de notre appréciation du caractère équitable de la rémunération proposée, nous notons que la rémunération retenue par les parties s'inscrit dans la fourchette de nos approches retenues à titre principal et apparaît donc équitable pour les actionnaires actuels d'EUTELSAT.

3.4 Incidence de l'opération pour les différents groupes d'actionnaires

A l'issue des apports des Actionnaires Existants (i.e. après Apports Majoritaires et Apports Minoritaires), les actionnaires d'EUTELSAT détiendront une participation au capital et aux droits de vote d'EUTELSAT nettement inférieure à celle qu'ils détiennent actuellement, puisqu'ils ne détiendront plus que 52,4% du capital social du groupe combiné après la réalisation desdits apports²⁰, soit une dilution de l'ordre de 47,6%.

Compte tenu du profil de ONEWEB, en phase de démarrage de sa constellation, les comptes combinés EUTELSAT – ONEWEB post-Apport devraient présenter un résultat déficitaire à court terme, ce qui aura pour conséquence une absence de versement de dividendes au cours des 3 prochains exercices, comme stipulé dans le projet de Document d'Exemption.

EUTELSAT accédera en revanche au contrôle de ONEWEB et les actionnaires d'EUTELSAT bénéficieront à plus long terme des synergies évoquées ci-dessous.

Les parties ont annoncé que le rapprochement devrait générer des synergies opérationnelles estimées à plus de 1,5 Md€, en valeur actuelle après impôts, net des coûts de mise en œuvre. Il s'agit de synergies de coûts, d'investissement et de chiffre d'affaires, permettant de réaliser des économies sur les dépenses opérationnelles en amont et d'optimiser l'efficacité opérationnelle.

Leur mise en œuvre sera progressive après la réalisation des apports des Actionnaires Existants (i.e. après Apports Majoritaires et Apports Minoritaires) et il nous a été confirmé qu'en raison de la forte complémentarité des sociétés en termes d'offre sur la connectivité par satellite, il ne devrait pas exister de disynergies significatives. Les mises à jour présentées au Conseil d'Administration d'EUTELSAT du 27 juillet 2023 ont confirmé le niveau de synergies anticipé.

Ces synergies n'ont pas été intégrées dans notre appréciation des valeurs relatives en *stand alone* de ONEWEB et d'EUTELSAT, elles bénéficieront à tous les groupes d'actionnaires et constituent donc un élément d'appréciation important du caractère équitable de la rémunération qu'elles viennent renforcer.

Après prise en compte de la valeur (actualisée et après fiscalité) de ces synergies en complément des valeurs des capitaux propres des deux entités que nous avons obtenues, et sur la base du nombre d'actions d'EUTELSAT après rémunération des Apports des Apporteurs Majoritaires et Minoritaires, la valeur par action pour un actionnaire d'EUTELSAT s'apprécie de près de 50% du fait du rapprochement.

Par ailleurs, pour les actionnaires de ONEWEB qui seront désormais actionnaires d'une société cotée, l'Opération leur permet l'accès à la liquidité (à terme pour les Apporteurs Majoritaires, et immédiate pour les Apporteurs Minoritaires) dont ils ne disposaient pas.

²⁰ Sur une base non diluée des options ONEWEB, et prenant en compte le versement d'une partie du dividende d'EUTELSAT en actions conformément à la décision de l'assemblée générale du 10 novembre 2022.



4. Synthèse – Points clés

En synthèse de notre appréciation sur l'opération prise globalement, nous souhaitons attirer votre attention sur les points suivants :

- La présente opération vise à créer un acteur mondial de premier plan dans le domaine de la connectivité par satellite, et permettra au groupe EUTELSAT d'être positionné sur le marché de la connectivité avec une offre complémentaire GEO/LEO.
- Les parties ont négocié de façon indépendante les termes financiers du rapprochement et la gouvernance du nouveau groupe, et sont parvenues à un accord annoncé le 26 juillet 2022 qui se traduira par une détention par les actionnaires d'EUTELSAT de l'ensemble combiné à hauteur de 52,4% (sur une base non diluée) ;
- La rémunération proposée a été déterminée d'après une valeur de ONEWEB de 3 297 m€, et d'une valeur de l'action EUTELSAT de 11,08€, se traduisant par l'émission de 226 252 053²¹ actions EUTELSAT au titre de l'ensemble des apports des Actionnaires Existants. Les travaux d'évaluation qui nous ont été présentés et figurent dans le Projet de Document d'Exemption ont été revus par nos soins et nous paraissent appropriés, pour déterminer la valeur des actions ordinaires de catégorie A de ONEWEB apportées, d'une part, et celle d'EUTELSAT, d'autre part. Nous avons en outre procédé à nos propres travaux d'évaluation dont les résultats ne remettent pas en cause ceux présentés par les parties. Notamment, la rémunération retenue par les parties s'inscrit dans la fourchette de valorisation de l'approche de flux futurs de trésorerie actualisés, qui est, selon nous, l'approche la plus pertinente ;
- Par ailleurs, l'Opération devrait permettre une création de valeur significative au travers de synergies estimées par les parties à plus de 1,5 Md€ (montant actualisé et après impôts, net des coûts de mise en œuvre), dont bénéficieront tous les actionnaires. ;
- Enfin, l'Opération procure le contrôle de ONEWEB à EUTELSAT et permet l'accès à la liquidité pour les actionnaires de ONEWEB, immédiate pour les Apporteurs Minoritaires, et à terme (engagement de conservation de 6 mois) pour les Apporteurs Majoritaires signataires du pacte d'actionnaires d'EUTELSAT.

²¹ Ce nombre pouvant être porté à 230 344 291 en cas d'apport, par les titulaires d'options ONEWEB, du nombre maximum d'actions ordinaires ONEWEB de catégorie A sous options (39 550 actions ordinaires ONEWEB de catégorie A).



5. Conclusion

Sur la base de nos travaux et à la date du présent rapport, nous sommes d'avis que la rémunération proposée pour l'Apport conduisant à émettre 8 965 053 actions EUTELSAT, arrêtée par les parties, présente un caractère équitable.

Fait à Paris, le 18 août 2023

FINEXSI EXPERT & CONSEIL FINANCIER

Olivier PERONNET

Le Commissaire aux apports



FINEXSI
EXPERT & CONSEIL FINANCIER

Free translation of the original « *Rapport du Commissaire aux apports sur la rémunération de l'apport d'actions de la société ONEWEB HOLDINGS LIMITED devant être effectué au profit de la société EUTELSAT COMMUNICATIONS SA par les Apporteurs Minoritaires* »

issued by the contribution auditor, dated August 18, 2023. French version shall prevail.

EUTELSAT COMMUNICATIONS SA

Public limited company with a Board of Directors
32 Boulevard Gallieni
92130 Issy-les-Moulineaux
RCS of Nanterre 481 043 040

Contribution auditor's report on the consideration of the contribution of ONEWEB HOLDINGS LIMITED shares by Minority Shareholders Contributors to EUTELSAT COMMUNICATIONS SA

*Order of the President of the Nanterre
Commercial Court dated December 5,
2022*



Contribution auditor's report on the consideration of the contribution of ONEWEB HOLDINGS LIMITED shares by Minority Shareholders Contributors to EUTELSAT COMMUNICATIONS SA

Ladies and Gentlemen,

Pursuant to the assignment entrusted to us by the order of the President of the Nanterre Commercial Court dated December 5, 2022, concerning the contribution of ONEWEB HOLDINGS LIMITED Class A ordinary shares to EUTELSAT COMMUNICATIONS SA, we have prepared this report on the consideration for the contribution, it being specified that our assessment of the value of the contributions is the subject of a separate report.

As the shares of EUTELSAT COMMUNICATIONS SA are admitted to trading on a regulated market, this report on the remuneration of the contribution is prepared with reference to position-recommendation 2020-06 of the *Autorité des Marchés Financiers* (hereinafter the "AMF").

The consideration for the contribution was set out in the contribution agreement signed by the representatives of the companies concerned (described in paragraph 1.2 hereafter) on August 18, 2023 (hereinafter the "**Contribution Agreement**").

Our responsibility is to express a conclusion on the fairness of the consideration for the contribution. For this purpose, we have performed our procedures in accordance with the professional standards of the *Compagnie Nationale des Commissaires aux Comptes* ("CNCC") applicable to the assignment of the statutory auditor in charge of assessing the fairness of the consideration for the contribution. This professional doctrine requires us to perform procedures to verify that the relative values attributed to the contributions and to the shares of the company receiving the contributions are relevant and to analyze the positioning of the proposed compensation in relation to the relative values deemed relevant.

No special benefit is stipulated in the context of this transaction.

Our report is intended for the persons covered by French law, in this case the shareholders of EUTELSAT COMMUNICATIONS SA. It meets the requirements of these regulations but not those of the English regulations, which apply to the shareholders of ONEWEB HOLDINGS LIMITED.

As our mission ends with the filing of our report, it is not our responsibility to update it to take into account facts and circumstances subsequent to the date of signature.

At no time did we find ourselves in one of the cases of incompatibility, prohibition or disqualification provided for by law.



Please find below our findings and conclusions presented in the following order:

1. Presentation of the planned operation
2. Verification of the relevance of the relative values attributed to the shares of the companies participating in the transaction
3. Assessment of the fairness of the proposed compensation
4. Summary – key points
5. Conclusion

1. Presentation of the proposed operation

1.1 Context of the transaction

In a joint press release dated July 26, 2022, EUTELSAT COMMUNICATIONS SA (hereinafter "EUTELSAT" or the "**Beneficiary Company**") and ONEWEB HOLDINGS LIMITED (hereinafter "ONEWEB") announced the proposed combination by way of an exchange of shares with the aim of forming a single leading global player in the field of connectivity. The definitive framework agreement for the combination between EUTELSAT and ONEWEB was entered into on November 14, 2022, between EUTELSAT and the principal shareholders of ONEWEB as mentioned in paragraph **Erreur ! Source du renvoi introuvable.** hereunder (hereinafter the "**Framework Agreement**").

The objective of this combination is to create a leading global player positioned to conquer the satellite connectivity market with a complementary GEO/LEO offering¹.

This newly formed entity would have an enhanced range of satellite coverage, notably with EUTELSAT's geostationary satellites (GEO) and ONEWEB's low earth orbit satellites (LEO).

It is thus envisaged that:

- (i) BHARTI SPACE LIMITED, the *Secretary of State for Science, Innovation and Technology of the United Kingdom*² ("**UK Government**"), SOFTBANK GROUP CAPITAL LIMITED and HANWHA SYSTEMS UK LIMITED (the "**Major Shareholders Contributors**") and the other minority shareholders of ONEWEB (other than EUTELSAT SA) (the "**Minority Shareholders Contributors**" and together the "**Contributors**") are contributing all of the Class A ordinary shares

¹ GEO (*Geostationary Earth Orbit*) satellites are geostationary satellites that remain constantly above the same point on the Earth's surface at a distance of about 36,000 km and provide communications, television and weather services. LEO (for *Low Earth Orbit*) satellites are non-geostationary satellites that operate in low earth orbit (about 1,200 km) and provide mobile data services and mobile telephone systems.

² Following the Prime Minister's announcement of a change of government apparatus on February 7, 2023, three new government departments were created, including the Department for Science, Innovation and Technology (DSIT). By an Order in Council which came into effect on May 3, 2023, the UK government's shareholding has been transferred from the Secretary of State for Business, Energy & Industrial Strategy (BEIS) to the Secretary for State for Science, Innovation and Technology (DSIT).



of ONEWEB that they hold, i.e. a total of 2,186,644 shares to the Beneficiary Company (the "**Existing Shareholders' Contributions**"), and

- (ii) BHARTI SPACE LIMITED and the UK Government are selling to EUTELSAT all of the 4 *deferred shares* issued by ONEWEB that they hold.

(hereinafter the "**Transaction**")

It is expected that ONEWEB option holders will be able to exercise their options either (i) immediately prior to and subject to the completion of the Major Shareholders Contributors' Contributions; or (ii) during certain exercise windows between completion of the Transaction and October 10, 2024, with a view to contributing the resulting ONEWEB Class A ordinary shares to EUTELSAT, in the context of contribution in kind transactions carried out by delegation of authority by the extraordinary general meeting of EUTELSAT, and using the same exchange ratio as the one of the Contribution³.

Following the Transaction, EUTELSAT will hold, directly and indirectly through its subsidiary EUTELSAT SA, 100% of the shares issued by ONEWEB⁴.

This report concerns the remuneration of the contributions of the Minority Shareholders Contributors (hereinafter the "**Contribution**"), it being specified that a separate report cover the remuneration of the Major Shareholders Contributors and that another report will cover the remuneration of any contributions of the Option Holders.

1.2 Presentation of the parties involved

1.2.1 EUTELSAT COMMUNICATIONS SA, beneficiary of the contribution

EUTELSAT COMMUNICATIONS SA ("**EUTELSAT**") is a French *société anonyme* with a Board of Directors, whose registered office is located at 32, Boulevard Gallieni in Issy-les-Moulineaux (92130), and which has been registered with the Paris Trade and Companies Registry since February 15, 2005, and with the Nanterre Trade and Companies Registry since October 30, 2020, under number 481 043 040.

Its share capital amounts to €248,926,325, divided into 248,926,325 ordinary shares with a par value of €1 each, all fully paid up and of the same class.

EUTELSAT's shares have been listed on compartment A of the Euronext Paris market under ISIN code FR0010221234 since December 2, 2005.

³ In certain circumstances, at Eutelsat's option, the contributions in kind could be replaced by an exchange for existing shares at the same exchange ratio or by a payment in cash.

⁴ Except for one Class B share issued by ONEWEB held by the UK Government



According to its bylaws, EUTELSAT's purpose, "*in France and abroad:*

- *to supply Space Segment capacity, and satellite communications systems and services. To that end, Eutelsat Communications undertakes any activities relating to the design, development, construction, installation, operation and maintenance of its Space Segment and of those satellite systems and services;*
- *and more generally, to take part in any existing or future enterprise or company and to participate in any transactions of any nature, be they financial, commercial, industrial, civil, real-estate-related or other, pertaining directly or indirectly to the corporate purpose or to any similar, related or complementary purposes, and likely to promote, directly or indirectly, the aims pursued by Eutelsat Communications, its expansion into other fields, its growth and its assets.*

The term "Space Segment" means a set of telecommunications satellites, and the tracking, telemetry, command, control, monitoring and related facilities and equipment necessary for the operation of those satellites."

The closing date for EUTELSAT's accounts is June 30 of each year.

EUTELSAT marked the beginning of the European satellite communications services industry⁵. Today, the EUTELSAT group is one of the world's leading operators of commercial telecommunications satellites and operates 36 satellites in geostationary orbit covering up to 150 countries, from 139° West to 174° East⁶.

Through its fleet of satellites and terrestrial infrastructure, the EUTELSAT group provides capacity to broadcasters, telecommunications operators and governmental bodies served either directly or through distributors. EUTELSAT group's business is organized since 30 June 2023 around four verticals⁷:

- Video (62.0% of revenues): the EUTELSAT group provides to its customers broadcasting capacity and associated services to enable them to broadcast television programs mainly to homes equipped for direct satellite reception, or to homes connected to cable or IP networks (enabling the broadcast of approximately 6,583 television channels mainly in Europe, in the Middle East and in Africa of which 2,500 are free mainly in Europe, in the Middle East and in Africa);
- Fixed connectivity (15.7% of revenues): fixed data includes enterprise networks (allowing companies to connect their network in remote areas), the connection of mobile

⁵ EUTELSAT 's activities were originally carried out by an intergovernmental organization, the European Telecommunications Organization (IGO), which transferred all of its operational activities to EUTELSAT SA in July 2001 before it was acquired by EUTELSAT in 2005.

⁶ As of 30 June 2023

⁷ % based on annual consolidated revenues as of June 30, 2023.



networks (*backhaul*) and the connection to the Internet backbone⁸ (*trunking*). Additionally, it includes internet access solutions, notably IP connectivity services;

- Government Services (12.6% of revenues): the EUTELSAT group enables reliable and rapidly deployed global communications for governments throughout the world⁹ ;
- Mobile connectivity (9.7% of revenues): the EUTELSAT group provides distributors/integrators and telecom operators with capacity dedicated to mobile connectivity, in-flight or maritime.

As of June 30, 2023, the EUTELSAT group had revenues of €1.1 billion and operating income of €573.5 million, with a workforce at that date of nearly 1,067 employees.

1.2.2 ONEWEB HOLDINGS LIMITED, a company whose securities are contributed

ONEWEB HOLDINGS LIMITED ("**ONEWEB**") is a *private limited company* incorporated under the laws of England and Wales with its registered office at West Works Building, 195 Wood Lane, London, W12 7FQ. It is registered since March 25, 2020, under number 12534512.

Its capital consists of (i) 2,836,644 Class A ordinary shares¹⁰ with a par value of USD 0.01 each, (ii) one Class B share with a par value of USD 0.01¹¹, and (iii) four *deferred shares with* a par value of GBP 1.00.

The closing date for ONEWEB's accounts is March 31 of each year.

ONEWEB is a satellite communications company with a constellation of 634 low earth orbit (LEO) communication satellites¹² covering the entire globe. The ONEWEB constellation of satellites are non-geostationary, low-earth orbiting satellites that provide businesses and consumers with an affordable, high-bandwidth, low-latency communications service¹³.

The ONEWEB constellation consists of first-generation LEO GEN 1 satellites, the first of which were deployed in February 2019. This first constellation will be replaced over time by the LEO GEN 2 constellation, which is currently being designed. These next-generation satellites are expected to have greater capacity, longer lifetime, and enhanced performance than the LEO GEN 1 satellites. The launch of the first LEO GEN 2 satellites is expected to coincide with the decommissioning of the first LEO GEN 1 satellites in 2027 or 2028.

⁸ Very high-speed data transmission line that provides networking facilities to local internet service providers.

⁹ Allows the interconnection of dispersed or isolated sites, the guarantee of immediate availability of capacity, as well as security and reliability, for ground or sea operations.

¹⁰ There are also options granted to ONEWEB employees under the *ONEWEB Executive Share Option Scheme 2021*, giving right to a maximum of 39,550 OneWeb Class A ordinary shares.

¹¹ The UK Government will keep its Class B share. The latter has no economic rights (with the exception, in the event of liquidation, of the repayment of the amount paid up in respect of the Class B share, with the same priority as the repayment of the amounts paid up in respect of the Class A ordinary shares).

¹² Following the 17th and 18th launches of ONEWEB by SPACEX and NEWSPACE INDIA respectively in March 2023.

¹³ Latency is a data transmission delay in communications. It refers to the time it takes for a data packet to travel from source to destination across a network.



Each satellite is connected to terrestrial infrastructure, which transmits data to the constellation. ONEWEB has three types of ground infrastructure to support its operations:

- TT&C stations¹⁴: these stations ensure communications during some operations on its satellites (pre-launch, orbit transfer, etc.), and in case of emergency on a spacecraft;
- SNPs¹⁵: they provide Internet access for the ONEWEB's constellation of satellites and are distributed around the globe. They are equipped with several antennas allowing them to reach a number of satellites;
- User terminals: provide end-users with broadband Internet access from the LEO satellite constellation of ONEWEB. These terminals are capable of providing continuous service through transfers between active satellites. ONEWEB develops different user terminals to meet multiple needs, for governments, operators, enterprises, aviation, maritime and land mobility.

1.2.3 AIRBUS DEFENCE AND SPACE NETHERLANDS B.V., BANCO AZTECA S.A., ECHOSTAR OPERATING LLC, QUALCOMM TECHNOLOGIES INC. ET RWANDA SOCIAL SECURITY BOARD (RRSB) – THE MINORITY SHAREHOLDERS CONTRIBUTORS

AIRBUS DEFENCE AND SPACE NETHERLANDS B.V.

AIRBUS DEFENCE AND SPACE NETHERLANDS B.V. is a company incorporated under Dutch law, with its registered office at Mendelweg 30, 2333 CS Leiden. It is registered with the Dutch Chamber of Commerce under number 28086907. AIRBUS DEFENCE AND SPACE NETHERLANDS B.V. is part of the AIRBUS SE group.

The company holds 12,064 Class A ordinary shares in ONEWEB.

BANCO AZTECA S.A.

BANCO AZTECA S.A. is a Mexican corporation with its registered office at Insurgentes sur 3579 T3P6, 14000 Tlalpan.

The company holds 16,879 Class A ordinary shares in ONEWEB.

ECHOSTAR OPERATING L.L.C.

ECHOSTAR OPERATING LLC is a subsidiary of ECHOSTAR CORPORATION, a U.S. corporation with headquarters at 100 Inverness Terrace East, Englewood, Colorado 80112.

The company holds 50,000 Class A ordinary shares in ONEWEB.

¹⁴ Telemetry, Tracking and Command systems

¹⁵ Satellite Network Portals



QUALCOMM TECHNOLOGIES INC.

QUALCOMM TECHNOLOGIES INC. is a U.S. corporation whose registered office is located at 5775 Morehouse Drive, 92121 San Diego, California. It is registered under number 45-3157787.

The company holds 6,072 Class A ordinary shares in ONEWEB.

RWANDA SOCIAL SECURITY BOARD (RSSB)

RWANDA SOCIAL SECURITY BOARD is the result of the merger of SOCIAL SECURITY FUND OF RWANDA (SSFR) with RWANDA HEALTH INSURANCE FUND (RAMA) and is located at Plot 1003 Ubumwe Cell, African Union Boulevard, Kigali, Rwanda.

The company holds 1,629 Class A ordinary shares in ONEWEB.

1.2.4 Capital links between the parties involved in the transaction

As of the date hereof, EUTELSAT SA, subsidiary of the Beneficiary Company, holds 650,000 Class A ordinary shares of ONEWEB, representing approximately 22.91% of the company's capital and voting rights (excluding the dilutive impact of options issued by ONEWEB). This equity investment¹⁶ dates from September and October 2021.

1.3 General terms and conditions

The terms and conditions of the Contribution, which are set out in detail in the Contribution Agreement, to which reference should be made, can be summarized as follows.

Legal regime of the Contribution

From a legal standpoint, the Contribution is subject to the common law regime for contributions in kind provided for in Article L.225-147 of the French Commercial Code.

Tax system

The Contribution will be registered free of charge in accordance with the provisions of Article 810, I of the French General Tax Code.

Date of completion of the Contribution

The Contribution will be completed on the date on which the last of the conditions precedent referred to below (§ 1.5) is satisfied or is lifted, as evidenced by a decision of the shareholders of EUTELSAT recording the definitive completion of the increase in EUTELSAT's share capital as consideration for the Existing Shareholders' Contributions (hereinafter the "**Completion Date**"). The Contribution will also take effect, for tax purposes, on the Completion Date.

¹⁶ Initial investment announced in April 2021 and completed in September 2021 then exercise of a call option in October 2021.



1.4 Description of the Contribution

1.4.1 Description of the Contribution

The contribution made by the Minority Shareholders Contributors (the “**Contribution**”) consists of 86,644 Class A ordinary shares of ONEWEB, representing, on an undiluted bases, 3,05% of the Class A ordinary shares in the share capital of ONEWEB, with a par value of \$0.01 each, and fully paid.

Contributors	Number of shares contributed
Airbus Group Proj B.V.	12,064
Banco Azteca S.A.	16,879
Echostar Operating L.L.C.	50,000
Qualcomm Technologies Inc.	6,072
Rwanda Social Security Board (Rssb)	1,629
Total minority contributors	86,644

In accordance with the terms of the Contribution Agreement, each contributed Class A ordinary share of ONEWEB will be, at the date of completion of the Contribution, free of any pledge, third party right, charge or other security interest.

Finally, following the contributions of the Major Shareholders Contributors and the Minority Shareholders Contributors, EUTELSAT will own directly and indirectly through its subsidiary EUTELSAT SA, 100% of the shares issued by ONEWEB¹⁷.

1.4.2 Valuation method and reference

The Contribution is made on the basis of the real value of the contributed shares.

The real value of the 86,644 ONEWEB Class A ordinary shares has been determined by reference to the transaction price agreed by the parties and indicated in the press release of 26 July 2022, i.e. €3,297 million for 100% of the share capital of ONEWEB.

The value of the 86,644 ONEWEB Class A ordinary shares contributed is €99,331,272.

¹⁷ With the exception of one Class B share issued by ONEWEB held by the UK Government.



1.4.3 Remuneration of contributions

The remuneration of the Contribution is made on the basis of the real value of the Contribution, on the one hand, and the real value of the shares of the Beneficiary Company, on the other hand.

On this basis, the Contribution will be remunerated by the allocation of 8,965,053 new shares with a par value of €1 each, to be issued by the Beneficiary Company, which will increase its capital by €8,965,053.

The difference between (i) the total value of the Contribution, i.e. €99,331,272 and (ii) the total amount of the capital increase of the Beneficiary Company, i.e. €8,965,053, will constitute a contribution premium of €90,366,219.

Contributors	Number of shares contributed	Contribution value (€)	Number of Eutelsat shares issued	Eutelsat's capital increase (€)	Share premium (€)
Airbus Group Proj B.V.	12,064	13,830,532	1,248,262	1,248,262	12,582,270
Banco Azteca S.A.	16,879	19,350,592	1,746,470	1,746,470	17,604,122
Echostar Operating L.L.C.	50,000	57,321,506	5,173,500	5,173,500	52,148,006
Qualcomm Technologies Inc.	6,072	6,961,114	628,269	628,269	6,332,845
Rwanda Social Security Board (Rssb)	1,629	1,867,528	168,552	168,552	1,698,976
Total minority contributors	86,644	99,331,272	8,965,053	8,965,053	90,366,219

1.5 Conditions precedent

The completion of the Contribution is subject to the fulfillment of all conditions precedent detailed in section 8 of the Contribution Agreement: *“the Contribution and the Capital Increase will only be definitively completed subject to (i) the filing with the AMF of the exemption document relating to the Contribution and the contribution to be made pursuant to the Major Shareholders’ Contribution Agreement, and its availability to the public in accordance with applicable French and European regulations (including AMF Position-Recommendation DOC 2020-06) and (ii) Eutelsat’s Shareholder Approval (the “Conditions Precedent”).”*

2. Verification of the relevance of the relative values attributed to the contributed shares and to the shares of the beneficiary company

2.1 Diligences implemented

The purpose of our mission is to inform the shareholders of EUTELSAT and ONEWEB on the relative values retained by the parties in order to determine the exchange ratio and to assess its fairness. Consequently, it is neither an audit nor a limited review within the meaning of professional standards. It cannot be assimilated to a *due diligence* mission carried out for a



lender or an acquirer and does not include all the work necessary for this type of intervention. Our report cannot therefore be used in such a context.

We performed the procedures that we considered necessary in accordance with the professional standards issued by the Compagnie Nationale des Commissaires aux Comptes (CNCC) to assess the appropriateness of the relative values attributed to the contributed shares and to the recipient company.

In this context, we performed the following principal procedures:

- We met with representatives of EUTELSAT and ONEWEB to learn about the transaction and the context in which it is taking place, and to analyze the accounting, financial, legal and tax terms and conditions envisaged;
- We have taken note of the Framework Agreement entered into on November 14, 2022 between EUTELSAT and the Major Shareholders Contributors of ONEWEB;
- We have examined the Contribution Agreement and its schedules;
- We have reviewed the Company and consolidated financial statements of ONEWEB as of March 31, 2023, unaudited P&L and balance sheet for the quarter ended, June 30, 2023, and the *reporting* at the end of June 2023;
- We have read the independent auditor's report on the annual and consolidated financial statements of ONEWEB as of March 31, 2023;
- We have read the consolidated financial statements of EUTELSAT as of June 30, 2023, and have examined the statutory auditors' report on EUTELSAT's annual consolidated accounts as of June 30, 2023;
- We have reviewed the budget and forecast data prepared by ONEWEB and EUTELSAT management and met with the relevant managers to discuss the appropriateness of the assumptions made;
- We have reviewed Schedule 4.2 of the Contribution Agreement, which defines the value of the Contribution and its consideration;
- We have analyzed and reviewed with EUTELSAT's financial advisor (ROTHSCHILD & CO) the valuation elements of ONEWEB and EUTELSAT contained in the Draft Exemption Document and the valuation report underlying these analyses;
- We have obtained (i) a letter of representation signed by the representatives of EUTELSAT, on the one hand and (ii) a letter of representation signed by the representatives of ONEWEB and Major Shareholders Contributors, on the other hand, confirming the completeness of the information provided in connection with the present Transaction and, to their knowledge, the absence of any significant event (up to the date of our report) that could materially affect the consideration for the Contribution.



2.2 Relative values retained by the parties

2.2.1 Valuation of ONEWEB shares

At the end of their negotiations, the parties agreed on a value for ONEWEB of €3,297 million, or approximately €1,146.43 per share ONEWEB. On this basis, and using a diluted number of ONEWEB shares, the value of the Contribution is €99,331,272.

The parties have implemented a multi-criteria evaluation of ONEWEB that favors the following benchmark and methodology:

- Reference to ONEWEB's implied valuation at the time of the last transaction on the share capital of ONEWEB announced in August 2021 and completed in February 2022,
- Intrinsic discounted cash flow (DCF) method.

The following methods were not considered:

- Discounting of theoretical dividend flows,
- Stock market comparables,
- Comparable transactions,
- The net book value and the revalued net book assets.

The value of ONEWEB has been the subject of a multi-criteria valuation presented in the Draft Exemption Document. This analysis reveals the following values for ONEWEB, which are in line with the contribution value retained by the parties:

	Equity value (100%, in \$M)	Equity value (100%, in €M)
<u>Primary Methods</u>		
Discounted cash flows (low case)	2,889	2,802
Discounted cash flows (base case)	3,562	3,455
Discounted cash flows (high case)	4,399	4,266
Valuation at the time of the last transaction on OneWeb's capital in August 2021 (method retained by the parties)	3,400	3,297



2.2.2 Valuation of the shares of the Beneficiary Company

In order to determine the number of EUTELSAT shares to be issued as consideration for the Contribution, the parties have agreed, following their negotiations, on a value per share of €11.08 (ex-dividend).

In this context, the parties have implemented a multi-criteria evaluation approach that favors the following evaluation approaches and references:

- The reference to EUTELSAT's share price on the basis of the volume-weighted average prices over the various periods preceding the announcement of the Transaction;
- Reference to target prices published by financial analysts;
- An intrinsic approach based on the discounting of EUTELSAT's projected cash flows.

By way of illustration, the parties have also implemented:

- An analogical approach by reference to a sample of comparable listed companies, limited to SES.

The parties have rejected the reference to discounting of theoretical dividend flows, net book value, net asset value and the transactions of comparable companies.

For the record, the results of the multi-criteria valuation of EUTELSAT presented in the Draft Exemption Document are as follows:

	Equity value (100%, in €M)
<u>Primary Methods</u>	
Last trading price on July 22, 2022	2,403
1 month - VWAP	2,485
3 months - VWAP	2,493
6 months - VWAP	2,391
12 months - VWAP	2,521
Target price published by financial analysts	2,793
Discounted cash flows (low case)	2,651
Discounted cash flows (base case)	3,177
Discounted cash flows (high case)	3,853
<u>Methods for illustrative purposes</u>	
Comparable companies (EV/EBITDA june23)	2,330
Comparable companies (EV/EBITDA june24)	2,239



2.3 Assessment of the relevance of relative values

The assessment of the relative values retained by the parties calls for the following comments on our part:

- With regard to the assessment of compensation in the context of negotiations between independent third parties, the parties and their advisors have assessed the compensation in the light of criteria that we consider to be customary and appropriate in view of the activities and respective characteristics of the companies concerned;
- EUTELSAT and ONEWEB operate in the same sector. The assessment of the compensation implies the use of adapted valuation methods based on homogeneous assumptions;
- It should be noted that the calculations of relative values do not include the synergies expected from the Operation.
- The relative values retained in the approaches carried out by the parties are based on data prior to the date of the announcement of the Transaction, namely July 26, 2022. While this approach appears to be consistent with the needs of the parties in the context of the determination of the compensation, it does not allow for the taking into account of any events that may have occurred since that date, which could have an impact on the relative values retained. The management of EUTELSAT and ONEWEB have confirmed to us in a letter of affirmation that no events have occurred since that date that would call into question the parameters and data used by the parties as part of the intrinsic approach to set the compensation

In the context of our assignment, we have also implemented alternative or similar valuation approaches to those of the parties with our own parameters, by reference to data updated to a recent date, and carried out sensitivity analyses.

Therefore, we implemented a multi-criteria evaluation of ONEWEB and EUTELSAT based on the following approaches:

- An approach based on the intrinsic value of ONEWEB and EUTELSAT by discounting projected cash flows (DCF). This approach, based on our own discounting parameters, determined in a consistent manner for EUTELSAT and ONEWEB, was carried out on the basis of forecasts provided to us by the management of both companies;
- As EUTELSAT is a listed company whose stock is liquid and is regularly monitored by analysts, we believe that the valuation of Eutelsat's stock is essential, even in the absence of an equivalent criterion for ONEWEB. In this context, we have assessed the remuneration of the Contribution by comparing the volume-weighted average price (VWAP) of EUTELSAT shares and the reference to the last transaction in ONEWEB shares, i.e the last transaction on the share capital of OneWeb announced in August 2021 and completed in February 2022, which resulted in an implied value of \$3,400m for 100% of ONEWEB share capital.



With regard to the valuation methods used, we have no comment to make on the fact that we did not use the book value, the revalued book value and the discounted cash flow.

We also agree with the parties that the comparable transactions criterion should not be used. We have examined this approach but decided not to use it because of the difficulties involved in implementing it given the lack of sufficient public information for the transactions identified concerning the particularities of each transaction (possible earn-out clauses, historical context of the negotiations, control premiums, expected synergies, etc.).

Similarly, we did not apply the comparable listed companies approach due to the absence of any company sufficiently comparable to EUTELSAT.

2.3.1 Elements of the transition from enterprise value to equity value

The elements of the transition from enterprise value to equity value have been determined on the basis of the latest published accounts of the companies concerned, namely: (i) on the basis of the annual consolidated accounts at 30/06/2023 for EUTELSAT, and (ii) on the basis of the annual consolidated accounts at 31/03/2023 for ONEWEB.

2.3.2 Discounting of projected cash flows

This method consists of determining the intrinsic value of a company by discounting the cash flows from its business plan at a rate that reflects the market's requirement for profitability with respect to the company, taking into account an exit value at the horizon of this plan.

This method makes it possible to recognize the value attributable to the development prospects of the company being valued and seems to us to be appropriate to the situation of ONEWEB and EUTELSAT, and to their comparison.

Our work was based on the business plans established by the management of both companies:

- The EUTELSAT business plan for the period 2023-2033, including extrapolation by Management over the 2027-2033 period, presented to the EUTELSAT Board of Directors on January 19, 2023; and the updates presented to the EUTELSAT Board of Directors on July 27, 2023 (on the C-band¹⁸ phase 2 release product and the €/€ exchange rate);

¹⁸ See Note 2.2 to EUTELSAT's consolidated financial statements at June 30, 2023 ("**C-band release process**"): "As part of the release of 3.7 - 4 GHz (C-band) frequencies in the United States following the federal decision published by the Federal Communication Commission (FCC – the US communications regulator) on March 3, 2020, the Group has set up a transition plan comprising two phases, each corresponding to the release of certain frequencies and giving rise to 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."



- The ONEWEB business plan established for the period 2023-2028, approved by the ONEWEB Board of Directors on March 21, 2023. This business plan only includes forecasts for the 1^{ère} generation LEO satellites (GEN1). The latest forecast incorporating GEN2 satellites was prepared by the company in April 2021;
- The ONEWEB business plan, established by EUTELSAT's management in October 2022, for the period 2023-2033 as well as the sensitivity analyses presented to EUTELSAT's Board of Directors on July 27, 2023.

The business plans of the companies have been extrapolated and restated, where necessary, in order to implement the valuation approach based on flows determined in a manner that is consistent with the elements used in our transition from Enterprise Value to Equity Value.

The cash flows were discounted at the weighted average cost of capital, determined in a consistent manner according to the characteristics of each company. The discount rates used are close to (i) the rates mentioned in EUTELSAT's analysts' notes that were brought to our attention, and (ii) the rates used in the impairment tests of the two companies.

Our sensitivity tests on (i) the discount rate, (ii) normative growth and (iii) normative operating margin, show a range of EUTELSAT shares to be issued as consideration for the Contribution of between 8.9 and 9.2 million.

Sensitivity analyses of the ONEWEB business plan and the updates of EUTELSAT's business plan, presented to the EUTELSAT Board of Directors on July 27, 2023 do not call into question the ranges obtained.

This approach makes it possible to give an objective and homogeneous reference value, on a stand-alone basis, for the two entities to be valued, irrespective of the synergies that will be generated by the merger, which will benefit all shareholders, as we will come back to later.

2.3.3 Volume-weighted average price of EUTELSAT shares compared to the value of ONEWEB implied by the last transaction on the share capital of ONEWEB

We have analyzed the evolution of EUTELSAT's share price over the last 12 months (prior to July 22, 2022, corresponding to the last trading date not polluted by rumors of a merger between EUTELSAT and ONEWEB) and calculated volume-weighted average prices (VWAP) over more or less long periods.



Volume-Weighted Average Price	in €/share	Volume exchanged (in K)		Capital exchanged (in K)		% of capital		% of free float	
		Average	Cumulative	Average	Cumulative	Exchanged volume	Capital turnover	Exchanged volume	Float rotation
Spot (22/7/2022)	10,43	309	309	3 234	3 234	0,13 %	0,13 %	0,19 %	0,19 %
VWAP 1 month	10,77	291	6 103	3 130	65 723	0,13 %	2,65 %	0,18 %	3,68 %
VWAP 60 days	10,83	325	19 494	3 520	211 186	0,14 %	8,47 %	0,20 %	11,74 %
VWAP 3 months	10,81	340	22 414	3 670	242 205	0,15 %	9,73 %	0,20 %	13,53 %
VWAP 6 months	10,40	408	52 240	4 244	543 267	0,18 %	22,69 %	0,25 %	31,55 %
VWAP 12 months	10,87	513	132 942	5 580	1 445 321	0,22 %	57,73 %	0,34 %	86,95 %
VWAP 24 months	10,06	603	310 361	6 061	3 121 523	0,26 %	134,78 %	0,40 %	205,42 %

12-month high (15/11/2021) 13,39

12-month low (7/3/2022) 8,96

24-month high (15/11/2021) 13,39

24-month low (2/10/2020) 8,11

As ONEWEB is not listed, we could not rely on an observable market value to value it. We have therefore sought to capture this value through a valuation derived from the last transaction in the company's shares, i.e. the last transaction on the share capital of ONEWEB corresponding to the entry of HANWHA in the share capital of ONEWEB announced in August 2021 and completed in February 2022

Based on this approach, the number of EUTELSAT shares to be issued as consideration for the Contribution is in the range of 8.6 million and 9.3 million.

For information purposes, we have also analyzed EUTELSAT's share price since July 22, 2022, which has followed a downward trend and shows 1-to-6-month VWAPs of between 6.08€/share and 6.26€/share, as of August 1, 2023. The calculation of the remuneration on this basis results in a higher dilution for EUTELSAT's shareholders.

2.3.4 Summary of relative values

The relative values obtained from our multi-criteria valuation work are higher than those determined by the parties, which is explained by the use in our work of more recent projections than those used by the parties.

3. Assessment of the fairness of the compensation

3.1 Remuneration of the Contribution retained by the parties

The proposed exchange ratio is 103.47 new EUTELSAT shares for one ONEWEB share contributed, determined on the basis of the value of the Contribution on the one hand, and the value of the EUTELSAT share on the other, as presented in §2.2. This results in the issue of 8,965,053 EUTELSAT shares, for Minority Shareholders.

This remuneration was determined on the basis of negotiations between the parties, which resulted in a relative weighting of EUTELSAT and ONEWEB shareholders of 50% of EUTELSAT's



share capital at the end of the contributions (reduced to 52.4% / 47.6% on a non-diluted basis of the ONEWEB options and taking into account the payment of part of EUTELSAT's dividend in shares in accordance with the decision of the general meeting of 10 November 2022).

3.2 Diligences implemented

We performed the procedures we considered necessary in accordance with the professional standards of the Compagnie Nationale des Commissaires aux Comptes (CNCC) to assess the fairness of the consideration for the Contribution.

In particular, we relied on the work described above (§ 2.3) in order to verify the relevance of the relative values attributed to the contributed shares and the shares of the Beneficiary Company.

On this basis, we assessed the fairness of the proposed remuneration, in particular through

- The analysis of the positioning of the remuneration in relation to the values considered relevant;
- The impact of the compensation on the future situation of EUTELSAT's shareholders.

3.3 Assessment and positioning of the remuneration of the contribution

In order to assess the compensation retained by the parties, we have determined the number of EUTELSAT shares to be issued as consideration for the Contribution, using a multi-criteria approach.

The relative values examined, determined on the basis of the criteria that we consider relevant, would lead to the issuance of a number of EUTELSAT shares between 8.629.093 and 9.327.575.

The number of EUTELSAT shares to be issued as consideration is 8,965,053, within the range of the multi-criteria analyses developed above.

We also analyzed the weight of each category of post-contribution shareholders resulting from our multi-criteria analysis, with regard to the weight induced by the parity retained by the parties¹⁹.

	Allocation according to agreement between the parties	DCF		Share price	
		Low case	High case	Low case	High case
OneWeb	47,6 %	47,4 %	48,3 %	46,7 %	48,6 %
Eutelsat	52,4 %	52,6 %	51,7 %	53,3 %	51,4 %

¹⁹ On a non-diluted basis of the ONEWEB options and taking into account the payment of a part of the EUTELSAT dividend in actions pursuant to the decision of the general meeting dated 10 November 2022.



In our assessment of the fairness of the proposed compensation, we note that the compensation selected by the parties falls within the range of our primary approaches and therefore appears fair to the current shareholders of EUTELSAT.

3.4 Impact of the transaction on the various shareholder groups

Following the completion of the Existing Shareholders' contributions (i.e. after Majority and Minority Contributions), EUTELSAT's shareholders will hold a significantly smaller stake in EUTELSAT's share capital and voting rights than they currently do, since they will only hold 52.4% of the enlarged group's share capital after the completion²⁰, i.e. a dilution of around 47.6%.

Given the profile of ONEWEB, which is in the start-up phase of its constellation, the enlarged EUTELSAT-ONEWEB post-Contribution accounts are expected to show a short-term loss, which will result in no dividend being paid over the next three years, as stipulated in the Exemption Document.

EUTELSAT will gain control of ONEWEB and EUTELSAT's shareholders will benefit in the longer term from the synergies described below.

The parties announced that the combination is expected to generate operating synergies estimated over €1.5 billion, in present value after tax, net of implementation costs. These include cost, investment and revenue synergies, enabling savings on upstream operating expenses and optimizing operational efficiency.

Their implementation will be progressive after the completion of the Existing Shareholders' contributions (i.e. after Majority and Minority Contributions) and it has been confirmed to us that due to the strong complementarity of the companies in terms of satellite connectivity offer, there should not be significant dysnergies. Updates presented to the EUTELSAT Board of Directors on July 27, 2023 confirmed the anticipated level of synergies.

These synergies have not been included in our assessment of the relative values of ONEWEB and EUTELSAT, but they will benefit all groups of shareholders and are therefore an important element in assessing the fairness of the compensation that they reinforce.

After taking into account the value (discounted and after tax) of these synergies in addition to the equity values of the two entities that we have obtained, and on the basis of the number of EUTELSAT shares after remuneration of the Major Shareholders Contribution and the Minority Shareholders Contribution, the value per share for an EUTELSAT shareholder appreciates by almost 50% as a result of the combination.

²⁰ On a non-diluted basis of the ONEWEB options, and taking into account the payment of a part of the EUTELSAT dividend in actions pursuant to the decision of the general meeting dated 10 November 2022.



Moreover, for ONEWEB shareholders, who will now be shareholders in a listed company, the Transaction will give them access to liquidity (immediate for the Minority Shareholders Contributors and long-term for the Major Shareholders Contributors) that they did not have before.

4. Summary - Key points

In summary of our assessment of the operation as a whole, we wish to draw your attention to the following points:

- This transaction aims to create a leading global player in satellite connectivity and will enable the EUTELSAT group to be positioned in the connectivity market with a complementary GEO/LEO offering.
- The parties independently negotiated the financial terms of the combination and the governance of the new group, and reached an agreement announced on July 26, 2022 that will result in EUTELSAT shareholders owning 52.4% of the enlarged entity (on a non-diluted basis);
- The proposed remuneration has been determined on the basis of a ONEWEB value of 3,297 m€ and a EUTELSAT share value of 11.08€, resulting in the issuance of 226,252,053²¹ EUTELSAT shares in respect of all the contributions of the Existing Shareholders. The valuation work presented to us and set out in the draft Exemption document has been reviewed by us and appears to us to be appropriate to determine the value of the contributed ONEWEB Class A Ordinary shares on the one hand, and of EUTELSAT on the other. We have also performed our own valuation work, the results of which do not call into question those presented by the parties. In particular, the remuneration retained by the parties falls within the valuation range of the discounted cash flow approach, which is, in our opinion, the most relevant approach;
- In addition, the Transaction is expected to create significant value through synergies estimated by the parties of over €1.5 billion (discounted and after-tax, net of implementation costs), which will benefit all shareholders;
- Lastly, the Transaction gives control of ONEWEB to EUTELSAT and provides access to liquidity for ONEWEB shareholders, both over time (6-month holding period) for the Major Shareholders Contributors who are signatories to the EUTELSAT's shareholders' agreement and immediately for the Minority Shareholders Contributors.

²¹ This number being increased to 230,344,291 in case of contribution by the ONEWEB options holders of the maximum number of ONEWEB Class A ordinary shares under options (39,550 ONEWEB Class A ordinary shares)



5. Conclusion

On the basis of our work and as of the date of this report, we are of the opinion that the consideration proposed by the parties for the Contribution, leading to the issuance of 8,965,053 EUTELSAT shares, is fair.

Part 25 Directors, Secretary, Registered Office and Advisers

Eutelsat Directors	Dominique D’Hinnin Eva Berneke BPI FSP Cynthia Gordon Esther Gaide Florence Parly Fleur Pellerin CMA-CGM	<i>Chair</i> <i>Chief Executive Officer and Eutelsat Director</i> <i>Represented by Samuel Dalens</i> <i>Represented by Agnès Audier</i> <i>Eutelsat Director</i> <i>Eutelsat Director</i> <i>Eutelsat Director</i> <i>Eutelsat Director</i> <i>Represented by Michel Sirat</i>
Proposed Directors	Sunil Bharti Mittal Sunil Bharti Mittal Bharti UK Government Dong Wan Yoo Padraig Mc Carthy Mia Brunell Livfors	<i>Eutelsat Director following Completion, appointed by Bharti</i> <i>Vice Chair</i> <i>Represented by Shravin Bharti Mittal, Eutelsat Director following Completion</i> <i>Represented by Elena Ciallie, Eutelsat Director following Completion</i> <i>Eutelsat Director following Completion, appointed by Hanwha</i> <i>Eutelsat Director following Completion, appointed by OneWeb</i> <i>Eutelsat Director following Completion, appointed by OneWeb</i>
Company Secretary	David Bertolotti	
Registered Office and Head Office	Registered office 32, boulevard Gallieni 92130 Issy-les-Moulineaux France Telephone: +33 (0)1 53 98 47 47 Website: www.eutelsat.com	
Financial Adviser	Rothschild & Cie 23 bis avenue de Messine 75008 Paris France	
Legal Advisers to Eutelsat as to English Law	Weil, Gotshal & Manges (London) LLP 110 Fetter Lane London England EC4A 1AY	
Legal Advisers to Eutelsat as to French Law	Weil, Gotshal & Manges (Paris) LLP 2 Rue de la Baume 75008 Paris France	
Legal Advisers to OneWeb as to English Law	Herbert Smith Freehills LLP Exchange House Primrose Street London England EC2A 2EG	
Legal Advisers to OneWeb as to French Law	Herbert Smith Freehills Paris LLP 66, avenue Marceau 75008 Paris France	
Eutelsat Auditors	Ernst & Young et Autres 1/2, place des Saisons 92400 Courbevoie Paris-La Défense 1, France Mazars 61, rue Henri-Regnault 92400 Courbevoie France	
OneWeb Auditor	KPMG UK LLP 15 Canada Square London E14 5GL United Kingdom	
Eutelsat Share Registry	Societe Generale Securities Services 32 rue du Champ de Tir - CS 30812 44308 Nantes Cedex 3 - France	

Company Website..... www.eutelsat.com