

Free translation into English of the statutory auditors' review report on the interim financial information issued in French, provided solely for the convenience of English-speaking users.

Eutelsat S.A.

Period from 1 July to 31 December 2023

Statutory Auditors' Review Report on the Half-yearly Financial Information

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Eutelsat S.A.

Period from 1 July to 31 December 2023

Statutory auditors' review report on the condensed consolidated financial statements

To the Chief Executive Officer,

In our capacity as statutory auditors of Eutelsat S.A. and in response to your request, we have performed a review of the accompanying condensed consolidated financial statements (the "Financial Information") of Eutelsat S.A. for the period from 1 July to 31 December 2023.

Management is responsible for the preparation of this Financial Information in accordance with IAS 34 - the IFRS reference standard on Interim Financial Reporting as adopted by the European Union. Our duty is to express a conclusion on such Financial Information on the basis of our review.

Scope of the review

We conducted our review in accordance with ISRE 2410 "Review of Interim Financial Information Performed by the Entity's Independent Auditor". A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with ISA Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the financial statements

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Financial Information is not prepared, in all material respects, in accordance with IAS 34 - the IFRS reference standard on Interim Financial Reporting as adopted by the European Union.

This report is governed by French law. The courts of France shall have exclusive jurisdiction over any dispute, claim or difference arising from our engagement letter or this report, or any matter relating thereto. Each party irrevocably waives its rights to oppose any action brought before the French courts, to claim that the action has been brought before a court lacking jurisdiction, or that the French courts do not have jurisdiction.

Paris-La Défense, 11 March 2024

The Statutory Auditors

French Original signed by

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Eutelsat S.A. Group

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CONDENSED CONSOLIDATED HALF-YEAR ACCOUNTS AS OF 31 DECEMBER 2023

CONSOLIDATED INCOME STATEMENT

(in millions of euros)	Note	31 December 2022	31 December 2023
Revenues from ordinary activities	5.1	575.7	564.7
Operating costs		(51.1)	(57.1)
Selling, general and administrative expenses		(101.5)	(96.8)
Depreciation expense	6.1	(211.4)	(217.4)
Other operating income and expenses	5.2	(3.2)	(84.6)
Operating income		208.5	108.7
Cost of net debt		(29.9)	(36.2)
Other financial items		(22.4)	(2.3)
Financial result	5.3	(52.3)	(38.5)
Net income before tax		156.3	70.2
Income tax	5.4	(16.6)	17.1
Share of result from associates	6.2	(39.1)	(58.8)
Net income		100.6	28.6
Attributable to the Eutelsat S.A Group		100.6	28.6
Basic and diluted earnings per share attributable to Eutelsat S.A. shareholders	5.5	0.099	0.028

COMPREHENSIVE INCOME STATEMENT

(in millions of euros)	Note	31 December 2022	31 December 2023
Net income		100.6	28.6
<i>Other recyclable items of gain or loss on comprehensive income</i>			
Translation adjustment	6.6.4	(15.8)	(5.6)
Tax effect	6.6.4	(0.7)	(1.0)
Changes in fair value of hedging instruments ⁽¹⁾	6.6.3	28.9	(0.3)
Tax effect	6.6.3	(7.2)	(0.1)
<i>Other non-recyclable items of gain or loss on comprehensive income</i>			
Changes in post-employment benefits		(11.4)	(10.2)
Tax effect		3.0	2.6
Total of other items of gain or loss on comprehensive income		(3.2)	(14.0)
Total comprehensive income		97.4	14.5
Attributable to the Eutelsat S.A. Group		97.4	14.5

(1) Changes in the fair value of hedging instruments concern only cash-flow hedges, net foreign investment hedges, the impact of unwinding documented forwards and the amortisation of termination indemnities.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in millions of euros)	Note	30 June 2023	31 December 2023
Assets			
Goodwill	6.1.1	472.4	468.5
Intangible assets	6.1.1	183.7	105.8
Tangible assets and construction in progress	6.1.2	3,587.0	3,467.2
Rights of use in respect of leases	6.1.3	345.1	322.1
Investments in associates	6.2	501.2	439.7
Non-current financial assets	6.4.4	238.7	202.1
Non-current assets associated with customer contracts and costs to obtain or fulfil a contract	6.3	31.8	32.1
Deferred tax assets		1.2	10.5
Total non-current assets		5,360.9	5,048.1
Inventories		13.0	14.2
Accounts receivable	6.3	223.4	243.3
Current assets associated with customer contracts and costs to obtain or fulfil a contract	6.3	13.3	12.5
Other current assets		38.5	50.3
Current tax assets		25.2	1.8
Current financial assets	6.4.4	424.3	171.4
Cash and cash equivalents	6.4.1	479.8	855.5
Total current assets		1,217.5	1,348.9
Total assets		6,578.6	6,397.1

(in millions of euros)	Note	30 June 2023	31 December 2023
Liabilities			
Share capital	6.6.1	658.6	658.6
Additional paid-in capital		8.0	8.0
Reserves and retained earnings		1,992.4	1,997.7
Non-controlling interests		-	5.8
Total shareholders' equity		2,659.0	2,670.1
Non-current financial debt	6.4.2	2,443.1	2,471.6
Non-current lease liabilities	6.4.4	272.5	264.6
Other non-current financial liabilities	6.4.4	54.7	36.8
Non-current payables to fixed asset suppliers	6.4.4	1.2	0.3
Non-current liabilities associated with customer contracts	6.3	269.0	286.3
Non-current provisions	6.7	29.2	39.9
Deferred tax liabilities		126.9	114.9
Total non-current liabilities		3,196.6	3,214.4
Current financial debt	6.4.2	96.6	140.6
Current lease liabilities	6.4.4	47.0	41.2
Other current payables and financial liabilities	6.4.4	110.1	71.3
Accounts payable		90.4	82.7
Current payables to fixed asset suppliers	6.4.4	188.5	31.4
Tax payable		116.8	60.5
Current liabilities associated with customer contracts	6.3	68.5	78.0
Current provisions	6.7	5.1	6.8
Total current liabilities		722.9	512.5
Total liabilities and shareholders' equity		6,578.6	6,397.1

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)	Note	31 December 2022	31 December 2023
Cash flow from operating activities			
Net income		100.6	28.6
Result from associates		39.1	58.8
Tax and interest expenses, other operating items		63.6	34.7
Depreciation, amortisation and provisions		224.4	301.8
Deferred taxes		(10.0)	(23.4)
Changes in accounts receivable		4.9	(26.1)
Changes in assets held under customer contracts and other assets		8.3	(43.4)
Changes in accounts payable		(7.5)	(7.5)
Changes in liabilities associated with customer contracts and other liabilities		(35.1)	14.0
Taxes paid ⁽¹⁾		(15.1)	(36.3)
Net cash flows from operating activities		373.3	301.0
Cash flow from investing activities			
Acquisitions of satellites, other property and equipment, and intangible assets ⁽²⁾		(166.5)	(78.0)
Proceeds from release of the C band ⁽¹⁾		-	355.4
Loan to Eutelsat Communications		(85.8)	(43.8)
Acquisitions of equity investments and other movements ⁽³⁾		(29.2)	(20.0)
Net cash flows from investing activities		(281.6)	213.5
Cash flow from financing activities			
Repayment of borrowings ⁽⁴⁾		(339.9)	(65.1)
Repayment of lease liabilities		(27.8)	(15.2)
Interest and other fees paid		(74.5)	(69.3)
Transactions with non-controlling interests ⁽⁵⁾		(15.5)	(6.0)
Premiums and termination indemnities on derivatives settled		(31.0)	-
Other changes		0.1	15.1
Net cash flow from financing activities		(488.4)	(140.4)
Impact of exchange rate on cash and cash equivalents		1.7	1.4
Increase/(Decrease) in cash and cash equivalents		(395.1)	375.5
Cash and cash equivalents, beginning of period		677.0	479.8
Cash and cash equivalents, end of period		281.8	855.5
<i>Including Cash and cash equivalents, end of period</i>	6.4.1	281.8	855.5

(1) As of 31 December 2023, the tax expense includes the 25 million euros of tax paid on the proceeds from the release of the C band. The C band release proceeds net of tax stand at 330.4 million euros.

(2) Excluding fixed assets held under structured loans

(3) As of 31 December 2023, operations relating to the acquisitions of equity investments and other movements include the payment of an earn-out on the disposal of Euro Broadband Infrastructure for 20 million euros.

(4) As of 31 December 2023, "Repayment of borrowings" includes the redemption of the Eutelsat S.A. facilities in July 2023 amounting to 65.1 million euros.

(5) As of 31 December 2023, "Transactions with non-controlling interests" include an earn-out payment of 6 million euros linked to the acquisition of non-controlling interests in Eutelsat International.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in millions of euros, except share data)	Share capital			Reserves and retained earnings	Shareholders' equity Group share	Non-controlling interests	Total
	Number	Amount	Additional paid in capital				
As of 30 June 2022	1,013,162,112	658.6	8.0	1,624.3	2,290.9	-	2,290.9
Net income for the period	-	-	-	100.6	100.6	-	100.6
Other items of gain or loss in comprehensive income ⁽¹⁾	-	-	-	(3.2)	(3.2)	-	(3.2)
Total comprehensive income	-	-	-	97.4	97.4	-	97.4
Dividend distributions	-	-	-	-	-	-	-
Transactions with non-controlling interests	-	-	-	0.2	0.2	-	0.2
As of 31 December 2022	1,013,162,112	658.6	8.0	1,721.9	2,388.5	-	2,388.5
As of 30 June 2023	1,013,162,112	658.6	8.0	1,991.1	2,657.7	1.3	2,659.0
Net income for the period	-	-	-	28.6	28.6	-	28.6
Other items of gain or loss in comprehensive income ⁽¹⁾	-	-	-	(14.0)	(14.0)	-	(14.0)
Total comprehensive income	-	-	-	14.5	14.5	-	14.5
Others	-	-	-	(2.2)	(2.2)	(1.3)	(3.5)
As of 31 December 2023	1,013,162,112	658.6	8.0	2,003.5	2,670.1	-	2,670.1

⁽¹⁾ Changes in other items of gain or loss in comprehensive income include actuarial gains and losses recognised on post-employment benefits, and changes in the revaluation surplus of derivative instruments (see Note 6.6.3) and the translation reserve (see Note 6.6.4), net of the associated tax effects.

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NOTE 1: GENERAL OVERVIEW

1.1 BUSINESS

Eutelsat S.A. is one of the world's leading satellite communications operators, specialising in the worldwide provision of connectivity and broadcasting services.

Operating capacity on 35 satellites, the Eutelsat S.A. Group is a leader in fixed satellite services. It mainly operates and supplies capacity for Video Services, Fixed Data and Government Services, and also offers capacity for Connectivity applications (Fixed Broadband and Mobile Connectivity). Thanks to its fleet of satellites, the Eutelsat S.A Group covers the whole of Europe, the Middle East and North Africa, as well as Sub-Saharan Africa and a significant part of the Asian and American continents.

1.2 CLOSING OF THE ACCOUNTS

The condensed consolidated half-year accounts as of 31 December 2023 have been prepared under the responsibility of the Board of Directors, which approved them in a resolution dated 11 mars 2024.

NOTE 2: KEY EVENTS DURING THE PERIOD

2.1 CHANGE OF CONTROL OF ONEWEB BY EUTELSAT COMMUNICATIONS S.A.

On 28 September 2023, Eutelsat Communications S.A., the Eutelsat S.A. parent company, announced that its business combination with OneWeb, the global Low Earth Orbit (LEO) satellite communications network, was now effective following its approval by the Ordinary and Extraordinary General Meeting of Eutelsat Communications S.A. shareholders held on the same day. This acquisition led to the establishment of Eutelsat Group. The Eutelsat S.A. Group is headquartered in Issy-Les-Moulineaux, France. Eutelsat Group employs more than 1,700 people from 50 different nationalities.

The Extraordinary General Meeting of Eutelsat Communications S.A. approved the transaction on 28 September 2023. As a result, as of 31 December 2023, Eutelsat Communications S.A. holds 100% of OneWeb's Class A shares and is fully consolidated within the scope of Eutelsat Communications.

Eutelsat S.A. continues to hold a 22.91% stake in OneWeb and exercises significant influence over OneWeb Holdings Ltd, having seats on the company's Board of Directors, participating in the company's decision-making process and providing it with essential technical expertise. As a consequence, the OneWeb investment is accounted for using the equity method.

2.2 ENTRY INTO SERVICE OF EUTELSAT KONNECT VHTS AND EUTELSAT 10B, AND END OF SERVICE OF EUTELSAT 10A

The Konnect VHTS and Eutelsat 10B satellites were successfully launched in the final quarter of 2022 and their entry into service took place on 1 September 2023 for Konnect VHTS and 19 July 2023 for Eutelsat 10B.

The first satellite will deliver high speed broadband and mobile connectivity services across Europe.

The second satellite is equipped with two new multi-beam HTS (High-Throughput Satellite) Ku-band payloads: a high-capacity payload, covering the North Atlantic corridor, Europe, the Mediterranean basin and the Middle East, offering significant throughput in some of the world's busiest air and sea traffic routes; and a second payload designed to extend coverage across the Atlantic Ocean, Africa and the Indian Ocean. The Eutelsat 10A satellite was successfully decommissioned and deorbited on 29 November 2023 after 14 years of service. It has been replaced by the E10B.

The twin Eutelsat HOTBIRD 13F and HOTBIRD 13G satellites launched in 2023 entered operational service in September 2023. Located at Eutelsat's flagship video neighbourhood at 13° East, the two satellites will further consolidate and enhance the high-quality broadcasting of more than 900 television channels serving more than 160 million homes across Europe, North Africa and the Middle East (EMEA).

2.3 IMPACTS OF THE RUSSO-UKRAINIAN CONFLICT AND MEASURES LINKED TO THE SITUATION IN THE MIDDLE EAST

In the context of the Russo-Ukrainian crisis, Eutelsat S.A. generated 6.7% of its revenues in Russia during the fiscal year ended 30 June 2022 and 6.8% during the fiscal year ended 30 June 2023. Pursuant to a decision by the French Regulatory Authority for Audiovisual and Digital Communication (ARCOM) in December 2022, Eutelsat S.A. suspended the broadcasting of four Russian television programmes (Rossiya One, Pervyi Kanal, RenTV and NTV) which it had been distributing using capacity leased on three satellites operated by RSCC (Eutelsat 36C, Express AT1 and Express AT2).

Moreover, in compliance with the international sanctions against Iran, Eutelsat S.A. also ceased all broadcasts linked to the national broadcasting company of the Islamic Republic of Iran (IRIB) on 12 December 2022.

In addition, following a decision by ARCOM in December 2023, Eutelsat S.A. suspended the broadcasting of the Al Aqsa television channel, also known as Al Aqsa Live and Yarmouk 2, which was distributed via the television bouquet of one of the Group's customers. This suspension has no financial impact on the first half of the 2023-24 fiscal year, as the Group's client is a TV channel platform.

For the 2022-23 fiscal year, the application of these measures had a total negative impact of around 8 million euros on Eutelsat S.A.'s revenues. The negative impact on Eutelsat S.A.'s Discretionary Free Cash Flow for the 2022-23 fiscal year is estimated at around 8 million euros. Eutelsat S.A. has also restructured and downsized its capacity lease contracts on satellites belonging to RSCC.

For the 2023-24 fiscal year, in the first half, the application of new sanctions had no impact on Eutelsat S.A.'s revenues or discretionary free cash flow.

2.4 C-BAND RELEASE PROCESS

Following the release of the 3.7-4 GHz frequencies (C-band) in the United States pursuant to a federal decision issued by the Federal Communication Commission (FCC - the US communications regulator) on 3 March 2020, the Group implemented a transition plan composed of two phases, each corresponding to the release of certain frequencies and resulting in the payment of financial incentives of 125 million US dollars for Phase 1 and 382 million US dollars for Phase 2.

In October 2021, the FCC approved the certification of the first phase of the Group's transition plan. Proceeds of 125 million US dollars were booked to Other operating income for the 2021-22 fiscal year. The corresponding funds were received in December 2021.

On 15 May 2023, the FCC announced guidelines for the certification of the second phase of the C-band. The Group filed its transition plan and certification on 1 June 2023. At the end of the 30-day public comment period, the FCC approved the certification of the Phase II transition plan on 30 June 2023. Proceeds of 382 million US dollars were booked to Other operating income for the 2022-23 fiscal year. The corresponding sums were received in August 2023.

NOTE 3: ACCOUNTING PRINCIPLES AND VALUATION METHODS

3.1 BASIS OF PREPARATION OF FINANCIAL INFORMATION

The condensed consolidated half-year financial statements as of 31 December 2023 have been prepared in accordance with IAS 34 "Interim Financial Reporting" in a condensed format. The accounts as presented do not contain all the information and Notes required under IFRS for the preparation of consolidated full-year financial statements and must be read in conjunction with the consolidated full-year financial statements for the fiscal year ended 30 June 2023.

The accounting methods and rules used in preparing these condensed interim accounts are identical to those used for the consolidated full-year financial statements for the fiscal year ended 30 June 2023, with the exception of the application, as of 1 July 2023, of the new standards and interpretations adopted by the European Union.

- Amendments to IAS 1 "Presentation of Financial Statements": description of accounting methods.
- Amendments to IAS 8 "Accounting Principles" – definition of accounting estimates.
- Amendments to IAS 12 "International Tax Reform" - OECD Pillar Two model rules.

The application of these amended standards had no significant impact on the Group's financial statements.

3.2 FINANCIAL REPORTING RULES

3.2.1 Translation of financial statements and foreign currency transactions

The reference currency and the presentation currency used to prepare the financial statements are the euro. For OneWeb, the functional currency is the US dollar. The rules for translating items in financial statements and foreign currency transactions remain unchanged relative to 30 June 2023.

The main foreign currency used is the U.S. dollar. The closing exchange rate used is 1.105 US dollars for 1 euro and the average exchange rate for the period is 1.08 US dollars for 1 euro.

3.2.2 Presentation of current and non-current assets and liabilities

The current assets and liabilities are those that the Group expects to realise, consume or settle in its normal operating cycle, which is shorter than 12 months. All other assets and liabilities are classified as non-current.

3.3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Preparation of the Group's consolidated financial statements requires the use of estimates and judgements that are likely to affect the amounts of certain assets, liabilities, income and expenses reported in these financial statements and their accompanying Notes. The management constantly updates its estimates and assessments using past experience in addition to other relevant factors related to the economic environment. The close down of the transactions underpinning these estimates and assumptions could result in significant adjustments to the amounts that are recognised in a subsequent financial period because of the uncertainty that surrounds them.

In preparing the condensed consolidated half-year financial statements for the period ended 31 December 2023, the Management has exercised its judgement, particularly with regard to the recoverable amounts of assets, the recognition of revenues, the assessment of customer risk, the estimation of provisions and contingent liabilities, and the recognition of tax assets and liabilities.

3.4 MAIN CHANGES IN THE SCOPE OF CONSOLIDATION

There have been no changes in Eutelsat S.A.'s scope of consolidation since the financial year ended 30 June 2023.

NOTE 4: SEGMENT INFORMATION

The Group considers that it operated in a single operational sector. Its analysis is based on an assessment of the services provided and the nature of the associated risks, rather than on their purpose. This is the provision of satellite communications services for video, corporate and broadband networks, and for mobile services, primarily to international telecommunications operators and broadcasters, corporate network integrators and businesses for their own needs.

The performance indicators monitored by the Chief Executive Officer and the Chief Financial Officer, who together form the Group's key operational decision-making body are as follows:

- Revenues
- Adjusted EBITDA defined as the operating result before amortisation and depreciation, impairment of assets and other operating income and expense, and the adjusted EBITDA profit margin on revenues;
- Cash Capex covering the acquisition of satellites and other tangible or intangible assets as well as payments in respect of export credit facilities and lease liabilities;
- The Net debt to Adjusted EBITDA ratio (see Note 6.4.3 "Net Debt").

Internal reporting shows a different breakdown of the Group's consolidated income statement from that used in the consolidated financial statements in order to highlight these performance indicators. However, the main aggregates are identical to those shown in the Group's consolidated financial statements. The reporting is prepared in accordance with the IFRS principles adopted by the Group for the preparation of its consolidated financial statements.

The Group's assets consist mainly of satellites in orbit, with the remaining assets located mainly in France, Italy and Mexico.

Six months ended 31 December (in millions of euros)	2022	2023	Change
<i>Operating income</i>	575.7	564.7	-1.9%
<i>Operating expense</i>	(152.6)	(153.9)	0.9%
Adjusted EBITDA	423.1	410.8	-2.9%
<i>Amortisation and depreciation</i>	(211.4)	(217.4)	2.8%
<i>Other operating income and expenses</i>	(3.2)	(84.6)	N/A
Operating result	208.5	108.7	
<i>Financial result</i>	(52.3)	(38.5)	26.4%
<i>Income tax</i>	(16.6)	17.1	N/A
<i>Share of result from associates</i>	(39.1)	(58.8)	50.4%
<i>Share attributable to non-controlling interests</i>	0.0	0.0	
Share attributable to the Group	100.6	28.6	

Six months ended 31 December (in millions of euros)	2022	2023
Acquisitions of satellites, other property and equipment and intangible assets	(166.5)	(78.0)
Repayment of ECA loans, rental debt and other bank credit lines	(27.8)	(80.3)
Cash investment	(194.3)	(158.3)

NOTE 5: NOTES TO THE INCOME STATEMENT

5.1 REVENUES FROM ORDINARY ACTIVITIES

5.1.1 Revenues by application

As of 31 December 2023, the revenue breakdown by application changed to better reflect the respective end markets they serve.

The new framework has been streamlined from five applications (broadcasting, data and professional video, government services, fixed broadband and mobile connectivity) to four:

1. Video for professional broadcasting and production of visual content.
2. Government Services, including offers tailored to the needs of public authorities.
3. Fixed Connectivity, concerning data and stable broadband internet access.
4. Mobile Connectivity for wifi connectivity

The revenue breakdown by application presented according to the new format is as follows:

(in millions of euros)	31 December 2022	31 December 2023
Video	365.9	331.1
Government Services	66.9	67.9
Fixed Connectivity	93.2	91.8
Mobile Connectivity	55.9	71.1
Total Operating Verticals	581.9	562.0
Other revenues	(6.2)	2.7
Total	575.7	564.7
<i>EUR/USD exchange rate</i>	<i>1.007</i>	<i>1.08</i>

Other revenues include the impact of EURO/USD currency hedging which stood at (1.5) million euros for the period ended 31 December 2023 versus (12.4) million for the period ended 31 December 2022.

By way of reminder, the revenue by application under the previous format, as presented in December 2022, was as follows:

(in millions of euros)	31 December 2022	31 December 2023
Broadcast	338.5	308.1
Data and Professional Video	83.3	76.0
Government Services	66.9	67.9
Fixed Broadband	37.2	38.8
Mobile Connectivity	55.9	71.1
Total Operating Verticals	581.9	562.0
Other Revenues	(6.2)	2.7
Total	575.7	564.7
<i>EUR/USD exchange rate</i>	<i>1.007</i>	<i>1.08</i>

5.1.2 Revenues by geographical region

Revenues by geographical region, based on customer billing addresses, are as follows:

(in millions of euros and as a percentage)	31 December 2022		31 December 2023	
	Amount	%	Amount	%
Regions				
France	33.4	5.8	36.5	5.1
Italy	63.9	11.1	61.5	10.9
United Kingdom	31.6	5.5	28.5	6.4
Europe (other countries)	168.3	29.2	159.8	28.3
Americas	117.6	20.4	123.9	21.9
Middle East	102.3	17.8	86.9	15.4
Africa	55.7	9.7	53.7	9.5
Asia	14.7	2.5	14.8	2.6
Other	(11.8)	(2.0)	(1.0)	(0.2)
Total	575.7	100.0	564.7	100.0

5.2 OPERATING EXPENSES

Operating expenses totalling 57.1 million euros mainly include staff costs and other expenses related to satellite control and operation, as well as satellite in-orbit lifetime insurance premiums.

Selling, general and administrative expenses come to 96.8 million euros, mainly including the cost of administrative and sales staff, as well as all marketing and advertising expenses and related overheads.

Operating expenses relating to impairment of trade receivables and assets on customer contracts stand at 6.9 million euros as of 31 December 2023, compared with 12.8 million euros for the year ended 31 December 2022, and are accounted for under selling, general and administrative expenses.

5.3 OTHER OPERATING INCOME AND EXPENSES

(in millions of euros)	31 December 2022	31 December 2023
Other operating income	6.8	8.8
Other operating expenses	(10.0)	(93.4)
Total	(3.2)	(84.6)

As of 31 December 2022, Other operating income includes the proceeds from the reduction in Russian satellite capacity leases for 5.0 million euros. Other operating expenses mainly include impairment losses on satellites amounting to 4.2 million euros.

As of 31 December 2023, Other operating income includes 7.2 million euros in impairment reversals on the value of the AT1, AT2, 53A and 65WA satellites and on the disposal of BBO realized as of 30 June 2023, and an additional 1.7 million euros in respect of the C band. Other operating expenses mainly include satellite impairment losses of 84.2 million euros and restructuring costs of 2.8 million euros.

5.4 FINANCIAL RESULT

(in millions of euros)	31 December 2022	31 December 2023
Interest expense after hedging	(35.3)	(37.9)
<i>Of which interest on lease liabilities</i>	(5.2)	(7.0)
Loan set-up fees and commissions	(3.0)	(5.1)
Capitalised interest	8.7	3.3
Cost of gross debt	(29.6)	(39.6)
Financial income	(0.3)	3.4
Cost of net debt	(29.9)	(36.2)
Changes in derivative financial instruments	-	1.2
Foreign-exchange impact	(17.0)	3.5
Other	(5.4)	(7.1)
Financial result	(52.3)	(38.5)

The interest expense as of 31 December 2022 includes 4.8 million euros of expenses related to the execution and termination of hedging instruments used to fix the interest rate on the October 2018, June 2019 and October 2021 bond issues.

The interest expense as of 31 December 2023 includes 5.9 million euros of expenses linked to the exercise and termination of hedging instruments used to fix the interest rate on the October 2018, June 2019 and October 2021 bond issues.

The amount of capitalised interest depends on the progress and number of satellite construction programmes recorded during the reporting period. The interest rate used to determine the amount of interest expense eligible for capitalisation stands at 3.39% as of 31 December 2023 versus 2.67% as of 31 December 2022.

The "Other" item mainly includes 6.9 million euros in financial costs arising from the discounting of prepayments in respect of the Egnos, Multichoice and HNS agreements as of 31 December 2023.

5.5 INCOME TAX

The "Income tax" line comprises the current and deferred tax expenses of the consolidated entities. In accordance with IAS 34, the income tax expense for the interim period ended 31 December is calculated by applying the average annual effective income tax rate estimated for the fiscal year to the pre-tax income of the interim period.

As of 31 December 2023, the effective income tax rate stood at -24.35% (versus 10.6% as of 31 December 2022). This rate includes the effect of the exoneration of the portion of Eutelsat S.A.'s profit attributable to the company's satellites operated outside France (article 247 of the French General Tax Code introduced by the 2019 Finance Bill), the effect of taxation rates for foreign subsidiaries, exchange rate differences and the inflation effects on the deferred tax positions of the Satellites Mexicanos subsidiary, together with the impact of impairments on the Satmex arc satellites.

The OECD's Pillar Two agreement aims to guarantee that multinational companies pay a minimum effective tax rate of 15% in each jurisdiction where it is present and numerous countries have launched legislative procedures to adopt these rules. France transposed the Minimum Tax Directive

(2022/2523) into domestic law in its Finance Law for 2024 published on 30 December 2023 (Act No. 2023-1322), making the Pillar Two legislation applicable from 1 January 2024.

Since France is the jurisdiction of Eutelsat Communications S.A., the ultimate parent company of the Eutelsat Group, the French Pillar Two rules will be in force for the Group's fiscal year beginning 1 July 2024. In the absence of Pillar Two legislation in force at the balance sheet date, there are no current tax liabilities or deferred tax liabilities to be recorded in our half-year financial statements for the six months ended 31 December 2023. In effect, the Company applies the mandatory temporary exception to the recognition of deferred tax assets and liabilities linked to the Pillar Two Rules pursuant to the amendments to IAS 12 published in May 2023.

The Group is in the process of assessing the impact of the French and other national Pillar Two legislation on its operations. The Group's assessment includes analyzing the interaction of the French tax rules with the new Pillar Two legislation (including the forthcoming new OECD "guidance"), and the identification of the jurisdictions in which the Group could have an effective Pillar Two tax rate of less than 15%. The Company expects to terminate its analysis of the impacts of this reform before the 30 June 2024 accounting year end.

5.6 EARNINGS PER SHARE

The following table shows the reconciliation between net income and net earnings attributable to shareholders (basic) used to determine earnings per share:

(in millions of euros)	31 December 2022	31 December 2023
Net income	100.6	28.6
Income from subsidiaries attributable to non-controlling interests	-	-
Net income used to compute earnings per share	100.6	28.6
Average number of basic shares	1,013,162,112	1,013,162,112

NOTE 6: NOTES TO THE BALANCE SHEET

6.1 FIXED ASSETS

6.1.1 Goodwill and other intangibles

Goodwill and intangible assets have evolved over the past two financial periods as follows:

(in millions of euros)	Goodwill	Other intangibles	Total
Gross assets			
Gross value as of 30 June 2023	472.4	663.7	1,136.0
Acquisitions	-	3.7	3.7
Transfers	-	5.3	5.3
Foreign exchange variation	(3.8)	(3.1)	(7.0)
Disposals and scrapping of assets	-	(2.0)	(2.0)
Gross value as of 31 December 2023	468.5	667.5	1,136.0
Amortisation and impairment			
Accumulated amortisation as of 30 June 2023	-	(480.0)	(480.0)
Amortisation expense	-	(27.2)	(27.2)
Reversals (disposals and scrapping of assets)	-	2.0	2.0
Foreign exchange variation	-	3.4	3.4
Transfers and others	-	(1.1)	(1.1)
Impairments	-	(58.8)	(58.8)
Accumulated amortisation as of 31 December 2023	-	(561.7)	(561.7)
Net value as of 30 June 2023	472.4	183.7	656.0
Net value as of 31 December 2023	468.5	105.8	574.4

Eutelsat S.A. impairment test

The Group has carried out a test of recoverable value by considering the assets and the value in use of the Group's activities.

The values in use for this test were determined by discounting future cash flows. These analyses include a significant proportion of judgement on the part of the Group's Management.

The main operational assumptions potentially impacting the recovery value of the assets are the level of EBITDA and the amount of investment. The operational assumptions in the long-term plan are based on internal market models on the trajectory of each of the Group's segments of activity and on external strategic research.

The cash flows used for these two tests are based on an updated version of the Group's five-year business plan, approved by the Board of Directors of Eutelsat Communications S.A. on 15 February 2024, covering the periods through to the 2027-28 fiscal year and on the long-term plan defined on an ongoing basis over a horizon covering the periods through to the 2034-35 fiscal year, and on a terminal value. The Group considers it relevant to use projections beyond five years in view of the long-term visibility it has on a significant portion of its activity and on its expected growth profile that the long-term plan is able to capture more effectively.

In terms of financial metrics such as the WACC (8.7% used in the scenarios) and the long-term growth rate used in the terminal value, sensitivity analyses show that a 25bp increase in the WACC would not result in a value in use below the book value of the assets tested as of 31 December 2023. A zero-growth rate to infinity would not lead to a value in use below the book value of the assets tested.

The sensitivity analyses also show that a 1.4% reduction in EBITDA for each year of the plans used and on the terminal value would not result in the recognition of a goodwill impairment.

The impairment test implemented as of 31 December 2023 based on discounted future cash flows did not lead to the booking of an impairment charge.

Depreciable assets

With regard to the GEO satellite impairment tests performed as of 31 December 2023, the cash flows used are based on the period of the five-year business plan approved by the Board of Directors of Eutelsat Communications S.A. on 15 February 2024, and then on cash flows extended to the end of the life of each satellite based on a normative growth rate. These tests were carried out using an identical methodology as in the previous tests.

As a result of these tests, an impairment charge of 84 million euros was recognised in respect of company-owned satellites as of 31 December 2023. No impairment charge was booked for company-owned satellites as of 31 December 2022. The impairment charge in respect of rights of use was nil

as of 31 December 2023, compared with 4.2 million euros as of 31 December 2022.

6.1.2 Tangible assets and construction in progress

Changes in tangible fixed assets during the period are presented below:

(in millions of euros)	Satellites	Other tangibles	Construction in progress	Total
Gross assets				
Gross value as of 30 June 2023	6,029.6	517.5	1,106.0	7,653.2
Acquisitions	19.6	11.4	47.8	78.8
Disposals	-	(4.4)	-	(4.4)
Scrapping of assets	(281.3)	(0.2)	-	(281.5)
Foreign exchange variation	(13.1)	(0.7)	(0.2)	(13.7)
Transfer and others ⁽¹⁾	724.4	49.7	(782.1)	(8.0)
Gross value as of 31 December 2023	6,479.2	573.2	371.9	7,424.5
Depreciation and impairment				
Accumulated depreciation as of 30 June 2023	(3,659.7)	(400.0)	(6.5)	(4,066.3)
Depreciation expense	(149.9)	(14.8)	-	(164.7)
Impairment expense	(20.7)	-	-	(20.7)
Reversals (disposals)	-	4.2	-	4.2
Reversals (scrapping of assets)	281.3	0.2	-	281.5
Foreign exchange variation	8.8	0.3	-	9.2
Transfer and others	(6.5)	(0.4)	6.5	(0.4)
Accumulated depreciation as of 31 December 2023	(3,546.7)	(410.5)	-	(3,957.3)
Net value as of 30 June 2023	2,369.9	117.5	1,099.6	3,586.9
Net value as of 31 December 2023	2,932.5	162.7	371.9	3,467.2

⁽¹⁾ Transfers and other amounts relate to the KVHTS and E10B satellites. Scrapping relates to the decommissioning of the E10A satellite (see Note 2.2).

The satellites listed below are under construction at the balance sheet date and are expected to enter service as follows:

Projects	Years
EUTELSAT 36D	Calendar year 2024
Flexsat Americas 113WX	Calendar year 2029

6.1.3 Rights of use in respect of leases

During the financial period ended 31 December 2023, the rights of use evolved as follows:

(in millions of euros)	Satellites	Other tangible assets	Total
Gross assets			
Gross value as of 30 June 2023	749.1	58.1	807.0
New contracts	-	0.2	0.2
Contract modifications and terminations	-	2.5	2.5
Foreign exchange variation	-	(0.1)	(0.1)
Gross value as of 31 December 2023	749.1	60.6	809.5
Depreciation and impairment			
Accumulated depreciation and impairment as of 30 June 2023	(433.2)	(28.8)	(462.0)
Depreciation expense and reversals	(22.8)	(2.8)	(25.6)
Accumulated depreciation and impairment as of 31 December 2023	(456.0)	(31.6)	(487.5)
Net value as of 30 June 2023	315.9	29.3	345.1
Net value as of 31 December 2023	293.1	29.1	322.0

The satellite rights of use mainly concern the Express AT1, Express AT2, Express AM6, Express 36C and Astra 2G lease contracts. The lease terms on these contracts cover the expected life of this type of satellite and none of them include purchase options at the end of the contract. No renewal options have been used to determine the lease terms.

6.1.4 Purchase commitments (off-balance sheet)

In addition to the items posted to the balance sheet, the Group S.A. has commitments with suppliers for the acquisition of assets (satellites and other assets) and the provision of services for an aggregate amount of 338.5 million euros as of 31 December 2023.

As of 31 December 2023, the future payments in respect of these commitments are scheduled as follows:

(in millions of euros)	As of 31 December 2023
Maturity within 1 year	104.5
From 1 to 2 years	31.1
From 2 to 3 years	67.1
From 3 to 4 years	15.0
Maturity exceeding 4 years	120.7
Total	338.4

6.2 INVESTMENTS IN ASSOCIATES

As of 31 December 2023, investments in associates reflect the equity-accounted value of OneWeb Holdings Ltd. and the income from associates relating to Eutelsat S.A.'s share in the result of OneWeb Holdings Ltd.

(in millions of euros)	30 June 2023	31 December 2023
Equity interests at the opening date	605.7	501.2
Purchases of shares	-	-
Share of result of associates	(87.3)	(58.8)
Translation adjustment	(17.3)	(2.6)
Equity interests at the closing date	501.2	439.7

As of 31 December 2023, no indicators of impairment had been identified in respect of the Eutelsat S.A. Group's equity-accounted investment in OneWeb.

6.3 RECEIVABLES, ASSETS AND LIABILITIES FROM CUSTOMER CONTRACTS, COSTS TO OBTAIN OR FULFIL CONTRACTS

Receivables, assets and liabilities from customer contracts are summed up as follows:

(in millions of euros)	30 June 2023	31 December 2023
Assets		
Accounts receivable	223.4	243.3
Assets associated with customer contracts	40.2	39.8
Costs to fulfil contracts	-	-
Costs to obtain contracts	4.9	4.8
Total current and non-current assets	268.5	287.9
<i>Incl. non-current portion</i>	<i>31.8</i>	<i>32.1</i>
<i>Incl. current portion</i>	<i>236.7</i>	<i>255.8</i>
Liabilities		
Financial liabilities - Guarantees	31.2	31.3
Current contract liabilities	337.5	364.3
Total current and non-current liabilities	368.7	395.6
<i>Incl. non-current portion</i>	<i>289.7</i>	<i>307.5</i>
<i>Incl. current portion</i>	<i>78.9</i>	<i>88.2</i>

6.3.1 Accounts receivable

Accounts receivable (matured and non-matured) break down as follows:

(in millions of euros)	30 June 2023	31 December 2023
Non-matured receivables	136.1	122.2
Matured receivables between 0 and 90 days	25.6	48.0
Matured receivables between 90 and 365 days	26.0	32.0
Matured receivables for more than 365 days	136.8	147.3
Provision for bad debt	(101.0)	(106.3)
Total	223.4	243.3

The changes in impairment of trade receivables over the period are as follows:

(in millions of euros)	Total
Value as of 30 June 2023	101.0
Net allowance (reversals)	6.9
Reversals used	(1.5)
Foreign exchange variation	(0.2)
Value as of 31 December 2023	106.3

6.4 FINANCIAL ASSETS AND LIABILITIES

6.4.1 Cash and cash equivalents

Cash and cash equivalents are detailed as follows:

(in millions of euros)	30 June 2023	31 December 2023
Cash at bank and in hand	12.5	645.0
Cash equivalents ⁽¹⁾	467.3	210.5
Total	479.8	855.5

⁽¹⁾ As of 31 December 2023, cash and cash equivalents include 160 million euros in subscriptions to open-ended investment companies (sociétés d'investissement à capital variable) and 50 million euros in fixed-term deposits.

6.4.2 Financial debt

Financial debt breaks down as follows:

(in millions of euros)	Rate	30 June 2023	31 December 2023	Maturity
EIB term loan	0.49 %	200.0	200.0	December 2028
Bond 2025	2.00%	800.0	800.0	October 2025
Bond 2027	2.25%	600.0	600.0	July 2027
Bond 2028	1.50%	600.0	600.0	October 2028
Structured debt				
	0.90%	53.0	-	June 2024
	1.87%	75.0	-	June 2024
	2.15%	50.0	50.0	June 2025
	2.55%	75.0	75.0	June 2026
	5.60%		53.0	June 2025
	5.70%		53.0	June 2026
	6.05%		48.9	June 2027
Sub-total of debt (non-current portion)		2,453.0	2,479.9	
Loan set-up fees and premiums		(9.9)	(8.3)	
Total of debt (non-current portion)		2,443.1	2,471.6	
Structured debt	0.75%	65.0	-	July 2023
	0.90%		53.0	June 2024
	1.88%		75.0	June 2024
Accrued interest not yet due		31.5	12.6	
Total debt (current portion)		96.6	140.6	
Total		2,539.7	2,612.2	

All the debt is denominated in euros.

The term loans and structured debt are subject to a financial covenant which provides for a net total debt to EBITDA ratio not exceeding 4.0:1.

Under the term loan covenants, each lender may also request early repayment of all sums due in the event of a change of control of Eutelsat S.A. or Eutelsat Communications.

The bonds are also subject to a covenant which provides each lender with the possibility to request early repayment of all sums due in the event of a change of control of Eutelsat S.A. or Eutelsat Communications involving a downgrading of Eutelsat S.A.'s credit rating.

The credit agreements do not include any guarantee by the Group or any pledge of assets to lenders, but do contain restrictive clauses (subject to the usual exceptions provided for in this type of loan agreement) which limit the ability of Eutelsat and its subsidiaries to, among other things, grant liens on a borrower's assets, incur additional debt, dispose of assets, enter into mergers or acquisitions, sales of assets and finance lease transactions (except those carried out within the Group and expressly provided for in the loan agreement) and modify the nature of the business of the Company and its subsidiaries.

The credit agreements include a commitment to maintain "Launch plus one year" insurance policies for any satellite located at 13° East and, for any

other satellite, a commitment not to have more than one satellite that is not covered by a launch insurance policy.

As of 31 December 2023, Eutelsat S.A. has active credit lines for an aggregate undrawn amount of 654 million euros (809 million euros less 155 million euros drawn down between 1 July 2023 and 31 December 2023). These lines of credit are backed by the same type of covenants as those covering the existing term loan and structured debt facilities. Eutelsat S.A. successfully applied for an extension of its two confirmed and syndicated bank credit facilities by 450 million euros and 200 million euros respectively. The maturity of the two facilities is now 30 September 2025. The maturity of these two lines of credit can be extended by a further year, to 30 September 2026, subject to the lending banks' agreement.

The schedule of debt maturities, excluding issue costs and premiums and accrued interest not yet due as of 31 December 2023, is as follows:

(in millions of euros)	Amount	Maturity within 1 year	Maturity between 1 and 5 years	Maturity exceeding 5 years
EIB term loan	200.0	-	200.0	-
Structured debt	407.9	128.0	279.9	-
Bond 2025	800.0	-	800.0	-
Bond 2027	600.0	-	600.0	-
Bond 2028	600.0	-	600.0	-
Total	2,607.9	128.0	2,479.9	-

6.4.3 Net debt

The breakdown of the net debt is as follows:

(in millions of euros)	30 June 2023	31 December 2023
EIB term loan	200.0	200.0
Bonds	2,000.0	2,000.0
Structured debt	318.0	407.9
Currency portion of the cross-currency swap	13.6	3.6
Lease liabilities	316.2	301.4
Gross debt	2,847.8	2,912.9
Cash and cash equivalents	(479.8)	(855.5)
Net debt	2,368.0	2,057.4

The changes in the debt position between 30 June 2023 and 31 December 2023 are presented below:

(in millions of euros)	30 June 2023	Cash flow	Non-cash flow	Fair value change and other	31 December 2023
EIB term loan	200.0	-	-	-	200.0
Bonds	2,000.0	-	-	-	2,000.0
Structured debt	318.0	89.9	-	-	407.9
Foreign exchange portion of cross currency swap	13.6	-	-	(10.0)	3.6
Lease debt	316.2	(15.2)	-	0.4	301.4
Total	2,847.8	74.7	-	(9.6)	2,912.9

6.4.4 Other financial assets and liabilities

Other financial assets break down as follows:

(in millions of euros)	30 June 2023	31 December 2023
Non-consolidated equity investments	11.5	6.5
Financial Instruments	13.7	2.5
Other financial assets	637.8	364.4
Total	663.0	373.4
<i>Incl. current portion</i>	424.3	171.3
<i>Incl. non-current portion</i>	238.7	202.1

As of 31 December 2023, "Other financial assets" notably includes the asset arising from the advance payment of capacity to the OneWeb Group for 89 million euros aimed at providing OneWeb with working capital, 54 million euros in financial expenses recognised in advance in respect of the discounting of the Egnos and Multichoice prepayments, the loan granted to Eutelsat Communication S.A. for 124.4 million euros, and 66 million euros in trade accounts with Eutelsat Communications S.A.

As of 30 June 2023, "Other financial assets" notably includes the receivable of 352 million euros for the release of the C Band, the asset arising from the advance payment of capacity to the OneWeb Group for 89 million euros, the loan granted to Eutelsat Communication S.A. for 76.4 million euros, and trade accounts of 34 million euros with Eutelsat Communications S.A.

Other financial liabilities break down as follows:

(in millions of euros)	30 June 2023	31 December 2023
Lease liabilities	319.5	305.8
Other liabilities	69.7	47.3
Payables to fixed asset suppliers	189.6	31.7
Derivative financial instruments	32.4	14.6
Social contributions and payroll liabilities	47.0	34.9
Tax liabilities	15.8	11.3
Total	674.0	445.5
<i>Incl. current portion</i>	345.6	143.8
<i>Incl. non-current portion</i>	328.4	301.7

The lease liabilities include 4.1 million euros of accrued interest as of 31 December 2023 and 3.5 million euros as of 30 June 2023.

As the construction of certain satellites progresses, the acceptance of milestone payments results in the recognition of an asset under construction and an account payable. As of 30 June 2023, non-current payables to fixed asset suppliers amounted to 1.2 million euros and did not include any acceptance of satellite construction milestones. As of 31 December 2023, the current and non-current payables to fixed asset suppliers represent 31.4 million euros and 0.3 million euros respectively.

6.4.5 Derivative financial instruments

Derivative financial instruments are valued by an independent expert before being reconciled with the valuations provided by banking counterparts. The following table presents the contractual or notional amounts and fair values of derivative financial instruments by type of contract.

(in millions of euros)	Notional		Fair value		Change in fair value over the period	Impact on income (excl. coupons)	Impact on equity (excl. coupons)
	30 June 2023	31 Dec 2023	30 June 2023	31 Dec 2023			
Forward sale and tunnel	354.7	356.1	13.2	1.5	(11.7)	-	(12.9)
Cross currency swap	621.9	615.7	(31.9)	(13.5)	18.4	1.2	18.4
Forex swap		25.7					
Total forex derivatives	976.6	997.5	(18.7)	(12.0)	6.7	1.2	5.5

The coupons on interest rate instruments qualifying as hedges of future cash flows are recognized directly in income. The change recognized in equity in respect of these instruments corresponds to the change in fair value excluding coupons. The coupons on cross-currency swaps and forwards qualifying as hedges of net foreign investments, as well as changes in fair value excluding coupons, are recognized directly in equity. Coupons on forex swap derivatives are recognised directly in the income statement.

6.5 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which a financial asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

With the exception of bonds and derivative instruments, the carrying amount of financial liabilities represents a reasonable approximation of their fair value.

The fair values of Level 1 bonds (quoted price) are as follows:

(in millions of euros)	30 June 2023	31 December 2023
Bond 2025	724.2	745.4
Bond 2027	498.1	518.2
Bond 2028	442.1	445.5
Total	1,664.4	1,709.1

6.6 SHAREHOLDERS' EQUITY

6.6.1 Share capital

As of 31 December 2023, the share capital of Eutelsat S.A. was composed of 1,013,162,112 ordinary shares with a par value of 0.65 euro per share. There were no movements during the period ended 31 December 2023.

6.6.2 Dividends

The Eutelsat S.A. Group did not propose a dividend payment to the Ordinary General Meeting of Shareholders on 23 November 2023.

6.6.3 Change in the revaluation surplus of financial instruments

The changes in the revaluation reserve for derivative instruments qualified as hedging instruments during the fiscal year break down as follows:

(in millions of euros)	Total
Balance as of 30 June 2023	(43.8)
Changes in fair value within equity that can be reclassified to income	0.3
Balance as of 31 December 2023	(43.5)

The derivatives revaluation reserve includes (22.2) million euros for the unwinding of forwards documented as hedges of net foreign investments.

6.6.4 Translation reserve

The changes in the translation reserve during the financial period were as follows:

(in millions of euros)	Total
Balance as of 30 June 2023	191.8
Net change over the period	(6.7)
Balance as of 31 December 2023	185.1

The main currency generating translation differences is the US dollar.

As of 31 December 2023, the translation reserve includes (155.2) million euros in respect of the Cross Currency Swap used to hedge currency exposure of a net investment in a foreign operation and the Cross Currency Swap having matured during a previous financial year.

6.6.5 Actuarial gains and losses

The reference interest rates used to determine the discounted value of the guarantee given to a pension fund and of pension rights have been changed from, respectively, 4.05% and 4.10% as of 30 June 2023 to 3.5% and 3.55% as of 31 December 2023. This change in the discount rate has led to a reduction in the commitments for a net-of-tax balance of 7.6 million euros during the period.

6.7 PROVISIONS

The changes in provisions between 30 June 2023 and 31 December 2023 are presented below:

(en millions d'euros)	30 June 2023	Allowance	Reversal		Reclassification, impact of currency and others	Recognised in equity	31 Dec 2023
(in millions of euros)			Used	Unused			
Financial guarantee granted to a pension fund	15.7	0.3	-	-	-	9.8	25.7
Retirement indemnities	9.0	0.6	(0.5)	-	-	0.5	9.5
Other post-employment benefits	4.4	0.0	-	-	0.1	-	4.5
Total post-employment benefits	29.2	0.8	(0.5)	-	0.1	10.2	39.8
Commercial, employee-related and tax litigation	5.1	2.4	(0.1)	(0.5)	-	-	7.0
Total provisions	34.4	3.3	(0.6)	(0.5)	0.1	10.2	46.7
<i>Incl. non-current portion</i>	29.2						39.9
<i>Incl. current portion</i>	5.1						6.8

6.7.1 Litigation and contingent liabilities

Eutelsat S.A. has been the subject of several accounting audit procedures by the tax authorities covering the period from 1 July 2012 to 30 June 2020.

As of 31 December, the following procedures were under way:

An initial audit procedure covered the fiscal years ended 30 June 2012, 2013 and 2014, for which a proposed tax increase was received in December 2016. Following pre-litigation appeals and subsequent discussions, the amounts claimed by the tax authorities have been reduced. There is still disagreement over one tax increase, which will be referred to the courts in 2024.

A second audit procedure covered the fiscal years ended 30 June 2018, 2019 and 2020, for which two proposed tax increases were received in December 2021, and then in December 2022. Responses to the observations were received at the end of May 2023. There is still disagreement over a limited number of proposed adjustments for which the Company has initiated the applicable administrative remedies.

NOTE 7: RELATED-PARTY TRANSACTIONS

There were no transactions with related parties in the first half of the financial year other than those carried out in the financial year ended 30 June 2023.

NOTE 8: SUBSEQUENT EVENTS

8.1 SALE OF AOS JOINT VENTURE HELD BY ONEWEB

In 2015, Airbus OneWeb Satellites LLC ("AOS") was created as a 50/50 joint-venture between OneWeb and Airbus. The aim of the joint-venture was the manufacturing of OneWeb Generation 1 satellites ("Gen.1") and this was the main activity of the joint-venture until 2023, when the satellites were delivered to OneWeb. In 2023, AOS also entered into agreements with its other shareholder, Airbus, for satellite deliveries.

OneWeb's equity interest in AOS was sold to Airbus for a gross consideration of 75 million US dollars in January 2024. OneWeb's financial statements as of 31 December 2023 showed an amount of 10.4 million US dollars for this investment.

8.2 EUTELSAT 113 WEST A SATELLITE

An anomaly affecting the EUTELSAT 113 West A satellite on 31 January this year led to the satellite's operations being discontinued. Launched in 2006 and operating in inclined orbit at 113° West, EUTELSAT 113 West A's mission was to provide C- and Ku-band coverage of the Americas, serving video, data and governmental services customers across 18 operational locations. Mitigation is under way to minimise disruption of service for the relevant customers, including accelerated transfer of service to alternative capacity on Eutelsat's satellites at 115° and 117° West. No impact has been recognised given the lack of certainty in determining the impacts of the action plans put in place to mitigate the risk of service disruption at the balance sheet date.

The satellite's net book value stands at 0.2 million euros, and its scheduled useful life was to end in September 2031. Based on the Group's business plans, the satellite was expected to generate a further contribution of 17.5 million euros.