



## EUTELSAT S.A.

**€600,000,000 1.500 PER CENT BONDS DUE 13 OCTOBER 2028**  
**ISSUE PRICE: 99.619 PER CENT**

The €600,000,000 aggregate principal amount 1.500 per cent. bonds due 13 October 2028 (the **Bonds**, and each a **Bond**) of Eutelsat S.A. (the **Issuer**) will be issued on 13 October 2020 (the **Bond Issue**).

Each Bond will bear interest on its principal amount at a fixed rate of 1.500 per cent. per annum from (and including) 13 October 2020 (the **Issue Date**) to (but excluding) 13 October 2028, payable in Euro annually in arrears on 13 October of each year and commencing on 13 October 2021, as further described in “Terms and Conditions of the Bonds – Interest”.

Unless previously redeemed or purchased and cancelled in accordance with their terms and conditions, the Bonds will be redeemed at their principal amount on 13 October 2028 (the **Maturity Date**).

The Issuer may, at its option, and in certain circumstances shall, redeem all (but not part) of the Bonds at par plus any accrued and unpaid interest upon the occurrence of certain tax changes as further described in “Terms and Conditions of the Bonds – Redemption and Purchase – Redemption for taxation reasons”.

The Bonds may also be redeemed (i) at the option of the Issuer, in whole or in part, at any time, prior to the Maturity Date, as further described in “Terms and Conditions of the Bonds – Redemption and Purchase – Make Whole Redemption by the Issuer”, (ii) at any time prior to the Maturity Date, in whole (but not in part), at par plus accrued interest, if eighty (80) per cent. of the initial aggregate principal amount of the Bonds have been redeemed or purchased and cancelled, as further described in “Terms and Conditions – Redemption and Purchase – Clean-Up Call Option” of the Terms and Conditions of the Bonds, and (iii) at the option of the Issuer at any time or from time to time, during a period of three months preceding the Maturity Date, in whole or in part, at par plus any accrued and unpaid interest accrued to, but excluding, the date fixed for redemption as further described in “Terms and Conditions of the Bonds – Redemption and Purchase – Residual Maturity Call Option”.

Each Bondholder may, under certain conditions, request the Issuer to redeem all (but not some only) of the Bonds held by such Bondholder at par plus accrued interest up to but excluding such date of redemption following the occurrence of certain change of control events triggering a downgrading of the Bonds as further described in “Terms and Conditions of the Bonds – Redemption and Purchase – Redemption following a Change of Control”.

The obligations of the Issuer in respect of principal and interest payable under the Bonds constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and shall at all times rank pari passu among themselves and pari passu with all other present or future direct, unconditional, unsecured and unsubordinated obligations of the Issuer, as further described in “Terms and Conditions of the Bonds – Status of the Bonds”.

Payments in respect of the Bonds will be made without deduction for, or on account of, French taxes to the extent set out in “Terms and Conditions of the Bonds – Taxation – Additional Amounts”.

This Prospectus has been approved as a prospectus by the *Commission de Surveillance du Secteur Financier* (the **CSSF**), as competent authority in Luxembourg under Regulation (EU) 2017/1129, as amended (the **Prospectus Regulation**). The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CSSF should not be considered an endorsement of the Issuer and of the quality of the Bonds that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Bonds. By approving a prospectus in accordance with Article 6(4) of the Luxembourg law dated 16 July 2019 on prospectuses for securities (*Loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières*), the CSSF does not engage in respect of the economic or financial opportunity of the operation or the quality and solvency of the Issuer. This Prospectus constitutes a prospectus in respect of the Issuer for the purposes of Article 6(3) of the Prospectus Regulation. Application has been made to the Luxembourg Stock Exchange for the listing of the Bonds on the Official List of the Luxembourg Stock Exchange and admission to trading on the Luxembourg Stock Exchange’s regulated market.

The Bonds will be issued in dematerialised form in a denomination of €100,000 and will at all times be evidenced by book-entries in compliance with Article L. 211-3 et seq. and R. 211-1 et seq. of the French Code monétaire et financier. No physical documents of title will be issued in respect of the Bonds. As from the date of issue of the Bonds, the Bonds will be registered in the books of Euroclear France, a subsidiary of Euroclear Bank SA/NV (**Euroclear France**) (acting as central depository) which shall credit the accounts of Account Holders (as defined in “Terms and Conditions of the Bonds – Form, Denomination and Title”) including Euroclear Bank SA/NV (**Euroclear**) and the depository bank for Clearstream Banking S.A. (**Clearstream Luxembourg**).

The Bonds have been assigned a rating of BBB- by S&P Global Ratings Europe Limited (**S&P**) and BBB by Fitch Ratings (**Fitch**). S&P and Fitch are established in the European Union and are registered under Regulation (EC) No. 1060/2009 on credit rating agencies (as amended) (the **CRA Regulation**). As such S&P and Fitch are included in the list of registered credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. A rating is not a recommendation to buy, sell or hold the Bonds. Any credit rating is subject to revision, suspension or withdrawal at any time by the relevant rating organisation. Any revision, suspension, reduction or withdrawal of the rating may adversely affect the market price of the Bonds.

This document is not for distribution, directly or indirectly, in or into the United States. This document is neither an offer of securities for sale nor the solicitation of an offer to purchase securities in the United States or any other jurisdiction where such offer may be restricted. Securities may not be offered or sold in the United States absent registration with the Securities and Exchange Commission under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**), or an applicable exemption from registration. The Bonds have not been and will not be registered under the U.S. Securities Act and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act (**Regulation S**)). Copies of this document are not being, and should not be, distributed in or sent into the United States.

**An investment in the Bonds involves certain risks. Potential investors should review all the information contained in this document and, in particular, the information set out in the section entitled “Risk Factors” of this Prospectus prior to investing in the Bonds.**

	<i>Global Coordinators and Managers</i>	
<b>MUFG</b>	<i>Managers</i>	<b>Crédit Agricole CIB</b>
<b>Helaba</b>	<b>IMI – Intesa Sanpaolo</b>	<b>SMBC Nikko</b>

The date of this Prospectus is 9 October 2020

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## **RESPONSIBILITY STATEMENT**

As of the date of this Prospectus, the Issuer declares that the information contained or incorporated by reference in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect the import of such information. The Issuer accepts responsibility for the information contained in this Prospectus accordingly.

## IMPORTANT INFORMATION FOR INVESTORS

References herein to the Issuer are to Eutelsat S.A. This Prospectus has been prepared for the purpose of giving information with regard to (i) the Issuer, (ii) the Issuer and its subsidiaries (direct or indirect) and affiliates taken as a whole (the **Group**) but excluding its controlling entity, Eutelsat Communications S.A. and (iii) the Bonds, which is material to an investor for making an informed assessment of the assets and liabilities, profits and losses, financial position, and prospects of the Issuer, of the rights attaching to the Bonds and reasons for the issuance and its impact on the Issuer. No information contained in this Prospectus may be used for any purpose other than investing in the Bonds.

Certain information contained or incorporated by reference in this Prospectus has been extracted from sources which the Issuer believes to be reliable, specified in the sections where such information appears. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by the above sources, no facts have been omitted which would render the information in this Prospectus inaccurate or misleading in any material respect.

The Managers (as defined under the section entitled “Subscription and Sale”) have not verified the information contained or incorporated by reference in this Prospectus. The Managers do not make any representation, warranty or undertaking, express or implied, and no responsibility or liability is accepted by the Managers or any of their respective affiliates, as to the accuracy or completeness of the information contained, or incorporated by reference, in this Prospectus, or any other information provided by the Issuer in connection with the issue of the Bonds.

Other than in relation to the documents that are deemed to be incorporated by reference (see “*Information Incorporated by Reference*”), the information on the websites to which this Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the CSSF.

Any decision to purchase any Bonds should be based on this Prospectus. No person is or has been authorised by the Issuer or the Managers or any of their affiliates to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Managers or any of their affiliates. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Bonds shall in any circumstances imply that the information contained or incorporated by reference herein is correct at any time subsequent to the date hereof, nor does the Issuer undertake to update this Prospectus except as may be required by any applicable law or regulations. The Managers do not undertake to review the financial condition or affairs of the Issuer during the life of the Bonds or to advise any investor in the Bonds of any information coming to their attention.

Neither this Prospectus nor any other information provided in connection with the issue of the Bonds (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Managers that any recipient of this Prospectus or any recipient of any other information supplied in connection with the issue of the Bonds should purchase any Bonds. Neither this Prospectus nor any other information supplied in connection with the issue and sale of the Bonds constitutes an offer or invitation by or on behalf of the Issuer or the Managers to any person to subscribe for or to purchase any Bonds.

Prospective investors contemplating purchasing any Bonds should rely on their own independent investigation and appraisal of (a) the Issuer, the Group, their respective business, financial condition and affairs and (b) the terms of the offering, including the merits and risks involved. Investors should review, *inter alia*, the documents incorporated by reference into this Prospectus when deciding whether or not to subscribe for or purchase the Bonds. The contents of this Prospectus are not to be construed as legal, business, financial or tax advice. Each prospective investor should consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Bonds. Potential investors should, in particular, read carefully the section entitled “Risk Factors” set out below before making a decision to invest in the Bonds.

This Prospectus does not constitute an offer of, or an invitation or solicitation by or on behalf of the Issuer or the Managers to subscribe or purchase, any of the Bonds in any jurisdiction where, or to any person to whom, it is unlawful to make an offer or solicitation. The distribution of this Prospectus and the offering and sale of the Bonds in certain jurisdictions, including the United States, France, Luxembourg and other Member States of the European Economic Area, may be restricted by law. The Issuer and the Managers do not represent that this Prospectus may be lawfully distributed, or that any Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Managers which would permit a public offering of any Bonds, and neither this Prospectus nor any advertisement or other offering material may be distributed

or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Bonds may come must inform themselves about, and observe any, such restrictions on the distribution of this Prospectus and the offering and sale of Bonds. In particular, there are restrictions on the distribution of the Prospectus and the offer or sale of Bonds in the United States, the United Kingdom and France (see “Subscription and Sale”).

The Bonds have not been and will not be registered under the U.S. Securities Act and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act (**Regulation S**)).

**MiFID II product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Bonds, taking into account the five categories referred to in item 18 of the Guidelines published by the European Securities and Markets Authority on 5 February 2018 has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all, channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a **distributor**) should take into consideration the manufacturers’ target market assessment; in respect of the Bonds (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

**PRIPs Regulation / Prohibition of sales to EEA and UK retail investors** – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the **EEA**) or in the United Kingdom (the **UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended (**MiFID II**) or (ii) a customer within the meaning of Directive 2016/97/EU, as amended (**IMD**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the **PRIPs Regulation**) for offering or selling the Bonds or otherwise making them available to retail investors in the EEA or in the UK has been or will be prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIPs Regulation.

The information in the sections concerning clearing systems has been obtained from sources that the Issuer believes to be reliable. The Issuer accepts no responsibility for the accuracy of such information, other than for the correct extraction and reproduction of such information. If investors want to use the facilities of Euroclear France, Clearstream Luxembourg or Euroclear, they should confirm the continued applicability of the rules, regulations and procedures of Euroclear France, Clearstream Luxembourg or Euroclear, as applicable. The Issuer will not be responsible or liable for any aspect of the records held through the facilities of Clearstream or Euroclear or for maintaining, supervising or reviewing any such records.

An application has been made to admit the Bonds to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Luxembourg regulated market but we cannot guarantee that our application to listing and trading of the Bonds will be approved as at the Issue Date or any time after the Issue Date.

In this Prospectus, unless otherwise specified or the context requires, references to “Euro”, “EUR” and “€” are to the single currency of the participating Member States of the European Economic and Monetary Union, while references to “U.S. Dollar”, “USD” and “\$” are to the single currency of the United States of America.

**In connection with the issue of the Bonds, Crédit Agricole Corporate and Investment Bank (the Stabilising Manager) (or any person acting on behalf of the Stabilising Manager) may over-allot Bonds or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Bonds is made and, if begun, may be ended at any time, but must end no later than the earlier of 30 days after the issue date of the Bonds and 60 days after the date of the allotment of the Bonds. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.**

The market data and other statistical information used throughout this Prospectus are based on estimates which the Issuer has made in good faith, internal surveys reviewed by the Issuer, as well as analysis prepared, based on or derived from independent industry publications, government publications, reports by market research firms or other published

independent sources. These publications and surveys generally state that they contain information from sources believed to be reliable but do not guarantee the accuracy and completeness of such information. While the Issuer believes these sources are reliable and such information was accurately reproduced in this Prospectus, the Issuer has not verified the research by any independent source.

The Issuer cannot ensure that any of the assumptions underlying these statements are accurate, or correctly reflect the Issuer's position in the industry and none of the internal surveys or information of the Issuer has been verified by any independent sources. Neither the Managers nor the Issuer make any representation or warranty as to the accuracy or completeness of this information. All of the information set forth in this Prospectus relating to the operations, financial results or market share of our competitors has been obtained from information made available to the public in such companies' publicly available reports and independent research, as well as from the Issuer's experience, internal studies, estimates and investigation of market conditions. Neither the Managers nor the Issuer have independently verified this information and the Managers and the Issuer cannot guarantee its accuracy.

Potential investors must rely upon their own examination of the Issuer and the financial statements presented in this Prospectus. Certain financial information contained or incorporated by reference in this Prospectus has been rounded and, as a result, the figures shown as totals may vary slightly from the exact arithmetic aggregation of the figures that precede them.

Certain statements contained herein are forward-looking statements including, but not limited to, statements that are predictions of or indicate future events, trends, plans or objectives, based on certain assumptions, and include any statement that does not directly relate to a historical fact or current fact. The Issuer may also make forward-looking statements in its audited annual financial statements, in its interim financial statements, in its prospectuses, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Forward-looking statements are typically identified by words or phrases such as, without limitation, "anticipate", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend", "may increase" and "may fluctuate" and similar expressions or by future or conditional verbs such as, without limitation, "may", "will", "should", "would" and "could." Although the Issuer believes that expectations reflected in its forward-looking statements are reasonable as of the date of this Prospectus, there can be no assurance that such expectations will prove to have been correct. Undue reliance should not be placed on such statements, because, by their nature, they are subject to known and unknown risks, uncertainties, and other factors. These factors include those set forth in section entitled "Risk Factors" below.

The risks described in this Prospectus are not the only risks an investor should consider. New risk factors emerge from time to time and it is not possible for the Issuer to predict all such risk factors on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. The Issuer undertakes no obligation to update the forward-looking statements contained in this Prospectus or any other forward-looking statement it may make.

### **INFORMATION SOURCED FROM THIRD PARTIES**

Certain information contained in this Prospectus has been sourced from third party sources. While the Issuer believes that the information sourced from third parties has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading, the Issuer has not independently verified such information.

## RISK FACTORS

*The following is a summary of certain aspects of the offering of the Bonds of which prospective investors should be aware. Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this Prospectus, including in particular the risk factors detailed below. Prospective investors should make their own independent evaluations of all investment considerations and should also read the detailed information set out elsewhere in this Prospectus.*

*Terms defined in the section entitled “Terms and Conditions of the Bonds” shall have the same meaning where used below.*

*The Issuer believes that the factors described below represent the principal risks associated with investing in the Bonds, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Bonds may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Additional risks or uncertainties not known to the Issuer as at the date of this Prospectus, or that the Issuer believes are immaterial, may also impact on the business operations and/or financial condition of the Issuer. Prospective investors should also read the detailed information set out elsewhere in this Prospectus, including any information incorporated by reference herein and reach their own views prior to making any investment decision.*

*In each category below the Issuer sets out first the most material risk, in its assessment, taking into account the expected magnitude of their negative impact and the probability of their occurrence.*

### 1. RISKS RELATING TO THE GROUP

The risks described below are those identified by the Issuer that could have an adverse effect on the Group’s situation. Additional risks, which are either not currently known or not considered likely to materialise, as at the date of this Prospectus may also exist, such additional risks could materially and adversely affect the Group’s business, financial condition or the results of its operations. The occurrence of one or more of these risks could also have an adverse effect on the Group’s situation.

Group risks may be divided into six sub-categories:

- Risks linked to the sanitary crisis;
- operational risks;
- risk relating to changes in the satellite communications market;
- risks relating to clients;
- regulatory risks; and
- financial risks.

The significance of risks is assessed according to their probability of occurrence and their negative impact in the event of occurrence. Within each of these sub-categories’ risks are ranked in descending order of significance. The following risk factors should be read in conjunction with discussions of our business and the factors affecting our business located elsewhere in this Prospectus.

#### (a) Risks linked to the sanitary crisis

The WHO announced in early January 2020 the discovery of a new coronavirus called Covid-19 whose active circulation has led a significant number of countries to take restrictive measures. In this context, the Group’s priority has been to ensure business continuity while safeguarding the health and well-being of its employees and wider communities.

Although the Group’s activity demonstrates a certain resilience compared to other industries, a new episode of the Covid-19 crisis, its resurgence, or more broadly any pandemic of the same type could have the following consequences:

- A decrease in demand and revenues in certain verticals or sub-verticals which are particularly affected by the sanitary crisis, notably Occasional Use which is impacted by the postponement or cancellation of sports



events, as well as Mobile Connectivity which is affected by the impact of the crisis on airline and maritime traffic;

- Difficulties for some of the Group's customers, particularly distributors in the most affected segment, Mobile Connectivity, who may not be able to meet their obligations. To a lesser extent, if the crisis were to last, it could have a lasting impact on the advertising revenues of some of our customers in Broadcast and/or lead to an erosion of the customer bases of pay-TV operators in the absence of sports events;
- Late payment and/or non-payment by certain customers, potentially leading to write-downs of receivables;
- The effect of the crisis on the operations of other players in our value chain, notably satellite manufacturers, launchers and gateway installers, could lead to delays in the entry into service of new satellites. EUTELSAT QUANTUM will therefore see its entry into service postponed as well as the deployment of the earth stations supporting EUTELSAT KONNECT's operations, resulting in a delay in revenues.

Moreover, if the Covid crisis were to lead to a durable downward revision of activity and cash-flow generation prospects, this could lead the Group to impair its long-term assets (including its goodwill).

A new episode of the Covid-19 health crisis, its resurgence, or a similar sanitary crisis could thus have a significant negative impact on the Group's business, financial situation, results and objectives.

#### (b) Operational Risks

##### ***The satellites operated by the Group may experience failures or malfunctions in-orbit***

Satellites are sensitive to the external environment. Once they are in orbit, malfunctions may occur for various reasons and reduce their remaining operating life and/or permanently or intermittently reduce their transmission capacity, which could have a considerable adverse impact on the Group's business, financial situation and results. For example, during the 2019-20 fiscal year, the EUTELSAT 5 West B satellite experienced the loss its Southern solar panel, resulting in a loss of power and 55% of the satellite's nominal capacity, with an estimated impact on revenues of between 5 and 10 million euros and a non-recurring cost of mitigation measures, mainly related to the repositioning of the ground antennas, of less than 10 million euros.

In the event of a satellite failure or in-orbit malfunction, the Group may not be able to guarantee continuity of service for all its clients 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 Group may not be able to guarantee continuity of service for all customers at that orbital position by successfully launching a replacement satellite or one capable of carrying out the tasks of the defective satellite. In these circumstances, the Group may have difficulty in retaining its customers (who could terminate or renegotiate their capacity allotment agreements) and might not be able to enter into new capacity allotment agreements on satisfactory terms.

Furthermore, the Group uses capacity on five satellites belonging to third parties, and which are recognised as assets in its consolidated balance sheet: Express-AM61, Express-AMU-12, Express-AT1 and Express-AT2 are owned by RSCC and ASTRA 2G3 by SES. Furthermore, the Group also leases capacity to Yahsat. In the event of failure or malfunction affecting these satellites, the Group cannot guarantee that it would be in a position to obtain compensation and equivalent available capacity under the same conditions. The Group cannot guarantee that a dispute resulting from such failures or malfunctions would be settled in its favour. The 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. Such situations could lead to a write-down of these assets in the Group's consolidated financial statements and might adversely affect its business, financial situation and results.

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<sup>1</sup> Capacity operated by Eutelsat on Express-AM6 is operated under the name EUTELSAT 53A.

<sup>2</sup> Capacity operated by Eutelsat on Express-AMU1 is operated under the name EUTELSAT 36C.

<sup>3</sup> Capacity operated by Eutelsat on ASTRA 2G is operated under the name EUTELSAT 28G.

### ***The Group might not be able to meet its launch or activation timeframes for new satellites***

The Group plans to launch five new geostationary satellites (EUTELSAT QUANTUM, KONNECT VHTS, EUTELSAT HOTBIRD 13F, EUTELSAT HOTBIRD 13G and EUTELSAT 10B) before the end of calendar year 2022. The purpose of these satellites is to ensure the continuity of service provided by some existing satellites, increase resources in certain orbital positions, consolidate and develop the Group's service offering and step up the level of security at certain orbital positions. Access to space according to the schedule planned by the Group is a key element of the Group's deployment plan and strategy.

The Group may not be able to keep to the scheduled timetable for launching these new satellites.

The number of satellite manufacturers capable of designing and building satellites in compliance with the technical specifications and quality required by the Group is limited, as is the number of suppliers capable of launching these satellites. The limited number of suppliers could reduce the Group's bargaining power and increase the cost of implementing its programme within the scheduled timeframe. Furthermore, in the event of a Group supplier being unable to fulfil its contractual commitments towards the Group within the agreed timeframe, the 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.

Satellite construction is a complex process that could fall behind schedule, result in satellite errors or not meet the Group's desired specifications, especially since some of the satellites in the deployment plan (EUTELSAT QUANTUM, KONNECT VHTS) have an innovative architecture compared to satellites currently in service. In addition, the transport of satellites to launch sites could be delayed by the time required to obtain the export authorizations or licences required to transport certain satellite components.

In addition, satellite launch is also a complex process that could be delayed compared to the planned schedule, resulting in a non-optimal result such as insertion into a non-nominal orbit, or in the event of launch failure resulting in the permanent loss of the satellite. The launcher market is also characterized by a small number of launch service providers with the technical capabilities to launch satellites that are currently under construction or future satellites. The limited number of launchers reduces operational flexibility and access to space within the Group's planned timeframe and could increase the cost of the deployment program or result in a launch delay. If one of the launch service providers is unable to meet its contractual obligations to the Group within the expected timeframe, due to operational (e.g. following a launch failure) or financial difficulties, the Group could 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 signed.

A significant delay in satellite construction, or a delay or failure in the launch of one of these satellites, could lead to a delay in revenue generation, impair the Group's ability to generate new sales opportunities, implement its development strategy and meet its growth objectives, or meet its contractual service continuity commitments to customers and end users. Any significant delay or failure in the launch of any of its satellites could thus have a significant negative impact on the Group's business, financial situation, results and objectives.

### ***The Group's information systems and/or teleports could be disrupted or be victim of a cyber-attack***

The Group operates a fleet of 39 geostationary satellites that are mainly controlled and operated from its control centres or teleports. The Group's information systems used to control satellites and communications could experience malfunctions, loss of data integrity, cyber-attacks, or even 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. Such disruptions could result in the loss of customers and revenues and thus have a material adverse effect on the Group's business, financial position and results.

### ***The Group's satellites could be exposed to interference affecting operations or quality of service***

All radiocommunication requires the emission of radio waves characterized in particular by their frequencies. Emissions on identical or insufficiently differentiated frequencies 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. Although there is a set of international rules that are governed by the International Telecommunication Union (ITU), a specialized body of the United Nations, for the "frequency assignments" and their coordination, the Group cannot guarantee that these rules are respected by all third-party operators. Interference could therefore temporarily, or not, affect the quality of service provided to customers, which could even prevent the Group from being able to meet contractual commitments or could lead to the loss of revenue or customers and thus have a significant negative impact on the Group's business, financial position and results.

***Insurance policy premia for satellites in-orbit and satellite launches could increase and insurance cover could be more difficult to obtain or renew***

The Group takes out “Launch-plus-one-year after entry into service” insurance covering the launches of its satellites as well as an in-orbit life insurance programme. These insurance contracts represent significant amounts of investments or expenses for the Group.

Numerous factors, some of which are outside the Group’s control, may affect the cost of insurance premia; these mainly include statistics on satellite failures or launch failures across the sector as a whole.

The Group might not be able to obtain this additional cover or launch insurance for the other satellites currently under construction, or for future satellites, on satisfactory terms. This situation could result from a reduction in the supply of insurance products and services or a substantial increase in launch insurance premia due, in particular, to launch failure statistics across the whole industry. This could have a significant negative impact on the Group’s business, financial situation and results.

The Group might not be able to renew its In-Orbit Life insurance plan on comparable terms. A deterioration in the In-Orbit Life insurance market or an increase in insurance premia could prompt the Group to reduce its coverage of partial losses or losses deemed total, which itself could lead to an increase in the Group’s exposure to the consequences of a failure or malfunction in-orbit. For the 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. The Group’s insurance policies, as is customary in the space sector, systematically provide for exclusions in the event of damage caused by acts of sabotage, piracy or terrorism. Furthermore, this insurance programme does not protect the Group against losses such as opportunity cost, interruption of business, delayed activations, image losses or, to a certain extent, losses of revenues and potential asset impairments lower than the retention level.

Finally, insurance companies could challenge the causes of the failure or malfunction or the amount of the indemnity. The Group cannot guarantee that, in the event of a proven failure or malfunction on any of its satellites covered under insurance programmes insurers would compensate the Group within a reasonable timeframe or for the amount claimed by the Group. A lack of compensation, late compensation or partial compensation of losses sustained could have a significant adverse impact on the Group’s business, financial situation and results.

**(c) Risks relating to changes in the satellite telecommunications market**

***The Group is faced with considerable competition from satellite and terrestrial network operators, which could intensify***

The Group is faced with significant competition from international, national and regional satellite operators. The Group’s main competitors are other major international satellite operators, such as SES and Intelsat as well as Inmarsat for certain verticals. These competitors offer greater capacity and geographical coverage than the Group, and more financial resources might be available to them. The Group is also in competition with regional and national satellite operators, some of which enjoy advantages (e.g. tax or regulatory advantages) in their domestic markets. Several projects for low-orbit constellations are also underway and could represent additional competition for the Group in certain Fixed Data or Connectivity applications. Increased competition between satellite operators could lead to greater pressure on prices, which could have a significant negative impact on the Group’s business, financial position and results.

The Group is also in competition with terrestrial network operators (fiber optic, 4G) for most of its services, particularly broadband Internet access but also TV broadcasting services (TV on IP, DTT). Heightened competition could result in greater pressure on prices for satellite broadcasting and telecommunications services. Furthermore, any increase in the geographical reach of the terrestrial network operators could prompt the Group’s customers to opt for the telecommunications solutions offered by these operators, thereby making it more difficult for the Group to keep or develop its customer portfolio. Stiffer competition with terrestrial network operators could have a significant negative impact on the Group’s business, financial position and results.

***Technological changes could make the Group’s satellite telecommunications system obsolete***

Technological innovations that could be developed in the future with alternatives to satellites could render the Group’s in-orbit infrastructure obsolete.

The telecommunications industry is subject to rapid technological change. Should the Group not be in a position to adapt to these changes quickly and efficiently, its satellite telecommunications system could become obsolete. As such, the Group's competitive position could be weakened, especially if its competitors were capable of incorporating these new technologies into their own systems.

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, particularly in Fixed Data & Professional Video (14% of Group revenues), which is greater than expected, and could have a significant negative impact on the Group's business, financial situation and results. In addition, several low-earth orbit constellation projects are currently underway and could represent new competitors for the Group in certain Fixed Data and Connectivity applications, particularly those with low latency.

If the Group's satellite telecommunications system were to become obsolete, demand for its services could decrease, which would have a significant negative impact on its business, financial situation and results.

***The 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 Group relies 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, the Group might have difficulty in replacing them. Moreover, the Group's business, characterised by continuously-evolving technology, requires the ability to constantly attract new, highly qualified employees. In the future, if the Group is unable to retain or replace these employees, or is unable to attract new, highly-qualified employees, this could have a negative impact on its business, financial situation and results.

***Demand for satellite services may not evolve as expected***

The Group's development notably depends on future demand for Broadcast Applications (61% of Group revenue), linked to the evolution of the number of channels, improvement of the quality of image 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 if it is maintained in Europe. In this respect, it should be noted that the audiovisual 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 the Group's customers in certain geographies or lead them to reduce their bouquets. Finally, consolidation among satellite TV broadcast platform operators and/or cable operators and could lead to a rationalization of the number of channels broadcast on a national market.

The improvement of quality of image is linked to the rise of High Definition or Ultra High Definition. This rise may not materialize 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 (Fixed Broadband and Mobile Connectivity, which represent 12% of Group revenue) represents the main driver of the Group's growth strategy. This will depend, in part, on continued growth in demand for satellite broadband Internet services which is not guaranteed and is not easily predictable, particularly because of the cost 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 that are not under the Group's control.

Lastly, the Group generates an important part of its revenues in the Government Services market segment (13% of Group revenue). This segment includes the direct or indirect provision of Government Services, mainly to the US administration, 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 Group's capacity distributors. As a result, the 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 Group's fixed cost structure, this could have a significant negative impact on its business, financial position and results.

***The Group's growth depends in part on the development of new applications or innovative projects, the profitability of which is not guaranteed***

The Group invests at different scales in innovative projects such as "EUTELSAT QUANTUM", a software-defined satellite, the first of which is expected to be launched in 2020, CIRRUS, a hybrid satellite/OTT distribution platform, or ELO, a constellation project in low earth orbit serving the IoT market. 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 Group's business, growth objectives, financial position and results.

In addition, the Group's growth depends in part on the development of the Fixed Broadband business, for which the 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 KA-SAT satellite (launched in December 2010), and then in the KONNECT (launched in 2019) and KONNECT VHTS (expected launch in 2021) satellites. The full realisation of this applications' 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, is subject, in addition to the proper functioning of the in-orbit and terrestrial infrastructure, to the success of the Group's distribution strategy and to the availability of competitively priced terminals. Unlike the Group's traditional satellite capacity lease business, this activity does not benefit from backlog and structurally involves 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 Group's business, growth objectives, financial position and results.

**(d) Risks relating to clients**

***The Group is exposed to risks inherent in the international nature of its customer base and business***

The Group provides satellite telecommunications services to customers in a very large number of countries, with a significant proportion of its revenues generated in emerging countries, Africa, the Middle East, Latin America and Russia. The Group's future development also depends in part on its ability to develop in these areas.

Consequently, the Group is exposed to geopolitical, economic or other risks inherent in the international nature of its commercial activities. Pricing, tax, regulatory and customs policies pertaining to the services provided by the Group, business practices in certain countries and their political or economic instability could prevent the Group from implementing its development strategy and thereby have a significant negative impact on its business, financial position and results. Furthermore, if the Group had to bring legal action against its customers or commercial partners located outside the European Union, it could prove difficult to assert its rights, which could have a significant negative impact on its business, financial position and results.

***The Group is exposed to a specific risk related to its distributors***

A significant portion of the Group's capacity is marketed by specialized distributors. These distributors, who resell the Group's resources to end customers, 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 distributors could seek to return the unsold capacity or seek to resell it to Group customers at lower prices. In addition, certain distributors in specific segments such as Mobile Connectivity (6% of revenue) are faced with low margins and high levels of debt that may lead them into a situation of fragility. These elements could have a significant negative impact on the Group's business, financial situation and results.

Furthermore, for several years now, the Group has developed a Fixed Broadband Internet business based in part on a B-to-B-to-C model (business-to-business-to-consumer), which is based on a more direct distribution model when compared to the Group's other businesses, reaching end-users through specialized distributors. In some cases, such customers could have less robust financial resources than distributor-customers, which could increase the risk of bad debts and/or result in shorter-term contracts or not be able to develop the business at the pace the Group expects. The Group may also not be able to find suitable distributors in certain markets.

***The Group is dependent on a limited number of major customers***

The Group generates a significant portion of its business from a limited number of customers. As of 30 June 2020, the Group's 10 largest customers represented 34% of its revenues. Some of the 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 Group. This could have a negative impact on its business, financial position and results. Moreover, some of the Group's major customers, particularly those located in emerging markets or specialized distributors, could 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 negative impact on the Group's business, financial position and results.

***The Group is exposed to the risk of unpaid or late payments***

The Group's receivables amounted to 336 million euros at 30 June 2020. In the normal course of business, the Group occasionally encounters 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 Group's working capital requirements. For the year ended 30 June 2020, provisions for impairment of receivables (net of reversals) amounted to 22 million euros (19 million euros at 30 June 2019) and the change in working capital related to trade receivables and related accounts generated a cash flow of (73) million euros ((1) million euros at 30 June 2019). Late payments or increased non-payment volumes could have a significant negative impact on the Group's business, financial position and results.

(e) **Regulatory Risks**

***The application of international regulations on co-ordinating frequency assignments could make it more difficult for the Group to implement its deployment plan***

Frequency assignments are co-ordinated internationally according to the International Telecommunication Union's (ITU) "Radio Regulations". The purpose of this coordination is to limit the risks of interference between broadcasts.

Eutelsat S.A. has a number of frequency assignments for which the international coordination procedure, in accordance with the general regime defined by the ITU's Radio Regulations is not yet complete and/or is not yet in operation with any of the 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 Group's ability to fully operate some of these assignments. Concerning assignments for which the coordination procedure is not yet in operation, the 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 their current priorities. Both situations could have a significant adverse impact on the Group's activities, financial situation and results.

The Group also has certain frequency assignments governed by one of two special regulations. If any State decides to exercise their rights under these systems, or if these special regimes are amended, the Group could be forced to change or discontinue the current use of its assignments, which could have a significant negative impact on its business, financial situation and results.

Finally, the ITU's Radio Regulations provide only for voluntary resolution of disputes in the event of disagreements between the ITU's Member States over non-compliance with international regulations governing coordination of their frequency assignments. The 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 Group's business, financial situation and results.

***The Group 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, the protection of personal data and competition law***

In the course of conducting its business in France and internationally, the Group is 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, the protection of personal data and competition law. In the event of unethical practices or violations of the laws and regulations applicable to the Group by any employee, the risk could take the form of financial, administrative or criminal penalties and damage to the Group's reputation or image.

In order to reduce its exposure to the risk of corruption in particular, the Group has set up a compliance program aimed at preventing and detecting acts of corruption or influence peddling, coupled with control system to ensure their effectiveness. These actions are in accordance with Act 2016-1691 of December 9 2016 on transparency, the fight against corruption and the modernisation of economic life (the “Sapin II Act”) and the recommendations of the Agence Française Anticorruption (“AFA”). Nevertheless, the Group cannot guarantee that the procedures and controls in place will prevent or detect all violations of the laws and regulations applicable to the Group by an employee; if it were to occur, such a violation could have a material adverse effect on the Group’s business, financial situation, results and growth prospects.

Such violations can 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 licenses, criminal fines or imprisonment. In addition, such violations could also negatively impact the Group’s reputation and consequently its business. Moreover, any such violations by the Group’s competitors, if undetected, could give them an unfair advantage when bidding for contracts. The consequences the Group may suffer as a result of the foregoing could have a material adverse effect on the Group’s business, financial condition and results.

#### ***The Group is governed by the French Space Operations Act***

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 Group is mainly affected by Decree No. 2009-643 on authorisations. The Act has been in force since 10 December 2010.

The application of the Space Operations Act could therefore have a significant negative impact on the Group’s business, financial situation and results.

#### ***The 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 Group is subject to the national laws and regulations of many countries regarding communication and broadcasting. Most of these countries do not require specific authorization or licensing to only provide satellite capacity to entities that are themselves authorized to operate communication networks and or/services. In these countries, the Group only needs an authorization license 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 World Trade Organization (“WTO”) fall into this category. However, some countries require authorizations for the operation of satellites in orbit. In this case, the Group must therefore be authorized to provide downlink services from the satellite to the earth station terminals located in these countries – the “landing rights”.

If the Group is unable to obtain or renew the necessary authorizations for its business in certain markets, or the authorization regime becomes more restrictive, this could have a significant negative impact on the Group’s business, financial situation and results.

#### ***The Group’s provision of satellite telecommunications services is subject to certain specific statutory and regulatory provisions, the evolution of which could have an adverse impact***

The satellite telecommunications industry in which the Group operates is governed by extensive regulation. Changes in policy or regulation on a global level within the framework of the ITU or within the European Union, France or other countries in which the Group does business could have a significant negative impact, particularly if such changes increase costs and regulatory restrictions relating to the Group’s services.

The Group must be able to maintain its existing frequency assignments at the orbital positions at which it operates its satellites or where it might need to redeploy some of its satellites. It must also be able to obtain new frequency assignments, at the same or new orbital positions, for the future expansion of its business.

In France, regulations on obtaining and using assigned frequencies relating to a satellite system have been in force since the “Confidence in the Digital Economy Act” (No. 2004-575 of 21 June 2004) and the Decree of 11 August 2006. Being strictly applied, this regulation has already to some extent, and could in future, limit the Group’s ability to obtain new assigned frequencies from the French authorities or to use them as it would like. Currently, the cost of requests for frequency assignments from the ITU and those of requests for frequency usage authorisations consists solely of the handling costs of the Agence nationale des fréquences. A change in the pricing policy could prompt the authorities to charge operators for part of the economic value of the orbital positions they operate.

Furthermore, the use of radio frequencies by RF earth stations is covered by authorisations issued by 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 cannot be used for Fixed Satellite Services in France since 2008.

In particular, at the next World Radiocommunication Conference in 2019 (WRC-19), certain bands identified for satellite use will be on the agenda of WRC-19. In particular, during this global conference, discussions will be held with a view to identifying additional frequencies for future 5G mobile networks. Certain bands, which are potential candidates for 5G mobile networks, are currently used by satellite operators and are essential to the operation of future satellite systems, and in particular satellites such as KONNECT VHTS. Thus, any regulatory changes at international, regional or national level could have a potential impact on the Group's ability to operate optimally in these frequency bands.

When developing new businesses, the 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, the Group cannot 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 business, financial situation and results.

The amendment of applicable regulations could also limit or prevent the obtaining or retaining of the requisite authorisations regarding the Group's current business or its development strategy. Some states 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 Group's business, financial situation and results.

In addition, the Group is subject to strict regulations regarding the content of the programs broadcast by its satellites. Regulations on the broadcasting of television programmes in the European Union 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, sex, religion, habits or nationality. As a European satellite operator, the Group could be given formal notice to cease broadcasting of a television channel from outside the European Union if the channel's content does not comply with the applicable European 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 the Group from delivering its transmission services, it could find it more and more 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 negative impact on the Group's business, financial situation and results. Furthermore, the Group 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 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 steps 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 European Union. 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, the Group is subject to other regulations applicable to the channels it broadcasts. Some channels broadcast by the Group could be explicitly addressed by United Nations resolutions transposed via European Union regulations, introducing restrictive measures against some entities, or citing them directly in European regulations. These European regulations are directly applicable to the Group, which must ensure that none of the listed channels are broadcast using its satellites. Considering the number of channels broadcast by the Group, and the absence of direct contractual links with television channels, the risk of transmitting channels covered by such regulations is real.

Thus, the evolution of certain specific legislative and regulatory provisions could have a significant negative impact on the Group's business, financial situation and results.

***Eutelsat S.A., the Group's main operating subsidiary, is subject to the Amended Convention of EUTELSAT IGO, and Eutelsat Communications is subject to the Letter-Agreement***

Eutelsat S.A. by-laws provide that the international treaty establishing the EUTELSAT IGO, dated 15 July 1982 and amended on 20 May 1999 (hereinafter the "Amended Convention"), 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 allow 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; the provision of audiovisual services in compliance with relevant international agreements, including the European Convention on transfrontier television and national regulations; the 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 the Company to carry out an initial public offering of its shares, Eutelsat Communications and EUTELSAT IGO signed a Letter-Agreement dated 2 September 2005 (the "Letter-Agreement") by which the Company 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 Group. As a result, taking into account EUTELSAT IGO's recommendations or requests could reduce the Group's responsiveness and flexibility in conducting its business, managing its debt and equity and defining its distribution policy, and could have a significant negative impact on the Group's business, financial situation and results.

(f) **Financial risks**

***Eutelsat S.A., the Group's main operating subsidiary, could be subject to new financing requests regarding the financial guarantee it provides to the IGO's Closed Pension Fund***

Before Eutelsat S.A. was set up and prior to the transfer by the Intergovernmental Organization (IGO) of its operating activities, the IGO managed a pension fund (the "Closed Pension Fund") for its staff members. 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.

As of 30 June 2020, the defined benefit obligation of the Trust's pension liabilities amounted to 208 million euros in Eutelsat Communications' consolidated financial statements, and the fair value of its assets was 124 million euros. The calculation of total pension liabilities is based on actuarial assumptions including the discount rate, the long-term yield on assets invested, and the estimated life expectancy of the Closed Pension Fund's beneficiaries. Estimated net defined obligation may be higher or lower depending on the scenario applied.

During fiscal year ended on 30 June 2017, the financial guarantee was called for an amount of 35.9 million euros. This amount was evaluated on the basis of the projections of the Trust, taking into account the future market evolutions. In March 2017 an agreement was reached with the Trust for nine annual payments of 4.0 million euros, spread between 30 June 2017 and 30 June 2025. These sums could vary dependent on the future financial positions established annually. Pursuant to a report, Eutelsat SA has been informed that on June 2019, the total deficit of the Closed Pension Fund now amounted to 45.9 million euros. Eutelsat SA and the Trust are currently in discussion to define under which conditions this amount will be financed by Eutelsat.

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 Group would be compelled to pay the difference, which could be substantial.

The Group cannot predict with great certainty the amount it might have to pay if the guarantee were enforced. Any financing shortfall in the Closed Pension Fund could generate new obligations for the Group pursuant to the financial guarantee. This could have a significant negative impact on the Group's financial situation and results.

***Foreign exchange risk***

The euro is the currency used by the Group to draw up its financial statements. However, since a portion of the Group's activities is carried out outside the eurozone and as some of its principal suppliers are located outside the eurozone, the Group must contend with the risk of fluctuations in foreign exchange rates when conducting its business.

Some of the Group's revenue and costs are denominated U.S. dollar, which represented nearly 39% of revenues in the financial year ended 30 June 2020 without it being offset by an equivalent level of foreign currency expenditure. The Group is also exposed to EUR/USD exchange rate risks because some purchases of satellites and launch services may be denominated in U.S. dollars. These contracts may involve significant amounts, generally in excess of 50 million U.S. dollars, whose payment may be phased over time. As a result, fluctuations in exchange rates may have a negative impact on the Group's results despite the implementation of a hedging policy, as the Group is not 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 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 Group's capacity and services when paid in currencies other than the euro. For example, in fiscal year ended 30 June 2015, the general economic environment in Russia, and in particular the sharp fall in the value of the rouble put pressure on Eutelsat's Russian customers with euro-denominated contracts. Eutelsat accepted to renegotiate with its Russian clients with the aim of temporarily alleviating some contract terms. These fluctuations could reduce demand from customers paying in currencies other than the euro.

Moreover, the Group's clients 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 Group to additional exchange rate risks.

Finally, the Group owns Satélites Mexicanos, with accounts in U.S. dollars. EUR/USD exchange-rate variations could therefore generate a translation risk when the Group consolidates the accounts of this subsidiary.

***Given its level of indebtedness, the Group is exposed to liquidity risk***

As of 30 June 2020, the Group's consolidated net debt was 2,886 million euros with gross debt of 3,714 million euros and cash of 828 million euros. The Group's main debt maturities are June 2021 (500 million euros), October 2022 (300 million euros), October 2025 (800 million euros) and July 2027 (600 million euros). As of 30 June 2020, the breakdown of Group's financing sources was the following: 8% bank, 59% bond debt, 13%, intra-group loans, 7% structured debt and 13% leases.

Although the Group's liquidity situation is strong (with cash of 828 million euros and undrawn credit lines of 199 million euros) the Group's ability to generate cash flow depends 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, the 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. Moreover, if the 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. Such a situation could have a significant adverse impact on its business, financial situation and results.

***Interest rate risk***

Given the financial structure described above and despite the Group's active interest-rate risk management policy described below, the Group's bank debt and structured debt remain at variable rates (for a total outstanding amount of 546 million euros as of 30 June 2020), so that a significant increase in interest rates could result in an immediate increase in the Group's financial expense. In addition, as the Group's main fixed-rate maturities are to be refinanced and taking into account an average maturity of the Group's debt of 3.7 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 negative impact on its business, financial situation and results.

***A change in the Group's debt rating could affect the cost and terms of its debt as well as its ability to raise financing***

The Group's debt instruments are rated by independent rating agencies, with the following solicited ratings as of 30 June 2020:

- (i) Standard & Poor's (with Eutelsat Communications S.A.'s debt rated BB+/Stable Outlook and Eutelsat S.A.'s debt rated BBB-/Stable Outlook); and
- (ii) Fitch Ratings (with Eutelsat S.A.'s debt rated BBB/Stable Outlook).

During financial year 2019-20, Fitch and S&P confirmed and maintained their ratings and outlooks.

It should also be noted that, although Eutelsat has requested the withdrawal of this rating, Moody's Investors Service rates the Group's debt on an unsolicited basis (with Eutelsat Communications' debt rated Ba1/Negative Outlook and Eutelsat S.A.'s debt rated Baa3/Negative Outlook).

These ratings affect the cost and terms of the Group's credit facilities. Any future rating downgrades, should they occur, could affect the Group's ability to obtain financing and the terms associated with that financing.

The Group cannot 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 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, the Group cannot guarantee that its debt rating will not be downgraded in the future, which could have a significant negative impact on its business, financial situation and results.

## **2. RISKS RELATED TO THE BONDS**

Set out below is a brief description of certain risks relating to the Bonds, of the principal market risks (including liquidity risk and exchange rate risk) and of certain tax risks relating to the Bonds. The occurrence of one or more of these risks could have an adverse effect on the Bonds.

Risks related to the Bonds may be divided into three sub-categories:

- Risks relating to the structure of the Bonds;
- Risks for the Bondholders as creditors of the Issuer; and
- Risks relating to the market of the Bonds.

The significance of risks is assessed according to their probability of occurrence and their negative impact in the event of occurrence.

### **(a) Risks relating to the structure of the Bonds**

#### ***The Bonds are structurally subordinated to the liabilities of the Issuer's subsidiaries.***

Our subsidiaries will not guarantee the Bonds and none of our subsidiaries will have any obligation under the Bonds. Moreover, our subsidiaries and affiliated companies are not required and may not be able to pay dividends to the Issuer. Claims of the creditors of our subsidiaries have priority as to the assets of such subsidiaries over the claims of creditors of the Issuer. Consequently, holders of Bonds are structurally subordinated, in the event of the Issuer insolvency, to the prior claims of the creditors of our subsidiaries which would mean that recovery by Bondholders under their investment in the event of an insolvency of the Issuer could be lower than the recovery of creditors who have direct claims at our operating subsidiaries.

#### ***Interest rate risk on the Bonds***

As provided in Condition 4 of the "*Terms and Conditions of the Bonds – Interest*", the Bonds bear interest at a fixed rate of 1.500 per cent. *per annum*, payable annually in arrears on 13 October in each year commencing on 13 October 2021, investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. Generally, prices of fixed interest rate bonds tend to fall when market interest rates rise and accordingly are subject to volatility. Therefore, the price of the Bonds at any particular time may be lower than the purchase price for the Bonds paid by the Bondholders and may cause Bondholders to lose a portion of their investment if they decide to sell the Bonds.

#### ***The Bonds are subject to early redemption by the Issuer for taxation reasons***

An early redemption feature of Bonds is likely to affect their market value. During any period when the Issuer may elect or be obliged to redeem Bonds in accordance with Condition 5(b) of the "*Terms and Conditions of the Bonds – Redemption for Taxation Reasons*", the market value of those Bonds generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

An investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Bonds being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider investment risk in light of other investments available at that time.

***The Bonds may be redeemed prior to maturity***

The Issuer reserves the right to purchase Bonds in the open market or otherwise at any price in accordance with applicable regulations. Such transactions shall have no impact on the normal repayment schedule of outstanding Bonds, but they decrease the yield of the Bonds so purchased and then redeemed by the Issuer prior to their stated maturity and potentially reduce the liquidity of the Bonds.

The Issuer may, at its option:

- (iii) at any time or from time to time, during a period of three months preceding the Maturity Date, redeem the Bonds, in whole or in part, in accordance with Condition 5(f) of the *“Terms and Conditions of the Bonds – Redemption and Purchase – Residual Maturity Call Option”*. Such redemption options would be exercised at the principal amount of the Bonds together with interest accrued to, but excluding, the date of redemption;  
redeem, in whole or in part, the then outstanding Bonds at any time prior to the Maturity Date, at the Optional Redemption Amount, in accordance with Condition 5(d) of the *“Terms and Conditions of the Bonds – Redemption and Purchase – Make Whole Redemption by the Issuer”*; or
- (iv) redeem, at any time, prior to the Maturity Date, in whole only but not in part, at par plus accrued interest, if 80 per cent. of the initial aggregate principal amount of the Bonds have been redeemed or purchased and cancelled, in accordance with Condition 5(e) of the *“Terms and Conditions of the Bonds – Redemption and Purchase – Clean-up Call Option”*. There is no obligation for the Issuer to inform the Bondholders if and when this percentage has been reached or is about to be reached, and the Issuer’s right to redeem will remain notwithstanding that immediately prior to the serving of a notice in respect of the exercise of this option, the Bonds may have been trading significantly above par, thus potentially resulting in a loss of capital invested for certain Bondholders depending on the purchase price of the Bonds.

Moreover, the yields received upon redemption may be lower than expected, and the redeemed face amount of the Bonds may be lower than the purchase price for the Bonds paid by the Bondholder. As a consequence, part of the capital invested by the Bondholder may be lost, so that the Bondholder in such case would not receive the total amount of the capital invested.

The Issuer may choose to redeem the Bonds at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Bonds and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at the time.

***The exercise of the Change of Control Put Option in respect of a significant number of Bonds may affect the liquidity of the Bonds in respect of which such Put Option is not exercised***

Depending on the number of Bonds in respect of which the Put Option (as more fully described in Condition 5(c) of the *“Terms and Conditions of the Bonds – Redemption following a Change of Control”*) is exercised in conjunction, if applicable, with any Bonds purchased by the Issuer and cancelled, any trading market of the Bonds in respect of which such Put Option is not exercised may become less liquid or illiquid. Therefore, investors in the Bonds not having exercised their put option may not be able to sell their Bonds on the market and may have to wait until the Maturity Date to obtain redemption of their investments in the Bonds, which may have a negative impact on the Bondholders and reduce the profits anticipated by the investors at the time of the issue. In addition, investors may not be able to reinvest the money they receive upon such early redemption in securities with the same yield as the redeemed Bonds.

- (b) **Risks for the Bondholders as creditors of the Issuer**

***French Insolvency Law***

As a *société anonyme* incorporated in France, French insolvency law applies to the Issuer. Under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the **Assembly**) in order to defend their common interests if a preservation (*procédure de sauvegarde*), including an accelerated preservation (*procédure de*

*sauvegarde accélérée*) and an accelerated financial preservation (*procédure de sauvegarde financière accélérée*), or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

The Assembly comprises the holders of all debt securities issued by the Issuer (including the Bonds), whether or not under a debt issuance programme (such as a Euro Medium Term Notes programme) and regardless of their governing law.

The Assembly deliberates on the proposed safeguard plan (*projet de plan de sauvegarde, projet de plan de sauvegarde accélérée, or projet de plan de sauvegarde financière accélérée*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Bondholders) by rescheduling due payments and/or partially or totally writing off receivables in the form of debt securities;
- establish an unequal treatment between holders of debt securities (including the Bondholders) as appropriate under the circumstances; and/or
- convert debt securities (including the Bonds) into securities that give or may give the right to share capital.

Decisions of the Assembly will be taken by a two-thirds majority (calculated as a proportion of the debt securities held by the holders expressing a vote). No quorum is required to convene the Assembly.

For the avoidance of doubt, the provisions relating to the Representation of the Bondholders described in the Terms and Conditions of the Bonds set out in this Prospectus will not be applicable, to the extent they are not in compliance with the compulsory insolvency law provisions that apply in these circumstances.

The procedures that are described above, as they may be amended from time to time, could have an adverse impact on Bondholders seeking repayment in the event that the Issuer were to become insolvent.

It should be noted that Directive (EU) 2019/1023 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt and amending Directive (EU) 2017/1132 dated 20 June 2019 (the **Restructuring Directive**) shall be transposed by the Member States before 17 July 2021. Depending on how it will be transposed into French law, it may modify French insolvency law described above and impact the situation of Bondholders in the event that the Issuer was to be subject to the relevant French insolvency proceedings.

More specifically the Restructuring Directive is expected to impact the process of adoption of restructuring plans under insolvency proceedings. Creditors (including the Bondholders) shall be treated in separate classes which reflect certain class formation criteria for the purpose of adopting a restructuring plan. Classes shall be formed in such a way that each class comprises claims or interests with rights that are sufficiently similar to justify considering the members of the class a homogenous group with commonality of interest. As a minimum, secured and unsecured claims shall be treated in separate classes for the purpose of adopting a restructuring plan. A restructuring plan shall be deemed to be adopted by affected parties, provided that a majority in the amount of their claims or interests is obtained in each and every class (the required majorities shall be laid down by Member States at not higher than 75% in the amount of claims or interests in each class). If the restructuring plan is not approved by each and every class of affected parties, the plan may however be confirmed by a judicial or administrative authority by applying a cross-class cram-down. Therefore, when the Restructuring Directive is transposed into French law, it is expected that holders of notes (including the Bondholders) will no longer deliberate on the proposed restructuring plan in a separate assembly and accordingly they will no longer benefit from a specific veto power on this plan. Instead, as any other affected parties, holders of notes (including the Bondholders) will be grouped into one or several classes (with potentially other types of creditors) and their dissenting vote may possibly be overridden by a cross-class cram down.

The commencement of insolvency proceedings against the Issuer would have a material adverse effect on the market value of Bonds issued by the Issuer. Any decisions taken by the Assembly or a class of creditor, as the case may be, could substantially impact the Bondholders and even cause them to lose all or part of their investment, should they not be able to recover amounts due to them from the Issuer.

***The Bonds are subject to modification and waiver of the Terms and Conditions in certain circumstances.***

The Terms and Conditions of the Bonds contain provisions for collective decisions to consider matters affecting their interests generally to be adopted either through a general meeting (the **General Meeting**) or by consent following a written consultation (the **Written Unanimous Decision**). These provisions allow defined majorities to bind all Bondholders

including Bondholders who did not attend, were not represented at the relevant meeting and Bondholders who voted in a manner contrary to the majority. Collective decisions may deliberate on proposals relating to the modification of the conditions of the Bonds subject to the limitation provided by French law and the Terms and Conditions of the Bonds. If a decision is adopted by a majority of Bondholders and such modifications were to impair or limit the rights of the Bondholders, this may have a negative impact on the market value of the Bonds and hence investors may lose part of their investment.

(c) **Risks relating to the market of the Bonds**

***Market value of the Bonds***

The Bonds are rated BBB- by S&P and BBB by Fitch and the Issuer is currently rated for its long term debt, BBB-/Stable Outlook by S&P and BBB/Stable Outlook by Fitch. The market value of the Bonds will be affected by the creditworthiness of the Issuer and a number of additional factors, including, but not limited to, the volatility of market interest, yield rates, interest rates, currency exchange rates, inflation rates and the time remaining to the maturity date.

The value and market of the Bonds depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchange on which the Bonds are traded and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. The price at which a Bondholder will be able to sell the Bonds prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such Bondholder. There can be no assurance that events in France, in Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Bonds or that economic and market conditions will not have any other adverse effect. Accordingly, all or part of the investment by the Bondholders in the Bonds may be lost upon any transfer of the Bonds, so that the Bondholders in such case would receive significantly less than the total amount of its investment.

***There is no active trading market for the Bonds.***

The Bonds are new securities, which may not be widely distributed and for which there is currently no active trading market. Although the Bonds will be listed on the Luxembourg Stock Exchange, there is no assurance that an active trading market will develop or, if one does develop, that it will be maintained. If an active trading market for the Bonds does not develop or is not maintained, it may result in a material decline in the market price of the Bonds, and the liquidity of the Bonds may be adversely affected. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Further, if additional and competing products are introduced in the markets, this may also result in a material decline in the market price and value of the Bonds. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Bonds.

***Exchange rate risks and exchange controls may affect the market value of the Bonds.***

The Issuer will pay principal and interest on the Bonds in euros. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the euro would decrease: (a) the Investor's Currency equivalent yield on the Bonds; (b) the Investor's Currency equivalent value of the principal payable on the Bonds; and (c) the Investor's Currency equivalent market value of the Bonds. As a result, the occurrence of significant exchange rate fluctuations or the imposition of exchange controls by one or more governments may have a negative effect on the market value of the Bonds.

In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Bonds. As a result, Bondholders whose financial activities are carried out or dependent principally in a currency other than euro may receive less interest or principal than expected, or no interest or principal at all.

***Credit ratings may not reflect all risks.***

One or more independent credit rating agencies may assign credit ratings to the Bonds. As of this date of this Prospectus, the Bonds have been rated BBB- by S&P and BBB by Fitch. The ratings may not reflect the potential impact of all risks

related to the structure, the market, additional factors discussed above, and other factors that may affect the market value of the Bonds. Consequently, actual or anticipated changes in the Issuer's credit ratings may affect the market value of the Bonds, either positively or negatively. However, because the return on the Bonds is dependent upon certain factors in addition to the Issuer's ability to meet its obligations on the Bonds, an improvement in the Issuer's credit ratings will not reduce the other investment risks related to the Bonds.

## SELECTED FINANCIAL INFORMATION OF EUTELSAT S.A.

The tables below provide selected financial information from the Issuer's consolidated balance sheets, income statements, EBITDA calculations and statements of consolidated cash flows in compliance with IFRS for the last two (2) financial years ended 30 June 2019 and 30 June 2020. The Issuer's 2018-19 Financial Statements and 2019-20 Financial Statements have been audited by Ernst & Young Audit and Mazars. The main accounting principles used by the Issuer in preparing its consolidated financial statements for the last two financial years are set out in Note 4 of the notes to the Issuer's 2018-19 Financial Statements and 2019-20 Financial Statements.

Total shareholder's equity stood at €1,930 million at 30 June 2020 compared to €2,181 million at 30 June 2019.

### *Selected financial information from the Consolidated Balance Sheets of the Issuer (Eutelsat S.A.)*

	For the year ended (Audited)		
	30 June 2019	30 June 2020	Change
(in € millions)			
Total of non-current assets.....	5,290	5,221	(69)
Total current assets .....	1,891	1,296	(595)
<b>Total assets .....</b>	<b>7,181</b>	<b>6,517</b>	<b>(664)</b>
Total shareholders' equity.....	2,181	1,930	(251)
Total non-current liabilities .....	3,522	3,322	(200)
Total current liabilities.....	1,478	1,265	(213)
<b>Total liabilities and shareholders' equity.....</b>	<b>7,181</b>	<b>6,517</b>	<b>(664)</b>
<b>NET DEBT<sup>(1)</sup>.....</b>	<b>2,739</b>	<b>2,886</b>	<b>+148</b>

(1) Net debt includes all bank and bond debt, RCF drawdowns, Intra-group loans, lease liabilities, structured debts as well as the foreign exchange portion of cross-currency swap instruments, less cash and marketable securities (net of credit balances with banks).

### *Selected financial information from the Consolidated Income Statements of the Issuer (Eutelsat S.A.)*

	For the year ended (Audited)		
	30 June 2019	30 June 2020	Change
(in € millions)			
REVENUES.....	1,324	1,281	-3%
Operating costs.....	(90)	(89)	-1%
Selling, general and administrative expenses.....	(195)	(203)	+4%
Depreciation and amortisation.....	(474)	(486)	+3%
Other operating income and expenses.....	13	37	+185%
<b>OPERATING INCOME.....</b>	<b>578</b>	<b>539</b>	<b>-7%</b>
Net financial items.....	(85)	(74)	-13%
<b>CONSOLIDATED NET INCOME.....</b>	<b>395</b>	<b>354</b>	<b>-10%</b>
<b>NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT .....</b>	<b>391</b>	<b>351</b>	<b>-10%</b>

### *Selected financial information from the Consolidated Statements of Cash Flow of the Issuer (Eutelsat S.A.)*

	For the year ended (Audited)		
	30 June 2019	30 June 2020	Change
(in € millions)			
Net cash flows from operating activities .....	855	782	(73)
Net cash flows used in investing activities.....	(143)	(80)	63
Net cash flows used in financing activities .....	35	(1,329)	(1,364)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....</b>	<b>750</b>	<b>(626)</b>	<b>NR</b>



*Other Selected Financial Information: EBITDA*

	For the year ended (Audited)		
	30 June 2019	30 June 2020	Change
(in € millions)			
Revenues.....	1,324	1,281	-3%
Operating expenses <sup>(1)</sup> .....	(285)	(292)	+3%
<b>EBITDA<sup>(2)</sup></b>	<b>1,039</b>	<b>989</b>	-5%
<b>EBITDA margin (as a percentage of revenues) .....</b>	<b>78.5</b>	<b>77.2</b>	-1.3 pts

(1) Operating expenses are defined as operating costs plus selling, general and administrative expenses.

(2) EBITDA is defined as operating income before depreciation and amortisation and other operating income and expenses.

EBITDA is not a GAAP measure and as such it is not audited or reviewed by the auditors. EBITDA does not constitute a measure of financial performance. It should not be compared to operating income, net income or cash flow from operating activities. Nor should it be used as an indicator of profitability or liquidity. Likewise, it should not be used as an indicator of past or future operating results. EBITDA is calculated differently from one company to another, and accordingly the information given in this Prospectus about EBITDA should not be compared to EBITDA information reported by other companies.

*Order Backlog Evolution*

	For the year ended	
	30 June 2019	30 June 2020
(in € millions)		
Value of contracts ( <i>in € billions</i> ).....	4.4	4.1
Portion relating to Broadcast.....	72%	68%

As of 30 June 2020, the Group's order backlog totalled €4.1 billion or around 3.2 times annual revenues, compared to €4.4 billion at 30 June 2019, an evolution which primarily reflects the natural consumption of backlog in the absence of significant Broadcast renewals. For further information on how the backlog is calculated please refer to "Business Overview – Customers – Order backlog" below.

*Alternative Performance Measures*

In addition to the data published in its accounts, this document includes certain alternative performance for Eutelsat S.A, measures which the Group deems relevant for measuring its financial performance. These indicators are the object of reconciliation with the consolidated accounts.

**EBITDA, EBITDA margin and Net debt / EBITDA ratio**

EBITDA reflects the profitability of the Group before Interest, Tax, Depreciation and Amortization and other operating income and expenses. It is a key indicator in the Fixed Satellite Services Sector, and more generally the Telecom industry. The table below shows the calculation of EBITDA based on the consolidated P&L accounts for FY 2018-19 and FY 2019-20:

	For the year ended (Audited)	
	30 June 2019	30 June 2020
(in € millions)		
Operating result.....	578	539
+Depreciation and Amortization .....	474	486
-Other operating income and expenses .....	(13)	(37)
<b>EBITDA .....</b>	<b>1,039</b>	<b>989</b>

The EBITDA margin is the ratio of EBITDA to revenues. It is computed as follows:

	For the year ended (Audited)	
	30 June 2019	30 June 2020
(in € millions)		
EBITDA .....	1,039	989
Revenues.....	1,324	1,281
<b>EBITDA margin (as a % of revenues) .....</b>	<b>78.5</b>	<b>77.2</b>

The Net debt / EBITDA ratio is the ratio of net debt to last-twelve months EBITDA. It is computed as follows:

	For the year ended (Audited)	
	30 June 2019	30 June 2020
(in € millions)		
Last twelve months EBITDA .....	1,039	989
Closing net debt as per covenant definition <sup>(1)</sup> .....	2,474	2,403
<b>Net debt / EBITDA .....</b>	<b>2.38</b>	<b>2.43</b>

(1) Net Debt as per covenant definition is equal to the Issuer Group net debt (€2,739 million as of 30 June 2019, €2,886 million as of 30 June 2020) minus Intercompany loan (€264 million as of 30 June 2019, €483 million as of 30 June 2020).

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with this Prospectus and that have been filed with the CSSF in Luxembourg and shall be incorporated by reference in, and form part of, this Prospectus:

- (a) the Issuer's consolidated financial statements for the financial year ended 30 June 2019 in the English language (the 2019 Financial Statements): [https://www.eutelsat.com/files/PDF/investors/ESA\\_consolidated\\_financial\\_statements\\_FY19\\_V17.09.pdf](https://www.eutelsat.com/files/PDF/investors/ESA_consolidated_financial_statements_FY19_V17.09.pdf);
- (b) a free translation of the statutory auditors' audit report for the financial year ended 30 June 2019<sup>4</sup>: <https://www.eutelsat.com/files/PDF/investors/2019-20/30.06.19 - ESA RCC.pdf>; and
- (c) the Issuer's consolidated financial statements for the financial year ended 30 June 2020 in the English language (the 2020 Financial Statements) which include a free translation of the statutory auditors' audit report for the financial year ended 30 June 2020<sup>5</sup>: <https://www.eutelsat.com/files/PDF/investors/2019-20/Eutelsat%20SA%20-%2030.06.20%20-%20RCC%20vEN.pdf>.

Save that any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

The financial statements of the Issuer and the free translation of the auditors' reports related thereto are uncertified English translations and were originally issued in French and are provided solely for the benefit of English speaking users.

Copies of the documents incorporated by reference in this Prospectus will be available on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on the website of Eutelsat Communications in the section Investors/ Eutelsat S.A. (<https://www.eutelsat.com/en/investors/eutelsat-sa-information.html?#eutelsat-s-a--financial-statements>).

The Issuer will provide, without charge, to each person to whom a copy of this Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the documents which are incorporated herein by reference unless such documents have already been supplied to such person. Written or oral requests for such documents should be directed to the Issuer at its principal office set out at the end of this Prospectus. In addition, such documents will be available, without charge, from the principal office of the Fiscal Agent (as defined below).

The non-incorporated parts of the documents incorporated by reference herein, which for the avoidance of doubt are not mentioned in the cross-reference lists below, are either not relevant for investors or covered elsewhere in this Prospectus.

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<sup>4</sup> For the avoidance of doubt, the free translation of the statutory auditors' report for the financial year ended 30 June 2019 is subject to the Responsibility Statement on page 1 of this Prospectus.

<sup>5</sup> For the avoidance of doubt, the free translation of the statutory auditors' report for the financial year ended 30 June 2020 is subject to the Responsibility Statement on page 1 of this Prospectus.

The information incorporated by reference in this Prospectus shall be read in conjunction with the following cross-reference table, in which the page references refer to the PDF version of the documents:

	<b>2019 Financial Statements (English Translation)</b>	<b>2020 Financial Statements (English Translation)</b>
<b>Financial information concerning the Issuer’s assets and liabilities, financial position and profits and losses</b>		
<b>1. Historical Financial Information</b>		
Consolidated balance sheet.....	Pages 4 and 5	Pages 11 and 12
Consolidated income statement.....	Page 2	Page 9
Comprehensive income statement.....	Page 3	Page 10
Consolidated statement of cash flows.....	Page 6	Page 13
Consolidated Statement of changes in shareholders’ equity ..	Page 7	Page 14
Accounting policies and explanatory notes.....	Pages 8 to 48	Pages 15 to 54
<b>2. Accounting of Historical Financial Information</b>		
Free Translation of Audit Reports <sup>(1)</sup> .....	Page 1 to 8 <sup>(2)</sup>	Page 1 to 7

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- (1) The page references for the Free Translation of Audit Reports refer the electronic document of the Financial Statements filed with the CSSF as documents incorporated by reference, and not to the physical document issued by the statutory auditors.
- (2) The Free Translation of the Audit Report for the 2019 Financial Statements has been incorporated by reference as a separate document.

## TERMS AND CONDITIONS OF THE BONDS

*The following is the text of the terms and conditions that, subject to their issue, shall be applicable to the Bonds. The text of the terms and conditions will not be endorsed on physical documents of title but instead will be constituted by the following text.*

The issue of €600,000,000 1.500 per cent. bonds due 13 October 2028 (the **Bonds**) has been authorised by a resolution of the Board of Directors (Conseil d'administration) of Eutelsat S.A. (the **Issuer**) dated 5 October 2020 and a decision of Mr Rodolph Belmer, Directeur général of the Issuer dated 7 October 2020. The Issuer will enter into an agency agreement dated 9 October 2020 (as amended or supplemented from time to time, the **Agency Agreement**) with CACEIS Corporate Trust, as fiscal agent and paying agent (the **Fiscal Agent**, and with any additional or substitute paying agents, the **Paying Agents**) and as calculation agent, except for Condition 5(d) (the **Calculation Agent**), and with DIIS Group as make whole calculation agent for the purpose of Condition 5(d) only (the **Make Whole Calculation Agent**). The Fiscal Agent, the Calculation Agent, the Make Whole Calculation Agent and the Paying Agents are collectively referred to as the **Agents**. Copies of the Agency Agreement can be sent by CACEIS Corporate Trust to Bondholders by email upon their request. The Bondholders (as defined below) are deemed to have notice of all the provisions of the Agency Agreement relating to their rights. References to Conditions are, unless the context otherwise requires, to the numbered paragraphs below.

In these Conditions, references to "day" or "days" are to calendar days unless the context otherwise specifies.

### 1. Form, Denomination and Title

The Bonds are issued in dematerialised bearer form (*au porteur*) in the denomination of €100,000 each and will at all times, in compliance with Articles L. 211-3 *et seq.* and R. 211-1 *et seq.* of the French Code *monétaire et financier*, be evidenced by book-entries (*inscription en compte*) in the books of the Account Holders. No physical documents of title (including *certificats représentatifs* pursuant to Article R. 211-7 of the French Code *monétaire et financier*) will be issued in respect of the Bonds.

The Bonds will, upon issue, be registered in the books of Euroclear France, which shall credit the accounts of the Account Holders.

**Account Holder** means any authorised financial intermediary institution entitled to hold accounts directly or indirectly on behalf of its customers with Euroclear France, and includes Euroclear Bank SA/NV (**Euroclear**) and the depositary banks for Clearstream Banking S.A. (**Clearstream**).

Title to the Bonds shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of the Bonds may only be effected through, registration of the transfer in such books. References to **Holders of Bonds** or **Bondholders** shall be construed as references to the persons whose names appear in the books of Account Holders as the persons entitled to the Bonds.

### 2. Status of the Bonds

The obligations of the Issuer under the Bonds in respect of principal, interest and other amounts, constitute direct, unconditional, unsecured (subject to Condition 3) and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future direct, unconditional, unsecured and unsubordinated obligations of the Issuer.

### 3. Negative pledge

So long as any of the Bonds remain Outstanding (as defined below), the Issuer shall not, and shall procure that none of its Material Subsidiaries (as defined below), create or permit to subsist any Security (as defined below) over its assets or revenues to secure (i) any Relevant Debt (as defined below) or (ii) any guarantee or indemnity in respect of any Relevant Debt unless, at the same time or prior to such time, the Issuer's obligations under the Bonds are secured equally and rateably with such Relevant Debt or such guarantee or indemnity in respect of any Relevant Debt, or are given the benefit of such other security, guarantee or arrangement as shall be approved by the *Masse* (as defined below) of the Bondholders.

For the purposes of these Conditions:

**EBITDA** means, in respect of any relevant determination period the consolidated net income (loss) before net financial charges, tax, depreciation and amortization, other operating expenses and income from associates (as such term is defined under IAS 28).

**Material Subsidiary** means at any time, any subsidiary of the Issuer:

- (a) whose EBITDA (consolidated in the case of a subsidiary which itself has subsidiaries) is then ten (10) per cent. or more of the consolidated EBITDA of the Issuer and its subsidiaries taken as a whole (in each case after giving effect, on a pro forma basis, to acquisitions and disposals taking place during the financial period to which the relevant financial statements referred to below relate); or
- (b) whose total assets (consolidated in the case of a subsidiary which itself has subsidiaries) are then ten (10) per cent. or more of the consolidated total assets of the Issuer and its subsidiaries taken as a whole,

all as determined by reference to the most recent annual (audited if available) or (if prepared) interim financial statements of such subsidiary and the most recent annual audited or interim financial statements of the Issuer, provided that if any Material Subsidiary sells, transfers or otherwise disposes of all or substantially all of its undertaking or assets (whether by a single transaction or a number of related transactions) to any of the Issuer's other subsidiaries (each a **Transferee**), it shall no longer be a Material Subsidiary on the date of the relevant sale, transfer or disposal and each Transferee (if it is not already a Material Subsidiary) shall be deemed to become a Material Subsidiary on the date of the relevant sale, transfer or disposal, until the Material Subsidiaries are next determined on the basis of the annual audited financial statements referred to above.

**Outstanding** means, in relation to the Bonds, all the Bonds issued other than: (i) those which have been redeemed in accordance with the Conditions, (ii) those in respect of which the date for redemption in accordance with Conditions has occurred and the redemption monies (including all interest accrued on such Bonds to the date for such redemption and any interest payable under Condition 4(c) after such date) have been duly paid to the Fiscal Agent, (iii) those which have been purchased and that are held or have been cancelled as provided in Condition 5, and (iv) those in respect of which a Put Option has been validly exercised within the Put Period as provided in Condition 5(c).

**Relevant Debt** means any present or future indebtedness for borrowed money in the form of, or represented by, bonds or notes (*obligations*) or other debt securities (including *titres de créance négociables*) which are for the time being, or are capable of being, quoted, admitted to trading or ordinarily dealt with any stock exchange, over-the counter market or other securities market.

**Security** means a mortgage, pledge, lien, assignment by way of security, hypothecation or other security interest or encumbrance, or other agreement or arrangement conferring security or having a similar effect (but excluding any *opération de crédit-bail* or *location financière*) and securing any obligation of any person.

#### 4. Interest

##### (a) *Accrual and Interest Payment Dates*

Each Bond bears interest on its principal amount at a rate of 1.500 per cent. *per annum* (the **Rate of Interest**) from, and including, 13 October 2020 (the **Issue Date**) to, but excluding, 13 October 2028 (the **Maturity Date**) payable annually in arrears on 13 October of each year (an **Interest Payment Date**) commencing on 13 October 2021.

Each Bond will cease to bear interest from the date for redemption, unless payment of principal is improperly withheld or refused on such date or unless default is otherwise made in respect of such payment.

##### (b) *Interest Periods*

The period from (and including) the Issue Date to (but excluding) the first Interest Payment Date and each successive period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date is referred to as an Interest Period.

Interest will be calculated on an (Actual/Actual (ICMA)) basis. Where interest is to be calculated in respect of a period which is shorter than an Interest Period, it shall be calculated by applying the Rate of Interest to the principal amount of each Bond and multiplying the product by a fraction whose numerator is the number of days in the relevant period, from (and including) the date from which interest begins to accrue to (but excluding) the date on which interest becomes payable, and whose denominator is the number of days in the Interest Period in which the relevant shorter period falls.

(c) *Default interest*

If any amount due and payable by the Issuer under the Conditions is not paid on its due date (the **Unpaid Amount**), interest shall continue to accrue on the Unpaid Amount at the Rate of Interest, in accordance with this Condition 4.

**5. Redemption and Purchase**

The Issuer may not redeem the Bonds except in accordance with the following provisions of this Condition 5.

(a) *Redemption at maturity*

Unless previously redeemed or purchased and cancelled as provided below, the Bonds will be redeemed in full at their principal amount in a single instalment on the Maturity Date.

(b) *Redemption for taxation reasons*

- i. If by reason of a change in the laws or regulations of the French Republic, or any political subdivision therein or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a judgment by a court of competent jurisdiction), becoming effective on or after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Bonds, not be able to make such payment without having to pay additional amounts, the Issuer may, at any time, subject to having given not more than sixty (60) nor less than thirty (30) days' prior notice to the Bondholders (which notice shall be irrevocable), in accordance with Condition 10, redeem the Bonds (in whole but not in part) at their principal amount plus accrued interest up to (but excluding) their effective redemption date provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding or deduction for French taxes or, if such date has passed, as soon as practicable thereafter.
- ii. If the Issuer would, on the occasion of the next payment of principal or interest in respect of the Bonds, be prevented by French law from making payment to the Bondholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall, upon giving not less than seven (7) days' prior notice to the Bondholders in accordance with Condition 10, redeem the Bonds (in whole but not in part) at their principal amount plus accrued interest up to (but excluding) their effective redemption date provided that the due date for redemption of which notice hereunder shall be given shall be on the latest practicable date on which the Issuer could make payment of the full amount of principal and interest payable without withholding or deduction for French taxes or, if such date has passed, as soon as practicable thereafter.

(c) *Redemption following a Change of Control*

If at any time while any of the Bonds remain Outstanding, (i) a Change of Control occurs and (ii) a Negative Rating Event in respect of that Change of Control is deemed to have occurred and is not cured before the last day of the Change of Control Period (a **Put Event**), then each Bondholder shall have the option (the **Put Option**) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) all (but not some only) of the Bonds held by such Bondholder at their principal amount together with (or, where purchased, together with an amount equal to) accrued interest to (but excluding) the Optional Redemption Date (as defined below).

Promptly upon the Issuer becoming aware of the occurrence of a Put Event, the Issuer shall give notice to the Bondholders in accordance with Condition 10, specifying the nature of the Change of Control, the circumstances giving rise to it and the procedure for exercising the Put Option contained in this Condition 5(c) (the **Put Event Notice**).

Each Bondholder will have the right to require the Issuer to redeem or, at the Issuer's option, to purchase (or procure the purchase of) all of the Bonds held by it within a 40-day period (the **Put Period**) commencing on the first Business Day (as defined in Condition 6) following the expiry of the Change of Control Period. To exercise the Put Option, each Bondholder must transfer (or cause to be transferred by its Account Holder) its Bonds to be so redeemed or purchased to the account of the Fiscal Agent specified in the Put Option Notice (as defined below) for the account of the Issuer within the Put Period, together with a duly signed and completed notice of exercise in the form obtainable from the specified office of the Fiscal Agent (a **Put Option Notice**) and in which the relevant Bondholder will specify a bank account to which payment is to be made under this Condition 5(c). A Put Option Notice once given may not be revoked.

The Issuer shall, subject to the transfer of such Bonds to the account of the Fiscal Agent as described above, redeem or, at the option of the Issuer, purchase (or procure the purchase of) all of the Bonds in respect of which the Put Option has been validly exercised as provided above on the twentieth (20th) Business Day (as defined in Condition 6) following the expiry of the Put Period (the **Optional Redemption Date**). Payment in respect of any Bond so transferred will be made in Euro to the Euro-denominated bank account of the Holder specified in the Put Option Notice on the Optional Redemption Date via the relevant Account Holder.

For the purposes of this Condition:

A **Change of Control** occurs where, other than in connection with a Permitted Restructuring (as defined below) or a Permitted Change of Control (as defined below), (i) Eutelsat Communications S.A. ceases to own, directly or indirectly, at least 50% of the share capital and the voting rights of the Issuer (or the surviving entity following a Permitted Restructuring), or (ii) any person or group of persons acting in concert, as defined in Article L. 233-10 of the French *Code de Commerce*, directly or indirectly owns or acquires more than 50% of the share capital and voting rights of Eutelsat Communications S.A.

**Change of Control Period** means, in relation to a Change of Control, the period commencing on the date of the first public announcement of the occurrence of the relevant Change of Control, and ending on (i) the date which is 120 days (inclusive) after such public announcement or (ii) the date which is 180 days (inclusive) after such public announcement if, at the end of the period stated in sub-paragraph (i) above, either one or both of the Rating Agencies (as defined below) have officially placed the Bonds under consideration for rating review.

**Existing Major Shareholder** means the Bpifrance Participations (formerly Fonds Stratégique d'Investissement) and/or any person controlled (as defined in Article L. 233-3 I of the French *Code de Commerce*) by it.

A **Negative Rating Event** will be deemed to have occurred in respect of a Change of Control:

- i. in circumstances where on the day immediately preceding the date of a Potential Change of Control the credit rating previously assigned on a solicited basis to the Bonds by each Rating Agency is an investment grade rating (BBB- or better or their equivalent), if the credit rating assigned to the Bonds by at least two Rating Agencies solicited by the Issuer, is reduced to BB+ (or their equivalent), or below, on or after the date of a Potential Change of Control but before the expiry of the Change of Control Period, and, after the date of such reduction but before the expiry of the Change of Control Period, both Rating Agencies have not assigned to the Bonds a credit rating at least at the level of the credit rating assigned to the Bonds on the day immediately preceding the date of such Potential Change of Control;
- ii. in circumstances where on the day immediately preceding the date of a Potential Change of Control, the credit rating previously assigned on a solicited basis to the Bonds by at least two Rating Agencies is below investment grade (BB+ or below or their equivalent), if the credit rating assigned to the Bonds by at least two Rating Agencies solicited by the Issuer, is reduced by at least one full rating notch on or after the date of a Potential Change of Control but before the expiry of the Change of Control Period, and, after the date of such reduction but before the expiry of the Change of Control Period, such Rating Agencies have not assigned to the Bonds a credit rating at least at the level of the credit rating assigned to the Bonds on the day immediately preceding the date of such Potential Change of Control;
- iii. if the credit rating previously assigned to the Bonds by at least two Rating Agencies solicited by the Issuer, is withdrawn on or after the date of a Potential Change of Control but before the expiry of the Change of Control Period, and, after the date of such withdrawal but before the expiry of the Change of Control Period, such Rating Agencies have not assigned to the Bonds a credit rating at least at the level of the credit rating assigned to the Bonds on the day immediately preceding the date of withdrawal; or
- iv. if the credit ratings assigned to the Bonds by at least two of the Rating Agencies solicited by the Issuer, had been withdrawn by at least two Rating Agencies prior to the date of a Potential Change of Control, and, on or after the date of a Potential Change of Control but before the expiry of the Change of Control Period, neither of the two Rating Agencies has assigned to the Bonds a credit rating at least at the level of the credit rating assigned to the Bonds on the day immediately preceding the date of withdrawal.

*provided that:*



- in the case of sub-paragraphs (i), (ii) and (iii) above, each relevant Rating Agency publicly announces, or confirms in writing to the Issuer, the Fiscal Agent or any Bondholder, that any such reduction or withdrawal is due, wholly or in part, to the relevant Change of Control; and
- if at any time the Issuer is rated on a solicited basis by less than two Rating Agencies, a Negative Rating Event shall be deemed to have occurred in respect of a Change of Control if (x) in the case of sub-paragraph (i) above, the credit rating assigned to the Bonds by at least one (or the sole) Rating Agency, solicited by the Issuer, is reduced to BB+ (or their equivalent) on the conditions set out in sub-paragraph (i) above; or (y) in the case of sub-paragraph (ii) above, the credit rating assigned to the Bonds by at least one (or the sole) Rating Agency, solicited by the Issuer, is reduced by at least one full rating notch on the conditions set out in sub-paragraph (ii); or (z) in the case of sub-paragraphs (iii) and (iv) above, the credit rating assigned to the Bonds by at least one (or the sole) Rating Agency, solicited by the Issuer, is withdrawn on the conditions set out in sub-paragraphs (iii) and (iv) above, respectively.

**Permitted Change of Control** means any transaction where the Existing Major Shareholder acting individually or in concert (*personnes agissant de concert*, as defined in Article L. 233-10 of the French *Code de Commerce*) owns or acquires directly or indirectly more than 50% of the share capital and voting rights of the Issuer (or the surviving entity following a Permitted Restructuring).

**Permitted Restructuring** means any merger (*fusion*), demerger (*scission*) or asset contribution (*apport partiel d'actifs*) between, or involving, the Issuer and Eutelsat Communications S.A. or any entity held directly or indirectly by Eutelsat Communications S.A., provided that Eutelsat Communications S.A. owns more than 50% of the share capital and voting rights of such entity and, if the Issuer is not the surviving entity, all the Issuer's liabilities and obligations under the Bonds are transferred and assumed by such surviving entity.

**Potential Change of Control** means the first public announcement or statement, made by the Issuer, or any of its direct or indirect parent companies, or any actual or potential bidder(s), or any of their respective advisers on their behalf, relating to any potential Change of Control.

**Rating Agency** means S&P Global Ratings Europe Limited (**S&P**) or its successor and/or Moody's Investors Service Ltd (**Moody's**) or its successor and/or Fitch Ratings (**Fitch**) (or, if either or all of these agencies cease to exist or publish ratings generally or if the Issuer so decides, any alternative internationally recognised rating agency or agencies which has, at the request of the Issuer, assigned a credit rating to the Bonds or to the Issuer's long-term senior unsecured and unsubordinated indebtedness).

(d) *Make Whole Redemption by the Issuer*

The Issuer will, subject to compliance by the Issuer with all relevant laws, regulations and directives and having given not less than thirty (30) nor more than sixty (60) calendar days' notice in accordance with Condition 10 to the Bondholders (which notice shall be irrevocable and shall specify the date fixed for redemption), have the option to redeem the Bonds, in whole or in part, at any time prior to their Maturity Date (but no later than the Initial Residual Maturity Call Option Date (as provided in Condition 5(f) below) (the **Optional Make Whole Redemption Date**) at their Optional Redemption Amount (as defined below) together with any accrued and unpaid interest up to, but excluding, the Optional Make Whole Redemption Date.

The **Optional Redemption Amount** will be calculated by the Make Whole Calculation Agent and will be an amount in Euro rounded to the nearest cent (half a cent being rounded upwards) being the greater of (x) one hundred (100) per cent. of the Principal Amount (as defined below) of the Bonds so redeemed and (y) the sum of the then present values on the Optional Make Whole Redemption Date of (i) the Principal Amount (as defined below) of the Bonds and (ii) of the remaining scheduled payments of interest of the Bonds for the remaining term of the Bonds (being the Initial Residual Maturity Call Option Date) (determined on the basis of the interest rate applicable to such Bond from but excluding the Optional Make Whole Redemption Date (therefore excluding any interest accruing on such Bond to, but excluding, such Optional Make Whole Redemption Date)), discounted to the relevant Optional Make Whole Redemption Date on an annual basis (Actual / Actual ICMA) at the Early Redemption Rate plus the Early Redemption Margin.

**Early Redemption Margin** means +0.35 per cent. *per annum*.

**Early Redemption Rate** means:

- (i) the yield to maturity of the Reference Benchmark Security expressed as an annual rate as determined by the Make Whole Calculation Agent based on the Reference Benchmark Security mid-market price published on the regulated market « Borse Frankfurt » (or any successor thereof) on the fourth (4th) business day in Paris preceding the Optional Make Whole Redemption Date at 11.00 a.m. (Central European time (CET)); or
- (ii) if the Reference Benchmark Security price cannot be determined in accordance with (i) above, the yield to maturity of the Reference Benchmark Security expressed as an annual rate as determined by the Make Whole Calculation Agent based on the Reference Benchmark Security mid-market price published on the relevant Bloomberg screen page (or such other page or service as may replace it for the purpose of displaying such price) on the fourth (4th) business day in Paris preceding the Optional Make Whole Redemption Date at 11.00 a.m. (Central European time (CET)); or
- (iii) if the Make Whole Calculation Agent is unable to determine the Reference Benchmark Security price pursuant to (i) or (ii) above, the average of the four quotations given by the Reference Dealers (or if only three quotations are provided by the Reference Dealers, the average of such three quotations, or if only two quotations are provided by the Reference Dealers, the average of such two quotations, or if only one quotation is provided by the Reference Dealers, such quotation) of the mid-market yield to maturity of the Reference Benchmark Security expressed as an annual rate on the fourth (4th) business day in Paris preceding the Optional Make Whole Redemption Date at 11.00 a.m. (Central European time (CET)).

If the Reference Benchmark Security is no longer outstanding, a Similar Security will be chosen by the Make Whole Calculation Agent after prior consultation with the Issuer if practicable under the circumstances, at 11.00 a.m. (Central European time (CET)) on the third (3rd) business day in Paris preceding the Optional Make Whole Redemption Date, quoted in writing by the Make Whole Calculation Agent to the Issuer **Principal Amount** means €100,000.

**Reference Benchmark Security** means the German government bond bearing interest at a rate of 0.25 per cent. *per annum* and maturing on 15 August 2028 with ISIN DE0001102457.

**Reference Dealers** means each of the four (4) banks (which for the avoidance of doubt may include the Global Coordinator or the Managers) selected by the Make Whole Calculation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues.

**Similar Security** means a reference bond or reference bonds issued by the German Government having an actual or interpolated maturity comparable with the remaining term of the Bonds that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Bonds.

*(e) Clean-up Call Option*

In the event that eighty (80) per cent. or more of the initial aggregate nominal amount of the Bonds have been redeemed or purchased and cancelled, the Issuer may, at its option, at any time, subject to having given no more than thirty (30) not less than fifteen (15) calendar days' prior irrevocable notice to the Bondholders in accordance with Condition 10, redeem the outstanding Bonds, in whole (but not in part), at their principal amount plus accrued interest up to (but excluding) the date fixed for redemption.

*(f) Residual Maturity Call Option*

The Issuer may, on giving not less than fifteen (15) nor more than thirty (30) calendar days' irrevocable notice in accordance with Condition 10 to the Bondholders redeem, at any time or from time to time during a period of three (3) months preceding the Maturity Date (the **Initial Residual Maturity Call Option Date**), the Bonds, in whole or in part, at par together with interest accrued to, but excluding, the date fixed for redemption.

All Bonds in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

*(g) Partial Redemption*

In the case of a partial redemption of the Bonds under Condition 5(d) or 5(f), the redemption shall be effected by reducing the nominal amount of the Bonds in proportion to the aggregate nominal amount redeemed.

*(h) Purchases*

The Issuer, any of its subsidiaries and/or its affiliates, may at any time purchase any Bonds for cash consideration or otherwise (including, without limitation, by means of an exchange offer) in the open market or otherwise, at any price and on any conditions, in accordance with any applicable laws and regulations. If purchases are made by tender, tenders must be available to all Bondholders alike on the same terms. All Bonds so purchased by the Issuer may be held and resold in accordance with applicable laws and regulations for the purpose of enhancing the liquidity of the Bonds.

*(i) Cancellation*

All Bonds which are (i) redeemed or (ii) purchased for cancellation by or on behalf of the Issuer will forthwith be cancelled in accordance with the rules and procedures of Euroclear France.

**6. Payments**

*(a) Payments to Bondholders*

On each date on which the Issuer is required to make a payment under the Bonds, payment shall be made in Euro by transfer to the account of the relevant Account Holder for the benefit of the relevant Bondholder. Payment by the Issuer to the relevant Account Holder shall constitute an effective discharge of the Issuer to the extent of such payment.

*(b) Payments on Business Days*

If the due date for payment of any amount in respect of any Bond is not a Business Day, payment shall not be made until the next following Business Day and the Bondholders shall not be entitled to any interest or other sums in respect of such postponed payment.

For the purpose of these Conditions:

A **Business Day** means any day on which the TARGET System is operating and commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in Paris and Luxembourg.

**TARGET System** means the Trans-European Automated Real-Time Gross Settlement Express Transfer 2 System or any system that replaces it.

*(c) Payments subject to law*

All payments are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8 below.

*(d) Fiscal Agent, Calculation Agent, Make Whole Calculation Agent and Paying Agent*

The name of the initial Fiscal Agent and Paying Agent and its specified office are set forth below:

**Fiscal and Principal Paying Agent**

**CACEIS Corporate Trust**  
14, rue Rouget de Lisle  
92862 Issy les Moulineaux Cedex 9  
France

The name of the initial Make Whole Calculation Agent and its specified office are set out below:

**Make Whole Calculation Agent**

**DIIS GROUP**  
12, rue Vivienne  
75002 Paris  
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Agents and/or appoint additional or other Paying Agents or approve any change in the office through which any such Agent acts, provided that there will at all times be (i) a Fiscal Agent having a specified office in a European city, (ii) so long as the Bonds are admitted to trading on the regulated market of the Luxembourg Stock Exchange and to the extent that the rules of that exchange so require,

a Paying Agent having a specified office in Luxembourg (which may be the Fiscal Paying Agent) and (iii) so long as any Bond is outstanding, a Calculation Agent and a Make Whole Calculation Agent.

Any termination or appointment shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not more than forty-five (45) nor less than thirty (30) calendar days' notice thereof shall have been given to the Bondholders by, or on behalf of, the Issuer in accordance with Condition 10.

In the absence of wilful default, bad faith or manifest error, no liability shall attach to any of the Paying Agents in connection with the exercise or non-exercise by it of its powers, duties and discretions under these Conditions.

## 7. Events of Default

Each Bondholder may, upon written notice to the Issuer and the Fiscal Agent given before all defaults shall have been cured, cause all (but not some only) of the Bonds held by it to become immediately due and payable at their principal amount, together with any accrued interest thereon, as of the date on which such notice for payment is received by the Fiscal Agent without further formality, if any of the following events (each an **Event of Default**) shall occur:

- (a) the Issuer fails to pay or, in the case of a purchase of any Bonds under Condition 5(c), to procure the payment of, any amount of principal or interest in respect of the Bonds or any of them within ten (10) days of the due date for such payment; or
- (b) the Issuer defaults in the performance or observance of any of its other obligations under or in respect of any of the Bonds and (except where such default is incapable of remedy) such default has not been cured within thirty (30) days after each of the Issuer and the Fiscal Agent receives written notice specifying such default by the Holder of any such Bonds; or
- (c) (i) any other present or future indebtedness of the Issuer or any of its Material Subsidiaries for borrowed money becomes due and payable prior to its stated maturity as a result of a default thereunder, or (ii) any such indebtedness is not paid when due, or (iii) any guarantee or indemnity given by the Issuer or any of its Material Subsidiaries for, or in respect of, any such indebtedness of others is not honoured when due and called upon, provided, in each case, that the relevant aggregate amount of the indebtedness, guarantee or indemnity in respect of which one or more of the preceding events has occurred exceeds, whether individually or in the aggregate, €50,000,000 (or its equivalent in any other currency); or
- (d) (i) the Issuer suspends or ceases to carry on all or substantially all of its business, or (ii) sells or otherwise disposes of all or substantially all of its assets, or (iii) an order is made or an effective resolution is passed for its winding-up, dissolution or liquidation, unless:
  - (x) such suspension, cessation, sale, disposal, winding-up, dissolution or liquidation is made or takes place in connection with a merger, demerger, consolidation, amalgamation or other form of corporate reorganisation (together, **Merger**) with any other corporation, where all the Issuer's liabilities under the Bonds are transferred to and assumed by such other corporation; and
  - (y) (A) the Merger is a fusion, a scission or an apport partiel d'actifs falling within Articles L. 236-1 et seq. of the French Code de commerce; or
    - (B) for any Merger other than a Merger referred to in paragraph (A) above, the corporate credit rating for long-term indebtedness assigned by S&P or Fitch (each as defined in Condition 5(c)) to such other corporation immediately following the Merger is not lower than (1) BBB- or (2) if the corporate credit rating for long-term indebtedness assigned by such Rating Agency to the Issuer immediately prior to such Merger was higher than BBB-, such credit rating; or
- (e) (i) with respect to the Issuer or any of its Material Subsidiaries a judgment is issued for judicial liquidation (*liquidation judiciaire*) without ordering the continued operation of the business (*liquidation judiciaire sans poursuite d'activité autorisée par le tribunal*), or for a transfer of the whole of its business (*cession totale de l'entreprise à la suite d'un plan de cession*) pursuant to a judicial reorganisation (*redressement judiciaire*) as defined by Articles L.631-1 et seq. of the French Code de commerce or a judicial liquidation (*liquidation judiciaire*) as defined by Articles L.640-1 et seq. of the French Code de commerce, or the continued operation of the business authorized by the judicial *liquidation* proceedings ends, or (ii) the Issuer or any of its Material Subsidiaries is subject to equivalent legal proceedings, or in the absence of legal proceedings the Issuer or any

of its Material Subsidiaries makes a voluntary conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors.

## 8. Taxation – Additional Amounts

### (a) Withholding Tax

All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within any jurisdiction or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

### (b) Additional Amounts

If, pursuant to French laws or regulations, payments of principal, interest or other revenues in respect of any Bond become subject to withholding or deduction in respect of any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed by or on behalf of France or any authority therein or thereof having power to tax, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the Holder of each Bond, after such withholding or deduction, will receive the full amount then due and payable thereon in the absence of such withholding or deduction; provided however, that the Issuer shall not be liable to pay any such additional amounts in respect of any Bond:

- i. to, or to a third party on behalf of, a Bondholder who is liable to pay such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with France other than the mere holding of such Bond; or
- ii. if such withholding or deduction is imposed under FATCA, which refers to (1) sections 1471 to 1474 of the United States Internal Revenue Code or any associated regulations or other official guidance; (2) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States and any other jurisdiction, which (in either case) facilitates the implementation of (1) above; or (3) any agreement pursuant to the implementation of (1) or (2) above with the United States Internal Revenue Service, the United States government or any governmental or taxation authority in any other jurisdiction; or
- iii. if the Bondholder has not supplied any information or declaration that has been requested by the Paying Agent in a reasonable and timely fashion and that is necessary to avoid or reduce such withholding or deduction; or
- iv. any combination of sub-paragraphs (i) through (iii) above.

Any references to these Conditions to principal and interest shall be deemed also to refer to any additional amounts which may be payable under the provisions of this Condition 8.

## 9. Representation of the Bondholders

The Bondholders will be grouped automatically for the defence of their respective common interests in a *masse* (hereinafter referred to as the **Masse**). The Masse will be governed by the provisions Article L. 228-46 *et seq.* of the French *Code de commerce* with the exception of Articles L. 228-48, L. 228-65-I 1°, L. 228-71, R. 228-63, R. 228-67 and R. 228-69 of the French *Code de commerce* and as supplemented by this Condition.

### (a) Legal Personality

The Masse will be a separate legal entity, by virtue of Article L. 228-46 of the French *Code de commerce* acting in part through one (1) representative (the **Representative**) and in part through collective decisions of the Bondholders (the **Collective Decisions**).

The Masse alone, to the exclusion of all individual Bondholders, shall exercise the common rights, actions and benefits which may accrue now or in the future with respect to the Bonds.

### (b) Representative

The initial Representative shall be:

**Association de représentation des masses de titulaires de valeurs mobilières (ARM)**

Centre Jacques Ferronnière  
32 rue Champ de Tir  
CS 30812  
44308 Nantes Cedex 3  
France

The Representative shall be entitled to remuneration as agreed with the Issuer in a separate fee letter.

In the event of death, liquidation, incompatibility, resignation or revocation of the Representative, such Representative will be replaced by an alternative Representative, designated by a Collective Decision. The alternative Representative shall have the same powers as the Representative.

All interested parties will at all times have the right to obtain the name and the address of the Representative at the head office of the Issuer and at the offices of the Fiscal and Paying Agent.

*(c) Powers of the Representative*

The Representative shall (in the absence of any Collective Decision to the contrary) have the power to take all acts of management to defend the common interests of the Bondholders.

All legal proceedings against the Bondholders or initiated by them in order to be justifiable, must be brought against the Representative or by it, and any legal proceedings not brought in accordance with this provision shall not be legally valid.

The Representative may not interfere in the management of the affairs of the Issuer.

*(d) Collective Decisions*

Collective Decisions are adopted either in a general meeting (the **General Meeting**) or by consent following a written consultation (the **Written Unanimous Decision**).

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each Bondholder to participate in Collective Decisions will be evidenced by the entries in the books of the relevant Account Holder of the name of such Bondholder as of 0:00 Paris time, on the second (2nd) Business Day preceding the date set for the Collective Decision.

Collective Decisions must be published in accordance with Condition 9(e).

The Issuer shall hold a register of the Collective Decisions and shall make it available, upon request, to any subsequent holder of any of the Bonds.

i. General Meeting

General Meetings may be held at any time, on convocation either by the Issuer or by the Representative. One or more Bondholders, holding together at least one-thirtieth (1/30) of Outstanding Bonds may address to the Issuer and the Representative a request to convene the General Meeting, together with the proposed agenda for such General Meeting. If such General Meeting has not been convened within two (2) months from such request, such Bondholder(s) may appoint one of themselves to petition the competent court in Paris to appoint an agent who will call the General Meeting.

General Meetings may deliberate validly on first convocation only if Bondholders present or represented hold at least a fifth (1/5) of the principal amount of the Bonds then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-thirds (2/3) majority of votes cast by Bondholders attending such General Meeting or represented thereat.

Notice of the date, hour, place, agenda and quorum requirements of any meeting of a General Meeting will be published as provided under Condition 10 not less than fifteen (15) calendar days prior to the date of the General Meeting on first convocation and six (6) calendar days on second convocation.

Each Bondholder has the right to participate in meetings of the Masse in person, by proxy, correspondence.

ii. Written Unanimous Decision

At the initiative of the Issuer or the Representative, Collective Decisions may also be taken by a Written Unanimous Decision.

Such Written Unanimous Decision shall be signed by or on behalf of all the Bondholders without having to comply with formalities and time limits referred to in Condition 9(d)(i). Any such decision shall, for all purposes, have the same effect as a resolution passed at a General Meeting of such Bondholders. Such Written Unanimous Decision may be contained in one document or in several documents in like form each signed by or on behalf of one or more of such Bondholders and shall be published in accordance with Condition 9(e).

*(e) Notice of Decisions*

Decisions of the meetings must be published in accordance with the provisions set out in Condition 10 not more than ninety (90) days from the date thereof.

*(f) Information to the Bondholders*

Each Bondholder or representative thereof will have the right, during a fifteen (15) day period in case of first convocation, or six (6) day period in case of second convocation, preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the meeting, which will be available for inspection at the principal office of the Issuer, at the offices of the Paying Agents and at any other place specified in the notice of meeting.

*(g) Expenses*

The Issuer will pay all reasonable expenses incurred in the operation of the *Masse*, including expenses relating to the calling and holding of Collective Decisions, and more generally all administrative expenses resolved upon by Collective Decisions of the Bondholders, it being expressly stipulated that no expenses may be imputed against interest payable on the Bonds.

*(h) Single Masse*

The Bondholders and the bondholders of any other series which have been assimilated with the Bonds of such first mentioned series in accordance with Condition 12, shall, for the defence of their respective common interests, be grouped in a single *Masse*.

## **10. Notices**

Any notice to the Bondholders pursuant to these Conditions will be valid if delivered to Euroclear France, Euroclear and/or Clearstream and published on the website of the Issuer (<https://www.eutelsat.com/sites/eutelsat-internet/home/investisseurs/eutelsat-sa.html#bonds>), and for so long as the Bonds are admitted to trading on the regulated market of the Luxembourg Stock Exchange and, to the extent so required by the Luxembourg Stock Exchange, published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). Any such notice shall be deemed to have been given on the date of such delivery or publication or, if delivered more than once or on different dates, on the first date on which such delivery or publication is made.

For the avoidance of doubt, notices relating to the convocation of the Collective Decisions and to the decisions pursuant to Condition 9 and pursuant to Articles R.228-61, R.228-79 and R.236-11 of the French *Code de commerce* shall be given by the Issuer by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Bonds are for the time being cleared and on the website of the Issuer (<https://www.eutelsat.com/sites/eutelsat-internet/home/investisseurs/eutelsat-sa.html#bonds>).

## **11. Prescription**

Claims against the Issuer for the payment of principal and interest in respect of the Bonds shall become prescribed five (5) years from the due date for payment thereof.

## **12. Further Issues**

The Issuer may from time to time without the consent of the Bondholders issue further bonds to be consolidated and form a single series (*assimilées*) with the Bonds as regards their financial service, provided that such further bonds and the Bonds shall carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and

that the terms of such further bonds shall provide for such consolidation (*assimilation*). In the event of such consolidation, the Bondholders and the holders of any consolidated bonds (*obligations assimilées*) will for the defence of their common interests be grouped in a single *Masse* having legal personality.

### **13. Governing law and Jurisdiction**

The Bonds and any non-contractual obligations arising out of or in connection with the Bonds are governed by and shall be construed in accordance with the laws of the Republic of France.

Any action against the Issuer in connection with the Bonds will be submitted to the exclusive jurisdiction of the Commercial Court (*Tribunal de Commerce*) of the jurisdiction of the registered office of the Issuer.



## **USE OF PROCEEDS**

The net proceeds from the issuance and sale of the Bonds, after deduction of commissions, fees, and estimated expenses, were €596,214,000. We intend to use the net proceeds from the offering to redeem the outstanding bonds issued on 23 June 2016 for a total principal amount of €500,000,000 bearing interest at a fixed rate of 1.125 percent per annum and due on 23 June 2021 and for general corporate purposes of the Issuer.

The Issuer will temporarily invest the net proceeds of the Bonds in short-term, low-risk, liquid investments until they are used for their stated purpose.

## INFORMATION ABOUT THE ISSUER

### 1. The Issuer

#### ***Business description***

Eutelsat S.A. (Eutelsat or the Issuer) is a private fixed satellite operator involved in the design, establishment, operation and maintenance of satellite telecommunications systems covering a large geographical area (European Middle East and Africa region (EMEA), the Americas and a large part of the Asian continent). Eutelsat is incorporated as a limited liability company (*société anonyme*) under the laws of France and its website is <https://www.eutelsat.com> (the information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus).

As of 30 September 2020, Eutelsat operates capacity on 39 satellites in-orbit between 133° West and 174° East providing coverage of EMEA6, the Americas and a large part of the Asian continent, the Group delivers its services to broadcasters and network operators directly or via distributors.

Eutelsat will launch five further satellites (EUTELSAT QUANTUM, KONNECT VHTS, EUTELSAT HOTBIRD 13F, EUTELSAT HOTBIRD 13 G AND EUTELSAT 10B), which are currently under construction with a launch expected before the end of calendar year 2022.

#### ***Formation and transfer of IGO activities***

The activities of the Issuer 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 of the IGO's operating activities were transferred to the Issuer (the **Transformation**).

The Transformation was motivated mainly by the liberalisation of the telecommunications industry in Europe, under the more specific framework laid out by the European Commission in its 1990 Green Paper which recommended that the international satellite telecommunications organisations should be reformed in order to liberalise end-user access to satellite capacity and ensure it could be freely commercialised by operators. The main purpose of the Transformation, therefore, was to position the IGO's operating activity in a competitive environment with a view to an open satellite telecommunications market.

The frequency allocations for the spectrum and orbital resources used by Eutelsat upon the transfer of activity for its satellite operations remain under the joint responsibility of the member countries of the IGO, and of the IGO.

#### ***Legal information about the Issuer***

The Issuer is registered with the French *Registre du Commerce et des Sociétés de Paris* (Commercial and Corporate Registry of Paris) under number 422 551 176. The Issuer was incorporated on 15 April 1999 as a French limited liability company (*société anonyme*) for a period of 99 years, expiring on 15 April 2098.

### 2. Registered office, legal form, applicable legislation

#### *Registered office*

70, rue Balard  
75015 Paris  
France  
Telephone: +33 (0)1 53 98 47 47

*Following a decision of the Board of Directors dated 30 July 2019, it was decided that the head office would be transferred from 70, rue Balard - 75015 Paris to 32 Boulevard Galliéni, 92130 Issy-les-Moulineaux on 19 October 2020.*

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<sup>6</sup> Extended Europe consists of Western Europe, Central Europe, Russia & Central Asia, North Africa, the Middle-East and Sub-Saharan Africa

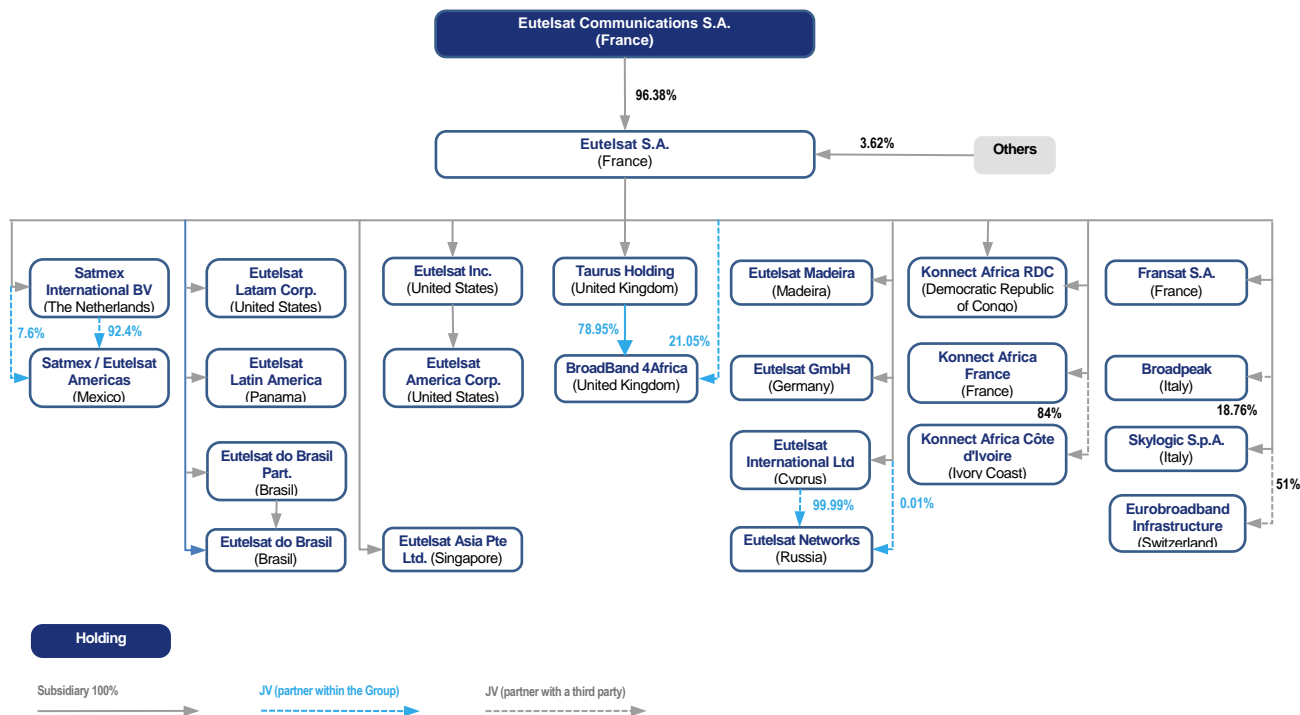
### Legal form and applicable legislation

A limited liability company (*société anonyme*) under French law with a Board of Directors, governed by the provisions of Book II of the French Commercial Code.

### Structure

#### 3. Corporate structure

The simplified corporate structure below depicts the Group’s operating organisation as of the date of this Prospectus.



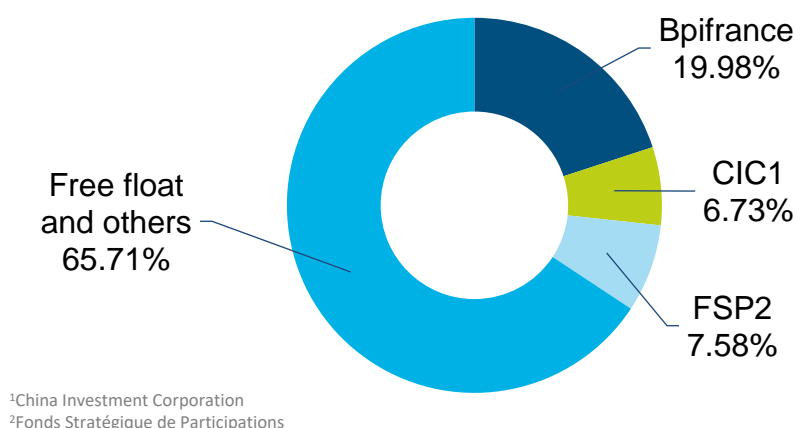
#### 4. Eutelsat Communications S.A. (France)

Eutelsat Communications S.A., the indirect holding company of the Issuer, is a limited company (*société anonyme*) operating under the laws of France whose shares are listed on Euronext Paris. Its registered offices are at 70, rue Balard, 75015 Paris.

At the date of this Prospectus, the share capital of Eutelsat Communications totalled 230,544,995 ordinary shares.

At 30 June 2020, the three largest strategic shareholders of Eutelsat Communications were Bpifrance Participations with 19.98% of the share capital, Fonds Stratégique de Participations (FSP) with 7.58% and China Investment Corporation (CIC) with 6.73%.

## Shareholder Structure of Eutelsat Communications as of 30 June 2020



At 30 June 2020, Eutelsat Communications directly held 96.4% of the share capital of the Issuer.

### 5. Services agreements between the Issuer and its holding entity and other related party agreements

Eutelsat Communications S.A. and its subsidiaries (including the Issuer) maintain contractual relationships in respect of the organisation and operations of the Group. These transactions mainly relate to the management services agreement, the split of common administrative expenses, centralised cash management and the existence of a tax group. In addition, the chargeback agreement entered into by Eutelsat Communications S.A. and certain of its subsidiaries (including the Issuer) in connection with the free share allocation plan and the associated Eutelsat Communications S.A. share buy-back programme remained in force.

### 6. Shareholders of the Issuer

The share capital of the Issuer comprises only ordinary shares. The table below sets out shareholder information for the Issuer as of 30 June 2020:

Shareholders	Number of shares	Percentage
EUTELSAT COMMUNICATIONS SA .....	976,473,167	96.38%
RSCC (Russia) .....	34,284,270	3.38%
Ministry of Telecom (Azerbaijan).....	500,000	0.05%
Beltelcom (Byelorussia) .....	500,000	0.05%
Broadcasting Radiocommunications (Ukraine) .....	500,000	0.05%
Ministry of Transport, information and communication (Kazakhstan).....	500,000	0.05%
Others .....	404,675	0.04%
<b>Total number of shares .....</b>	<b>1,013,162,112</b>	<b>100.00%</b>

### 7. Group employees

As of 30 June 2020 the Group had 1,014 employees.

The table below illustrates the breakdown of the average number of Group employees in operations and commercial and administrative activities:

	Average number of employees for the financial years ended 30 June	
	2019	2020
Operations .....	497	499

	Average number of employees for the financial years ended 30 June	
	2019	2020
Commercial and administrative activities.....	510	514
<b>TOTAL.....</b>	<b>1,007</b>	<b>1,013</b>

Each year, the Issuer prepares a labour audit report setting out key data in a single document, thereby making it possible to carry out an assessment of the company's labour profile. This report is prepared with reference to a calendar year. Each year, the Group's Economic and Social Council issues an opinion on this report. The report and the opinion of the Economic and Social Council are then made available to employees and to the company's shareholders upon request, in accordance with Articles L. 225-108 and L. 225-115 of the French *Code de commerce*.

## 8. Financial indebtedness of the Issuer prior to the issue of the Bonds

The Issuer financing structure is the following:

- 300 million euros 10-year bonds issued on 1st October 2012 on the Luxembourg Stock Exchange, maturing on 10 October 2022. The bonds bear a coupon of 3.125%, were issued at 99.148% and are repayable in full at maturity at 100%;
- 500 million euros of five-year bonds issued on 23 June 2016 on the Luxembourg Stock Exchange regulated market and maturing on 23 June 2021 ("the Bond Loan 2021"). The 2021 bonds carry an annual coupon of 1.125%, were issued at 99.894%, and are redeemable at maturity at 100% of their principal amount;
- 800 million euros of seven-year bonds issued on 25 September 2018 on the Luxembourg Stock Exchange regulated market and maturing on 2 October 2025 ("the Bond Loan 2025"). The 2025 bonds carry an annual coupon of 2.000%, were issued at 99.400%, and are redeemable at maturity at 100% of their principal amount;
- 600 million euros of eight-year bonds issued on 6 June 2019 on the Luxembourg Stock Exchange regulated market and maturing on 13 July 2027 ("the Bond Loan 2027"). The 2027 bonds carry an annual coupon of 2.250%, were issued at 99.822%, and are redeemable at maturity at 100% of their principal amount;
- Two export credit facilities covered by Office National du Ducroire (ONDD) for a total amount of 209 million euros; of which 94.9 million euros were drawn at 30 June 2020. These credit facilities have a 11.5 year maturity and will mature respectively on 17 May 2024 and 20 February 2024. They are repayable in 17 semi-annual instalments from February 2016 and May 2016. The first one, for an amount of 87 million euros (of which 38.5 million euros were drawn), bears interest at variable rate (rate based on 6-month EURIBOR and calculated at the facility signing date) was used to finance a launcher. The second one, for an amount of 121 million euros (of which 56.4 million euros were drawn), bears interest at variable rate (rate based on 6-month EURIBOR and calculated at the facility signing date) and was used to finance the construction of a satellite.
- A 450 million euros revolving credit facility signed on 28 April 2017 with a five-year term initially and two 1-year extension options subject to lenders agreement, of which one has been exercised and approved. Amounts drawn for a maximum period of six months bear interest at EURIBOR (or LIBOR for amounts drawn in U.S. dollars) plus a 0.23% to 0.95% margin depending on Eutelsat S.A.'s long term rating assigned by Standard & Poor's. The initial margin stands at 0.35%. A non-use fee is payable representing 35% of the applicable margin mentioned above. The agreement also provides for a 0.10% utilisation commission if less than 33.33% of the revolving credit facility is drawn, 0.20% for the portion equal to or exceeding 33.33% but lower than 66.67% and a 0.35% commission for any portion exceeding 66.67%. Furthermore, under this credit agreement, Eutelsat S.A is required to maintain a total net debt to annualised EBITDA ratio (as contractually defined and based on the consolidated financial statements of the Eutelsat S.A. sub-group prepared in accordance with IFRSs) below or equal to 4 to 1 (this ratio is tested on 30 June and 31 December each year). As of 30 June 2020, 300 million euros were drawn from this revolving credit facility. They were reimbursed on 18 September 2020.

- A credit facility of up to €200 million signed on 17 April 2019. This facility is composed of three tranches payable in June 2022, June 2023 and June 2024 respectively, bearing interest at a fixed rate plus a predefined margin. Furthermore, under this credit agreement, Eutelsat S.A. is required to maintain a total net debt to annualised EBITDA ratio (as contractually defined and based on the consolidated financial statements of the Eutelsat S.A. sub-group prepared in accordance with IFRSs) below or equal to 4 to 1 (this ratio is tested on 30 June and 31 December each year). As of 30 June 2020, 151 million euros were drawn from this credit facility.

The credit agreements and the bond issues include neither a guarantee by the Group, nor the pledging of assets to the lenders, but they include restrictive clauses, subject to the usual exceptions contained in loan agreements, limiting the capacity of Eutelsat S.A. and its subsidiaries, in particular to:

- grant security interests or guarantees;
- enter into agreements resulting in additional liabilities;
- grant loans and carry out certain types of investments;
- enter into merger, acquisition, asset disposal, or lease transactions (with the exception of those carried out within the Group and expressly provided for in the loan agreement); and
- modify the nature of the business of the Issuer or its subsidiaries.

The bond issues and the credit facilities provide for the possibility:

- For each lender party to the credit agreements to request early repayments of all credit agreements in the event of a change of control of Eutelsat S.A. or a change of control of Eutelsat Communications (other than control acquisition by the Group's reference shareholders). This provision does not apply in case of Group restructuring; and
- For each lender party to the bond issues to request early redemption of all issued bonds in the event of a change of control of Eutelsat S.A. or change of control of Eutelsat Communications accompanied by a downgrade in its bond ratings.

The credit agreement entails an obligation to maintain launch-plus-one-year insurance policies for any satellite located at 13° East and, for any satellite located at another orbital position, a commitment not to have more than one satellite not covered by a launch insurance policy.

Issue costs incurred on issuing the bonds and export credits are amortised over the duration of the loans. As of 30 June 2020, they represent a balance of 15.7 million euros.

## **9. Financial indebtedness of Eutelsat Communications S.A., the controlling entity of the Issuer**

Eutelsat Communications financial indebtedness is the following:

- a 600 million euros Term Loan initially maturing in March 2020 which has been extended to March 2022 (after the exercise of two extension facilities of one year) bearing interest at EURIBOR plus a margin of between 0.65% and 1.40% depending on Eutelsat Communications S.A. long-term credit ratings given by S&P. The initial margin was 0.90%. Interest periods are three months, beginning on 10 September, 10 December, 10 March and 10 June every year, except for the first two interest periods which were below three months; and
- a 200 million euros revolving credit facility (undrawn at 30 June 2020), concluded in March 2015 with – initially – a 5-year maturity which was then extended by two years. Interest periods are of a maximum six months and bear interest at EURIBOR (or LIBOR for drawings in U.S. dollars) plus a margin of between 0.25% and 1.00% depending on Eutelsat Communications S.A. long-term credit ratings given by S&P. The initial margin was 0.50%. A fee for non-use representing 35% of the margin mentioned above is payable. The agreement also provides for a utilisation commission of 0.10% if the revolving credit facility is used between 0 and 33.33%, of 0.20% if the revolving credit facility is used more than 33.33% but less than 66.67% and 0.35% if the revolving credit facility is used more than 66.67%.

## 10. Eutelsat S.A. Board as of the date of this Prospectus

As at the date of the Prospectus, the Board of Directors of the Issuer was composed of 7 members as detailed in the table below.

In addition, a *Censeur*, namely the Executive Secretary of EUTELSAT IGO, appointed for a three-year term of office, as well as two representatives of the Economic and Social Council, are called to and may attend all meetings of the Board of Directors and express their points of view on any item on the agenda, however they may not take part in the vote.

<b>DOMINIQUE D’HINNIN</b>		
<b>Board Member, Chairman of the Board of Directors</b>		
<p>DoB: 4 August 1959 61 years old French national</p> <p><b>Business address:</b> Eutelsat Communications 70, rue Balard 75015 Paris</p> <p><b>First appointment/Coop ting:</b> 4 October 2017</p> <p><b>Office expires on:</b> Annual General Meeting called to approve the accounts for the financial year ending 30 June 2021</p>	<p><b>Biography</b></p> <p>Dominique D’Hinnin is a graduate of the <i>École normale supérieure</i> and a former <i>Inspecteur des finances</i>. He joined the Lagardère Group in 1990 as an advisor to Philippe Camus. He was then appointed as the group’s Internal Audit Director, CFO of Hachette Livre in 1993 and Executive Vice-President of Grolier Inc. (Connecticut, USA) in 1994. He was Lagardère’s CFO from 1998 to 2009 and Co-managing Partner of Lagardère SCA between 2009 and 2016. He is a former Board Member of Airbus and Canal+ and former Advisory Board Member of Price Waterhouse Coopers France. He sits at the Boards of Spanish media company PRISA, French company Edenred, French company Technicolor and Belgium distribution company Louis Delhaize SA. On 8 November 2017, Dominique D’Hinnin was appointed Chairman of the Board of Directors of Eutelsat Communications S.A.</p> <p><b>OTHER OFFICES AND FUNCTIONS HELD WITHIN THE EUTELSAT GROUP OVER THE PAST 5 YEARS</b></p> <p><b>Current:</b></p> <p><b>In France:</b> Chairman of the Board of Directors of Eutelsat Communications S.A. (since 8 November 2017) Chairman of the Board of Directors of Eutelsat S.A. (since 8 November 2017)</p> <p><b>Outside France:</b> N/A</p> <p><b>Expired:</b></p> <p><b>In France:</b> Permanent representative of FSP (until 8 November 2018)</p> <p><b>Outside France:</b> N/A</p>	<p><b>OFFICES AND FUNCTIONS HELD OUTSIDE THE EUTELSAT GROUP OVER THE PAST 5 YEARS</b></p> <p><b>Current:</b></p> <p><b>In France:</b></p> <ul style="list-style-type: none"> <li>- Edenred (listed company): Board Member since 8 June 2017</li> <li>- Technicolor (listed company): Board Member since 14 June 2019</li> </ul> <p><b>Outside France:</b></p> <ul style="list-style-type: none"> <li>- Prisa (listed company, Spain): Board Member since 6 May 2016</li> <li>- Louis Delhaize S.A.: Board Member (since 6 June 2017) (Belgium)</li> </ul> <p><b>Expired:</b></p> <p><b>In France:</b></p> <ul style="list-style-type: none"> <li>- Marie-Claire Album and Holding</li> <li>- Evelyne Prouvost: Board Member between 2014 and 2016</li> </ul> <p><b>Outside France:</b> N/A</p>

## RODOLPHE BELMER

Board Member and CEO of Eutelsat SA

<p>DoB: 21 August 1969 51 years old French national</p> <p>Business address: Eutelsat Communications 70, rue Balard 75015 Paris</p> <p>First appointment/Co-opting: 1 March 2016 as CEO 4 October 2016 as Board Member</p> <p>Office expires on: Annual General Meeting called to approve the accounts for the financial year ending 30 June 2020</p>	<p><b>Biography</b></p> <p>A graduate of HEC business school, Rodolphe Belmer began his career in the marketing department of Procter &amp; Gamble France before joining McKinsey in 1998. He joined the Canal+ Group in 2001 and was appointed Marketing and Strategy Director in 2002. From 2003, he oversaw the editorial division of the Group, initially as CEO of Canal+, and from 2006 onwards, as Head of all pay-TV channels. In 2011, he conducted the Group's diversification in free-to-air broadcasting, notably through the acquisition and relaunch of D8 and D17 channels. In 2012, he was appointed CEO of Canal+ Group. Rodolphe Belmer joined Eutelsat on 1 December 2015 and was appointed CEO on 1 March 2016.</p> <p><b>OTHER OFFICES AND FUNCTIONS HELD WITHIN THE EUTELSAT GROUP OVER THE PAST 5 YEARS</b></p> <p><b>Current:</b></p> <p><b>In France:</b> CEO of Eutelsat Communications S.A. (since 1 March 2016) Board Member of Eutelsat Communications S.A. (since 4 November 2016)</p> <p><b>Outside France:</b> Board Member and Chairman of Eutelsat Inc. (USA) (since 1 March 2016) Board Member of Satélites Mexicanos S.A. de C.V. (Mexico) (since 1 March 2016) Board Member of Eutelsat Networks (Russian Federation) (since 30 September 2016) Board Member of Broadband for Africa (UK) (since 1 March 2016) Manager of Euro Broadband Infrastructure (Switzerland) (since 3 March 2017) Manager of Euro Broadband Retail (Switzerland) (since 3 March 2017)</p> <p><b>Expired:</b></p> <p><b>In France:</b> Deputy CEO of Eutelsat S.A. (until 29 February 2016) Deputy CEO of Eutelsat Communications (until 29 February 2016)</p> <p><b>Outside France:</b> N/A</p>	<p><b>OFFICES AND FUNCTIONS HELD OUTSIDE THE EUTELSAT GROUP OVER THE PAST 5 YEARS</b></p> <p><b>Current:</b></p> <p><b>In France:</b></p> <ul style="list-style-type: none"><li>- Mediawan (listed company): Member of Supervisory Board</li><li>- Auteurs Solidaires: Chairman (since January 2017)</li><li>- Séries Mania: Chairman (since September 2017)</li><li>- Brut: Board Member (since 15 February 2018)</li></ul> <p><b>Outside France:</b></p> <ul style="list-style-type: none"><li>- Netflix (listed company, USA): Non-Executive Director (since January 2018)</li></ul> <p><b>Expired:</b></p> <p><b>In France:</b> N/A</p> <p><b>Outside France:</b></p> <ul style="list-style-type: none"><li>- Mediawan (listed company): Member of Supervisory Board (until 2020)</li><li>- RBC: Chairman (until 2020)</li><li>- Hispasat S.A (Spain): Board Member (until 18 April 2018)</li></ul>
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## BPIFRANCE PARTICIPATIONS REPRESENTED BY STÉPHANIE FRACHET

Board Member

<p>DoB: 17 May 1977 43 years old French national</p> <p><b>Business address:</b> Eutelsat Communications 70, rue Balard 75015 Paris</p> <p><b>First appointment/Co-opting:</b> 8 November 2010 (Fonds Stratégique d'Investissement)</p> <p><b>Office expires on:</b> Annual General Meeting called to approve the accounts for the financial year ending 30 June 2022</p>	<p><b>Biography</b></p> <p>Bpifrance Participations (since 12 July 2013, formerly <a href="#">Fonds Stratégique d'Investissement</a> – FSI) is currently represented on the Company's Board of Directors by Stéphanie Frachet, Managing Director and Executive Committee member of Bpifrance Capital Développement since 2017. She joined Bpifrance in 2009. Stéphanie Frachet has eighteen years of experience in finance and private equity. From 2001 to 2007, she was responsible for audit missions and M&amp;A and LBO transaction services at Ernst &amp; Young and later at PricewaterhouseCoopers. In 2007, Stéphanie Frachet joined the Leverage Finance team at Société Générale, in charge of financing LBO operations for mid-caps and large groups. Stéphanie Frachet is also a Director at Valeo, Constellium (NYSE-listed company), Sulo (formerly Plastic Omnium Environnement) and Sabena technics. She sits as a <i>censeur</i> on the Paprec Board of Directors. Previously, Stéphanie Frachet was a permanent representative of Bpifrance, on the Boards of Sarenza and Cylande, <i>censeur</i> of Verallia and Carso and an independent Director of Eurosic. Stéphanie Frachet is a graduate of ESSEC Business School.</p> <p><b>OTHER OFFICES AND FUNCTIONS HELD WITHIN THE EUTELSAT GROUP OVER THE PAST 5 YEARS</b></p> <p><b>Current:</b></p> <p><b>In France:</b> Permanent representative of Bpifrance Participations Board Member of Eutelsat Communications S.A. (since 16 October 2015)</p> <p><b>Outside France:</b> N/A</p> <p><b>Expired:</b></p> <p><b>In France:</b> N/A</p> <p><b>Outside France:</b> N/A</p>	<p><b>OFFICES AND FUNCTIONS HELD OUTSIDE THE EUTELSAT GROUP OVER THE PAST 5 YEARS</b></p> <p><b>Current:</b></p> <p><b>In France:</b></p> <ul style="list-style-type: none"> <li>- Valeo: Board Member</li> <li>- Sabena technics: Board Member</li> <li>- Sulo (formerly Plastic Omnium Environment): Board Member</li> <li>- Paprec: <i>Censeur</i></li> </ul> <p><b>Outside France:</b></p> <ul style="list-style-type: none"> <li>- Constellium (listed company, USA): Board Member</li> </ul> <p><b>Expired:</b></p> <p><b>In France:</b></p> <ul style="list-style-type: none"> <li>- Bpifrance Participations: Permanent representative</li> <li>- Sarenza and Cylande: Board Member</li> <li>- Verallia and Carso: <i>Censeur</i></li> <li>- Eurosic (listed company): Board Member</li> </ul> <p><b>Outside France:</b> N/A</p>
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## PAUL FRANÇOIS FOURNIER

Board Member

<p>DoB: 15 March 1968 52 years old French national</p> <p><b>Business address:</b> Eutelsat Communications 70, rue Balard 75015 Paris</p> <p><b>First appointment/Co-opting:</b> 4 October 2017</p> <p><b>Office expires on:</b> Annual General Meeting called to approve the accounts for the financial year ending 30 June 2021</p>	<p><b>Biography</b></p> <p>A graduate of Telecom ParisTech, Paul-François Fournier began his career at France Télécom Orange Group in 1994 as a business engineer in the France Business sector. With seven years of experience in developing services for businesses, he was appointed Broadband Director of Wanadoo, in 2001, where he supervised the development of ADSL offers in France, which grew from a few thousand users in 2001 to more than 3 million by end of 2004, then internationally as a member of the Executive Board of the Wanadoo Group. He subsequently oversaw strategic projects like the launch of Livebox and Voice Over IP, in partnership with French start-ups Inventel and Netcentrex.</p> <p>In addition to his experience in the area of Internet services and partnerships (he was, for instance, the key player in the acquisition of Dailymotion and Cityvox by Orange, as well as in the partnerships with Microsoft, Google and Facebook), Paul-François has excellent operational command of innovation marketing. In 2011, he was appointed Executive Director of Orange's Technocentre, in charge of product innovation (Boxes, Cloud, etc.), where he drastically transformed the company's organisation, moving to a more regional and decentralised structure (with the creation of technocentres in Amman and Abidjan). Since April 2013, Paul-François Fournier has been Innovation Director and Executive Committee Member of Banque Publique d'Investissement (Bpifrance).</p> <p><b>OTHER OFFICES AND FUNCTIONS HELD WITHIN THE EUTELSAT GROUP OVER THE PAST 5 YEARS</b></p> <p><b>Current:</b></p> <p><b>In France:</b> Board member of Eutelsat Communications S.A. (since 8 November 2017)</p> <p><b>Outside France:</b> N/A</p> <p><b>Expired:</b></p> <p><b>In France:</b> N/A</p> <p><b>Outside France:</b> N/A</p>	<p><b>OFFICES AND FUNCTIONS HELD OUTSIDE THE EUTELSAT GROUP OVER THE PAST 5 YEARS</b></p> <p><b>Current:</b></p> <p><b>In France:</b></p> <ul style="list-style-type: none"><li>- Bpifrance: Head of Innovation, Executive Committee Member and Board Member</li><li>- Cornovum: Supervisory Board Member</li><li>- Parrot: Board Member</li><li>- Prodways Group: Board Member</li><li>- Sigfox: Board Member</li></ul> <p><b>Outside France:</b> N/A</p> <p><b>Expired:</b></p> <p><b>In France:</b></p> <ul style="list-style-type: none"><li>- Wanadoo Group: Board Member</li><li>- Younited: Supervisory Board Member (until 2019)</li></ul> <p><b>Outside France:</b> N/A</p>
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## AGNÈS AUDIER

### Board Member

<p>DoB: 3 November 1964 56 years old French national</p> <p><b>Business address:</b> Eutelsat Communications 70, rue Balard 75015 Paris</p> <p><b>First appointment/Co-opting:</b> 19 March 2020</p> <p><b>Office expires on:</b> Annual General Meeting called to approve the accounts for the financial year ending 30 June 2020</p>	<p><b>Biography</b></p> <p>Agnès Audier is a former student of <i>Ecole Normale Supérieure</i>, Head Engineer with the French “<i>Corps des Mines</i>”, a qualified physicist, and a graduate of <i>Sciences-Po</i>. From 1993 to 1995 Agnès Audier was technical advisor to the Minister of Social Affairs, Health and Urban Affairs, Simone Veil. From 1995 to 1997, she was Chief of Staff to the Minister of SMEs, Trade and Handicrafts, Jean-Pierre Raffarin, who was subsequently appointed Prime Minister. From 1997 to 2001, Agnès Audier was SVP, Director of Strategy and Cross-Business Programs for the Générale des Eaux Group, which later became Vivendi and finally Vivendi Universal. At that time, she was also Secretary-General of the Executive Committee. She then became Chief Executive Officer of VivendiNet, the Internet and Technology branch of Vivendi Universal. Between 2003 and 2006, Agnès Audier was Executive Vice President and Chief Performance Officer of Havas Group, the world’s fifth largest advertising and communications group. In 2007, she joined strategy consulting firm BCG (Boston Consulting Group) and was appointed Partner and Managing Director in 2008. She was a member of the Western Europe and Latin America Operational Committee. Since October 2019, she has been a Senior Advisor with BCG and an independent consultant on digital and data transformation issues.</p> <p><b>OTHER OFFICES AND FUNCTIONS HELD WITHIN THE EUTELSAT GROUP OVER THE PAST 5 YEARS</b></p> <p><b>Current:</b></p> <p><b>In France:</b> Permanent representative of Fonds Stratégique de Participation Board member of Eutelsat Communications S.A. (since 4 November 2016)</p> <p><b>Outside France:</b> N/A</p> <p><b>Expired:</b></p> <p><b>In France:</b> N/A</p> <p><b>Outside France:</b> N/A</p>	<p><b>OFFICES AND FUNCTIONS HELD OUTSIDE THE EUTELSAT GROUP OVER THE PAST 5 YEARS</b></p> <p><b>Current:</b></p> <p><b>In France:</b></p> <ul style="list-style-type: none"><li>- Ingenico (listed company): Board member</li><li>- Groupe Crédit Agricole (CASA) (listed company): <i>Censeur</i></li><li>- SOS Seniors (French NGO dedicated to elderly care): Board Chair</li></ul> <p><b>Outside France:</b> N/A</p> <p><b>Expired:</b></p> <p><b>In France:</b> N/A</p> <p><b>Outside France:</b> Boston Consulting Group: Partner and Managing Director (from 2008 to 1 October 2018)</p>
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## ESTHER GAIDE

Board Member

DoB: 6 September 1961

58 years old

French national

**Business address:**

Eutelsat  
Communications  
70, rue Balard

**First appointment/Co-opting:**

19 March 2020

**Expiry date of office:**

General Meeting to be held to approve the accounts for the financial year ending 30 June 2021

### Biography

Esther Gaide graduated from ESSEC (Paris) and is a chartered accountant. She began her career in 1983 working in the external audit departments of PricewaterhouseCoopers (PwC) in Paris and London, then with Deloitte in Paris and the USA. In 1994, she joined Bolloré Group where she was appointed Group Internal Audit Director, where she set up the Internal Audit Department participating in the reorganization of the maritime department and the takeover of the Rivaud Group. Between 1996 and 2006, she successively held the posts of CFO of the Logistics Division, CFO of the Bolloré Africa Logistics division and ultimately Group Director of Controlling, in charge of the accounting, consolidation and control. In 2006, she joined Havas to then become Deputy CFO and HR Director. In 2011, she joined Technicolor (ex-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. In addition, Esther Gaide was appointed CFO of Elior Group on 15 March 2018.

### OTHER OFFICES AND FUNCTIONS HELD WITHIN THE EUTELSAT GROUP OVER THE PAST 5 YEARS

**Current:**

**In France:**

Board member of Eutelsat Communications S.A. (since 8 November 2017)

**Outside France:**

N/A

**Having Expired:**

**In France:**

N/A

**Outside France:**

N/A

### OFFICES AND FUNCTIONS HELD OUTSIDE THE EUTELSAT GROUP OVER THE PAST 5 YEARS

**Current:**

**In France:**

CFO of Elior Group

Permanent representative of ELIOR GROUP on the

Board of Directors of:

ELIOR RESTAURATION ET SERVICES, SA  
AREAS WORLDWIDE, SA

Permanent representative of AREAS WORLDWIDE, member and Chairman of the Supervisory Board of ELIOR PARTICIPATIONS, SCA

Chairman and CEO and Director of ELIOR FINANCEMENT, SA

Permanent representative of ELIOR PARTICIPATIONS as:

Chairman of ELIOR FA3C SAS,

Chairman of ELIOR TRÉSORERIE SAS,

Chairman of ELIOR GESTION SAS,

Chairman of SACORES SAS,

Chairman of ÉGÉE VENTURE SAS,

Chairman of L'ACADEMIE BY ELIOR SAS,

Chairman of SC2R SAS,

Chairman of BERCY SERVICES I – BSI SAS,

Chairman of BERCY SERVICES XXV – BSXXV SAS,

Chairman of BERCY SERVICES XXIX – BSXXIX SAS,

Chairman of ELEAT SOLUTIONS SAS,

Chairman of ELIOR DATA RC FRANCE SAS,

Permanent representative of EGEE VENTURE, as

Chairman of BERCY SERVICES XXVII – BSXXVII SAS,

Manager of BERCY SERVICES II – BSII SAS,

Permanent representative of ELIOR RESTAURATION ET

SERVICES on the Board of Directors of:

ELRES, SAS,

ELIOR ENTREPRISES, SAS,

Permanent representative of HOLDING DE

RESTAURATION, herself Chairman of C2L,

Permanent representative on the Board of Directors of

DUCASSE DEVELOPPEMENT

**Outside France:**

Director of ELIOR RISTORAZIONE,

Director of GEMEAZ ELIOR SpA,

Director of ELICHEF HOLDING SpA,

Director of MY CHEF RISTORAZIONE COMMERCIALE,

Representative of ELIOR RESTAURATION ET SERVICES on

the Board of Directors of SERUNION SA,

Director of Elior UK Holdings limited

Director of Elior UK Plc

Director of Waterfall Elior limited

Director of Edwards and Blake limited

**Having expired:**

**In France:**

CFO of Technicolor (until 2018)

**Outside France:**

N/A

## DENNIS PIVNYUK

Board Member

Russian national

Business address:

Eutelsat

Communications

70, rue Balard

First

appointment/Co-

opting:

10 december 2009

Expiry date of office:

General Meeting to be held to approve the accounts for the financial year ending 30 June 2021

Biography

Dennis Pivnyuk has been a director of Eutelsat since December 10, 2009. He is Chief Finance Officer of Russian Satellite Communications Company (RSCC) Russian state-owned company that operates in the field of satellite communications.

### OTHER OFFICES AND FUNCTIONS HELD WITHIN THE EUTELSAT GROUP OVER THE PAST 5 YEARS

Current:

**In France:**

N/A

**Outside France:**

N/A

Having Expired:

**In France:**

N/A

**Outside France:**

N/A

### OFFICES AND FUNCTIONS HELD OUTSIDE THE EUTELSAT GROUP OVER THE PAST 5 YEARS

**In France:**

N/A

**Outside France:**

Chief Finance Officer of Russian Satellite Communications Company (RSCC)

Having Expired:

**In France:**

N/A

**Outside France:**

N/A

## BUSINESS OVERVIEW

Eutelsat S.A. (**Eutelsat** or the **Issuer**) is a private fixed satellite operator operating a fleet of 37 satellites in geostationary orbit and providing capacity on a global scale to customers including Broadcasters, Telecom Operators or service providers and governments. Applications served include Video, Fixed Data, Government Services, Fixed Broadband and Mobile Connectivity.

Eutelsat is incorporated as a limited liability company (*société anonyme*) under the laws of France. Eutelsat's headquarters are located in Paris, France.

Eutelsat will launch five further satellites (EUTELSAT QUANTUM, KONNECT VHTS, EUTELSAT HOTBIRD 13F, EUTELSAT HOTBIRD 13 G AND EUTELSAT 10B), which are currently under construction with a launch expected before the end of calendar year 2022.

### 1. Group strategy

In the face of the market environment, Eutelsat has implemented a two-step strategy in response to the recent slowdown in growth of its core businesses. The aim of the first step is to maximise the revenue generation of its businesses by adapting its operational and financial objectives. The second step consists of preparing to return to growth by building on Video and capturing the longer-term potential in Connectivity.

### 2. Maximising free cash flow generation

The maximisation of Discretionary free cash flow generation will be achieved through two sets of measures, financial and operational, aimed at optimising the revenue generation of Eutelsat's core businesses (Video, Fixed Data and Government Services).

#### **Financial Measures**

Financial measures are structured around four areas:

- optimising capex: capex savings will be achieved without impacting the current deployment plan and associated future revenues. Savings will notably be driven by the implementation of a "design-to-cost" approach: The order of EUTELSAT 5 West B (in fall 2016) using this approach led to savings in excess of 30% compared to the theoretical replacement cost of EUTELSAT 5 West A. More recently, the replacement of the HOTBIRD constellation is another illustration of this approach. Several other elements will also contribute to capex reduction, in particular the capitalisation on industry-wide efficiency improvements and the strict monitoring of Ground capex;
- reducing the cost of debt: the refinancing of bond issues maturing in March 2017, January 2019 and January 2020 generated savings at run rate of respectively *circa* 30 million euros, *circa* 24 million euros and *circa* 10 million euros per year before tax;
- controlling operating costs with the implementation of "LEAP 1" cost-savings plan generated 32 million euros in annualised savings in 2018-19. A new "LEAP 2" cost-savings plan is being put in place with the aim of generating a further 20 to 25 million euros in savings by 2021-22; and
- a reduction of the order of 70 million euros in the annual tax burden, following the change in French tax territoriality treatment.

All these measures helped the Group insure a high level of free cash flow.

Furthermore, in order to maximise cash and accelerate deleveraging, Eutelsat has been streamlining its portfolio of assets with the closing of the disposal of its stake in Hispasat for a consideration of 302 million euros in April 2018 and the sale of its stake in EUTELSAT 25B for 135 million euros in August 2018.

#### **Adaptation of strategy in core business**

##### *Broadcast*

The Group's strategy for mature countries will consist in optimising the value of its assets by:

- increasing direct access to its customers when and where appropriate;
- integrating or reorganising indirect distribution;
- stimulating HD and Ultra HD take-up by means of tailored pricing;
- implementing more segmented pricing strategies.

There will be a particular focus on optimising the value of the HOTBIRD position and on taking back unsold capacity from certain distributors, thereby optimising distribution by increasing the proportion of sales made directly to Free-to-Air channels. Measures will also be taken to strengthen Eutelsat's value proposition by attracting premium channels in different language pools, increasing sales of services and prioritising HD and UHD ramp-up through appropriate incentives. Finally, the implementation of a new pricing policy based on pricing per Mbps instead of pricing per Mhz aims at capturing part of the efficiency gains enabled by improved modulation formats.

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

- leveraging on its existing in-orbit resources mainly in MENA, Russia and Africa and to a lesser extent in the Americas. For example, the Group integrated Noorsat, its main distributor in MENA to rationalise Video distribution and favour HD ramp-up;
- continuing to invest selectively, notably at the 7° East position. 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.

In emerging regions, the flexibility to increase prices will be prioritised over contract length to maximise the value of the customer portfolio.

#### *Data & Professional Video*

In the context of the price pressure and growing volumes described above, Eutelsat's priority will be to fill existing capacity by adapting its pricing policy.

The Group will also focus notably on the following opportunities:

- opportunities in verticals where satellite has untapped potential, such as the Internet of Things which represents a significant growth opportunity;
- the needs of Telecom operators for interconnection of mobile networks beyond the coverage provided by other infrastructures;
- less competitive geographies;
- complex networks and less price-sensitive customers, particularly those characterised by ground infrastructure made up of a large number of dispersed terminals;
- services to governments to enable them to expand their programmes aimed at reducing the digital divide (*e.g.* connecting schools and hospitals).

Furthermore, given the market prospects for this segment and its desire to optimise return on investment, the Group does not envisage investing further in regular capacity destined for this segment, with the exception of limited investments in specific capacity for the Internet of Things.

#### *Government Services*

Eutelsat will continue to work with the U.S. Department of Defence with a view to growing sales in new sub-segments.

Eutelsat will also seek to expand its operations to other governments notably in Europe, the Middle-East and Asia as well as at new orbital positions when possible: for example, following the entry into service of EUTELSAT 172B in November 2017, EUTELSAT 172A was relocated at 174° East securing incremental business in coverage of Asia-Pacific.

To provide these services, the Group will use the following in-orbit resources:

- regular capacity satellite, notably at 3° East, 21° East, 33° East, 36° East, 70° East, 172° East, 174° East and 117° West orbital positions, which offers extended and quality coverage particularly adapted to these applications;
- EUTELSAT QUANTUM, expected to be launched in 2020, the new software-based reconfigurable satellite, will help to differentiate the value proposition. Customers will enjoy the flexibility of being able to programme dishes 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 sector who are seeking operational flexibility;
- longer term KONNECT VHVS, the first VHVS satellite of the Group, expected to be launched in 2021, notably through a distribution agreement with Thales.

### **3. Returning to growth by developing the core Video business and seizing longer-term opportunities in Connectivity**

Eutelsat's return is based on the development of the core Video business and the seizure of long-term opportunities in Fixed Broadband and Mobile Connectivity.

#### ***Extracting value from the Video business***

Video *via* satellite will continue to represent an opportunity and Eutelsat expects that in the longer term Video distribution globally will mostly be split between satellite and IPTV.

Additional sources of demand will be created as broadcasters outsource certain services. In this context, closer integration with the IP ecosystem and harnessing existing IP-based technologies will enable satellites to enhance the end-viewer experience, increasing customer loyalty and generating opportunities to sell additional services to broadcasters, pay television operators and advertisers, such as:

- improving the end-user experience through, for example, Connected Television, multi-screen delivery solutions and digital Connected Television programme guides;
- managing meta-data in order to target advertising;
- compression, encryption and security.

A step in the implementation of this strategy was taken in September 2018, with the launch of Eutelsat CIRRUS, a hybrid satellite-OTT turnkey solution that will enable satellite TV channels and operators to offer a flexible and seamless multi-screen consumer experience, further integrating the satellite into the IP ecosystem. The objective is to strengthen customer relationships while generating additional revenue opportunities by seeking to capture a portion of value generated. A first contract was signed with Mondo Globo. Furthermore, in July 2019, Eutelsat acquired a *circa* 20% stake in video delivery solutions specialist, Broadpeak.

In addition, in the medium term, Eutelsat seeks to extract more value from its core Video business through the systematic implementation of a design to cost approach to optimise investments, particularly when replacing in-orbit resources, thereby maximising return on capital employed.

#### ***Seizing long-term growth opportunities in Fixed Broadband and Mobile Connectivity***

##### ***Fixed Broadband***

Eutelsat's initial aim is to optimise its existing and commissioned assets that are dedicated to Fixed Broadband, in particular:

- the KA-SAT satellite in Europe, in service since 2011;
- the HTS payload in Ka-band on EUTELSAT 36C covering Russia: broadband services kicked off in fall 2016 and a partnership has been implemented with Russian Pay-TV operator, Tricolor TV;
- the development of Broadband in Africa (Konnect Africa) with capacity leased from Yahsat; and



- the payload in Ka-band on EUTELSAT 65 West A covering Latin America which is fully leased.

At the same time, Eutelsat is preparing for the mass-market adoption of this application by working on all the prerequisites: availability of an adapted capacity, both sufficient in terms of throughput and competitive in terms of industrial cost, low-cost terminals, distribution strategy, detailed analysis of each national market. A major step forward in the Group's growth strategy was achieved with the launch of the KONNECT satellite, which will provide incremental capacity in Europe and Africa and is expected to enter into service from Autumn 2020 with operations at full capacity in early 2021. A second satellite, KONNECT VHTS, will mark a major milestone and a real change of scale for Connectivity. This VHTS satellite, with total capacity of 500 Gbps and scheduled for launch in 2021, will embark the most powerful on-board digital processor ever put in orbit, offering capacity allocation flexibility, optimal spectrum use, and progressive ground network deployment. Partnerships, including firm commitments, were signed with Orange to address the fixed broadband market in European countries where the Group has a retail presence, and with Thales to serve notably the government Connectivity services market.

On the distribution side, important milestones were achieved over the past few years notably with the launch of a Preferred Partnership Programme (PPP) allowing to revitalise the distribution network on KA-SAT. In Europe the strategy now relies on two pillars: on one hand, wholesale agreements with Telecom operators such as the agreement signed with Orange on KONNECT and KONNECT VHTS; on the other direct distribution with the acquisition of the European satellite activities of Bigblu Broadband, the leading distributor for satellite Broadband in Europe.

In Africa, various direct and indirect distribution models are being tested and may gradually be extended to new countries. More recently, an MoU was signed with Schoolap and Flash Services to provide high speed connectivity to 3,600 schools in Democratic Republic of Congo, with scope to strongly expand in coming years, highlighting the opportunity represented by government-backed digital inclusion programmes which is becoming a new axis of development.

In the meantime, Eutelsat continues to work with industrial partners to reduce the cost of terminals.

#### *Mobile Connectivity*

To capture the growth in Mobility the Group will adopt a step-by-step approach leveraging its existing assets, in particular its strong orbital positions, which enables the Group to be well positioned to seize opportunities in the maritime and in-flight connectivity markets:

- further developments of in-flight connectivity on KA-SAT. Several agreements to provide capacity to the SAS, Finnair, El Al, Icelandair, La Compagnie and Neos fleets were signed with ViaSat;
- at 172° East where capacity was expanded with the entry into service in 2017-18 of EUTELSAT 172B which includes a payload dedicated to in-flight connectivity over Asia-Pacific selected by Panasonic and China Unicom;
- at 3° East, where the Group signed a multi-year agreement with Taqnia for the lease of several steerable HTS Ka-band spotbeams on the EUTELSAT 3B satellite. This capacity will be used for in-flight Connectivity medium-/long-haul aircrafts of Saudi Arabian Airlines, covering flight paths from the Middle-East to Europe;
- at 10° East, 33° East and 70° East and over the Americas.
- In the maritime segment, where the Group signed several agreements with major distributors in the last couple of years (Speedcast, Marlink, Telenor), thereby strengthening its market share.

Furthermore, Eutelsat will focus on securing the prerequisites ready for the transition to a mass market. As such:

- The procurement of KONNECT VHTS in the 2017-18 fiscal year marks an important step towards providing appropriate Ka-band capacity over Europe from calendar year 2022, which should enable the delivery of a very high-speed in-flight broadband experience at a competitive cost and thus meet market needs.
- At the same time, Eutelsat has ordered during the 2019-20 fiscal year the EUTELSAT 10B satellite, which is expected to enter into service in 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 representing more than one-third of this incremental HTS capacity have already been made, reflecting the strong demand for Ku-band mobility services in this geographical area.

The Group is positioned as a supplier of satellite capacity on this segment, and does not seek, unlike some other players, to play the role of service provider to airline companies.

### *Internet of Things*

The Internet of Things (IoT) market represents a significant growth opportunity for the satellite industry. Tens of millions of objects in sectors as diverse as transportation, oil, logistics and agriculture will need to be connected in areas beyond the reach of terrestrial infrastructure. Satellite is an ideal complement to provide ubiquitous coverage for these objects.

In this context, Eutelsat has taken the first steps in its IoT strategy with two complementary initiatives, adding a new lever for future growth as part of the Connectivity strategy:

- The launch of the ELO constellation project: an initial series of five nano-satellites has been ordered and will be launched between 2020 and 2021, with other satellites to be progressively added to the constellation if this new initiative proves successful, to reach a total of 25 operational satellites by 2022. The investment required for the constellation is included in Eutelsat's existing investment outlook with a cost per satellite of less than one million euros. In this context, Eutelsat has signed a strategic partnership with Sigfox, a major player in the IoT.
- The launch of IoT FIRST, a fully integrated Ku-band service operating on the existing geostationary fleet. Offering rates comparable to those of IoT services based on cellular networks, Eutelsat IoT FIRST combines terminals, as well as the space and terrestrial segments, all backed by a service delivery architecture based on application programming interfaces. Eutelsat IoT FIRST also operates as an IoT Connect Service, through which telecom operators can connect IoT stations and gateways to their network.

#### **4. Extra-Financial Group strategy**

Given the nature of its activities, the Group has a limited impact on the production of greenhouse gases. The Group's strategy with respect to CSR, without neglecting other aspects, seeks to focus on those areas where it can maximise its influence.

In this context and considering these challenges, the Group's CSR policy identifies four major areas of focus, as described below, and coupled with KPIs (key indicators):

- Engaging in efforts to bridge the "digital divide"
- Protecting the environment and maintaining the space around the Earth uncongested and clean;
- Implementing a Human Resources policy suited to the challenges facing the Group
- Promoting corporate values and ethics, and preventing corruption risks

KPIs specific to each of these three areas have been defined and action plans put in place. In addition, the compensation of corporate officers includes objectives linked to the company's non-financial performance.

#### **5. Main Markets and Competition**

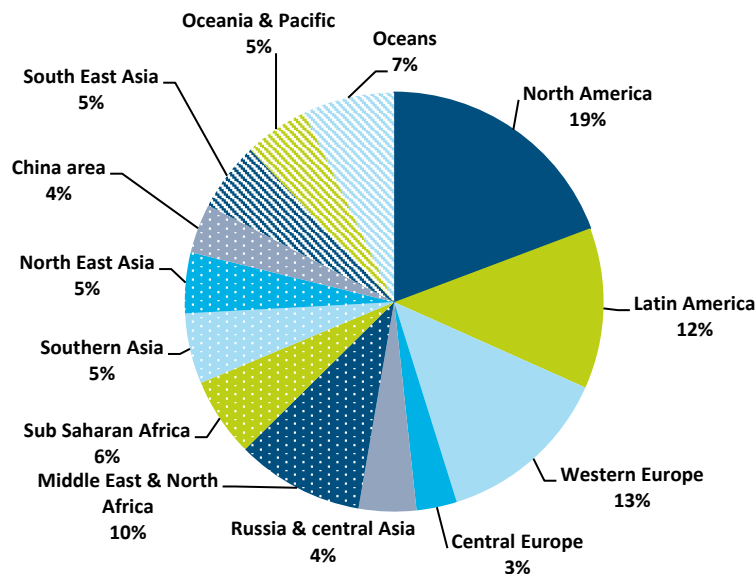
##### ***The Fixed Satellite Services (FSS) industry***

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

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

According to Euroconsult, the FSS sector will generate global revenues of 10.3 billion U.S. dollars in 2020.

**Breakdown by region of revenue for FSS sector**



Source: Euroconsult, 2020 edition, based on total FSS operators wholesale revenues.

**6. A market with visibility**

***Eutelsat: a core player in the most resilient segments***

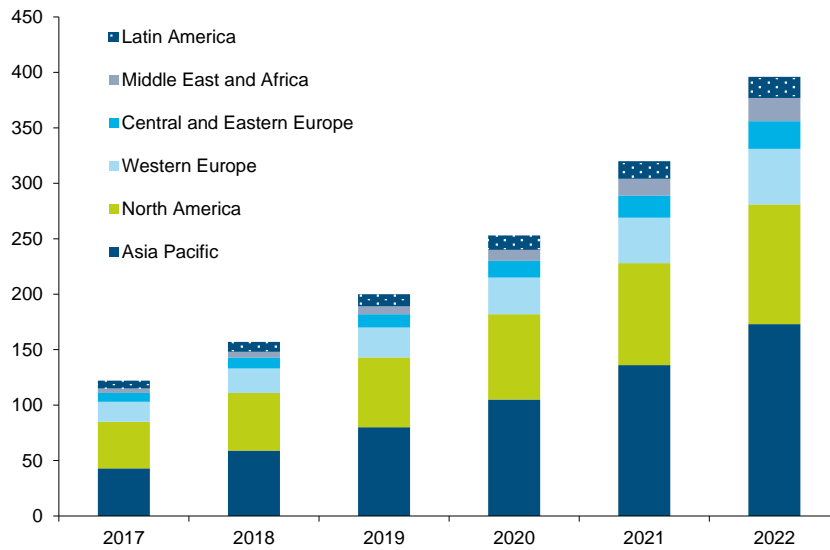
Visibility on the FSS market is underpinned by several factors:

- satellites represent the most efficient and cost-effective technology for broadcasting content over large geographical areas;
- barriers to entry are significant due to a complex international regulatory framework and the high level of investment and technical expertise required;
- customers, especially those in the Video broadcasting business, prefer to secure satellite capacity on a long-term basis;
- long-term partnerships are encouraged due to the high costs involved in transferring services in the event of a change of satellite operator, particularly in Video broadcasting.

The market for Video broadcasting, Eutelsat’s core business, is resilient and is reflected by a backlog that represents more than three years of Group revenues.

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

## Global Internet traffic evolution (in EB per month)



Source: Cisco/VNI, 2019.

### 7. An increase in usages driven by the digital revolution

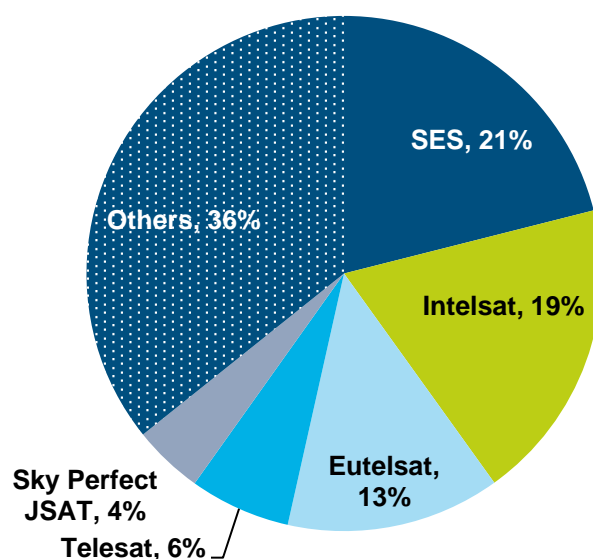
#### ***Eutelsat: a key player in the distribution of Video content***

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

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

## 8. A fast-changing and competitive environment

Operators global market share (based on revenues)



Source: Euroconsult, 2020 edition.

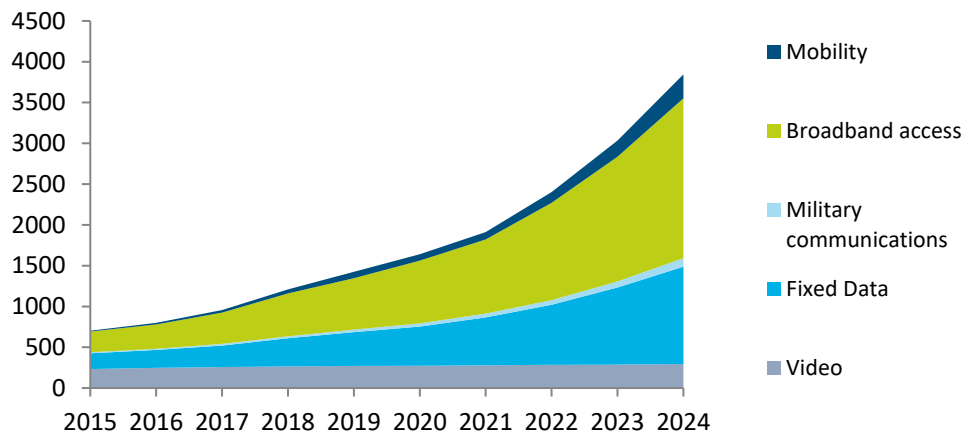
The three largest operators – Intelsat, SES and Eutelsat – hold a 50% market share in the FSS sector. At the regional level, some operators have also implemented for a few years investment programmes with a view to expanding their markets and competing with global operators. These programmes may encounter obstacles such as the high level of investment, expertise and commercial effort required, as well as the complexity of the international regulatory environment. In addition, for certain non-video applications, the arrival of HTS and subsequently VHTS satellites driven by technical innovation provides increased throughput at competitive costs and several low-earth orbit constellation projects are at various stages of progress, although none of them are in commercial service at this stage.

These investments, together with the growth of established operators and technical innovation, are reflected in an increase in the amount of satellite capacity on the market which differs depending on the applications. Whereas regular capacity global supply should, according to Euroconsult, decline by 18% between 2019 and 2024, HTS capacity supply dedicated mostly to Fixed Data and Connectivity is expected to be multiplied by three over the same timeframe.

## 9. A dual market dynamic

In the FSS sector, the traditional businesses are Video, Fixed Data and Government Services. In the markets covered by the Group, and despite continued growth for Video in emerging markets, these activities are currently experiencing a slowdown in growth with broadly stable demand in developed markets (Europe) for Broadcast and an increase in supply which is weighing on pricing in Data Services. At the same time, new high-growth segments have emerged in recent years, the “Connectivity” businesses of Fixed Broadband and Mobile Connectivity, which present significant new medium-term opportunities for satellite operators.

## Breakdown by application of global demand in GBPS (regular and HTS capacity used)



Source: Euroconsult, 2020 edition.

## 10. Core businesses – market prospects

### Broadcast

In 2019, Broadcast was the largest segment of the FSS market, accounting for circa 3,200 transponders worldwide, equivalent to 50% of the volume of regular capacity available on the market (source: Euroconsult, 2020 edition). Overall the Broadcast market is slightly growing driven by demand in emerging countries.

- the number of homes equipped with a satellite terminal should continue to increase. Between 2015 and 2019, it increased more than 11 millions on Eutelsat's main broadcast markets (EMEA and Russia) representing a further progression in satellite market share in terms of TV reception from 35% to 36% over the same period (Source: Digital TV Research).
- the number of channels broadcast by satellite worldwide increased over the last five years, exceeding 42,000 in 2020 (source: Euroconsult, 2020 edition).

Market dynamics differ between developed and emerging countries.

In developed countries:

- The market is mature. In Europe in particular, trends should be broadly stable to slightly down, with HD and UHD ramp up broadly offsetting improvement of compression and encoding format as well as end of certain simulcast channels.
- Requiring more satellite capacity as Standard Definition (a 36 Mhz transponder can broadcast more than 20 Standard Definition channels or around 9 HD channels in MPEG-4 format), the HD penetration rate on Eutelsat satellites has risen from 22% to 25% in the past year. According to Euroconsult, the number of HD channels should increase at a weighted average annual rate of 8% in EMEA and Latin America over the 2019-2029 period to more than 12,000 channels by 2029.
- Conversely, technological advances in the compression of television signals together with the discontinuation of simulcast channels have a negative impact on capacity requirements. The implementation of the DVB-S2 standard and the adoption of the MPEG-4 compression format will make it possible to broadcast up to twice as many channels per transponder, thereby optimising the use of bandwidth between television channels, which in turn reduces the cost of accessing satellite capacity for new entrants on the market. However, Eutelsat is more advanced on compression than on HD penetration. Future HD ramp-up should therefore more than offset generalisations of MPEG-4. However, it should be noted that the generalisation of a new compression format is a very long-term phenomenon insofar as it requires compatible equipment (television or box) at the end user's premises.

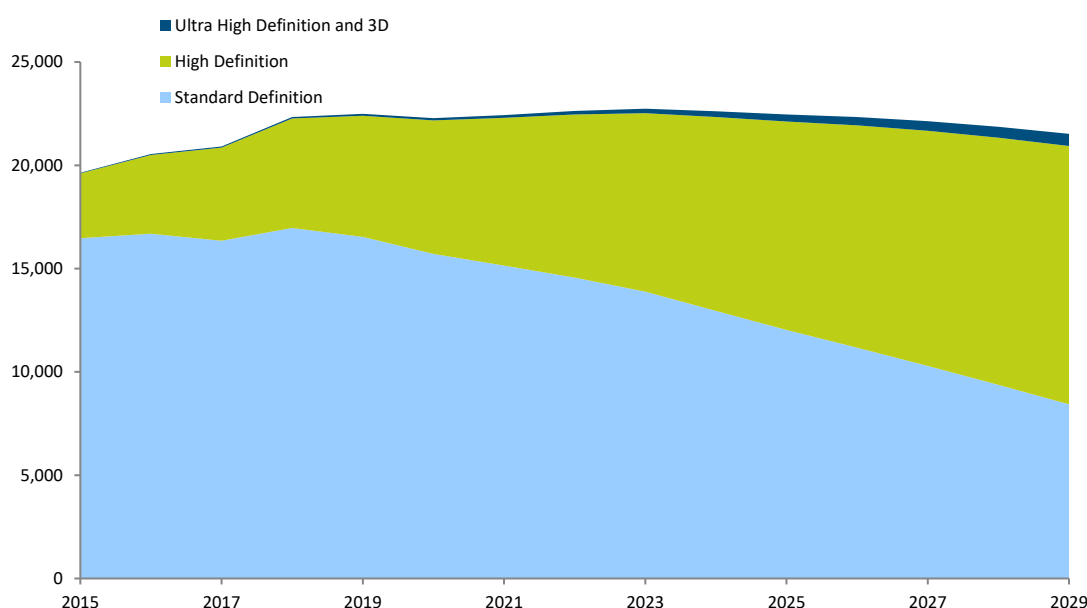
- Ultra-High Definition technology is developing, and suitable equipment is beginning to emerge. It is currently almost three times as bandwidth-hungry than HD, even factoring in the efficiency gains brought by the new HEVC compression format.
- The development of interactive platforms as a result of the emergence of new non-linear ways of watching television is prompting operators to design new services that combine access to both linear television and a catalogue of on-demand services. Eutelsat’s teams are involved in this process and are continuously working to enhance television services and supply of connected television services.

In emerging countries demand is growing. According to Euroconsult, between 2019 and 2024 demand for capacity (Gbps) for Broadcast will grow by 3% per year in Latin America, Sub-Saharan Africa, the Middle-East and North Africa, Russia and Central Asia. The key factor driving this growth is the increase in the number of channels broadcast which has increased by 17% over the past five years. The potential for further growth is significant since, for example, there are currently only two channels per million inhabitants in Sub-Saharan Africa, compared with more than 30 per million inhabitants in North America.

Moreover, HD penetration is weaker than in mature countries. For example, in Sub-Saharan Africa, HD penetration stands at just 9% compared with 37% in Western Europe (source: Euroconsult, 2020 edition). HD penetration is forecast to in these regions which will have an additional positive effect on demand.

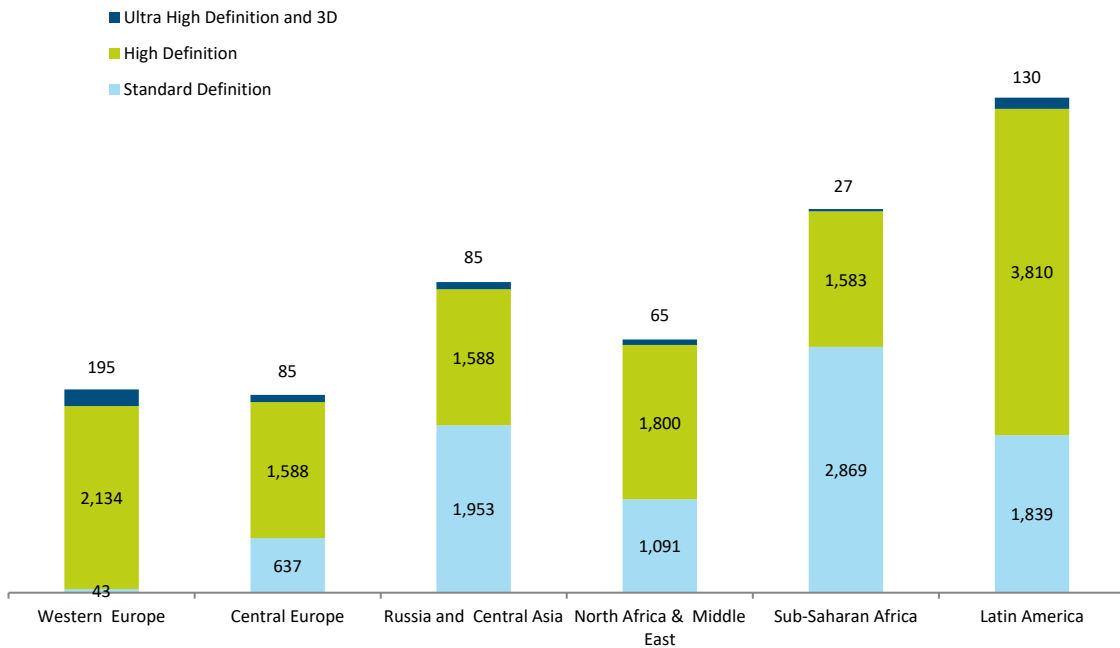
Finally, the rise of Digital Terrestrial Television (“DTT”) in emerging countries, particularly in Africa, is creating opportunities for satellite operators to provide capacity for supplying terrestrial re-transmitters and ensure additional coverage for homes located in shadow areas.

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



Source: Euroconsult, 2020 edition.

HD penetration by subregion in 2029



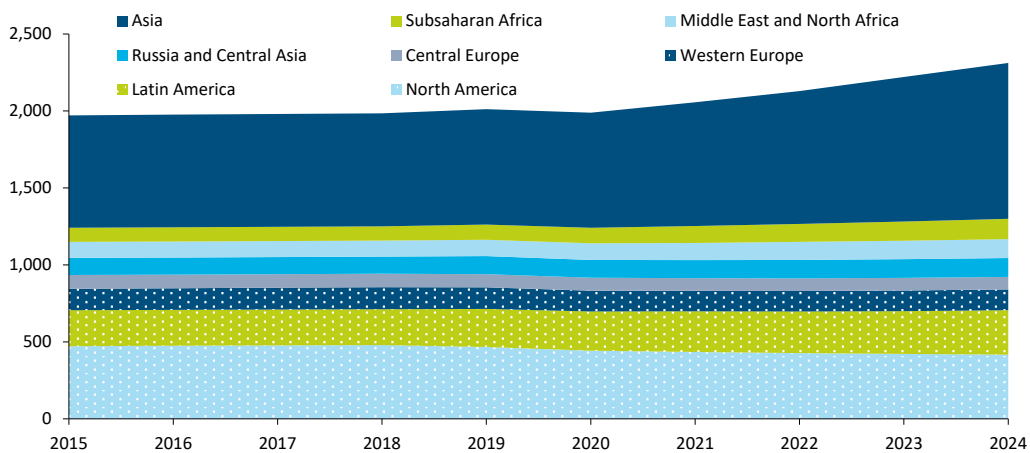
Source: Euroconsult, 2020 edition.

**Data and Professional Video**

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

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

Development in number of V-SATS per region (in thousands)



Source: Euroconsult, 2020 edition.



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

Overall demand is growing in volume notably thanks to increased Data traffic but is accompanied by a significant decline in prices caused by several factors:

- the amount of satellite capacity dedicated to Fixed Data has increased significantly and continues to grow;
- terrestrial networks are competing with satellite technology on this market segment;
- the migration of part of the services towards HTS, whose production cost is lower, has led to a reduction in prices.

As a result, revenues for Fixed Data are expected to decline in the coming years albeit certain segments, particularly point-to-multipoint applications, should be more resilient in the short and medium term.

The Professional Video market reflects different trends:

- on the one hand, an increase in volumes supported by the development of HD and UHD, the increase in the number and frequency of broadcasted events and their increased globalisation;
- on the other hand, competition from terrestrial infrastructure, fixed or mobile, whether for point-to-point data transmission (SNG), as well as a high degree of competition between satellite operators, notably with the development of HTS offers;
- in the short term, the occasional use activity could be affected if the Covid-19 crisis gives rise to further postponements in sport events.

Overall, revenues in the Data and Professional Video segment should remain on a downward trend in the coming years.

### **Government Services**

After several years of decline demand in volume in the military Government Services market has stabilised. In the medium-term demand will benefit from developments in security, surveillance, safety and IT systems in a context of increasing volumes of data exchanged, miniaturisation of equipment and deployment of remote-controlled systems, and from the increasing use of commercial capacities by governments seeking to rationalise spending.

Demand from the U.S. Government, a key customer in this segment, has stabilised, albeit at much lower prices than before. There are growth opportunities in other regions or with other governments which may increasingly turn to commercial operators for their satellite capacities, which offers more flexibility than owning the infrastructure themselves. In the medium term, this segment will be impacted by the arrival of HTS capacity, albeit at a much slower pace of migration and impact than in Data applications. The quality of coverage as well as the flexibility allowed by

operators to meet operational needs of governments will remain key differentiators in a segment where the geopolitical context remains an important factor in the evolution of demand.

## **11. Connectivity Applications – market prospects**

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

### ***Fixed Broadband***

The number of homes equipped with a satellite terminal connected to the Internet has risen by 20% in five years to 3 million worldwide (source: Euroconsult, 2020 edition). Mainly confined to the European and American markets at this stage, Satellite Broadband is expected to grow in the years ahead, notably expanding to new regions (Latin America, Africa, Russia...).

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

- In all geographical areas millions of homes will long remain out of reach of terrestrial infrastructures. Therefore, the satellite is the only way for them to have access to Internet, representing a highly significant addressable market for the FSS industry. In Europe, for instance, about few million homes will still be deprived of fixed terrestrial Internet connection exceeding 10 Mbps and 4G indoor Connectivity in 2030 in spite of the investment programmes announced by governments and telecom operators. In most emerging countries the deployment of terrestrial networks is lagging behind mature countries, which means the addressable market in those countries is even more significant.
- The emergence of HTS satellites (“High Throughput Satellites”) in the Ka frequency band has significantly reduced the cost of access to satellite resources for connectivity services when compared to traditional satellites. The deployment early in the next decade of VHTS satellites (“Very High Throughput satellites”) with dramatically increased capacity compared to HTS satellites, will 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.

### ***Mobile Connectivity***

Broadband mobile communications is a market with strong growth potential.

In particular the provision of capacity for the in-flight Connectivity market is currently worth around 500 million dollars. Demand in terms of volume is indeed expected to increase in the long-term on the back of the following factors:

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

The market for maritime satellite Connectivity is made up of different sub-segments, each with its own dynamics: Merchant ships, cruise ships, yachts. It currently represents approximately 500 million dollars and is expected to grow, particularly in light of more bandwidth-hungry usages.

While our long-term outlook for the Connectivity segment, and in particular the fact that it represents a significant growth opportunity, remains largely unchanged, the Covid-19 crisis could nevertheless slow its growth in the short/medium term given the impact on air and maritime traffic and the effects on the financial situation of the players in the value chain.

Finally, mobile usages, thus far largely confined to the maritime and aviation sectors, will expand to encompass connected cars and land-based transport in the longer term as well as connected objects. There are therefore many opportunities for the satellite mobility market to diversify, and hence transformation from niche to mass.

## 12. GROUP ACTIVITIES

As of 30 September 2020, Eutelsat operates capacity on 39 satellites in-orbit between 133° West and 174° East providing coverage of EMEA7, the Americas and a large part of the Asian continent, the Group delivers its services to broadcasters and network operators directly or via distributors.

## 13. Core business

### **Broadcast (“Video Distribution”)**

Accounting for 61% of Eutelsat’s revenues, Broadcast revenues stood at 785 million euros for the Financial Year 2019-20.

Eutelsat provides its customers with broadcasting capacity and associated services to enable them to transmit TV programmes 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 Group occupies a key place in the audiovisual chain which extends from the reporting site to the TV viewer’s screen.

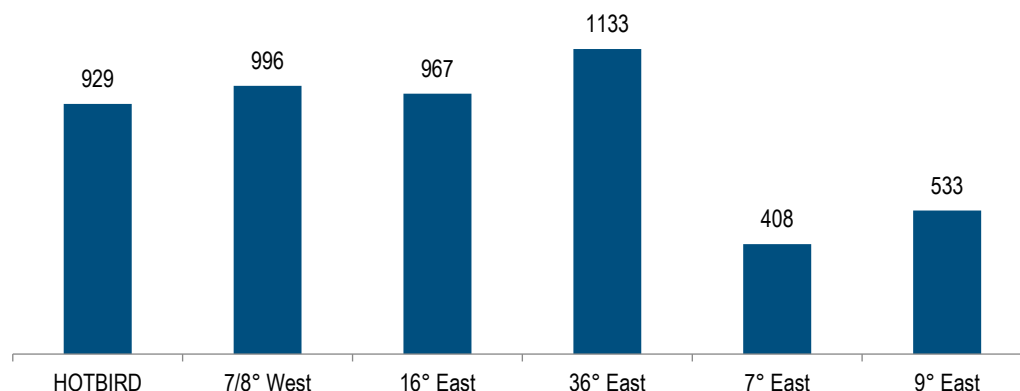
With 6,788 TV channels (including 1,679 in High Definition) broadcast via the Group’s in-orbit resources as at 30 June 2020, Eutelsat is a market leader not only in Europe, but also in markets such as Russia, the Middle-East, North Africa and Sub-Saharan Africa where, thanks to its premium broadcasting orbital positions it benefits from the launch of new television channels and the surge in popularity of new broadcasting formats (High Definition, Ultra High Definition).

Eutelsat is a pioneer in the development of Ultra High Definition broadcasting: for example, the Group launched the HOTBIRD 4K1 demo channel, encoded in HEVC and broadcast at 50 frames per second with 10-bit colour depth. It was then Europe’s first Ultra-HD channel in this new standard. At 30 June 2020, Eutelsat carried 24 unique UHD channels on its fleet in Europe, Russia and Turkey.

Eutelsat’s business model is based on long-term relationships with its broadcasting customers, the opening of new in-orbit resources, the increase in programme offerings and in the numbers of antennae pointed at the Group’s satellites.

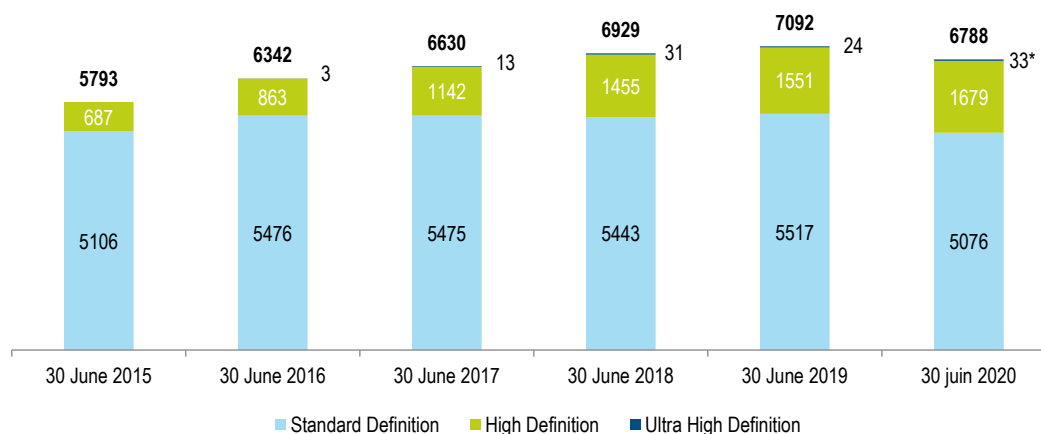
The Group’s customers for video distribution include leading broadcasters such as Sky Italia and Rai in Italy, nc+ and Cyfrowy Polsat in Poland, Nova and OTE in Greece, United Group (Total TV) and DigitAlb in the Balkans, DigiTurk in Turkey, Al Jazeera Sport, BeinMedia, MBC and OSN in the Middle-East, TricolorTV and NTV+ in Russia, Multichoice Canal+ Overseas and ZAP in Africa and Milicom in Latin America.

### Channels broadcast on the Group’s satellites at Eutelsat’s main Video neighbourhoods



<sup>7</sup> Extended Europe consists of Western Europe, Central Europe, Russia & Central Asia, North Africa, the Middle-East and Subsaharan Africa

## Number of channels on Eutelsat's fleet



Source: Eutelsat Communications.

\* Of which 24 Unique UHD channels

### Data & Professional Video

Data & Professional Video revenues stood at 175 million euros for Financial Year 2019-20 and represented 14% of Eutelsat's revenues.

The Fixed Data business is split between Corporate Networks, Mobile backhauling and Trunking. Latin America, Africa and the Middle-East represent the majority of revenues in this application:

- satellite corporate networks enable corporates to connect their network *via* satellite in remote areas thanks to VSAT (Very Small Aperture Terminals) terminals on the Ground. These verticals are served mostly indirectly *via* service providers, but the main users include for example the oil and gas industry, mining, banking or distribution. Corporate networks represent more than half of Eutelsat's Fixed Data Services revenues. Revenues generated with NGOs as part of programs to reduce the digital divide (e-Education, e-health) are also classified in Fixed Data;
- within the mobile network (backhaul) and Internet backbone connection (trunking) verticals, customers are predominantly telecoms operators and Internet Service Providers (ISPs) seeking to connect their local platforms *via* satellites to international networks (Internet, voice) or extend their mobile networks in areas which are difficult to reach.

Regarding Professional Video, the Group provides:

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

In these applications, capacity can be allocated for occasional use or on a more permanent basis. The Group is therefore in a position to support professionals at each stage of the transmission of content, from the transfer of images captured on the spot right through to the reception of programs by the end-viewer, on a regional, national and global level.

## **Government Services**

Government Services revenues amounted to 161 million euros in Financial Year 2019-20 and represented 13% of Group revenues.

Government missions require reliable global communications that can be rapidly deployed throughout the world. The Group's satellites enable a wide coverage with a strong quality of service and provide direct links between Europe, the Middle-East, Africa, Asia and the Americas.

Whether operations are land-based, maritime, field, or air, demand for satellite services is generally driven by three key needs: interconnection of sites that are dispersed or located some distance from high-speed terrestrial routes, guaranteed immediate availability of capacity as well as security and reliability.

The Group addresses notably the needs in terms of satellite capacity required by the military and by intelligence, surveillance, safety, security and reconnaissance systems for the U.S. administration that indirectly represents the majority of revenues in this application. In addition, the Group also operates the GEO-3 payload of the European Geostationary Navigation Overlay System (EGNOS), on board 7.7 under a 15-year contract signed in 2017 with the European Global Navigation Satellite Systems Agency (GSA).

The main customers in this application are specialized distributors who address the needs of the American administration.

## **14. Connectivity**

### **Fixed Broadband**

Fixed Broadband revenues amounted to 77 million euros in Financial Year 2019-20 and represented 6% of Group revenues.

The Group offers Internet access solutions, notably IP Connectivity services.

Operating in Ka-band and covering Europe and the Mediterranean basin, the KA-SAT satellite offers, thanks to its 82-spotbeam architecture allowing frequency re-use, increased resources (90 Gbps throughput) compared to a traditional satellite at a significantly reduced cost per Gigabyte. This enables to offer Internet Access Services at a competitive cost in remote areas under-served by terrestrial Broadband networks.

The range of services for private individuals (KONNECT offers) offers download speeds of 50 Mbps and upload speeds of 6 Mbps, as well as the benefit of highly significant download volumes. These offers are mostly marketed by retailers who supplement the Internet access offer with additional services, such as voice on IP or access to a television package via satellite.

A wide range of services for professionals are also commercialised on KA-SAT. The main markets targeted include Internet access markets for businesses and local authorities, the interconnection of private virtual networks, the security and safety of terrestrial networks by means of back-up satellite links and the deployment of remote surveillance solutions (SCADA). For example, KA-SAT is used at off-shore sites on the North, Baltic and Mediterranean Seas and can provide broadband access where there is a lack of terrestrial infrastructure for construction companies, event organisers, hotels and public safety organisations.

In addition, Eutelsat provides capacity in Ka-band for Broadband Internet access in Latin America on the EUTELSAT 65 West A satellite, with capacity fully sold to EchoStar and StarGroup. Eutelsat also provide Broadband Internet access services in Russia on the EUTELSAT 36C satellite since fall 2016. Furthermore, capacity leased on the fleet of Yahsat has enabled to progressively ramp-up Broadband Internet access services in Sub-Saharan Africa, which was essential in the test phase during the past fiscal year, ahead of the availability of the Group's own KONNECT satellite, which was launched in January 2020 and is expected to enter into service in the autumn of 2020.

### **Mobile Connectivity**

Mobile Connectivity revenues amounted to 79 million euros in Financial Year 2019-20 and represented 6% of Group revenues. The capacity is used to provide Connectivity services on planes and to a lesser extent ships.

The Group has a portfolio of assets with capacity dedicated to Mobile Connectivity (in-flight or maritime) at 3° East, 10° East, 172° East, 70° East and 117° West orbital positions as well as on the KA-SAT satellite. In the value chain, the Group

is a raw capacity provider and its main customers are distributors /integrators such as Panasonic, Marlink, GoGo, ViaSat, Taqnia or Speedcast, or telecom operators such as China Unicom or Telenor, which resell turnkey services to airlines or shipping companies.

Capacity on KA-SAT satellite, covering Europe and the Mediterranean basin enable airlines to offer passengers top-quality Internet access throughout European airspace. For example, Eutelsat provides capacity on KA-SAT for the fleets of Finnair, SAS, Icelandair, El Al, La Compagnie and Neos.

Furthermore, Eutelsat has signed a multi-year agreement with Taqnia for the lease of a steerable HTS Ka-band payload on the EUTELSAT 3B satellite. This capacity will be used for in-flight Connectivity on 130 medium-/long-haul aircraft of Saudi Arabian Airlines, covering flight paths from the Middle-East to Europe.

End-November 2017 the EUTELSAT 172B satellite entered into service including notably a Ku-band HTS payload specifically designed for in-flight Connectivity over the Pacific region. This capacity has been fully leased on the one hand by Panasonic Avionics Corporation as a platform for in-flight Connectivity and entertainment for airlines serving the Asia-Pacific area, and on the other by China Unicom to enhance inflight Connectivity services across an area covering the West Coast of North America to Asia and Australia.

#### **15. Satellites and coverage areas**

As of 30 September 2020, the Group has operational capacity on 39 satellites, of which five are satellites in inclined orbit and seven are leased from third parties.

The tables below show the capacity (fully-owned and leased from third parties) operated as of 30 June 2020. Relevant events which took place between end-June 2020 and date of the present Prospectus are listed below.

Fully owned capacity as at 30 June 2020

Name of satellite	Orbital position	Geographic coverage	Nominal capacity (number of physical transponders)	Nominal <sup>(1)</sup> capacity (36 MHz- equivalent transponders / Spotbeams)	Launch date	Estimated Orbital Maneuver Lifetime as of 30 June 2020 <sup>(2)</sup> (calendar year)
EUTELSAT 117 West A	116.8° West	Americas	40 Ku / 24 C	42 Ku / 24 C	March 2013	Q4 2035
EUTELSAT 117 West B	116.8° West	Americas	40 Ku	48 Ku	June 2016	Q4 2044
EUTELSAT 115 West B	114.9° West	Americas	32 Ku / 12 C	40 Ku / 24 C	March 2015	Q3 2042
EUTELSAT 113 West A	113° West	Americas	24 Ku / 36 C	24 Ku / 36 C	May 2006	Q2 2023
EUTELSAT 65 West A	65° West	Latin America	24 Ku / 10 C / 24 Ka	24 Ku / 15 C / 24 Ka	March 2016	Q2 2036
EUTELSAT 8 West B	8° West	Middle-East, Africa, Latin America	40 Ku / 10 C	42 Ku / 20 C	August 2015	Q3 2033
EUTELSAT 7 West A	7° West	Middle-East, North Africa	50 Ku	52 Ku	September 2011	Q2 2033
EUTELSAT 5 West B	5° West	Europe, Americas, Africa	35 Ku	35 Ku	October 2019	Q1 2035
EUTELSAT 3B	3° East	Europe, Middle-East, Africa	30 Ku / 12 C / 5 Ka	54 Ku / 23 C / 5 Ka	May 2014	Q4 2032
EUTELSAT 7B	7° East	Europe, Middle-East, Africa	53 Ku / 3 Ka	70 Ku / 8 Ka	May 2013	Q4 2039
EUTELSAT 7C	7° East	Europe, Middle-East, Africa	44 Ku	49 Ku	June 2019	Q3 2057
EUTELSAT 9B	9° East	Europe	50 Ku	47 Ku	January 2016	Q3 2038
EUTELSAT KA-SAT 9A	9° East	Europe, Mediterranean Basin	82 Ka spotbeams	82 Ka spotbeams	December 2010	Q2 2028
EUTELSAT 10A	10° East	Europe, Middle-East, Africa	42 Ku / 10 C	59 Ku / 20 C	April 2009	Q2 2023
EUTELSAT HOT BIRD 13B	13° East	Europe, North Africa, Middle-East	64 Ku	60 Ku	August 2006	Q1 2025
EUTELSAT HOT BIRD 13C	13° East	Europe, North Africa, Middle-East	64 Ku	60 Ku	December 2008	Q3 2024
EUTELSAT HOT BIRD 13E	13° East	Europe, North Africa, Middle-East	38 Ku	45 Ku	March 2006	Q4 2024
EUTELSAT 16A	16° East	Europe, Middle-East, Africa, Indian Ocean	53 Ku / 3 Ka	70 Ku / 8 Ka	October 2011	Q3 2027
EUTELSAT 21B	21.5° East	Europe, Middle-East, Africa	40 Ku	59 Ku	November 2012	Q3 2033
EUTELSAT 28E <sup>(4)</sup>	28.2/28.5° East	Europe	4 Ku	4 Ku	September 2013	Q3 2029
EUTELSAT 28F <sup>(4)</sup>	28.2/28.5° East	Europe	4 Ku	4 Ku	September 2012	Lifetime in excess of 15 years
EUTELSAT 28G <sup>(4)</sup>	28.2/28.5° East	Europe	4 Ku	4 Ku	December 2014	Lifetime in excess of 15 years
EUTELSAT 33E	33° East	Europe, North Africa, Middle-East, Central Asia	64 Ku	60 Ku	February 2009	Q1 2024
EUTELSAT 36B	36° East	Europe, Middle-East, Africa	70 Ku	87 Ku	November 2009	Q4 2026

Name of satellite	Orbital position	Geographic coverage	Nominal capacity (number of physical transponders)	Nominal <sup>(1)</sup> capacity (36 MHz- equivalent transponders / Spotbeams)	Launch date	Estimated Orbital Maneuver Lifetime as of 30 June 2020 <sup>(2)</sup> (calendar year)
EUTELSAT 48D	48° East	Afghanistan, Central Asia	8 Ku	12 Ku	December 2008	Q4 2020
EUTELSAT 70B	70.5° East	Europe, Middle-East, Asia	48 Ku	92 Ku	December 2012	Q2 2032
EUTELSAT 172B	172° East	Asia-Pacific, Australia, New Zealand	40 Ku / 14 C / 11 spotbeams	48 Ku / 24 C	June 2017	Q3 2036
EUTELSAT 174A	174° East	Asia-Pacific, Australia, New Zealand	20 Ku / 18 C	23 Ku / 24 C	December 2005	Q2 2022
EUTELSAT 59B	59.7° East	Europe, Middle-East, Asia, Africa	–	–	March 2004	Inclined orbit
EUTELSAT 5 West A	5° West	Europe, Americas, Africa	–	–	July 2002	Inclined orbit
EUTELSAT 12 West B	12.5° West	Europe, Middle-East, Americas	–	–	September 2001	Inclined orbit
EUTELSAT 48 E	48.1° East	Europe, Middle-East, Asia	–	–	May 2000	Inclined orbit
EUTELSAT 133 WEST A	133° West	Americas	–	–	March 2001	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 Group reviews the estimated operational life of the satellites in-orbit (for further information, see Notes 7.1.2 to the consolidated financial statements for the financial year ended 30 June 2020).
- (3) In January 2014, in the framework of the settlement of a dispute with SES concerning the 28.5° East orbital position the Group contracted long-term satellite capacity on the SES satellite fleet at this orbital position. The number of transponders indicated is the number of transponders fully owned by Eutelsat on SES fleet.

#### Capacity leased from third parties as of 30 June 2020

Name of satellite	Orbital position	Geographic coverage	Nominal capacity (number of physical transponders)	Nominal capacity (36 MHz- equivalent transponders / Spotbeams)	Launch date	Estimated Orbital Maneuver Lifetime as of 30 June 2020 (calendar year)
EUTELSAT 53A <sup>(1)</sup>	53° East	Europe, North Africa, Middle-East, Asia	4 Ku	6 Ku	October 2014	Q4 2029
Express-AT1 <sup>(1)</sup>	56° East	Siberia	21 Ku	19 Ku	March 2014	Q2 2029
Express-AT2 <sup>(1)</sup>	140° East	Far East Russia	9 Ku	8 Ku	March 2014	Q2 2029
EUTELSAT 36C <sup>(1)</sup>	36° East	Africa, Russia	52 Ku / 18 Ka	48 Ku / 18 Ka	December 2015	Q2 2033
EUTELSAT 28G <sup>(2)</sup>	28.2/28.5° East	Europe	8 Ku	6 Ku	September 2014	Lifetime in excess of 15 years
YAHSAT 1B	47.6° East	Africa	16 Ka spotbeams	16 Ka spotbeams	April 2012	Lifetime in excess of 15 years
Al Yah 3	20° West	Africa	18 Ka spotbeams	18 Ka spotbeams	January 2018	Lifetime in excess of 15 years

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



*Main change since 30 June 2020*

The Eutelsat 12 West B satellite, which was launched in September 2001 and was operating in inclined orbit is being de-orbited.

**16. Capacity evolution**

The below table reflects the evolution of the capacity operated and utilized by the Group excluding HTS capacity:

	<b>30 June 2019</b>	<b>30 June 2020</b>
Operational transponders <sup>8</sup> .....	1,387	1,376
Utilized transponders <sup>9</sup> .....	960	960
Fill rate .....	69.2%	69.7%

*Note: Based on 36 MHz-equivalent transponders excluding high throughput capacity*

**17. Satellites ordered and under construction**

**Recent satellite orders**

*Procurement of EUTELSAT 10B*

Eutelsat signed a letter of agreement with Thales Alenia Space for the procurement of a new all-electric satellite, EUTELSAT 10B, scheduled to be operational by 2023. Located at 10° East, the satellite will assure service continuity for existing customers on EUTELSAT 10A, albeit with reduced capacity, while supporting the development of mobile connectivity revenues with two incremental HTS payloads. Firm multi-year capacity commitments representing more than a third of this incremental HTS capacity have already been secured, notably with Gogo, for in-flight connectivity services.

*ELO Constellation*

In September Eutelsat unveiled its ELO constellation project targeting the Internet of Things (IoT) market. Starting with the launch of a first series of four nanosatellites, other satellites will progressively be added to the constellation if this new initiative proves successful, to reach a total of 25 satellites operational by 2022. The investment required for the constellation is included in Eutelsat’s existing Capex outlook with a cost per satellite below 1 million euros. In this context, Eutelsat signed a strategic partnership with leading IoT player Sigfox.

**Nominal launch program**

Satellite <sup>1</sup>	Orbital position	Estimated launch (calendar year)	Main applications	Main geographic coverage	Physical Transponders/ Spot beams	36 MHz-equivalent transponders / Spot beams	Of which expansion
EUTELSAT QUANTUM	48°East	Q4 2020	Government Services	Flexible	8 “QUANTUM” beams	Not applicable	Not applicable
KONNECT VHTS	To be confirmed	H2 2021	Connectivity	Europe	~230 Ka spot beams	500 Gbps	500 Gbps
EUTELSAT HOTBIRD 13F	13° East	H2 2021	Video	Europe MENA	80 Ku <sup>2</sup>	73 Ku <sup>2</sup>	None
EUTELSAT HOTBIRD 13G	13° East	H2 2021	Video	Europe MENA	80 Ku <sup>2</sup>	73 Ku <sup>2</sup>	None
EUTELSAT 10B	10°East	2022	Mobile Connectivity	EMEA Atlantic & Indian Ocean	12 Ku 10C >100 Ku spot beams	12 Ku 20 C c. 35 Gbps	-48 Ku transponders c. 35 Gbps

- (1) EUTELSAT QUANTUM is a chemical propulsion satellite. KONNECT VHTS, EUTELSAT HOTBIRD 13F, EUTELSAT HOTBIRD 13G, EUTELSAT 10B are electric propulsion satellites.
- (2) Nominal capacity corresponding to the specifications of the satellites. Total operational capacity at the HOTBIRD orbital position will remain unchanged with 102 physical transponders (95 36 Mhz equivalent transponders) operated, once regulatory, technical and operational constraints are taken into account.

<sup>8</sup> Number of transponders on satellites in stable orbit, back-up capacity excluded.

<sup>9</sup> Number of transponders utilized on satellites in stable orbit.

## 18. Satellite and communications control

The majority of the Group's fleet is operated from control centres at the Group's head office in Paris and at the Rambouillet teleport, which the Group acquired from France Telecom in September 2004. There is full back-up between the Paris and Rambouillet facilities. The first control centre handles satellite telemetry and remote control ("Satellite Control Centre") and the second is responsible for managing traffic on the space segment ("Communications Control Centre"). All software used to control the satellite platforms and communications payload was developed by companies in accordance with the Group's specifications.

The Group monitors its satellites and communications 24 hours a day, 365 days a year and, as for 30 June 2020, employed more than 100 expert technicians and engineers for this purpose.

Eutelsat S.A.'s satellite and communications control activities are certified ISO 9001 (quality management system) and ISO 27001 (management of information security system).

Satellites under the responsibility of Eutelsat Americas (EUTELSAT 113 West A, 115 West B, 117 West A and 117 West B) are operated from the Group's control centres located in Iztapalapa, Mexico City (Mexico) and in Hermosillo (Mexico). These centres are redundant and they have the same functions as the centres located in France. Their activities are also certified ISO 9001 and ISO 27001 from mid-2017. One additional satellite also under the responsibility of Eutelsat Americas (EUTELSAT 65 West A), is operated and monitored via specific facilities installed near Sao Paolo, Brazil, with the French facilities acting as backup for satellite control. The software and monitoring systems are equivalent to the systems existing at the other Eutelsat Group centres.

### *Activities of the Satellite Control Centre*

The Group managed the in-orbit satellites it owned at 30 June 2020 (including the five satellites falling under the responsibility of Eutelsat Americas). EXPRESS-AT1, EXPRESS-AT2, EXPRESS-AM6 (on which the Group operates certain transponders under the name EUTELSAT 53A) and AMU-1 (on which the Group operates certain transponders under the name EUTELSAT 36C) are controlled by the RSCC, ASTRA 2E, ASTRA 2F and ASTRA 2G (on which certain transponders are operated by the Group respectively under the names EUTELSAT 28E, EUTELSAT 28F and EUTELSAT 28G) are controlled by SES.

The Group's engineers regularly make minor positioning adjustments on each of the satellites controlled by the Group and perform East-West and North-South station-keeping manoeuvres. In addition, it is also possible to change the orbital position of a satellite so that it is able to serve new markets or provide in-orbit back-up capacity to another satellite.

Daily operations on the satellites, including the configuration of payloads and management of electrical power and propulsion systems, are controlled (via the Telemetry, Command and Ranging (TCR) station network) from the Satellite Control Centre.

The French satellite control centre is connected to a TCR station network to communicate with the satellites. The Rambouillet teleport contains the largest number of TCR stations, just followed by the Caniçal site of Eutelsat Madeira. TCR stations in Iztapalapa, Mexico City and Hermosillo in Mexico are under the responsibility of Eutelsat Americas. Furthermore, the Group has entered into long-term service agreements with a number of operators who provide capacity at their transmission/reception earth stations. These contracts also cover the operation and maintenance of any of the Group's equipment installed at their sites. Under these contracts, the Group has extended control and supervision rights. These services are currently provided from TCR stations located in Makarios in Cyprus, Fucino in Italy, near Sao Paolo in Brazil, Perth and Adelaide in Australia and Auckland in New Zealand. The different stations and control centres are all linked by a network of protected and redundant data lines. The network and the location of the sites were selected so that operations could be continued even if one of the sites were to become unavailable. For satellites controlled from Mexico, TCR stations are located on the same sites as the main control centres in Iztapalapa and Hermosillo.

The Rambouillet teleport may also be used for in-orbit positioning of new satellites joining the Group's fleet. LEOP ("Launch and Early Orbit Phase") operations on a geostationary satellite were successfully performed for the first time from Rambouillet for the EUTELSAT 7A satellite in March and April 2004. Since then, some LEOP operations have been carried out from the Rambouillet site and in some cases the operations were performed directly by the satellite manufacturers depending on complexity and duration of the LEOP. For satellites controlled from Mexico, positioning operations were performed by the satellite manufacturer (Boeing and Loral). The most recently launch satellite of the Group, EUTELSAT KONNECT, launched on 16 January 2020, is expected to enter into its commercial operations phase in the fourth quarter of current calendar year (it will operate at full capacity only in early 2021).

### *Activities of the Communications Control Centres (CSC, EAS NOC)*

Payload and capacity control is carried out for all satellites and transponders whose capacity is marketed by the Group, including satellites owned by other companies. The Managed Services and terrestrial delivery network that Eutelsat operates is also controlled from the same centres. For this purpose, the Group has a set of facilities at its Paris, Rambouillet, Iztapalapa and Hermosillo sites. In addition to these facilities, the Group has service contracts with operators of 15 sites worldwide, selected according to the geographical coverage of the satellites. These sites are in São Paulo (Brazil) and Benavidez (Argentina) for South America, Miami (U.S.A.) for North America, Berlin (Germany) for North Eastern Europe, Makarios (Cyprus) for the Eastern Mediterranean and Middle-East regions, Dubna (Russia), Hartebeesthoek (South Africa) for Sub-Saharan Africa, Singapore for the Far East, Yaoundé (Cameroon) for Western Africa, Dubai (United Arab Emirates) for beams covering North Africa and the Arabian peninsula, Mauritius for the Indian Ocean, Cagliari (Sardinia) – owned and operated by the Group's subsidiary Skylogic Mediterraneo S.r.l – for the Western Mediterranean and North Africa, Yamaguchi in Japan for the North of the Pacific Ocean and the West of Asia, Hawaii for Pacific Coverage and Noumea in New Caledonia for the South of the Pacific Ocean. At each site, the Group has installed the equipment needed to monitor the quality of services provided to its customers. Service contracts cover the hosting of this equipment and first-level work performed by site operators.

In addition to this infrastructure, Eutelsat also operates nine other sites dedicated to the control of KA-SAT.

All equipment is managed automatically and centrally by the Communications Control Centres (CSC and EAS NOC), based at the Rambouillet teleport since December 2007, with a back-up centre in Paris (CSC) except for the satellites managed by the EAS NOC in Mexico, Iztapalapa and Hermosillo. The centres are connected to each other and to each monitoring site via a network of protected and redundant data communication lines.

### *Technical failures and loss of equipment*

A number of factors can reduce the operating life of a satellite and/or affect its transmission capability, including:

- defects in the quality of the satellite's on-board components or equipment;
- defects concerning construction or operability;
- excessive fuel consumption in reaching the desired orbital position and maintaining the satellite on station or relocating it to a new orbital position;
- damage caused by electrostatic or solar storms, or by collision with micro-meteorites or space debris.

The Group believes that on the whole, its fleet of satellites is in good operating condition. Some of the Group's satellites, however, have experienced equipment failure and are currently operating with some of their back-up equipment.

### *Launch failures*

Since it began its activities (including the period prior to the Transformation), the Group has lost three satellites as a result of launch failures (EUTELSAT I-F3 in September 1985, EUTELSAT II-F5 in January 1994 and HOTBIRD 7 in December 2002).

In October 2010, the Group reported the loss of the W3B satellite following an operating malfunction on the satellite's propulsion sub-system after its launch.

Furthermore, Spacecom's AMOS-6 satellite on which the Group was supposed to lease capacity was lost following a launch pad explosion on 1 September 2017.

### *C-band*

In its order on the C-band, voted on 28 February 2020 the Federal Communications Commission confirmed its plan to clear the frequency band 3.7-4.0 GHz in the contiguous United States (CONUS) and make it available for flexible use, including 5G, via a public auction.

The schedule for clearing the 300 MHz of C-band satellite spectrum will be concluded by 5 December 2025. Eligible satellite operators agreeing to accelerate the clearing will be required to clearing 120MHz in 46 of the top 50 Partial Economic Areas (PEAs) by 5 Decembre 2021, and the total 300 MHz in the entire CONUS by 5 December 2023.

The total amount of above-cost 5G-related acceleration payments (in addition to the relocation costs) has been fixed to \$9.7 billion and will be paid by winning bidders to the satellite operators. Within this total, Eutelsat is eligible to receive a pre-tax amount of \$507m, of which \$125m in the first phase and \$382m in the second.

Eutelsat elected to perform accelerated relocation on 27 May 2020 and is confident of being able to execute the clearance within the prescribed deadlines.

*Other*

The EUTELSAT 5 West B satellite, launched on 9 October 2019 lost its South solar array shortly after its launch. The attendant power loss means approximately 45% of the capacity of the satellite can be operated. With the exception of the South solar array, the satellite performance remains nominal and the satellite started operations in January 2020. A number of mitigation actions aimed at assuring service continuity are implemented for the largest possible number of customers.

**19. Satellite end-of-life**

After remaining fuel has been used up, satellites at the end of their operational lives are de-orbited and placed in a graveyard orbit situated above the geostationary satellite orbit.

The Group complies with the principles discussed at an international level by the Inter-Institution Coordination Committee on Space Debris and the United Nations Committee on the Peaceful Uses of Outer Space as well as the new French Space Operations Act, which came into force in December 2010.

**20. Customers**

As of 30 June 2020, the Group's top 10 customers accounted for 34% of its revenues (34% as of 30 June 2019). The top five customers represented 23% (23% as of 30 June 2019) and the top three 16% (16% as of 30 June 2019).

**21. Order backlog**

The backlog represents future revenues from capacity or service agreements and can include contracts for satellites under procurement.

The order backlog is the expected future revenue under existing customer contracts, and includes both non-cancellable contracts and contracts that can be terminated, generally against the payment of termination fees.

The amount included in backlog represents the full service charge for the duration of the contract and does not include termination fees and potential contractual options. In certain cases of breach for non-payment or customer financial distress or bankruptcy, the Group may not be able to recover the full value of certain contracts or termination fees. The contracted backlog includes 100% of the backlog the Group's consolidated ownership interests, which is consistent with the accounting for the Group's ownership interest in these entities.

The secured backlog excludes revenues subject to early termination clauses and include contractual termination fees.

The order backlog varies over time, based on the progressive recognition of revenues from these contracts and the conclusion of new contracts.

The evolution of the backlog is shown in the table below

	<u>30 June 2019</u>	<u>30 June 2020</u>
Backlog (in € billions) .....	4.4	4.1
Of which secured .....	3.9	3.6
In years of annual revenues based on the last financial year ....	3.3	3.2
Share of Broadcast.....	72%	68%

## 22. Regulation

The provision of satellite capacity and services is highly regulated. As a satellite operator providing satellite capacity and services in a number of countries, the Group must comply with national regulations in countries in which it provides or seeks to provide capacity and services, and its operations are also governed indirectly by international regulations with which these countries themselves must comply. These various regulations fall into six categories:

- national regulations governing access to the radio frequency spectrum and their coordination at international level;
- national regulations governing the deployment and operation of telecommunications networks, the supply of telecommunications services and the operation of RF facilities on the ground (“Earth stations”);
- regulations governing content;
- French regulations governing space operations for which France could potentially bear international liability;
- control requirements relating to exports (regulations governing the activities of the Group’s suppliers); and
- other requirements applicable to the Group, such as relations with Eutelsat IGO.

## RECENT DEVELOPMENTS

### 1. Acquisition of BBB Europe

On 31 July 2020, Eutelsat Communications has reached an agreement with Bigblu Broadband to acquire its European satellite broadband activities.

Bigblu Broadband is the largest distributor of satellite broadband packages in Europe with a proven track record, as evidenced by its success as the main Gold member of Euro Broadband Infrastructure's Preferred Partnership Programme since 2019. Bigblu Broadband has developed a well-established platform for satellite broadband, relying on a unique network of installers and resellers. The activities to be acquired by Eutelsat (BBB Europe) currently count around 50,000 subscribers across an expanding pan-European footprint.

The agreement coincides with the entry into service of EUTELSAT KONNECT, due to start gradually from fall 2020 with operation at full capacity expected from early 2021, bringing capacity in high-demand areas, improved end-user experience and unparalleled economics and flexibility.

With its scalable platform for direct sales including digital marketing platforms, multi-lingual call centers, billing and CRM systems, the integration of BBB Europe will enable Eutelsat to overcome the limitations of its existing indirect model by offering enhanced access to the end-user, direct control over product definition and price for faster alignment with market needs, and increased control of distribution levers including sales force incentives, communication and promotions. The addition of this retail channel as a complement to wholesale agreements with telecom operators, such as the recent deal with Orange in France, will favour an accelerated ramp-up of upcoming capacity and the maximization of customer value over time.

Eutelsat paid a consideration of approximately £38m for BBB Europe, which generated revenues of approximately £35m in 2019 with a low double-digit EBITDA margin. Given the level of inter-company eliminations, the net contribution to Eutelsat's revenues and EBITDA will not be material. The acquisition obviates the necessity for the group to invest in the development of its own retail channel in Europe. The transaction was closed on 30 September 2020.

### 2. Renewal with Sky Italia at Hotbird orbital position

In September 2020, Eutelsat Communications and Sky Italia have reached a strategic agreement for the renewal of Sky's capacity contract at Eutelsat's HOTBIRD position.

The agreement represents the latest step in the long-standing partnership between Sky, the pre-eminent anchor customer on HOTBIRD, and Eutelsat which has supported since 2003 the development of Sky, the market leader in Italy, in broadcasting its premium content to some five million households.

The multi-year contract represents a secured backlog of circa 450 million euros and guarantees broadly stable annual revenues for Eutelsat in the medium term. The contract also includes future extension options representing additional potential revenues.

The HOTBIRD fleet forms one of the largest broadcasting systems over Europe. It will be upgraded with the entry into service of two HOTBIRD new generation satellites, to be launched in 2021, that will replace the current spacecraft at Eutelsat's premium 13° East broadcasting position. The new satellites will deliver improved performances over the European footprint reinforced by a powerful European super-beam.

### 3. On-going litigations

In the course of its business activities, the Group has been 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 was recognised.

The Issuer, a company belonging to the tax consolidation group of which Eutelsat Communications S.A. is the head, was under a tax audit in respect of the financial years ended 30 June 2012, 2013 and 2014. In December 2016, the Issuer received a tax reassessment 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 on certain tax reassessment; however, the Issuer believes that it has solid arguments to challenge those final reassessment in Court. As a result, as of 30 June 2020, no provision had been recorded for these tax reassessments.

Since September 2018, the Issuer is under a new tax audit for financial years closing on June 30, 2015, 2016 and 2017. At the end of December 2019, Eutelsat S.A. received a tax reassessment notice for the full audited period. The issuer has challenged the tax reassessments. The process is still on going.

#### 4. Indebtedness of the Issuer since 30 June 2020

As of 31 August 2020, non-current financial debt of the Issuer amounted to €2,404.4 million, an increase of €14.7 million compared to the non-current financial debt of the Issuer as of June 30, 2020.

#### 5. Credit rating

On 10 March 2020, Moody's Investors Service, ("Moody's") changed to negative from stable the outlook on the ratings of Eutelsat Communications SA and Eutelsat SA. Concurrently, Moody's has affirmed Eutelsat SA's Baa3 long-term issuer and senior unsecured ratings and Eutelsat Communications SA's Ba1 senior unsecured bank credit facility ratings. The change in outlook to negative from stable reflected the difficult market conditions for Eutelsat and other global satellite operators with continued revenue contraction due to price erosion in the Fixed Data segment, and some pressure on volumes in the Video and Government Services segments. The rating affirmation takes into account Moody's expectations that the company can maintain high margins supporting cash flow generation, partially offsetting the pressure on revenues. This rating was provided by Moody's on an unsolicited basis.

On 14 April 2020, S&P Global Ratings said in a report that, based on Eutelsat Communications S.A.'s trading update detailing the likely impact of the Covid-19 pandemic on its operations and financial objectives, the group's credit metrics would be slightly, but not materially, affected. S&P concluded that overall, the ratings and outlook on Eutelsat (BBB-/Stable/A-3) were currently unaffected by the Covid-19 pandemic.

In a report dated 15 September 2020, Fitch Ratings said that early remedial action taken by Eutelsat to cut dividends and stop its share buyback programme should largely offset the impact of the coronavirus pandemic, therefore enabling the company to preserve its credit profile and sustain its 'BBB' rating and Stable Outlook. Eutelsat's actions are consistent with its track record of maintaining financial flexibility in response to potential operational threats, an essential factor supporting the company's rating. Fitch expects that Eutelsat's revenues will be relatively resilient to, but not entirely shielded from, the impact of the pandemic. The impact will add to existing pressure in Eutelsat's data segment and temporarily reduce offsetting growth in other key segments.

#### 6. Governance

On 15 September 2020, the resignation of Yohann Leroy from his position as Deputy Chief Executive Officer of Eutelsat Communications and Eutelsat S.A. took effect. From this date, Mr. Leroy has since only been performing the duties of Chief Technical Officer.

#### 7. Full year financial results for the year ended 30 June 2020 of Eutelsat Communications S.A., the controlling entity of the Issuer

The information provided in this section relates to Eutelsat Communications S.A. and its consolidated subsidiaries and the term "Group" in this section shall refer to Eutelsat Communications S.A. and its consolidated subsidiaries.

<b>Key Financial Data</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>Change</b>
<b>P&amp;L</b>			
Revenues - €m .....	1,321.1	1,278.3	-3.2%
"Operating Verticals" revenues - €m .....	1,313.1	1,276.3	-2.8%
<b>"Operating Verticals" revenues at constant currency and perimeter - €m .....</b>	<b>1,311.4</b>	<b>1,259.6</b>	<b>-3.9%</b>
EBITDA <sup>10</sup> - €m .....	1,032.4	982.0	-4.9%
EBITDA margin - % .....	78.1	76.8	-1.3 pts
<b>EBITDA margin at constant currency - % .....</b>	<b>78.1</b>	<b>76.9</b>	<b>-1.2 pts</b>
Group share of net income - €m .....	340.4	297.6	-12.6%
<b>Financial structure</b>			

<sup>10</sup> Operating income before depreciation and amortisation, impairments and other operating income/(expenses).

Key Financial Data	FY	FY	Change
	2018-19	2019-20	
Reported Discretionary Free-Cash-Flow <sup>11</sup> - €m .....	407.8	474.4	+16.3%
<b>Adjusted Discretionary Free-Cash-Flow - €m<sup>12</sup> .....</b>	<b>456.4</b>	<b>482.6</b>	<b>+5.7%</b>
Net debt - €m .....	3,072.8	2,999.4	-€73m
Net debt/EBITDA - X .....	2.98	3.05	+0.07x
<b>Backlog - €bn .....</b>	<b>4.4</b>	<b>4.1</b>	<b>-6.0%</b>

## Highlights

### Resilient results despite Covid-19 impact:

- Revenues for the five Operating Verticals of €1,276 million on a reported basis, and €1,261 million at 1.14 €//\$ rate, exceeding Covid-revised objective of *circa* €1,250 million;
- Record level of cash-flow, with Discretionary Free Cash Flow of €474 million and a further rise in the cash conversion ratio;
- Net Debt / EBITDA ratio contained at 3.05x reflecting strong financial discipline; and
- Dividend per share of €0.89, 2.3 times covered by Reported Discretionary Free-Cash-Flow.

### Ongoing robustness of **Core Broadcast**:

- Underlying sequential top-line broad stability in the fourth quarter; and
- Multi-year multi-transponder contract with Canal+ Ethiopia on EUTELSAT 7C, highlighting the dynamism of the African DTH market and Eutelsat's unique combination of assets;

### Tangible steps towards return to growth in **Fixed Broadband**:

- EUTELSAT KONNECT satellite to operate at full capacity from early 2021;
- Significant headway in our European Broadband strategy;
  - Major wholesale agreement with Orange for the entire French capacity on EUTELSAT KONNECT
  - Acquisition of the European satellite broadband activities of Bigblu Broadband, the leading distributor of satellite Broadband in Europe adding a retail pillar
- MOU with Schoolap for high speed connectivity to schools in Democratic Republic of Congo, highlighting the opportunity of government-backed digital inclusion programmes; and
- Boost in demand for high quality, ubiquitous and reliable connectivity in post-Covid context.

### Updated **financial objectives** providing renewed visibility:

- Operating vertical revenues expected between €1,180 million and €1,220 million in FY 2020-21<sup>13</sup>, in line with market expectations; and
- Adjusted Discretionary Free-Cash-Flow target of between €420 million and €450 million<sup>14</sup> in FY 2021-22.

### Stable to progressive **dividend policy** reinstated.

<sup>11</sup> Net cash-flow from operating activities - Cash Capex - Interest and Other fees paid net of interests received. More detail in Appendix 3.

<sup>12</sup> As defined per financial objectives. More detail in Appendix 3.

<sup>13</sup> At 1.14 €//\$ rate.

<sup>14</sup> Please refer to the Outlook section for the definition.



## Analysis of Revenues

In € millions	FY 2018-19	FY 2019-20	Change	
			Reported	Like-for-like <sup>15</sup>
Broadcast .....	790.9	784.6	-0.8%	-1.2%
Data & Professional Video .....	199.9	175.3	-12.3%	-14.1%
Government Services .....	161.5	161.1	-0.2%	-3.3%
Fixed Broadband .....	80.4	76.7	-4.6%	-5.6%
Mobile Connectivity .....	80.3	78.7	-2.0%	-5.1%
Total Operating Verticals .....	1,313.1	1,276.3	-2.8%	-3.9%
Other Revenues <sup>16</sup> .....	8.0	2.0	-76.3%	-75.5%
<b>Total</b> .....	<b>1,321.1</b>	<b>1,278.3</b>	<b>-3.2%</b>	<b>-5.0%</b>
EUR/USD exchange rate .....	1.144	1.105		

Total revenues for **FY 2019-20** stood at €1,278 million, down 3.2% on a reported basis and by 5.0% like-for-like.

Revenues of the five Operating Verticals (ie, excluding 'Other Revenues') stood at €1,276 million. They were down by 3.9% on a like-for-like basis excluding a negative perimeter effect of circa 0.1 point (disposal of the stake in EUTELSAT 25B in August 2018) and a positive currency effect of c. 1.3 points.

**Fourth Quarter** revenues stood at €320 million down 2.1% on a reported basis and by 4.4% like-for-like. Revenues of the five Operating Verticals stood at €317 million, down 4.3% year-on-year and 2.1% quarter-on-quarter on a like-for-like basis.

Unless otherwise stated, all variations indicated below are on a like-for-like basis, ie, at constant currency and perimeter.

### Broadcast (61% of revenues)

**FY 2019-20** Broadcast revenues were down 1.2% like-for-like to €785 million. They reflected notably lower revenues at 36°East (return of a couple of transponders in Russia) and 7°East (termination of a contract in Sub-Saharan Africa).

**Fourth Quarter** revenues stood at €196 million, down by 1.5% year-on-year and by 1.4% quarter-on-quarter with net one-off items representing most of the sequential decline.

At 30 June 2020, the total number of channels broadcast by Eutelsat satellites stood at 6,788 down 4.3% year-on-year. HD penetration continued to increase, standing at 1,679 channels versus 1,551 a year earlier (+8.3%), implying a penetration rate of 24.7% compared to 21.9% a year earlier.

On the commercial front, the past year saw dynamic commercial activity in Sub-Saharan Africa with the addition of new platforms such as Ghana RCS, Africa XP and Strong Roots as well as the signature of an anchor deal with Canal+ in Ethiopia at 7°East, preparing the ground for future growth across this region. A contract with the Greek operator, Forthnet, has been renegotiated on lower terms in the context of the change of control of the company allowing securing business on the long term.

### Data & Professional Video (14% of revenues)

**FY 2019-20** Data & Professional Video revenues stood at €175 million, down by 14.1% year-on-year. They continued to reflect the ongoing pricing pressure and highly competitive environment in this application, notably in Latin America, although volume trends improved throughout the year in Fixed Data notably with new business in MENA in the Second Half.

In the last four months of the year, occasional use (part of Professional Video) was strongly affected by the suspension of live sports events resulting from the Covid-related lockdown. This was reflected in **Fourth Quarter** revenues which stood at €43 million, down 13.6% year-on-year and by 5.2% quarter-on-quarter.

<sup>15</sup> Change at constant currency and perimeter. The variation is calculated as follows: i) FY 2019-20 USD revenues are converted at FY 2018-19 rates; ii) FY 2018-19 revenues are restated from the disposal of Eutelsat's interest in EUTELSAT 25B which occurred in August 2018.

<sup>16</sup> "Other Revenues" include mainly compensation paid on the settlement of business-related litigations, the impact of EUR/USD revenue currency hedging, the provision of various services or consulting/engineering fees and termination fees.

### *Government Services (13% of revenues)*

**FY 2019-20** Government Services revenues stood at €161 million, down 3.3% on a like-for-like basis. They reflected on one hand the negative carry-forward effect of renewals with the US Government during the last 18 months, and on the other, the contribution of the EGNOS payload on EUTELSAT 5 WEST B since mid-February and incremental revenues generated by the relocated EUTELSAT 7A satellite.

**Fourth Quarter** revenues stood at €43 million, up 5.1% year-on-year and 6.1% quarter-on-quarter.

The coming fiscal year stands to benefit from the entry into service of EUTELSAT QUANTUM in calendar 2021, bringing flexible and innovative capacity. In this context a multi-year agreement has been reached with Intelsat, securing its location at the 48°East orbital position thereby opening up extended access notably to the MENA region, and providing for joint-commercialization of the capacity.

### *Fixed Broadband (6% of revenues)*

**FY 2019-20** Mobile Connectivity revenues stood at €79 million, down 5.1% like-for-like. Revenues were stable over the first nine months, but affected by the Covid-19 crisis in the Fourth Quarter which led to an absence of airtime-related revenues on KA-SAT and lower revenues from certain service providers. On a positive note, the year saw the extension of our maritime mobility activity, including a new multi-year contract with Telenor Maritime.

**Fourth quarter** revenues stood at €17 million, down 20.7% on a year-on-year basis and 20.5% quarter-on-quarter.

### *Other Revenues*

Other Revenues amounted to €2 million versus €8 million a year earlier. They included a negative (€11) million impact from hedging operations compared to (€20) million last fiscal year.

### **Operational and Utilized Transponders**

The number of operational transponders at 30 June 2020 stood at 1,376 down by 11 units year-on-year. This reflected on one hand lower operational capacity at 5°West following the transfer of services from EUTELSAT 5 West A to EUTELSAT 5 West B in January 2020, and on the other, incremental capacity brought by EUTELSAT 7C in January 2020.

Despite the decrease in operational transponders, the number of utilized transponders stood at 960, unchanged year-on-year, reflecting notably the ramp-up of maritime contracts.

As a result, the fill rate stood at 69.7% compared to 69.2% a year ago.

	<u>30 June 2019</u>	<u>30 June 2020</u>
Operational transponders <sup>17</sup> .....	1,387	<b>1,376</b>
Utilized transponders <sup>18</sup> .....	960	<b>960</b>
Fill rate .....	69.2%	<b>69.7%</b>

**Note:** Based on 36 MHz-equivalent transponders excluding high throughput capacity

### **Backlog**

At 30 June 2020, the backlog stood at €4.1 billion, down 6% compared to 30 June 2019, reflecting natural backlog consumption in the absence of material Broadcast renewals. It was equivalent to 3.2 times 2019-20 revenues. Broadcast represented 68% of the backlog.

	<u>30 June 2019</u>	<u>30 June 2020</u>
Value of contracts (in billions of euros) .....	4.4	4.1
In years of revenues based on last fiscal year .....	3.3	3.2
Share of Broadcast .....	72%	68%

<sup>17</sup> Number of transponders on satellites in stable orbit, back-up capacity excluded.

<sup>18</sup> Number of transponders utilized on satellites in stable orbit.

**Note:** The backlog represents future revenues from capacity or service agreements and can include contracts for satellites under procurement.

### **Profitability**

**EBITDA** stood at €982 million versus €1,032 million at 30 June 2019, down 4.9%. Following three consecutive years of improvement, the EBITDA margin stood at 76.9% at constant rate (76.8% on a reported basis) versus 78.1% a year earlier. This reflected the combination of lower revenues, higher costs associated with the Broadband activity in preparation of the arrival of the EUTELSAT KONNECT satellite, as well as a higher level of bad debt reflecting more challenging cash collection conditions in the Covid-19 context; these headwinds were partly offset by continued rigorous cost control.

**Group share of net income** stood at €298 million versus €340 million in FY 2018-19, down by 12.6%. The net margin stood at 23% versus 26% last year. This reflected mainly:

Slightly higher **depreciation and amortisation costs of** (€531) million as of 30 June 2020 compared with (€519) million a year earlier due to a negative currency impact, the entry into service of EUTELSAT 5 West B and EUTELSAT 7C and higher on-ground and intangible depreciation;

'**Other operating income**' of +€36 million versus +€13 million last year, reflecting principally insurance proceeds of €92m related to the partial loss of EUTELSAT 5 West B, partly offset by the impairment of assets, as well as other one-off items, notably costs incurred for the transfer of customers on Eutelsat 5 West A, the LEAP 2 plan and the Paris headquarters move;

A **net financial result** of (€81) million (versus (€92) million a year earlier), mainly reflecting the positive impact of the refinancing of the bonds redeemed in January and October 2019; and

A **tax rate** of 23% (versus 18% last year), the slight increase reflecting principally the non-cash variation of Satmex's deferred tax assets and liabilities.

### **Cash Flow**

**Net cash flow from operating activities** amounted to €779 million, €69 million lower than last year. This reflected principally the decrease in EBITDA and the deterioration in the working capital requirement reflecting a more challenged cash collection environment in the Covid-19 context. These two elements were partly offset by a lower level of tax paid, reflecting the full effect of the change in tax territoriality treatment.

**Cash Capex** amounted to €222 million, €102 million lower than last year. This level is not representative of normalized capex since it reflects milestone delays due to Covid-19 and is net of the insurance proceeds in respect of Eutelsat 5 West B (€86m).

**Interest and other fees paid net of interest received** amounted to €83 million versus €117 million last year reflecting the refinancing of the two Bonds in 2019.

As a result **Discretionary Free Cash-Flow** amounted to €474 million on a reported basis. At constant currency and excluding the impact of hedging, one-off costs related to the LEAP 2 plan and the move to the new headquarters, it stood at €483m, up 5.7%. This increase comes after three consecutive years of double-digit organic growth.

The **cash conversion ratio** more than doubled over the past four years, from 16% in FY 2015-16 to 37% in FY 2019-20.

### **Financial Structure**

At 30 June 2020 **net debt** stood at € 2,999 million, recording a further €73m decrease versus end-June 2019. Discretionary free cash-flow more than covered the dividend payment (€316 million including dividends paid to minority interests). Other variations included a €39 million one-off cash-out related to the maturity of an interest rate pre-hedge instrument, equity investments and divestments resulting in a net cash-in of €20 million, share buybacks of €20 million as well as other items contributing to the increase in net debt for a net amount of €46 million.

The **net debt to EBITDA ratio** stood at 3.05x times compared to 2.98x end-June 2019.

The average cost of debt after hedging stood at 2.4% (2.6% in FY 2018-19). The weighted average maturity of the Group's debt stood at 3.4 years, compared to 3.6 years at end-June 2019.

The liquidity position at the end of June including cash and undrawn credit lines was comfortably above €1.2 billion.

## **Dividend**

As announced in April 2020, as a measure of prudence and in order to preserve maximum financial flexibility, the Board of Directors agreed to recommend to the Annual Meeting of Shareholders' of 5 November 2020 a dividend of €0.89 per share, representing a 30% reduction versus the previous year.

It will be paid on 24 November 2020, subject to the vote of the Annual Meeting of Shareholders.

## **Outlook and financial targets**

Going into FY 2020-21, Eutelsat is well positioned to withstand the challenges of the current environment thanks to its combination of resilient and cash-generative activities, solid backlog and robust financial position.

Broadcast will be affected by the specific effect of the renegotiation with Forthnet in Greece. Conversely, Africa will continue to grow thanks to our unique portfolio of in-orbit assets. Overall, Broadcast revenues are expected to decline slightly.

Data & Professional Video will continue to decline albeit at a slower pace than in recent years thanks to improved volume trends. Government Services will reflect, on one hand, the full-year effect of the EGNOS payload and the initial contribution of EUTELSAT QUANTUM, and on the other, the negative carry-forward of last year's USG renewals and the wash-through of revenues generated by the temporary relocation of EUTELSAT 7A.

2020-21 will be a turning point for Fixed Broadband which is set to return to growth on the back of the entry into service of EUTELSAT KONNECT, the wholesale agreement with Orange in France, the addition of a retail pillar in Europe and the ramp-up of the Schoolap contract in Africa. Mobility will remain affected by the ongoing effect of the Covid-19 crisis on the aero mobility market but will benefit from the ramp-up of recently signed maritime business.

Taking these elements into account, we expect to generate revenues from the five Operating Verticals of between €1,180 million and €1,220 million in FY 2020-21<sup>19</sup>. The subsequent years will reflect the progressive availability and ramp-up of new capacity, with EUTELSAT KONNECT, EUTELSAT QUANTUM, KONNECT VHTS and EUTELSAT 10B.

Cash Capex<sup>20</sup> will remain at an average not exceeding €400 million per annum for the period July 2020 to June 2022.

The Group will continue to leverage all measures to maximise cash generation, notably the execution of the LEAP 2 plan, aimed at generating €20-25 million in annual savings by FY 2021-22, and improving working capital requirement trends.

In this context we aim to generate Adjusted discretionary free cash flow of between €420 million and €450 million<sup>21</sup> in FY 2021-22.

We remain committed to a sound financial structure to support our investment grade credit ratings and continue to target a medium-term net debt / EBITDA ratio of around 3x.

Our policy of a stable to progressive dividend, interrupted in FY 2019-20, is reinstated based on the dividend of 0.89 euros recommended at the upcoming Annual General Meeting, confirming our commitment to serve a high level of shareholder return.

This outlook is based on the nominal deployment plan outlined hereunder.

## **Fleet Deployment**

### *Nominal deployment programme*

The Covid-19 crisis has affected the operations of satellite manufacturers and launchers. Since the last quarterly update in February 2020, the launch of EUTELSAT QUANTUM is now expected in Q4 2020, versus Q3 2020 previously.

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<sup>19</sup> Based on a €/€ rate assumption of 1.14 and current perimeter.

<sup>20</sup> Including capital expenditure and payments under existing export credit facilities and other bank facilities financing investments as well as payments related to lease liabilities.

<sup>21</sup> Based on a €/€ rate assumption of 1.14, excluding one-off impacts such as Hedging, effects of changes in perimeter when relevant, and one-off costs related to specific projects in particular to the LEAP 2 program and to the move to new headquarters.

Satellite <sup>1</sup>	Orbital position	Estimated launch (calendar year)	Main applications	Main geographic coverage	Physical Transponders/ Spot beams	36 MHz-equivalent transponders / Spot beams	Of which expansion
EUTELSAT QUANTUM	48°East	Q4 2020	Government Services	Flexible	8 "QUANTUM" beams	Not applicable	Not applicable
KONNECT VHTS	To be confirmed	H2 2021	Connectivity	Europe	~230 Ka spot beams	500 Gbps	500 Gbps
EUTELSAT HOTBIRD 13F	13° East	H2 2021	Video	Europe MENA	80 Ku <sup>2</sup>	73 Ku <sup>2</sup>	None
EUTELSAT HOTBIRD 13G	13° East	H2 2021	Video	Europe MENA	80 Ku <sup>2</sup>	73 Ku <sup>2</sup>	None
EUTELSAT 10B	10°East	2022	Mobile Connectivity	EMEA Atlantic & Indian Ocean	12 Ku 10C >100 Ku spot beams	12 Ku 20 C c. 35 Gbps	-48 Ku transponders c. 35 Gbps

<sup>1</sup> EUTELSAT QUANTUM is a chemical propulsion satellite. KONNECT VHTS, EUTELSAT HOTBIRD 13F, EUTELSAT HOTBIRD 13G and EUTELSAT 10B are electric propulsion satellites.

<sup>2</sup> Nominal capacity corresponding to the specifications of the satellites. Total operational capacity at the HOTBIRD orbital position will remain unchanged with 102 physical transponders (95 36 Mhz equivalent transponders) operated, once regulatory, technical and operational constraints are taken into account.

#### *Changes in the fleet since 30 June 2019*

EUTELSAT KONNECT was launched on 16 January 2020 and is expected to enter into service at 7°East in the fourth quarter of current calendar year. Nevertheless, as a consequence of the Covid-19 crisis, the deployment of ground gateways supporting the operations of the satellite has been delayed so that it will operate at full capacity only in early 2021.

EUTELSAT 5 West B started operations in January with c.45% of its capacity following the loss of its South solar array. The EGNOS payload entered into service in February. EUTELSAT 5 West A now operates in inclined orbit.

EUTELSAT 7C started operations on 28 January 2020. EUTELSAT 7A, which is now in inclined orbit was relocated.

#### **Corporate Governance**

The Board of 30 July 2020 proposed, amongst others, the following resolutions to be submitted to the vote of shareholders at the Annual General Meeting of 5 November 2020:

- Approval of the accounts;
- Dividend relating to Financial Year 2019-2020; and
- Renewal of the mandates of FSP (Fonds Stratégique de Participations) and Rodolphe Belmer;
- Compensation of corporate officers and compensation policy.

Following the next Annual General Meeting and subject to the approval of the above-mentioned resolutions, the Board will be composed of 10 members, 50% of whom are women and 70% of whom are independent.

## Appendices

### Appendix 1: Additional financial data

Extract from the consolidated income statement (€ millions)

	<b>Twelve months ended June 30</b>		<b>Change</b>
	<b>2019</b>	<b>2020</b>	
Revenues .....	<b>1,321.1</b>	<b>1,278.3</b>	<b>-3.2%</b>
Operating expenses <sup>22</sup> .....	(288.6)	(296.4)	+2.7%
EBITDA .....	<b>1,032.4</b>	<b>982.0</b>	<b>-4.9%</b>
Depreciation and amortisation .....	(518.8)	(530.9)	+2.3%
Other operating income (expenses) .....	12.5	36.1	X2.9
Operating income .....	<b>526.1</b>	<b>487.2</b>	<b>-7.4%</b>
Financial result .....	(91.5)	(80.5)	-12.0%
Income tax expense .....	(76.3)	(94.4)	+23.7%
Income from associates .....	(1.3)	-	N/A
Portion of net income attributable to non-controlling interests ...	(16.6)	(14.6)	-12.0%
Group share of net income .....	<b>340.4</b>	<b>297.6</b>	<b>-12.6%</b>

Change in net debt (€ millions)

	<b>Twelve months ended June 30, 2020</b>
<b>Net cash flows from operating activities</b> .....	<b>779.0</b>
Cash Capex .....	(221.5)
Interest and Other fees paid net of interests received .....	(83.2)
<b>Reported Discretionary Free Cash Flow</b> .....	<b>474.4</b>
Acquisition / disposal of equity investments and subsidiaries .....	20.0
Distributions to shareholders (including non-controlling interests) .....	(315.7)
Share buy backs .....	(20.0)
Premium paid on pre-hedge instrument .....	(39.1)
Other .....	(46.2)
<b>Decrease (increase) in net debt</b> .....	<b>73.4</b>

### Appendix 2: Quarterly revenues by application

Analysis of revenues by business application in the Fourth Quarter (€ millions)

<b>In € millions</b>	<b>Q4 2018-19 reported</b>	<b>Q4 2019-20 reported</b>	<b>Actual change</b>	<b>Like-for-like change<sup>23</sup></b>
Broadcast .....	198.4	196.4	-1.0%	-1.5%
Data & Professional Video .....	48.6	42.7	-12.1%	-13.6%
Government Services .....	39.8	42.8	+7.5%	+5.1%
Fixed Broadband .....	20.9	18.8	-10.0%	-10.6%
Mobile Connectivity .....	20.5	16.7	-18.5%	-20.7%
<b>Total Operating Verticals</b> .....	<b>328.1</b>	<b>317.4</b>	<b>-3.3%</b>	<b>-4.3%</b>
Other Revenues .....	(1.7)	2.2	Na	Na
<b>Total</b> .....	<b>326.3</b>	<b>319.6</b>	<b>-2.1%</b>	<b>-4.4%</b>
<i>EUR/USD exchange rate</i> .....	<i>1.124</i>	<i>1.094</i>		

<sup>22</sup> Operating expenses is defined as the sum of operating costs and of selling, general & administrative expenses.

<sup>23</sup> At constant currency, perimeter. The variation is calculated as follows: i) Q4 2019-20 USD revenues are converted at Q4 2018-19 rates.

Quarterly Reported revenues FY 2019-20

The table below shows quarterly reported revenues.

In € millions	Q1	Q2	Q3	Q4	FY
	2019-20	2019-20	2019-20	2019-20	2019-20
Broadcast .....	194.7	194.7	198.8	196.4	784.6
Data & Professional Video .....	43.0	44.8	44.8	42.7	175.3
Government Services .....	39.3	39.1	40.0	42.8	161.1
Fixed Broadband .....	19.9	19.2	18.8	18.8	76.7
Mobile Connectivity .....	19.7	21.5	20.8	16.7	78.7
<b>Total Operating Verticals .....</b>	<b>316.5</b>	<b>319.3</b>	<b>323.1</b>	<b>317.4</b>	<b>1,276.3</b>
Other Revenues .....	1.1	(0.2)	(1.1)	2.2	2.0
<b>Total .....</b>	<b>317.6</b>	<b>319.1</b>	<b>322.0</b>	<b>319.6</b>	<b>1,278.3</b>

Appendix 3: Alternative performance indicators

In addition to the data published in its accounts, the Group communicates on three alternative performance indicators which it deems relevant for measuring its financial performance: EBITDA, cash capex and Discretionary free cash flow (DFCF). These indicators are the object of reconciliation with the consolidated accounts.

EBITDA, EBITDA margin and Net debt / EBITDA ratio

EBITDA reflects the profitability of the Group before Interest, Tax, Depreciation and Amortization and other operating income and expenses. It is a frequently used indicator in the Fixed Satellite Services Sector and more generally the Telecom industry. The table below shows the calculation of EBITDA based on the consolidated P&L accounts for FY 2018-19 and FY 2019-20:

(€ millions)	Twelve months ended June 30,	
	2019	2020
Operating result .....	526.1	487.2
+ Depreciation and Amortization .....	518.8	530.9
- Other operating income and expenses .....	(12.5)	(36.1)
<b>EBITDA .....</b>	<b>1,032.4</b>	<b>982.0</b>

The EBITDA margin is the ratio of EBITDA to revenues. It is calculated as follows:

(€ millions)	Twelve months ended June 30,	
	2019	2020
EBITDA .....	1,032.4	982.0
Revenues .....	1,321.1	1,278.3
<b>EBITDA margin (as a % of revenues) .....</b>	<b>78.1%</b>	<b>76.8%</b>

At constant currency, the EBITDA margin stood at 76.9% as of 30 June 2020.

The Net debt / EBITDA ratio is the ratio of net debt to last-twelve months EBITDA. It is calculated as follows:

(€ millions)	Twelve months ended June 30,	
	2019	2020
Last twelve months EBITDA .....	1,032.4	982.0
Closing net debt <sup>24</sup> .....	3,072.8	2,999.4
<b>Net debt / EBITDA .....</b>	<b>2.98x</b>	<b>3.05x</b>

<sup>24</sup> Net debt includes all bank debt, bonds and all liabilities from lease agreements and structured debt as well as Forex portion of the cross-currency swap, less cash and cash equivalents (net of bank overdraft). Net Debt calculation is available in the Note 7.3.4 of the appendices to the financial accounts.

### Cash Capex

The Group on occasion operates capacity within the framework of leases, or finances all or part of certain satellite programs under export credit agreements or through other bank facilities, leading to outflows which are not reflected in the item “acquisition of satellites and other tangible or intangible assets”. Cash Capex including the outflows related to these elements is published in order to reflect the totality of Capital Expenditures undertaken in any financial year.

In addition, in the event of a partial or total loss of satellite, as previously reported cash Capex included investment in assets which are inoperable or partially inoperable, the amount of insurance proceeds is deducted from Cash Capex.

Cash Capex therefore covers the acquisition of satellites and other tangible or intangible assets, payments in respect of export credit facilities or other bank facilities financing investments as well as payments related to lease liabilities. If applicable it is net from the amount of insurance proceeds.

The table below shows the calculation of Cash Capex for FY 2018-19 and FY 2019-20:

(€ millions)	Twelve months ended June 30,	
	2019	2020
Acquisitions of satellites, other property and equipment and intangible assets .....	(210.8)	(220.3)
Insurance proceeds .....	-	85.6
Repayments of ECA loans, lease liabilities and other bank facilities <sup>25</sup> .....	(112.4)	(86.7)
<b>Cash Capex</b> .....	<b>(323.2)</b>	<b>(221.5)</b>

### Discretionary free cash flow (DFCF)

The Group communicates on Discretionary free cash flow which reflects its ability to generate cash after the payment of interest and taxes. DFCF generally and principally serves the shareholder remuneration and debt reduction.

Reported Discretionary free cash flow is defined as Net cash flow from operating activities less Cash Capex as well as Interest and other fees paid net of interest received.

Adjusted Discretionary free cash flow (as per financial objectives) is calculated at constant currency and excludes one-off impacts such as Hedging, effects of changes in perimeter when relevant, and one-off costs related to specific projects in particular to the LEAP 2 program and to the move to new headquarters.

The table below shows the calculation of Reported Discretionary free cash flow and Adjusted Discretionary free cash flow for FY 2018-19 and 2019-20 and its reconciliation with the cash flow statement:

(€ millions)	Twelve months ended June 30,	
	2019	2020
Net cash flows from operating activities .....	848.2	779.0
Cash Capex (as defined above) .....	(323.2)	(221.5)
Interest and other fees paid net of interest received .....	(117.2)	(83.2)
<b>Reported Discretionary Free-Cash Flow</b> .....	<b>407.8</b>	<b>474.4</b>
Impact of the disposal of EUTELSAT 25B <sup>26</sup> .....	29.0	-
Currency impact <sup>27</sup> .....	-	(13.9)
Hedging Impact .....	19.6	10.6
One-off costs related to “LEAP 2” programm and move to new headquarters .....	-	11.5

<sup>25</sup> Included in lines “Repayment of borrowings” and of “Repayment of lease liabilities” of cash-flow statement

<sup>26</sup> Impact of the disposal of EUTELSAT 25B satellite. For comparability purposes, FY 2018-19 is restated from the advanced payment made by Es’hailSat for capacity on EUTELSAT 25B (€5.5 million) which had to be reimbursed by Eutelsat to Es’hailSat when the asset was sold in August 2018 and from the tax paid (€25.2m) on the capital gain related to this transaction and revenue booked until the disposal of the asset in early August 2018 is cancelled (-€1.7m).

<sup>27</sup> FY 2019-20 discretionary Free-Cash Flow has been converted at FY 2018-19 €/€ rate.



<b>Adjusted Discretionary Free-Cash Flow</b> .....	<b>456.4</b>	<b>482.6</b>
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### Other information

#### Satellite households per region

Region	Satellite Households in 2019 (m)	2015-2019 CAGR	Satellite penetration	Satellite Rank (relative to other infrastructures)
Western Europe .....	47m	-1.5%	27%	#2
Central Europe <sup>1</sup> .....	40m	+0.1%	31%	#1
Middle-East and North Africa....	58m	+2.4%	66%	#1
Africa .....	24m	+11.8%	29%	#1
EUTELSAT FOOTPRINT .....	169m	+1.7%	36%	#1

<sup>1</sup> Including Russia  
Source: Digital TV

#### Quarterly evolution of core broadcast revenue (€m)

Fiscal year 2017-18				Fiscal year 2018-19				Fiscal year 2019-20			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
197	197	198	197	196	195	197	197	193	192	196	194

Core broadcast revenues are restated as follows

- At constant currency and accounting standards;
- Excluding Fransat;
- Converted at FY19 €//\$ rate of 1.14; and
- Excluding ETL 25B and Q1 FY18 data proforma for Noorsat integration.

#### Additional information on Channels

	June 2017 ex. 25B	June 2020
Number of MPEG-4 channels on Eutelsat's fleet .....	4,114	4,761
Penetration (as a percentage of total channels on Eutelsat's fleet) .....	63%	70%

#### Other financial information for Eutelsat Communications SA

€m	FY16	FY17	FY18	FY19	FY20
Net Debt .....	4,007	3,641	3,242	3,073	2,999
Net Debt/EBITDA .....	3.44x	3.21x	3.01x	2.98x	3.05x
Total Revenues .....	1,529	1,478	1,408	1,321	1,278
Reported Discretionary Free Cash Flow .....	247	408	415	408	474
Reported DFCF/revenue ratio .....	16%	28%	29%	31%	37%
Adjusted DFCF growth <sup>1</sup> .....	NA	+65%	+12%	+10%	+6%

<sup>1</sup> Growth reported as defined per financial objectives

## TAXATION

The following is a general summary of the main French withholding tax considerations pertaining to the acquisition, ownership and redemption of the Bonds. Comments which are included therein are reported only for information purposes and do not aim at giving a complete description of the tax rules that may affect the Issuer, or the Bonds or the Investors. This summary of the tax rules is based on the laws and regulation in force in France as of the date of this Prospectus, all of which are subject to change, possibly with retrospective effect, or to different interpretations. Accordingly, no opinion is expressed herein with regard to any system of law other than the laws of France as applied by French courts as of the date of this Prospectus. Moreover, the tax legislation of the investor's Member State and of the Issuer's country of incorporation may have an impact on the income received from the Bonds. Any Investor contemplating to acquire the Bonds should therefore consult its own tax adviser about the tax consequences that may arise for it as a result of the acquisition, the ownership or the disposal or redemption of the Bonds.

### **Withholding taxes on payments made outside France**

Holders of the Bonds who concurrently hold shares of the Issuer may also be impacted by other rules not described in this section.

According to Article 125 A III of the French *Code général des impôts*, payments of interest and other assimilated revenues made by a debtor domiciled or established in France with respect to a particular debt (including debt in the form of bonds) are not subject to withholding tax unless such payments are made outside France in a non-cooperative State or territory (*État ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a **Non-Cooperative State**) other than those mentioned in 2° of 2 *bis* of the same Article 238-0 A, irrespective of the holder's fiscal domicile or registered headquarters. If such payments are made outside France in a Non-Cooperative State other than those mentioned in 2° of 2 *bis* of Article 238-0 A of the French *Code général des impôts*, a 75% withholding tax is applicable (subject to certain exceptions and to the more favourable provisions of an applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*. The list of Non-Cooperative States is published by a ministerial executive order (*arrêté*) and is updated in principle at least once a year.

Furthermore, according to the third and fourth paragraphs of Article 238 A of the French *Code général des impôts*, interest on debt and other assimilated revenues paid by a debtor domiciled or established in France are not deductible from the debtor's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to a bank account opened in a financial institution established in a Non-Cooperative State (the **Deductibility Exclusion**). Under certain conditions, any such non-deductible interest and other assimilated revenues may be re-characterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case they may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at (i) the standard rate of corporate income tax set forth in the first sentence of the second paragraph of Article 219-I of the French *Code général des impôts* (e.g. 28% for fiscal years beginning as from 1st January 2020, 26.5% for fiscal years beginning as from 1st January 2021 and 25% for fiscal years beginning as from 1st January 2022) for payments benefiting legal entities and organisms which do not have their registered office in France, (ii) a rate of 12.8% for payments benefiting individuals who are not fiscally domiciled in France or (iii) a rate of 75% for payments made outside France in a Non-Cooperative State other than those mentioned in 2° of 2 *bis* of Article 238-0 A of the French *Code général des impôts* (in each case subject to certain exceptions and to the more favourable provisions of an applicable double tax treaty).

Notwithstanding the foregoing, Articles 125 A III and 238 A of the French *Code général des impôts* provide respectively that neither the 75% withholding tax set out under Article 125 A III of the French *Code général des impôts* nor, to the extent the relevant interest and other assimilated revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the Deductibility Exclusion and the related withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts* that may be levied as a result of such Deductibility Exclusion, will apply in respect of a particular debt if the debtor can prove that the main purpose and effect of such transactions was not that of locating the interest and other assimilated revenues in a Non-Cooperative State (the **Exception**).

Pursuant to French tax guidelines (*Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50 dated 11/02/2014, n°550 and 990 (the **BOFIP**), an issue of bonds will benefit from the Exception without the issuer having to provide any evidence supporting the main purpose and effect of such issue of bonds, and accordingly will be able to automatically benefit from the Exception (the **Safe Harbour**), if such bonds are:

- i. offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* for which the publication of a prospectus is mandatory or pursuant to an equivalent offer in a State other than a

Non-Cooperative State. For this purpose, an “equivalent offer” means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or

- ii. admitted to trading on a French or foreign regulated market or multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider or any other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- iii. admitted, at the time of their issue, to the operations of a central depository or of a securities delivery and payment systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

In this respect, the Bonds qualify as debt securities under French commercial law. Moreover, as of the date of their listing, the Bonds will be listed on the Official List of the Luxembourg Stock Exchange in Luxembourg, which is not in a Non-Cooperative State, and such market is operated by a market operator which is not located in a Non-Cooperative State, and at the time of their issue, the Bonds will be admitted to the clearing operations of Euroclear and Clearstream, both securities clearing and delivery and payments systems operators within the meaning of Article L. 561 2 of the French *Code monétaire et financier* which are not located in a Non-Cooperative State.

Therefore, payments of interest and other assimilated revenues in respect of the Bonds made by or on behalf of the Issuer to the holders of the Bonds will fall under the Safe Harbour and will thus not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts*, as construed by the French tax authorities under the BOFIP. Moreover, under the same conditions, pursuant to the BOFIP and to the extent that the relevant interest and other assimilated revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, they will be subject neither to the Deductibility Exclusion nor to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts* solely on account of their being paid to a bank account opened in a financial institution located in a Non-Cooperative State or accrued or paid to persons established or domiciled in such a Non-Cooperative State.

#### ***Withholding taxes on payments made to individuals fiscally domiciled in France***

According to Article 125 A I of the French *Code général des impôts* (i.e., where the paying agent (*établissement payeur*) is established in France), subject to certain exceptions, interest and similar revenues received by individuals fiscally domiciled in France within the meaning of Article 4 B of the French *Code général des impôts* are subject to a 12.8% withholding tax (*prélèvement forfaitaire non libératoire*), which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and solidarity levy) are also levied by way of withholding at an aggregate rate of 17.2% on such interest and similar revenues received by individuals fiscally domiciled in France within the meaning of Article 4 B of the French *Code général des impôts*, subject to certain exceptions.

## SUBSCRIPTION AND SALE

Crédit Agricole Corporate and Investment Bank and MUFG Securities (Europe) N.V. (the **Global Coordinators**), Intesa Sanpaolo S.p.A., Landesbank Hessen-Thüringen Girozentrale, and SMBC Nikko Capital Markets Europe GmbH (together with the Global Coordinators, the **Managers**) have, pursuant to a Subscription Agreement dated 9 October 2020 (the **Subscription Agreement**), jointly and severally agreed with the Issuer, subject to satisfaction of certain conditions, to subscribe or procure subscribers for the Bonds at the issue price of 99.619 per cent. of the principal amount of the Bonds, less any applicable commissions. The Issuer will also reimburse the Managers in respect of certain of their expenses, and has agreed to indemnify the Managers against certain liabilities incurred in connection with the issue of the Bonds. The Subscription Agreement may be terminated in certain circumstances prior to payment made to the Issuer.

### *General*

No action has been taken by the Issuer or any of the Managers that would, or is intended to, permit a public offer of the Bonds or possession or distribution of this Prospectus (in preliminary, proof or final form) or of any other offering or publicity material relating to the Bonds (including roadshow materials and investor presentations) in any country or jurisdiction where any such action for that purpose is required. Accordingly, each Manager has undertaken that it will not, directly or indirectly, offer or sell any Bonds or distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Bonds by it will be made on the same terms. It will also ensure that no obligations are imposed on the Issuer or any other Manager in any such jurisdiction as a result of any of the foregoing actions.

### *United States of America*

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933 (the **Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the U.S. Securities Act (**Regulation S**) or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Each Manager hereby agrees that, except as permitted herein, it has not offered or sold the Bonds, and agrees that it will not offer or sell the Bonds (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of the Bonds as determined, and certified to the Issuer by the Managers, in the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Bonds from it during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons. Accordingly, neither it, its affiliates nor any person acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Bonds, and it and they have complied and will comply with the offering restrictions requirement of Regulation S.

In addition, until 40 calendar days after the commencement of the offering, an offer or sale of the Bonds within the United States by a dealer, whether or not it is participating in the offering, may violate the registration requirements of the Securities Act.

Terms used in this paragraph have the meanings given to them by Regulation S.

### *Prohibition of Sales to European Economic Area and United Kingdom Retail Investors*

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the EEA or the United Kingdom (the **UK**). For the purposes of this provision:

- (i) the expression “*retail investor*” means a person who is one (or more) of the following:
  - a. a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or
  - b. a customer within the meaning of Directive (EU) 2016/97 (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and

- (j) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds.

#### *France*

*Each of the Managers has represented and agreed to comply with applicable French laws and regulations in force regarding the offer, the placement or the sale of the Bonds and the distribution in France of the Prospectus or any other offering material relating to the Bonds.*

#### *United Kingdom*

Each Manager has represented and agreed that:

- i. it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- ii. it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

#### *Italy*

The offering of the Bonds has not been registered with the Commissione Nazionale per le Società e la Borsa (**CONSOB**) pursuant to Italian securities legislation and, accordingly, no Bonds may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Bonds be distributed in the Republic of Italy (**Italy**), except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of Regulation (EU) No. 1129 of 14 June 2017 (the **PD Regulation**) and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and/or Italian CONSOB regulations; or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the PD Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Bonds or distribution of copies of this Prospectus or any other document relating to the Bonds in the Republic of Italy under (i) or (ii) above must:

- a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Italian Financial Services Act, CONSOB Regulation No.20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and
- b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

## GENERAL INFORMATION

### 1. Authorisation

The Issuer has obtained all necessary consents, authorisations and approvals in France to issue and deliver the Bonds and perform its obligations under the Bonds.

The issue of the Bonds by the Issuer has been authorised in accordance with Article L.228-40 of the French *Code de Commerce* by a resolution of its *Conseil d'administration* (Board of Directors) made on 5 October 2020 and a decision of Mr. Rodolphe Belmer, *Directeur Général* of the Issuer, made on 7 October 2020.

### 2. Approval, listing and admission to trading

This Prospectus will be valid for admission to trading during a period of twelve months following the approval by the CSSF (i.e. until 9 October 2021), provided that this Prospectus shall be completed until such date by any supplement, as required under Article 23 of the Prospectus Regulation, in the event of significant new factors, material mistakes or material inaccuracies relating to the information contained (including the information incorporated by reference) in the present Prospectus, which may affect the assessment of the Bonds. The obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when the Prospectus is no longer valid.

Application has been made to the CSSF to approve this document as a prospectus for the purposes of the Prospectus Directive. Application has been made for the Bonds to be admitted to the Official List and traded on the Luxembourg Stock Exchange's regulated market on or about the Issue Date. The Luxembourg Stock Exchange regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU, as amended.

The Issuer's LEI code is 549300MCOOY1V7P2PG30.

The total expenses relating to the admission to trading of the Bonds are, in the aggregate, estimated to be approximately €5,000.

### 3. Clearing Systems

The Bonds have been accepted for clearance through Euroclear France, Clearstream, Luxembourg and Euroclear with the Common Code number 224334818. The International Securities Identification Number (ISIN) for Bonds is FR00140005C6.

Euroclear France  
66, rue de la Victoire  
75009 Paris, France

Euroclear  
1, boulevard Roi Albert II  
1210 Saint-Josse-ten-Noode, Belgium

Clearstream Luxembourg  
Clearstream Banking  
42 Avenue JF Kennedy  
L 1855 Luxembourg

### 4. No significant change

Except as disclosed in the section "Recent Developments", including with respect to the impact of the health crisis resulting from the coronavirus (Covid-19), there has been no significant change in the financial position or financial performance of the Issuer or the Group since 30 June 2020 (being the end of the last financial period for which either audited or interim financial statements have been published).

### 5. No material adverse change

Except as disclosed in the section "Recent Developments", including with respect to the impact of the health crisis resulting from the coronavirus (Covid-19), there has been no material adverse change in the prospects of the Issuer or the Group since 30 June 2020 (being the date of its last published audited financial statements).

## **6. Litigation**

Other than as disclosed in the section “Recent Developments” above, the Issuer is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer and/or the Group.

## **7. Material Contracts**

There are, at the date of this Prospectus, no material contracts entered into, other than in the ordinary course of the Issuer’s business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer’s ability to meet its obligations to Bondholders in respect of the Bonds.

## **8. No conflicts**

As at the date of this Prospectus, there are no conflicts of interest which are material to the issue of the Bonds between the duties of the members of the administrative, management or supervisory bodies of the Issuer and their private interests and/or other duties and, in respect of the Issuer, no person involved in the issue of the Bonds has an interest material to the issue.

## **9. Auditors**

Ernst & Young Audit (1/2, place des Saisons, 92400 Courbevoie – Paris – La Défense 1, France) and Mazars (61, rue Henri Regnault, 92400 Courbevoie, France) have audited, without qualification, in accordance with French professional standards the Issuer’s accounts prepared in accordance with IFRS as adopted by the European Union for each of the two financial years ended on 30 June 2019 and 30 June 2020 as stated in their reports dated 2 August 2019 and 4 August 2020 respectively. An uncertified English translation of such reports is incorporated by reference in this Prospectus. Ernst & Young Audit and Mazars are the independent statutory auditors of the Issuer. Ernst & Young Audit and Mazars are regulated by the *Haut Conseil du Commissariat aux Comptes* and duly authorised as *Commissaires aux comptes* and belong to the *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

## **10. Yield**

The yield of the Bonds is 1.551 per cent. per year as calculated as at the Issue Date on the basis of the issue price of the Bonds. It is not an indication of future yield.

## **11. Managers transacting with the Issuer**

The Managers and their respective affiliates, including parent companies, engage and may in the future engage, in investment banking, commercial banking (including the provision of loan facilities) and other related transactions with the Issuer and may perform services for it, in each case in the ordinary course of business.

## **12. Ratings**

The Bonds have been assigned a rating of BBB- by S&P and BBB by Fitch. S&P and Fitch are established in the European Union and are registered under the CRA Regulation. As such S&P and Fitch are included in the list of registered credit rating agencies published by ESMA on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. A rating is not a recommendation to buy, sell or hold the Bonds. Any credit rating is subject to revision, suspension or withdrawal at any time by the relevant rating organisation. Any revision, suspension, reduction or withdrawal of the rating may adversely affect the market price of the Bonds.

The Issuer understands that S&P has stated generally that “an obligation rated “BBB” exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor’s capacity to meet its financial commitments on the obligation. The addition of a plus (+) or minus (-) sign shows the relative standing within the rating category.”

The Issuer understands that Fitch has stated generally that “BBB’ ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.”

### 13. Documents available

Copies of consolidated accounts of the Issuer prepared in accordance with IFRS for the two financial years ended 30 June 2019 and 30 June 2020 and the latest annual reports of the Issuer relating to the annual accounts of the Issuer prepared in French GAAP and approved by the general meeting of the shareholders of the Issuer may be obtained without charge from the specified offices for the time being of the Fiscal Agent or any of the Paying Agents during normal business hours, so long as any of the Bonds is outstanding and are also available on the date of this Prospectus on the website of Eutelsat Communications in the section Investors/ Eutelsat S.A. Bond Holders (<https://www.eutelsat.com/en/investors/eutelsat-sa-information.html?#eutelsat-s-a--financial-statements>).

For as long as any of the Bonds are outstanding the following documents may be inspected during usual business hours on any weekday (other than Saturdays, Sundays and public holidays), at the office of the Issuer, the Fiscal Agent or any of the Paying Agents and with respect to i. and iii. below, respectively on the Issuer's website as follows (Prospectus: <https://www.eutelsat.com/en/investors/eutelsat-sa-information.html> – Constitutional documents: [https://www.eutelsat.com/files/PDF/group/ETL\\_Com\\_By-Laws\\_2017\\_EN.pdf](https://www.eutelsat.com/files/PDF/group/ETL_Com_By-Laws_2017_EN.pdf)):

- i. this Prospectus;
- ii. the Agency Agreement;
- iii. the constitutional documents of the Issuer (with a translation thereof into English); and
- iv. the audited consolidated annual accounts of the Issuer for the two latest financial years (which at the Issue Date comprise the Issuer's audited consolidated accounts for the financial years ended 30 June 2019 and 30 June 2020).

In addition, this Prospectus and each document incorporated by reference are available on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on the website of the Issuer (<https://www.eutelsat.com/en/investors/eutelsat-sa-information.html?#eutelsat-s-a--financial-statements>) for ten years from the date of their publication.



## GLOSSARY OF TERMS

### **Analogue**

Format of a broadcast signal where a continuously varying physical quantity precisely describes the variation of the information it represents.

### **Bandwidth**

Band of frequencies used for an RF transmission (e.g. 36 MHz).

### **Beam**

Term used to describe the radiation pattern of a satellite antenna. The intersection of a satellite beam with the surface of the Earth is called the footprint (of the beam).

### **Broadcast Satellite Service (BSS)**

Communications service in which signals transmitted or retransmitted by satellite are intended for direct reception by the general public. Use of the corresponding frequencies is governed by international regulations, with the aim of allowing all countries to offer services of this kind. In Europe, the downlink frequency range for the BSS is 11.7 to 12.5 GHz.

### **C-band**

Frequency range assigned to satellite communication systems, approximately 4 GHz for the downlink and 6 GHz for the uplink. The associated transmit power is relatively low in comparison with Ku-band, for example. Large antennae are therefore required for C-band operations.

### **Capacity**

Quantity of information transmitted. As an analogy, there is often reference to spectrum width and to the associated power needed to transmit such a quantity of information.

### **Digital**

Format for recording, processing, transmitting and broadcasting data via a binary signal (and not by a continuously varying signal).

### **Downlink**

Path travelled by the signal in the direction space-Earth.

### **DVB**

Digital Video Broadcasting. A set of European standards for the broadcasting and reception of digital TV signals by satellite (DVB-S), cable (DVB-C) or terrestrial means (DVB-T), developed within the framework of the Digital Video Broadcasting project and formalised by the European Telecommunications Standards Institute (ETSI). These European standards have been adopted by many countries throughout the world.

### **Earth station**

Installation required in order to receive a signal from a satellite and/or transmit a signal to a satellite. The facility consists essentially of an antenna and communication equipment on the ground (synonym: ground station).

### **Fixed Satellite Service (FSS)**

Communications service between Earth stations located at fixed points, such points being determined when one or more satellites are used. However, this expression frequently refers to "unplanned" frequency bands, that are not subject to international regulations governing the use of BSS frequencies. In Europe, the downlink FSS frequencies are 10.7-11.7 GHz and 12.5-12.75 GHz.

### ***Frequency***

Number of vibrations produced by unit of time during a given period. Frequency relates to the rate of variation per second of the carrier wave or modulating signal. Satellite transmissions are generally in GHz (see C-band, Ka-band and Ku-band).

### ***High throughput satellite or payload (HTS)***

Satellite or payload that provides more throughput than a classic satellite for the same amount of spectrum thanks to frequency reuse, thus with a lower cost per megabit.

### ***Internet backbone***

The communications networks on which the Internet is based.

### ***IP***

Internet Protocol.

### ***Ka-band***

Frequency range assigned to satellite communication systems, approximately 20 GHz for the downlink and 30 GHz for the uplink. These frequencies have the shortest wavelength of the three principal frequency bands used by geostationary satellites. Although small antennae can be used, Ka-band requires the use of beams that are tightly concentrated over fairly small geographical areas.

### ***Ku-band***

Frequency range assigned to satellite communications systems, approximately 14 GHz for the uplink and 11 GHz for the downlink. Used for radio and TV, this band is the most widespread in Europe, owing to the small size of the antennae needed for reception.

### ***Low-orbit constellations and Medium-orbit constellations***

Constellations of several tens, hundreds or thousands smaller satellites operating in an orbit lower than the geostationary orbit (approximately 36,000 kilometres above Earth's equator).

### ***MPEG***

Moving Pictures Experts Group. Working Group charged by the ISO with the task of developing international standards for the compression, decompression, processing and encoding of video, audio and any combination thereof, such as to ensure a wide range of applications. Name also given to the compression and digital broadcasting standard for TV, resulting from the deliberations of this group of experts.

MPEG 2 is the second-generation standard designed for TV broadcasting and MPEG 4 provides a smaller compression format compared to MPEG 2 that can carry all new Video Applications.

### ***Operating period***

Period during which a satellite is able to function. The operating period of a satellite in-orbit depends in particular on the quantity of fuel it carries for station-keeping.

### ***Passband***

Range of frequencies permitted for an RF transmission (see "Bandwidth").

### ***Payload***

Set of satellite equipment used for reception, frequency conversion, processing, and retransmission of the communications signals after they have been amplified, but excluding add-on equipment, for example the platform (physical structure and sub-systems such as electrical and thermal control, attitude control, etc.).

**Radio frequency (RF)**

Electromagnetic frequency generally higher than 20 kHz, used to transmit information.

**Regular capacity**

Capacity which is not HTS capacity (see above).

**S-band**

Frequency range assigned to satellite communication systems, approximately 2 GHz for the uplink. Frequency adjacent to UMTS frequencies.

**Signal**

Variation of a physical value of any kind carrying information.

**Space segment**

Satellites in a satellite communications system belonging to an operator.

**Telemetry**

Encoded communication sent by the satellite to the Earth station to transmit the results of measurements related to the satellite's operation and configuration.

**Transponder**

Name given to the retransmitter on-board a satellite, whose function is to retransmit the signals received from the Earth uplink station to a specific part of the globe.

**Uplink**

Path travelled by the signal in the direction Earth-space.

**VSAT Terminal**

Microterminal connected to a fixed antenna and making satellite reception or transmission possible.

**REGISTERED OFFICE OF THE ISSUER**

**EUTELSAT S.A.**

70, rue Balard  
75015 Paris  
France

**LUXEMBOURG LISTING AGENT**

**CACEIS Bank Luxembourg**

5, Allée Scheffer  
L-2520 Luxembourg

**CALCULATION AND PAYING AGENT**

**CACEIS Corporate Trust**

14, rue Rouget de Lisle  
92862 Issy les Moulineaux Cedex 9  
France

**MAKE WHOLE CALCULATION AGENT**

**DIIS GROUP**

12, rue Vivienne  
75002 Paris  
France

**GLOBAL COORDINATORS AND MANAGERS**

**MUFG Securities (Europe) N.V.**

World Trade Center,  
Tower H, 11th Floor  
Zuidplein 98  
1077 XV Amsterdam  
Netherlands

**Crédit Agricole Corporate and Investment Bank**

12, place des États-Unis  
CS 70052  
92547 Montrouge Cedex  
France

**MANAGERS**

**Intesa Sanpaolo S.p.A.**

Divisione IMI Corporate & Investment  
Banking  
Via Manzoni 4  
20121 Milan  
Italy

**Landesbank Hessen-Thüringen**

**Girozentrale**

Neue Mainzer Strasse 52-58  
60311 Frankfurt am Main  
Germany

**SMBC Nikko Capital Markets Europe**

**GmbH**

Neue Mainzer Straße 52-58, 60311  
Frankfurt  
Germany

**LEGAL ADVISERS**

*To the Issuer as to French law*

**Latham & Watkins A.A.R.P.I.**

45, rue Saint-Dominique  
75007 Paris  
France

*To the Managers as to French law*

**Allen & Overy LLP**

52 avenue Hoche  
75008 Paris  
France

**AUDITORS OF THE ISSUER**

**Ernst & Young Audit**

1/2, place des Saisons, 92400 Courbevoie  
92037 Paris-La Défense Cedex  
France

**Mazars**

61, rue Henri Regnault  
92400 Courbevoie  
France