

# **Eutelsat S.A. Group**

*“Société anonyme”* with a capital of 658,555,372.80 euros

Registered office: 32, boulevard Gallieni, 92130 Issy-les-Moulineaux

422,551,176 R.C.S. Nanterre

## **CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF 30 JUNE 2024**

# CONSOLIDATED INCOME STATEMENT

| (in millions of euros, except per-share data)                             | Note                | 30 June 2023   | 30 June 2024   |
|---|---------------------|----------------|----------------|
| <b>Revenues from operations</b>   | 6.1                 | <b>1,134.3</b> | <b>1,145.9</b> |
| Operating costs   | 6.2                 | (103.3)        | (111.2)        |
| Selling, general and administrative expenses                              | 6.2                 | (200.9)        | (211.5)        |
| Depreciation expense  | 7.1.1. 7.1.2. 7.1.3 | (411.0)        | (436.8)        |
| Other operating income and expenses                                       | 6.3                 | 242.5          | (100.4)        |
| <b>Operating income</b>   |                     | <b>661.5</b>   | <b>285.9</b>   |
| Cost of net debt  |                     | (55.6)         | (75.0)         |
| Other financial income and expenses                                       |                     | (23.1)         | 14.5           |
| <b>Financial result</b>   | <b>6.4</b>          | <b>(78.6)</b>  | <b>(60.5)</b>  |
| <b>Current income before tax</b>  |                     | <b>582.9</b>   | <b>225.5</b>   |
| Income tax  | 6.5                 | (91.9)         | 2.0            |
| Share of result of associates   | 7.2                 | (87.3)         | (154.0)        |
| <b>Net income</b>   |                     | <b>403.7</b>   | <b>73.5</b>    |
| Attributable to the Group   |                     | 403.7          | 73.5           |
| Attributable to non-controlling interests                                 |                     | -              | -              |
| <b>Basic and diluted earnings per share attributable to Eutelsat S.A.</b> | <b>6.6</b>          | <b>0.398</b>   | <b>0.073</b>   |

# COMPREHENSIVE INCOME STATEMENT

| (in millions of euros)  | Note  | 30 June 2023  | 30 June 2024 |
|---|-------|---------------|--------------|
| <b>Net income</b>   |       | <b>403.7</b>  | <b>73.5</b>  |
| <b>Other recyclable items of gain or loss on comprehensive income</b>     |       |               |              |
| Translation adjustment  | 7.6.4 | (46.1)        | 9.0          |
| Tax effect  | 7.6.4 | (2.9)         | 5.5          |
| Changes in fair value of hedging instruments <sup>(1)</sup>               | 7.6.3 | 33.2          | 8.5          |
| Tax effect  | 7.6.3 | (8.4)         | (2.2)        |
| <b>Other non-recyclable items of gain or loss on comprehensive income</b> |       |               |              |
| Changes in post-employment benefits                                       | 7.7   | (17.5)        | (6.9)        |
| Tax effect  |       | 4.5           | 1.8          |
| <b>Total of other items of gain or loss on comprehensive income</b>       |       | <b>(37.2)</b> | <b>15.8</b>  |
| <b>Total comprehensive income</b>   |       | <b>366.4</b>  | <b>89.3</b>  |
| Attributable to the Group   |       | 366.4         | 89.3         |
| Attributable to non-controlling interests                                 |       | -             | -            |

<sup>(1)</sup> The changes in the fair value of hedging instruments concern only cash-flow hedges. Net foreign investment hedges are recorded as translation adjustments.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| (in millions of euros)   | Note  | 30 June 2023   | 30 June 2024   |
|--|-------|----------------|----------------|
| <b>Assets</b>  |       |                |                |
| Goodwill   | 7.1.1 | 472.4          | 482.7          |
| Intangible assets  | 7.1.1 | 183.7          | 107.3          |
| Tangible assets and construction in progress   | 7.1.2 | 3,587.0        | 3,346.1        |
| Rights of use in respect of leases   | 7.1.3 | 345.1          | 298.8          |
| Investments in associates  | 7.2   | 501.2          | 356.6          |
| Non-current financial assets   | 7.4.3 | 238.7          | 406.2          |
| Non-current assets associated with customer contracts and costs to obtain and fulfil contracts | 7.3.2 | 31.8           | 37.4           |
| Deferred tax assets  | 7.8   | 1.2            | 1.9            |
| <b>Total non-current assets</b>  |       | <b>5,360.9</b> | <b>5,037.1</b> |
| Inventories  |       | 13.0           | 17.2           |
| Accounts receivable  | 7.3.1 | 223.4          | 248.5          |
| Current assets associated with customer contracts and costs to obtain and fulfil contracts     | 7.3.2 | 13.3           | 12.6           |
| Other current assets   |       | 38.5           | 82.5           |
| Current tax receivables  |       | 25.2           | 13.5           |
| Current financial assets   | 7.4.3 | 424.3          | 108.2          |
| Cash and cash equivalents  | 7.4.1 | 479.8          | 832.0          |
| <b>Total current assets</b>  |       | <b>1,217.5</b> | <b>1,314.4</b> |
| <b>351</b>   |       | <b>6,578.6</b> | <b>6351.4</b>  |

| (in millions of euros)                                     | Note  | 30 June 2023   | 30 June 2024   |
|--|-------|----------------|----------------|
| <b>Liabilities</b>   |       |                |                |
| Share capital  | 7.6.1 | 658.6          | 658.6          |
| Additional paid-in capital                                 |       | 8.0            | 8.0            |
| Reserves and retained earnings                             |       | 1,992.4        | 2,079.3        |
| Non-controlling interests                                  |       | -              | 1.3            |
| <b>Total shareholders' equity</b>                          |       | <b>2,659.0</b> | <b>2,747.2</b> |
| Non-current financial debt                                 | 7.4.2 | 2,443.1        | 2,336.4        |
| Non-current lease liabilities                              | 7.4.3 | 272.5          | 228.0          |
| Other non-current financial liabilities                    | 7.4.3 | 54.7           | 23.3           |
| Non-current payables to fixed asset suppliers              | 7.4.3 | 1.2            | -              |
| Non-current liabilities associated with customer contracts | 7.3.3 | 269.0          | 283.0          |
| Non-current provisions                                     | 7.7   | 29.2           | 32.5           |
| Deferred tax liabilities                                   | 7.8   | 126.9          | 114.1          |
| <b>Total non-current liabilities</b>                       |       | <b>3,196.6</b> | <b>3,017.6</b> |
| Current financial debt                                     | 7.4.2 | 96.6           | 139.0          |
| Current lease liabilities                                  | 7.4.3 | 47.0           | 50.8           |
| Other current payables and financial liabilities           | 7.4.3 | 110.1          | 124.2          |
| Accounts payable   |       | 90.4           | 111.7          |
| Current payables to fixed asset suppliers                  | 7.4.3 | 188.5          | 35.6           |
| Tax payable  |       | 116.8          | 18.1           |
| Current liabilities associated with customer contracts     | 7.3.3 | 68.5           | 100.0          |
| Current provisions   | 7.7   | 5.1            | 7.3            |
| <b>Total current liabilities</b>                           |       | <b>722.9</b>   | <b>586.7</b>   |
| <b>Total liabilities and shareholders' equity</b>          |       | <b>6,578.6</b> | <b>6,351.4</b> |

# CONSOLIDATED STATEMENT OF CASH FLOWS

| (in millions of euros)  | Note         | 30 June 2023   | 30 June 2024   |
|---|--------------|----------------|----------------|
| <b>Cash flow from operating activities</b>                                      |              |                |                |
| Net income  |              | 403.7          | 73.5           |
| Income from associates  |              | 87.3           | 154.0          |
| Tax and interest expenses, other operating items                                |              | 154.6          | 51.3           |
| Depreciation, amortisation and provisions                                       |              | 491.6          | 521.7          |
| Deferred taxes  | 7.8          | (22.9)         | (10.0)         |
| Changes in accounts receivable  |              | 12.5           | (26.1)         |
| Changes in assets held under customer contracts and other assets                |              | (398.3)        | (111.5)        |
| Changes in accounts payable   |              | (98.8)         | 113.2          |
| Changes in liabilities associated with customer contracts and other liabilities |              | 45.0           | 36.4           |
| Taxes paid  |              | (27.3)         | (95.2)         |
| <b>Net cash flows from operating activities</b>                                 |              | <b>647.3</b>   | <b>707.3</b>   |
| <b>Cash flow from investing activities</b>                                      |              |                |                |
| Acquisitions of satellites, other property and equipment, and intangible assets | 7.1.1, 7.1.2 | (201.0)        | (280.1)        |
| Insurance repayments  |              | -              |                |
| Income/expenses linked to the C-Band release                                    | 2.2          | -              | 355.2          |
| Acquisition of equity investments and other movements <sup>(1)</sup>            |              | (135.3)        | (269.4)        |
| <b>Net cash flows from investing activities</b>                                 |              | <b>(336.4)</b> | <b>(194.3)</b> |
| <b>Cash flow from financing activities</b>                                      |              |                |                |
| Distributions   |              | -              |                |
| Repayment of borrowings   | 7.4.2        | (315.0)        | (816.5)        |
| Repayment of lease liabilities  | 7.4.3        | (54.6)         | (41.2)         |
| Loan set-up fees  |              | -              | (16.4)         |
| Interest and other fees paid  |              | (84.8)         | (99.7)         |
| Transactions relating to non-controlling interests <sup>(2)</sup>               |              | (15.5)         | (6.0)          |
| Premiums and termination indemnities on derivatives settled                     |              | (36.9)         | 8.5            |
| Increase in debt and other  |              | 0.7            | 806.4          |
| <b>Net cash flow from financing activities</b>                                  |              | <b>(506.0)</b> | <b>(164.9)</b> |
| Impact of exchange rate on cash and cash equivalents                            |              | (0.3)          | 4.1            |
| Impact of changes in scope  |              | (2.0)          |                |
| <b>Increase/(Decrease) in cash and cash equivalents</b>                         |              | <b>(197.2)</b> | <b>352.1</b>   |
| <b>Cash and cash equivalents, beginning of period</b>                           |              | <b>677.0</b>   | <b>479.8</b>   |
| <b>Cash and cash equivalents, end of period</b>                                 |              | <b>479.8</b>   | <b>832.0</b>   |
| <i>Including Cash and cash equivalents, end of period</i>                       | 7.4.1        | 479.8          | 832.0          |
| <i>Including Overdrafts included under debt, end of period</i>                  |              | -              |                |

(1) As of 30 June 2024, acquisitions of equity investments and other movements include the change in current accounts for -256 million of the group with OneWeb as well as -20 million of EBI earn-out payments. As of 30 June 2023, acquisitions of equity investments and other movements include the payment of 127.9 million euros linked to the acquisition of equity interests in OneWeb Holdings Limited and the reimbursement of 5.2 million euros on Broadpeak convertible bonds

(2) As of 30 June 2024, transactions relating to non-controlling interests include the earn-out payment linked to the acquisition of the minority interests in Eutelsat International and in Euro Broadband Services respectively for 6 million euros.

## 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 |                                |                                  |                           |                |
| <b>As of 30 June 2022</b>   | <b>1,013,162,112</b> | <b>658.6</b> | <b>8.0</b>                 | <b>1,624.3</b>                 | <b>2,290.9</b>                   | <b>-</b>                  | <b>2,290.9</b> |
| Net income for the period   | -                    | -            | -                          | 403.6                          | 403.6                            | -                         | 403.6          |
| Other items of gain or loss in comprehensive income <sup>(1)</sup>    | -                    | -            | -                          | (37.2)                         | (37.2)                           | -                         | (37.2)         |
| <b>Total comprehensive income</b>                                     | <b>-</b>             | <b>-</b>     | <b>-</b>                   | <b>366.4</b>                   | <b>366.4</b>                     | <b>-</b>                  | <b>366.4</b>   |
| Dividend distributions  | -                    | -            | -                          | -                              | -                                | -                         | -              |
| Transactions with non-controlling interests and others                | -                    | -            | -                          | 0.3                            | 0.3                              | 1.2                       | 1.5            |
| <b>As of 30 June 2023</b>   | <b>1,013,162,112</b> | <b>658.6</b> | <b>8.0</b>                 | <b>1,991.0</b>                 | <b>2,657.3</b>                   | <b>1.3</b>                | <b>2,659.0</b> |
| Net income for the period   | -                    | -            | -                          | 73.5                           | 73.5                             | -                         | 73.5           |
| Other items of gain or loss in comprehensive income <sup>(1)</sup>    | -                    | -            | -                          | 15.8                           | 15.8                             | -                         | 15.8           |
| <b>Total comprehensive income</b>                                     | <b>-</b>             | <b>-</b>     | <b>-</b>                   | <b>89.3</b>                    | <b>89.3</b>                      | <b>-</b>                  | <b>89.3</b>    |
| Dividend distributions  | -                    | -            | -                          | -                              | -                                | -                         | -              |
| Transactions with non-controlling interests and others <sup>(2)</sup> | -                    | -            | -                          | (1.0)                          | (1.0)                            | -                         | (1.0)          |
| <b>As of 30 June 2024</b>   | <b>1,013,162,112</b> | <b>658.6</b> | <b>8.0</b>                 | <b>2,079.3</b>                 | <b>2,745.6</b>                   | <b>1.3</b>                | <b>2,747.3</b> |

(1) The changes in other items of gain or loss in comprehensive income include actuarial gains and losses recognised on post-employment benefits and changes in the revaluation surplus of derivative instruments (see Note 7.6.3) and the translation reserve (see Note 7.6.4), net of the associated tax effects.

(2) Transactions with non-controlling interests notably include the change in the price adjustment relating to Eutelsat International in the amount of 1.2 million euros.

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## **Note 1. GENERAL OVERVIEW**

### **1.1 Business**

With capacity operated on 35 satellites, the Group is an industry leader in fixed satellite services. It mainly operates and provides capacity for Video Services, Fixed Data and Government Services, and capacity in Connectivity applications (Fixed Broadband and Mobile Connectivity). Through its satellite fleet, the Group is able to serve the entire European continent, the Middle East and North Africa, as well as sub-Saharan Africa, a significant proportion of the Asian continents and the Americas.

### **1.2 Duration of the fiscal year**

The fiscal year runs for a period of 12 months from 1 July to 30 June.

### **1.3 Approval of the Financial Statements**

The consolidated financial statements as of 30 June 2024 have been established under the responsibility of the Board of Directors, which adopted them following a deliberation at its meeting of 8 August 2024. They will be submitted for approval to the Ordinary General Meeting of Shareholders taking place on 21 November 2024.

## **Note 2. KEY EVENTS DURING THE FINANCIAL PERIOD**

### **2.1 Takeover of OneWeb by Eutelsat Communications S.A.**

On 28 September 2023, Eutelsat Communications S.A., the parent company of Eutelsat S.A., announced that its business combination with OneWeb, the global low-Earth orbit (LEO) satellite communications network, had become effective following approval by the Combined Ordinary and Extraordinary General Meeting of Eutelsat Communications S.A. shareholders held that same day. This acquisition gave birth to the Eutelsat Group. The registered office of the Eutelsat S.A. Group's Company is located at Issy-Les-Moulineaux in France. Eutelsat Group employs more than 1,700 people of 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. held 100% of OneWeb's Class A shares and was fully consolidated within the scope of Eutelsat Communications.

Eutelsat S.A. still holds a 22.91% equity interest in OneWeb and exercises a notable influence in OneWeb Holdings Ltd. It has seats on the OneWeb Board of Directors, participates in decisions relating to the steering of the company and provides it with key technical expertise. As a result, this equity interest is consolidated using the equity method.

### **2.2 Entry into revenue service of the Eutelsat KONNECT VHTS and Eutelsat 10B satellites, and decommissioning of EUTELSAT 10A**

The Eutelsat 36D satellite was successfully launched on 30 March 2024 as the replacement for the Eutelsat 36B satellite.

The KONNECT VHTS and Eutelsat 10B satellites were successfully launched during the last quarter of 2022 and entered into revenue service on, respectively, 1 September 2023 and 19 July 2023. The E113WB satellite has been lost.

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 the busiest air and sea traffic zones; and a second payload to extend coverage across the Atlantic Ocean, Africa and the Indian Ocean.

The Eutelsat 10B satellite replaces the EUTELSAT 10A satellite which was decommissioned and deorbited on 30 November 2023 after 14 years of revenue service.

The twin Eutelsat HOTBIRD 13G and HOTBIRD 13F satellites, launched in 2023, entered revenue service, respectively, in May and 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 war and sanctions linked to the situation in the Middle East**

Within the context of the Russo-Ukrainian crisis, the Eutelsat Group generated 6.0% of its revenues in Russia during the fiscal year ended 30 June 2024 and 6.8% during the fiscal year ended 30 June 2023.

In addition, following the decision taken by ARCOM in December 2023, Eutelsat suspended the broadcasting of the Al Aqsa television channel, also known as Al Aqsa Live and Yarmouk 2, which had been distributed via the television bouquet of one of the Group's customers. This suspension had no financial impact on the fiscal year ended 30 June 2024.

For the fiscal year ended 30 June 2024, the application of new sanctions had no impact on the Eutelsat Group's revenues or adjusted discretionary

free cash flow.

## 2.4 C-Band release process

Within the framework of the vacation of the 3.7-4 GHz (C-band) frequencies 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 U.S. dollars for the first phase and 382 million U.S. dollars for the second phase.

In October 2021, the FCC approved the certification of the first phase of the Group's transition plan. Within this framework, proceeds of 125 million U.S. dollars were booked in other operating income in respect of the 2021-22 fiscal year. The corresponding funds were received in December 2021.

On 15 May 2023, the FCC published its procedures opening the window for the C-band Phase II certifications. The Group filed its transition plan and certification on 1 June 2023. At the end of the 30-day period for public commentary, the FCC approved the certification of the Phase II transition plan on 30 June 2023. Within this framework, proceeds of 382 million U.S. dollars were booked in other operating income in respect of the 2022-23 fiscal year. The corresponding funds were received in August 2023.

## Note 3. SCOPE OF CONSOLIDATION

The consolidated financial statements cover the Company Eutelsat S.A., its subsidiaries, and entities over which it directly or indirectly exercises joint control or a significant influence (considered together as the "Group").

### ACCOUNTING PRINCIPLES

Subsidiaries are entities over which the Group has direct or indirect control. Control is defined by the power to direct the financial and operational policies generally, but not systematically, combined with a shareholding of more than 50% of the voting rights. The existence and effects of potential voting rights that are currently exercisable or convertible, the power to appoint the majority of members of the governing bodies and the existence of veto rights are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated under the full consolidation method from the date the Group gains control. They are de-consolidated as of the date on which the Group loses control. The portion of equity ownership that is not directly or indirectly attributable to the Group is booked under non-controlling interests.

The financial statements of entities under joint control are consolidated on an equity basis where these are considered to be joint ventures, and based on the equity percentage of each item on the balance sheet and income statement where they are considered to be joint activities.

The financial statements of associates over which the Group exerts significant influence are consolidated using the equity method. Significant influence is presumed where at least/more than 20% of the shares are held by the Group.

### 3.1 Scope of consolidation

As of 30 June 2024, the list of companies in the scope of consolidation is as follows:

| Company   | Country     | Consolidation method | % control as of 30 June 2024 | % interest as of 30 June 2024 |
|---|-------------|----------------------|------------------------------|-------------------------------|
| Eutelsat S.A.   | France      | FC                   | 100.00%                      | 100.00%                       |
| Eutelsat Konnect Services                                   | France      | FC                   | 100.00%                      | 100.00%                       |
| Fransat S.A.S.  | France      | FC                   | 100.00%                      | 100.00%                       |
| Eutelsat do Brasil LTDA <sup>(1)</sup>                      | Brazil      | FC                   | 100.00%                      | 100.00%                       |
| Eutelsat Participações LTDA <sup>(1)</sup>                  | Brazil      | FC                   | 100.00%                      | 100.00%                       |
| Satmex International BV <sup>(1)</sup>                      | Netherlands | FC                   | 100.00%                      | 100.00%                       |
| Satelites Mexicanos S.A. de C.V. <sup>(1)</sup>             | Mexico      | FC                   | 100.00%                      | 100.00%                       |
| EAS Delaware Corp.  | USA         | FC                   | 100.00%                      | 100.00%                       |
| SMVS Administracion S de R.L de C.V. <sup>(1)</sup>         | Mexico      | FC                   | 100.00%                      | 100.00%                       |
| SMVS Servicios Tecnicos S de R.L de C.V. <sup>(1)</sup>     | Mexico      | FC                   | 100.00%                      | 100.00%                       |
| Satmex USA LLC <sup>(1)</sup>                               | USA         | FC                   | 100.00%                      | 100.00%                       |
| Eutelsat Servicos de Telecom, do Brasil Ltda <sup>(1)</sup> | Brazil      | FC                   | 100.00%                      | 100.00%                       |
| Eutelsat Latam Corp <sup>(3)</sup>                          | USA         | FC                   | 0.00%                        | 0.00%                         |
| Skylogic S.p.A.   | Italy       | FC                   | 100.00%                      | 100.00%                       |
| Eutelsat Russia <sup>(1)</sup>                              | Russia      | FC                   | 100.00%                      | 100.00%                       |
| Eutelsat Services & Beteiligungen GmbH                      | Germany     | FC                   | 100.00%                      | 100.00%                       |
| Eutelsat Inc.   | USA         | FC                   | 100.00%                      | 100.00%                       |
| Eutelsat America Corp.                                      | USA         | FC                   | 100.00%                      | 100.00%                       |
| ES 172 LLC  | USA         | FC                   | 100.00%                      | 100.00%                       |
| ES 172 UK   | UK          | FC                   | 100.00%                      | 100.00%                       |
| ES 174E LTD   | Cyprus      | FC                   | 100.00%                      | 100.00%                       |

| Company                                     | Country                      | Consolidation method | % control as of 30 June 2024 | % interest as of 30 June 2024 |
|---|------------------------------|----------------------|------------------------------|-------------------------------|
| Eutelsat UK Limited                         | United Kingdom               | FC                   | 100.00%                      | 100.00%                       |
| Eutelsat Polska spZoo                       | Poland                       | FC                   | 100.00%                      | 100.00%                       |
| Skylogic Mediterraneo S.r.l.                | Italy                        | FC                   | 100.00%                      | 100.00%                       |
| Eutelsat Madeira Unipessoal Lda             | Madeira                      | FC                   | 100.00%                      | 100.00%                       |
| Eutelsat Asia Pte.Ltd                       | Singapore                    | FC                   | 100.00%                      | 100.00%                       |
| Eutelsat Australia Pty Ltd                  | Australia                    | FC                   | 100.00%                      | 100.00%                       |
| Eutelsat International Ltd                  | Cyprus                       | FC                   | 100.00%                      | 100.00%                       |
| Eutelsat Networks LLC <sup>(1)</sup>        | Russia                       | FC                   | 100.00%                      | 100.00%                       |
| Taurus Satellite Holding Limited            | United Kingdom               | FC                   | 100.00%                      | 100.00%                       |
| Broadband4Africa Limited                    | United Kingdom               | FC                   | 100.00%                      | 100.00%                       |
| Konnect Africa France                       | France                       | FC                   | 100.00%                      | 100.00%                       |
| BB4A Israel Ltd                             | Israel                       | FC                   | 100.00%                      | 100.00%                       |
| Konnect Africa Côte d'Ivoire <sup>(1)</sup> | Ivory Coast                  | FC                   | 100.00%                      | 100.00%                       |
| Konnect South Africa Ltd                    | South Africa                 | FC                   | 100.00%                      | 100.00%                       |
| Konnect Africa RDC <sup>(1)</sup>           | Democratic Republic of Congo | FC                   | 100.00%                      | 100.00%                       |
| Konnect Broadband Tanzania Limited          | Tanzania                     | FC                   | 100.00%                      | 100.00%                       |
| Eutelsat BH D.O.O. SARAJEVO <sup>(1)</sup>  | Bosnia                       | FC                   | 100.00%                      | 100.00%                       |
| Eutelsat Bulgaria <sup>(1)</sup>            | Bulgaria                     | FC                   | 100.00%                      | 100.00%                       |
| Eutelsat MENA FZ-LLC                        | Dubai                        | FC                   | 100.00%                      | 100.00%                       |
| Noorsat Media City Ltd                      | Cyprus                       | FC                   | 100.00%                      | 100.00%                       |
| Noor Al Sharq Satellite                     | Jordan                       | FC                   | 100.00%                      | 100.00%                       |
| Eutelsat Cyprus Ltd                         | Cyprus                       | FC                   | 100.00%                      | 100.00%                       |
| OneWeb Holdings Limited <sup>(2)</sup>      | United Kingdom               | EM                   | 22.91%                       | 22.91%                        |
| Eutelsat Canada Inc                         | Canada                       | FC                   | 100.00%                      | 100.00%                       |
| Eutelsat Greece                             | Greece                       | FC                   | 100.00%                      | 100.00%                       |
| OneWeb Technologies                         | United States                | FC                   | 100.00%                      | 100.00%                       |

FC: Full consolidation method

EM: Equity method

<sup>(1)</sup> Companies with fiscal years ending on 31 December for legal or historical reasons.

<sup>(2)</sup> Company with fiscal years ending on 31 March for legal or historical reasons.

For the other companies, the fiscal year ends on 30 June.

<sup>(3)</sup> Company liquidated on 3 June 2024. The result of the entity has been included in the Group's result at 100% until that date.

## 3.2 Main changes in the scope of consolidation

### 3.2.1 Fiscal year ended 30 June 2024

#### Acquisition of 100% of OneWeb Technology

On 31 March 2024, the Group acquired OneWeb Technology through the sale of 22.91%-owned OneWeb, consolidated by the equity method, to 100%-owned and fully consolidated Eutelsat America Corp. This sale resulted in the full consolidation of OneWeb Technology from 1 April 2024, and the recognition of positive goodwill on the equity-accounted line amounting to 1.6 million euros.

#### Liquidation of Latam Corp

The company Latam Corp was liquidated on 30 May 2024. This liquidation did not result in any gain or loss to the Eutelsat S.A. Group.

### 3.2.2 Fiscal year ended 30 June 2023

#### Sale of BigBlu Operations Ltd

On 15 June 2023, the Group finalised the sale of its equity interest in BigBlu Operations Ltd.

The sale of the Bigblu Operations Ltd shares generated a capital gain of 5.3 million euros which was booked in Other operating expenses. Earn-out payments will apply to the transaction until two years from the finalization date in an amount ranging from a maximum negative adjustment of 1.5 million euros to a maximum positive adjustment of 4.7 million euros.

## Note 4. ACCOUNTING PRINCIPLES AND VALUATION METHODS

### 4.1 Basis of preparation of financial information

The consolidated financial statements as of 30 June 2024 have been established in accordance with IFRS as adopted by the European Union and in force as of that date. The relevant texts are available for consultation on the following website: <http://ec.europa.eu/commission/index.fr>

Since 1 July 2023, the Group has applied the new standards and interpretations outlined below and adopted by the European Union:

- Amendments to IAS 1 "Presentation of Financial Statements": description of accounting policies,
- Amendments to IAS 8 "Accounting Policies": definition of accounting estimates,
- Amendments to IAS 12 "International Tax Reform - OECD Pillar Two rules".

These new standards had no material impact on the Group's financial statements.

In addition, the following standards, applicable for financial years beginning on or after January 1, 2024, have not been applied early:

- Amendments to IAS 1 – "Classification of liabilities as current and non-current and non-current debt with covenants",
- Amendments to IFRS 16 – "Lease liabilities in a sale and leaseback transaction",
- Amendments to IAS 7 and IFRS 7 – "Supplier financing arrangements".

### 4.2 Financial reporting rules

#### 4.2.1 Conversion of financial statements and transactions in foreign currencies

The reference currency and the presentation currency used to prepare the financial statements is the euro.

Each subsidiary located outside the euro zone maintains its accounting records in the currency that is most representative of their respective economic environments. Balance sheet items are translated into euros using the closing-rate method. Income statement items are converted at the average exchange rate for the period. Balance sheet and income statement translation adjustments arising from exchange rate fluctuations are recorded as translation adjustments under shareholders' equity. The Group does not consolidate any significant entities whose functional currency is that of a hyperinflationary economy.

Transactions denominated in foreign currencies are translated into the functional currency of the entity at the rate prevailing on the date of the transaction. Foreign exchange gains and losses arising from these transactions and from the translation of monetary assets and liabilities at the closing date exchange rate are shown under the foreign exchange result.

Foreign exchange gains and losses arising from the translation of capitalizable advances made to foreign subsidiaries and forming part of the net investment in the consolidated subsidiary are recognised directly as a translation adjustment within shareholders' equity.

The main foreign currency used is the U.S. dollar. The closing exchange rate used is 1.071 U.S. dollars for 1 euro and the average exchange rate for the period is 1.081 U.S. dollars for 1 euro.

#### 4.2.2 Reporting of current and non-current assets and liabilities

Current assets and liabilities are those that the Group is looking to realise, use or settle during its normal operating cycle, which is less than 12 months. All the others are non-current assets and liabilities.

### 4.3 Significant accounting judgements and estimates

The establishment of the Group's consolidated financial statements requires the use of estimates and judgements that are likely to affect the amounts of certain assets, liabilities, income, and expenses appearing in these financial statements and their accompanying notes. The Group's management constantly updates its estimates and assessments using past experience in addition to other relevant factors in relation to the economic environment. The closedown of the transactions underpinning these estimates and assumptions could result in significant adjustments to the amounts that are recognised in a subsequent financial period owing to the attendant uncertainty.

In preparing the financial statements for the period ended 30 June 2024, the management has exercised judgement, particularly with regard to the recoverable amounts of assets, the recognition of revenues, the estimation of provisions and contingent liabilities assessment, the recognition of tax assets and liabilities, and the assessment of customer risk.

## Note 5. SEGMENT INFORMATION

The Group considers that it only operates in a single operational segment, basing that view on an assessment of services rendered and the nature of the associated risks, rather than on their purpose. This is the provision of satellite-based video, business and broadband networks, and mobile services mainly to international telecommunications operators and broadcasters, corporate network integrators and companies for their own needs.

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

- Revenues;
- EBITDA, defined as the operating result before amortisation and depreciation, impairment of assets and other operating income and expenses, and the EBITDA profit margin on revenues;
- Cash CAPEX, covering the acquisition of satellites and other tangible or intangible assets, as well as payments in respect of export credit facilities and related to lease liabilities;
- Discretionary cash flow, defined as the cash flow from operating activities less cash CAPEX, as well as interest and other financial costs, net of interest income;
- The net debt to EBITDA ratio (see Note 7.4.4 "Net Debt").

To highlight these performance indicators, for which the main aggregates are nonetheless identical to those included in the Group's consolidated financial statements, the internal reporting uses a presentation of the Group's consolidated income statement which is based on a different breakdown of items than the one used in the consolidated financial statements. The reporting is made in line with the IFRS principles applied by the Group to establish its consolidated financial statements.

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

| Fiscal year ended 30 June 2024 (in millions of euros) | 2023         | 2024         |
|---|--------------|--------------|
| <i>Income from ordinary activities</i>                | 1,134.3      | 1,145.9      |
| <i>Operating expenses</i>                             | (304.2)      | (322.7)      |
| <b>Adjusted EBITDA</b>                                | <b>830.1</b> | <b>823.2</b> |
| <i>Impairment and amortisation</i>                    | (411.0)      | (436.8)      |
| <i>Other operating income and expenses</i>            | 242.5        | (100.4)      |
| <b>Operating result</b>                               | <b>661.5</b> | <b>285.9</b> |
| <i>Financial result</i>                               | (78.6)       | (60.5)       |
| <i>Income taxes</i>                                   | (91.9)       | 2.0          |
| <i>Share of result of associates</i>                  | (87.3)       | (154.0)      |
| <i>Attributable to non-controlling interests</i>      | -            | -            |
| <b>Attributable to the Group</b>                      | <b>403.7</b> | <b>73.5</b>  |

| Fiscal year ended 30 June 2024 (in millions of euros) | 2023    | 2024    |
|---|---------|---------|
| Net debt at the balance sheet date                    | 2,291.6 | 1,786.9 |

| Fiscal year ended 30 June 2024 (in millions of euros)                           | 2023           | 2024           |
|---|----------------|----------------|
| Acquisitions of satellites, other property and equipment, and intangible assets | (401.0)        | (280.1)        |
| Drawings of ECA loans and other bank credit facilities                          | 200.0          | 159.0          |
| Repayment of ECA loans, lease debt and other bank credit facilities             | (14.9)         | (193.1)        |
| Lease debt  | (54.6)         | (41.2)         |
| <b>Cash capex</b>   | <b>(270.5)</b> | <b>(355.4)</b> |

## Note 6. NOTES TO THE INCOME STATEMENT

### 6.1 Revenues

#### ACCOUNTING PRINCIPLES

Most of the contracts involve the supply of satellite capacity services delivered to distributor-customers (who retail the capacity to end users) and end users (who use the capacity for their own needs). These contracts usually cover periods ranging from several months to several years. Some contracts concern the provision of short-term satellite capacity for occasional use. For all of these contracts, revenues are recognised progressively as control over the capacity is transferred to the customer over the contract period according to the volume of units of satellite capacity sold (expressed in MHz or Mbps depending on the contract). The purpose of this method is to recognise revenues corresponding to the level of service provided to our clients for a given period, taking into account possible changes in the volume of units sold under the contract.

Some contracts include variable consideration, such as variable prices or free periods. For such contracts, the Group estimates the value of the consideration to which it will be entitled in return for providing the promised services to the customer and recognises this under revenues once it is highly likely that the subsequent ascertainment of the variable consideration will not entail a substantial downward adjustment to recorded revenues.

At times the Group bears marketing (promotion, advertising, etc.) or technical expenses (especially antenna purchase and installation) on behalf of some customers. When these costs are not distinct from the service transferred to the customer, they represent the same performance obligation with the service and the consideration payable to the customer is recognised as a reduction in revenue over the duration of the contract. Where the consideration payable to the customer is paid in return for a separate service from the customer and corresponds to the fair value of the service for the Group, it is recognised under operating expenses.

Some contracts provide for early termination in return for the payment of penalties. When these penalties are paid as part of an amendment to a contract that does not concern services not covered by the existing contract, the services in the amended contract form only a single performance obligation with the services partially performed at the date of amendment. These penalties are then spread over the duration of the amended contract.

Upfront payments received are deferred as a contract liability to the extent that these exceed the cumulative revenue recognised. An assessment is performed to identify whether advance payments provide a significant financing benefit to the Group. Where a significant financing component that is attributable to the provision of financing is identified, the Group adjusts the revenue to be recognised for the effect of discounting and unwinds the contract liability based on the discount rate that would be reflected in a separate financing transaction with the customer. The applicable revenue and financing expense are presented on a gross basis.

#### 6.1.1 Revenues by application

Revenues by application break down as follows:

| (in millions of euros)           | 30 June 2023   | 30 June 2024   |
|----------------------------------|----------------|----------------|
| Video                            | 704.8          | 650.6          |
| Government services              | 143.4          | 149.0          |
| Fixed connectivity               | 177.8          | 192.6          |
| Mobile connectivity              | 110.1          | 147.5          |
| <b>Total operating verticals</b> | <b>1,136.1</b> | <b>1,139.7</b> |
| Other Revenues <sup>(1)</sup>    | (1.8)          | 6.1            |
| <b>Total</b>                     | <b>1,134.3</b> | <b>1,145.9</b> |
| <i>EUR/USD exchange rate</i>     | <i>1.041</i>   | <i>1.081</i>   |

<sup>(1)</sup> Other revenues include the currency hedging effect of euro/dollar sales which amounts to (3.0) million euros against (15.2) million euros for the fiscal year ended 30 June 2023

## 6.1.2 Revenues by geographical region

Revenues by geographical region based on the customer billing address are as follows:

| (in millions of euros and as a percentage) | 30 June 2023   |              | 30 June 2024   |              |
|--|----------------|--------------|----------------|--------------|
| Region                                     | Amount         | %            | Amount         | %            |
| France                                     | 67.1           | 5.9          | 79.9           | 7.0          |
| Italy                                      | 122.8          | 10.8         | 120.0          | 10.5         |
| United Kingdom                             | 64.5           | 5.7          | 57.0           | 5.0          |
| Europe (others)                            | 339.5          | 29.9         | 315.0          | 27.5         |
| Americas                                   | 224.5          | 19.8         | 262.0          | 22.9         |
| Middle East                                | 191.2          | 16.9         | 175.7          | 15.3         |
| Africa                                     | 109.5          | 9.7          | 109.5          | 9.6          |
| Asia                                       | 29.0           | 2.6          | 28.7           | 2.5          |
| Others <sup>(1)</sup>                      | (13.9)         | (1.2)        | (1.9)          | (0.2)        |
| <b>Total</b>                               | <b>1,134.3</b> | <b>100.0</b> | <b>1,145.9</b> | <b>100.0</b> |

(1) Other revenues include the currency hedging effect of euro/dollar sales which amounts to (3.0) million euros against (15.2) million euros for the fiscal year ended 30 June 2023

## 6.1.3 Backlog

The backlog represents future revenues from capacity allocation or service delivery contracts (including contracts for satellites currently under construction). As of 30 June 2024, the backlog stands at 3.0 billion euros. The secured backlog, corresponding to the IFRS 15 requirements and excluding revenues subject to early termination clauses, stands at 2.6 billion euros. The amount of secured backlog within a five-year time horizon stands at 2.1 billion euros, of which 1.4 billion euros in less than two years.

## 6.2 Operating expenses

Operating expenses essentially comprise staff costs and other costs associated with controlling and operating the satellites, together with satellite in-orbit insurance premiums.

Selling, general and administrative expenses are mainly made up of costs for administrative and commercial staff, all marketing and advertising expenses and related overheads.

The operating expenses relating to impairment losses on trade receivables and assets associated with customer contracts amount to 13.9 million euros as of 30 June 2024 (versus 20.1 million euros for the fiscal year ended 30 June 2023).

### 6.2.1 Staff costs

Staff costs (including mandatory employee profit-sharing) break down as follows:

| (in millions of euros)                       | 30 June 2023 | 30 June 2024 |
|--|--------------|--------------|
| Operating costs                              | 62.4         | 63.6         |
| Selling, general and administrative expenses | 84.9         | 84.2         |
| <b>Total</b>                                 | <b>147.3</b> | <b>147.8</b> |

Eutelsat S.A. employees benefit from a Group Savings Plan (PEE) funded by voluntary contributions by employees, a Leave Bank (CET) and a three-year profit-sharing agreement based on targets revisable on a yearly basis.



## 6.2.2 Employee headcount

The Group has 1,054 full-time equivalent employees as of 30 June 2024 (including 33 employees of OneWeb Technologies) compared to 1,067 as of 30 June 2023.

The average number of full-time equivalent employees during the reporting period is as follows:

|                                     | 30 June 2023 | 30 June 2024 |
|-------------------------------------|--------------|--------------|
| Operations                          | 516          | 521          |
| Selling, general and administrative | 551          | 533          |
| <b>Total</b>                        | <b>1,067</b> | <b>1,054</b> |

## 6.2.3 Share-based and similar compensation

### ACCOUNTING PRINCIPLES

Share-based payments are measured at fair value at the grant date and are recognised under staff costs over the vesting period of the rights representing the benefit granted, with a corresponding increase in shareholders' equity for equity-settled plans, or in company debts for cash-settled plans. They are revalued at each balance sheet date to take into account changes in vesting assumptions (employee turnover rate, likelihood of meeting performance criteria) and, for cash-settled plans, changes in market conditions (share price).

In addition to the plans in force within the Group as of 30 June 2023, the Group granted a new share-based plan payable in cash on 11 November 2023. The vesting of these shares is subject to an attendance requirement and the achievement of performance conditions.

The income recognized in respect of these plans (excluding employer contributions) stands at 0.3 million euros for the fiscal year ended 30 June 2024 versus an expense of 0.1 million euros for the fiscal year ended 30 June 2023.

The key features of the plans are as follows:

| Key features of the plans   | November 2021 plan  | November 2022 plan  | November 2023 plan  |
|---|---|---|---|
| Vesting period  | July 2021 - June 2024                                       | July 2022 - June 2025                                       | July 2023 – June 2026                                       |
| Payment method  | Cash and shares   | Cash and shares   | Cash and shares   |
| Maximum number of attributable shares at inception  | 206,094   | 210,855   | 574,159   |
| Number of beneficiaries   | 16  | 20  | 34  |
| <b>Number of shares and performance conditions for the phantom share plans</b>              |   |   |   |
| Total number of shares in circulation   | 79,302  | 169,772   | 574,159   |
| Performance conditions  | New Business Revenues, Discretionary Free-Cash-Flow and CSR | New Business Revenues, Discretionary Free-Cash-Flow and CSR | New Business Revenues, Discretionary Free-Cash-Flow and CSR |
| <b>Fair value of the shares as of 30 June 2024</b>  |   |   |   |
| Fair value  | €3.97   | €3.97   | €3.97   |
| Total value of the plan as of 30 June 2024 (in millions of euros) <sup>(1)</sup>            | 0.2   | 0.4   | 0.4   |
| <b>Expense for the fiscal year</b>  |   |   |   |
| <b>Expense for the fiscal year ended 30 June 2024 (in millions of euros) <sup>(1)</sup></b> | <b>(0.2)</b>  | <b>(0.1)</b>  | <b>0.4</b>  |

<sup>(1)</sup> Excluding social security charges.

## 6.3 Other operating income and expenses

### ACCOUNTING PRINCIPLES

Other operating income and expenses comprise unusual, abnormal and infrequent income and expense items. They mostly include asset impairment charges, launch failure costs and the related insurance repayments, non-commercial disputes net of costs incurred, restructuring costs, income from asset disposals and the implications of scope changes (acquisition costs and disposal gains/losses).

| (in millions of euros)   | 30 June 2023 | 30 June 2024   |
|--------------------------|--------------|----------------|
| Other operating income   | 365.1        | 10.2           |
| Other operating expenses | (122.6)      | (110.6)        |
| <b>Total</b>             | <b>242.5</b> | <b>(100.4)</b> |

As of 30 June 2024, other operating income includes notably 7.6 million euros in impairment reversals on the value of the AT1, AT2, 53A and 65WA satellites. Other operating expenses mainly include costs relating to the business combination and integration with OneWeb amounting to 6.1 million euros (see Note 2.1) and impairments on satellites amounting to 25.7 million euros and impairments on customer relationships amounting to 58.8 million euros.

As of 30 June 2023, other operating income mainly included the proceeds of 352 million euros on phase 2 of the C-Band release. Other operating expenses mainly included transformation costs and asset impairments amounting to 115.0 million euros (including 80 million euros of impairments on fixed assets and 35 million on financial assets) (see Note 2.4)).

## 6.4 Financial result

| (in millions of euros)                      | 30 June 2023  | 30 June 2024  |
|---|---------------|---------------|
| Interest expense after hedging              | (56.9)        | (92.2)        |
| Interest on lease liabilities               | (12.7)        | (13.6)        |
| Loan set-up fees and commissions            | (6.3)         | (12.7)        |
| Capitalised interest                        | 17.7          | 5.2           |
| <b>Cost of gross debt</b>                   | <b>(58.2)</b> | <b>(99.7)</b> |
| Financial income                            | 2.6           | 24.7          |
| <b>Cost of net debt</b>                     | <b>(55.6)</b> | <b>(75.0)</b> |
| Changes in derivative financial instruments | -             | (2.3)         |
| Foreign-exchange impact                     | (13.8)        | 10.7          |
| Others                                      | (9.3)         | 6.1           |
| <b>Financial result</b>                     | <b>(78.7)</b> | <b>(60.5)</b> |

The interest expense as of June 30, 2024 has increased in line with the evolution of interest rates over the period.

The amount of capitalised interest depends on the state of progress and number of satellite construction programmes recorded during the relevant fiscal year. The interest rate used to determine the amount of interest expense eligible for capitalisation is 4.87% as of 30 June 2024 versus 2.96% as of 30 June 2023.

Changes in the fair value of derivative instruments as of 30 June 2024 and 2023 mainly include the ineffective portion of the time value of derivatives that are qualified in a hedging relationship.

## 6.5 Income tax

The Group's income tax expense breaks down as follows:

| (in millions of euros)          | 30 June 2023  | 30 June 2024 |
|---------------------------------|---------------|--------------|
| Current tax expense             | (111.6)       | (8.1)        |
| Deferred tax income (expense)   | 19.7          | 10.0         |
| <b>Total income tax expense</b> | <b>(91.9)</b> | <b>2.0</b>   |

The theoretical income tax expense, calculated by applying the standard French corporation tax rate to the pre-tax result (excluding the share of net income from equity investments), can be reconciled to the actual expense as follows:

| (in millions of euros)  | 30 June 2023   | 30 June 2024   |
|---|----------------|----------------|
| Current income before tax   | 582.9          | 225.5          |
| <b>Standard French corporate tax rate</b>                                       | <b>25.83%</b>  | <b>25.83%</b>  |
| <b>Theoretical income-tax expense</b>   | <b>(150.6)</b> | <b>(58.2)</b>  |
| Non-taxable profit  | 58.7           | 63.7           |
| Differences in corporation tax rates  | (14.2)         | 6.1            |
| Use of tax losses   | 0.6            | 0.0            |
| CVAE (Contribution on Added Value of Enterprises)                               | (1.7)          | (1.1)          |
| Deferred tax generated during the previous period and recognised for the period | -              | 0.3            |
| Other permanent differences   | 15.2           | (8.8)          |
| <b>Tax expense</b>  | <b>(91.9)</b>  | <b>2.0</b>     |
| <b>Effective tax rate</b>   | <b>15.8%</b>   | <b>(0.87%)</b> |

As of 30 June 2024, the other permanent differences mainly include 3.2 million euros of expenses linked to the non-activation of tax losses, the impacts of exchange rate differences on the deferred tax positions of the Satellites Mexicanos and Eutelsat Do Brasil subsidiaries for 2.9 million euros and tax disputes for 3.7 million euros, partly offset by other permanent differences for 1 million euros.

## 6.6 Earnings per share

### ACCOUNTING PRINCIPLES

EPS (earnings per share) are calculated by dividing the net income for the period attributable to shareholders of Eutelsat Communications by the weighted average number of common shares outstanding during the period. Treasury shares are not considered in the earnings per share calculation.

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

| (in millions of euros)   | 30 June 2023         | 30 June 2024         |
|--|----------------------|----------------------|
| <b>Net income</b>  | <b>403.6</b>         | <b>73.5</b>          |
| Income from subsidiaries attributable to non-controlling interests | -                    | -                    |
| <b>Net earnings used to compute earnings per share</b>             | <b>403.6</b>         | <b>73.5</b>          |
| <b>Average number of shares</b>                                    | <b>1,013,162,112</b> | <b>1,013,162,112</b> |

## Note 7. NOTES TO THE BALANCE SHEET

### 7.1 Fixed assets

#### 7.1.1 Goodwill and other intangibles

##### ACCOUNTING PRINCIPLES

###### Goodwill

Business combinations are recognised using the purchase accounting method. The consideration transferred in return for control of the acquired entity is measured at fair value and includes contingent consideration, taking into account probability of occurrence. The identifiable assets, liabilities and contingent liabilities of the entity are recognised at their fair values. The costs directly attributable to the acquisition are excluded from the transferred consideration and are recognised under other operating income and expenses once they are incurred.

At the acquisition date, non-controlling interests may be computed at their fair value or as a portion of identifiable assets and liabilities of the acquired entity. The option for applying either of these two methods can be exercised on a transaction-by-transaction basis.

At the first consolidation, all assets, liabilities and contingent liabilities of the acquired entity are measured at their fair value. In a takeover by successive acquisitions, the investment previously held is restated at its fair value at the acquisition date, while the ensuing gains or losses are recognised under income.

Goodwill is measured in the functional currency of the acquired entity at the date of the combination at an amount equal to the difference between the aggregate fair value of the consideration paid and the fair value of the identifiable assets acquired, and the liabilities assumed. They are tested for impairment at least once a year solely for the Group's operating segment.

###### Customer contracts and relationships

Customer contracts and relationships acquired in a business combination are recorded at fair value on the acquisition date. The fair value is set by referring to the generally accepted methods such as those based on revenues or market value. These assets are amortised on a straight-line basis over their economic life, which is estimated on the basis of the average duration of the contractual relationships existing at the date of acquisition of Eutelsat and the expected contract renewal rates.

###### Other intangibles

Other intangibles are composed of capitalised development, licence and orbital rights costs.

Development costs are capitalised and amortised over a period of 3 to 7 years if the Group can demonstrate that:

- It has the technical capacity to realise the intangible asset for use or sale,
- It has the intention and capacity to complete the software and use or sell it,
- It has the capacity to use or sell the intangible asset,
- There is a likelihood that the intangible asset will yield future economic benefits for the Group,
- There are sufficient technical, financial or other resources to realise the intangible,
- It has the capacity to accurately assess the expenses attributable to the intangible during its development phase.

Expenses incurred for research (or during the research phase of an in-house project) are recognised as expenses in Selling, general and administrative expenses once they are incurred.

Orbital rights and licenses are amortised over their useful lives, generally for periods of 13 to 23 years and between 1 to 13 years respectively.

The changes in goodwill and intangible assets over the past two fiscal years are as follows:

| (in millions of euros)                             | Goodwill     | Other intangibles | Total          |
|--|--------------|-------------------|----------------|
| <b>Gross assets</b>                                |              |                   |                |
| <b>Gross value as of 30 June 2022</b>              | <b>487.4</b> | <b>657.2</b>      | <b>1,144.6</b> |
| Acquisitions                                       | -            | 15.9              | 15.9           |
| Transfers  | -            | 11.8              | 11.8           |
| Foreign-exchange variation                         | (15.1)       | (12.4)            | (27.5)         |
| Disposals and scrapping of assets                  | -            | (1.3)             | (1.3)          |
| Exits from the scope                               | -            | (7.4)             | (7.4)          |
| <b>Gross value as of 30 June 2023</b>              | <b>472.4</b> | <b>663.7</b>      | <b>1,136.0</b> |
| Acquisitions                                       | -            | 18.8              | 18.8           |
| Transfers  | 2.1          | 10.8              | 12.9           |
| Foreign-exchange variation                         | 8.2          | 6.7               | 14.9           |
| Disposals and scrapping of assets                  | -            | (2.0)             | (2.0)          |
| Exits from the scope                               | -            | -                 | -              |
| <b>Gross value as of 30 June 2024</b>              | <b>482.7</b> | <b>698.0</b>      | <b>1,180.7</b> |
| <b>Depreciation and impairment</b>                 |              |                   |                |
| <b>Accumulated amortization as of 30 June 2022</b> | <b>-</b>     | <b>(442.7)</b>    | <b>(442.7)</b> |
| Depreciation expense                               | -            | (53.2)            | (53.2)         |
| Transfers and others                               | -            | 1.4               | 1.4            |
| Foreign-exchange variation                         | -            | 7.7               | 7.7            |
| Reversals (disposals and scrapping of assets)      | -            | -                 | -              |
| Impairment   | -            | -                 | -              |
| Exits from the scope                               | -            | 6.8               | 6.8            |
| <b>Accumulated amortization as of 30 June 2023</b> | <b>-</b>     | <b>(480.0)</b>    | <b>(480.0)</b> |
| Depreciation expense                               | -            | (47.9)            | (47.9)         |
| Transfers and others                               | -            | (1.1)             | (1.1)          |
| Foreign-exchange variation                         | -            | (4.7)             | (4.7)          |
| Reversals (disposals and scrapping of assets)      | -            | 15.1              | 15.1           |
| Impairment <sup>(1)</sup>                          | -            | (71.9)            | (71.9)         |
| Exits from the scope                               | -            | -                 | -              |
| <b>Accumulated amortisation as of 30 June 2024</b> | <b>-</b>     | <b>(590.6)</b>    | <b>(590.6)</b> |
| <b>Net value as of 30 June 2022</b>                | <b>487.5</b> | <b>214.4</b>      | <b>701.9</b>   |
| <b>Net value as of 30 June 2023</b>                | <b>472.4</b> | <b>183.7</b>      | <b>656.0</b>   |
| <b>Net value as of 30 June 2024</b>                | <b>482.7</b> | <b>107.4</b>      | <b>590.1</b>   |

(1) Impairments of contracts are mainly recorded under other operating expenses (Note 6.3).

## 7.1.2 Tangible assets and construction in progress

### ACCOUNTING PRINCIPLES

Satellites and other tangible assets are recognised at their acquisition cost, which includes all costs directly attributable to making the asset ready for use, less accumulated depreciation and any impairment.

Satellite costs include all expenses incurred in bringing individual satellites into operational use, in particular manufacturing, launch and launch insurance costs, capitalised interest, satellite performance incentives, and costs directly associated with the monitoring of the satellite programme (studies, staff and consultancy costs).

Borrowing costs incurred for the financing of tangible assets are capitalised with respect to the portion incurred during the period of construction. In the absence of a loan specifically related to the asset under construction, the capitalised interest is calculated on the basis of a capitalisation rate, which is equal to the weighted average of the Group's borrowing costs.

The useful lives adopted by the Group are as follows:

- 12 to 24 years for satellites,
- 5 to 10 years for traffic monitoring equipment,
- 2 to 5 years for computer equipment,
- 3 to 10 years for leasehold arrangements and improvements.

The satellites are amortised as of their technical entry into service. The period between the launch of a satellite and its technical entry into service can vary between one and nine months depending on the propulsion method used by the satellite.

The Group conducts an annual review of the remaining useful lives of its in-orbit satellites on the basis of both their forecast utilisation and the technical assessment of their useful lives. In the event that the useful life is reduced or extended, the amortisation schedule is revised prospectively.

"Construction in progress" primarily consists of milestone completion payments for the construction of future satellites and advances paid in respect of launch vehicles and related launch insurance costs.

The changes in tangible assets over the past two fiscal years are as follows:

| (in millions of euros)                | Satellites     | Other tangibles | Assets under construction | Total          |
|---------------------------------------|----------------|-----------------|---------------------------|----------------|
| <b>Gross assets</b>                   |                |                 |                           |                |
| <b>Gross value as of 30 June 2022</b> | <b>6,062.0</b> | <b>494.0</b>    | <b>1,208.1</b>            | <b>7,763.9</b> |
| Acquisitions                          | 51.9           | 20.9            | 246.9                     | 319.8          |
| Disposals                             | -              | (1.3)           | -                         | (1.3)          |
| Scrapping of assets                   | (359.4)        | (1.9)           | (0.5)                     | (361.8)        |
| Foreign-exchange variation            | (51.7)         | (1.8)           | (0.5)                     | (54.0)         |
| Entries into the scope                | -              | -               | -                         | -              |
| Exits from the scope                  | -              | (4.6)           | -                         | (4.6)          |
| Transfers and others                  | 327.0          | 12.2            | (348.2)                   | (8.8)          |
| <b>Gross value as of 30 June 2023</b> | <b>6,029.6</b> | <b>517.5</b>    | <b>1,106.0</b>            | <b>7,653.2</b> |
| Acquisitions                          | 21.2           | 23.9            | 75.5                      | 120.6          |
| Disposals                             | -              | (4.8)           | -                         | (4.8)          |
| Scrapping of assets <sup>(1)</sup>    | (426.3)        | (0.1)           | (0.9)                     | (427.3)        |
| Foreign-exchange variation            | 25.3           | 1.1             | 0.3                       | 26.7           |
| Entries into the scope                | -              | -               | -                         | -              |
| Exits from the scope                  | -              | -               | -                         | -              |
| Transfers and others <sup>(2)</sup>   | 741.3          | 69.9            | (823.3)                   | (12.2)         |
| <b>Gross value as of 30 June 2024</b> | <b>6,391.0</b> | <b>607.5</b>    | <b>357.6</b>              | <b>7,356.3</b> |
| <b>Depreciation and impairment</b>    |                |                 |                           |                |

|  |                  |                |                |                  |
|--|------------------|----------------|----------------|------------------|
| <b>Accumulated amortization as of 30 June 2022</b> | <b>(3,709.2)</b> | <b>(377.0)</b> | <b>-</b>       | <b>(4,086.2)</b> |
| Depreciation expense                               | (274.5)          | (28.2)         | -              | (302.7)          |
| Impairment   | (66.6)           | (2.6)          | (6.5)          | (75.7)           |
| Reversals (disposals)                              | 359.4            | 2.2            | -              | 361.6            |
| Reversals (scrapping of assets)                    | -                | 0.7            | -              | 0.7              |
| Foreign-exchange variation                         | 31.2             | 1.2            | -              | 32.4             |
| Exits from the scope                               | -                | 3.5            | -              | 3.5              |
| Transfers and others                               | -                | -              | -              | -                |
| <b>Accumulated amortization as of 30 June 2023</b> | <b>(3,659.7)</b> | <b>(400.0)</b> | <b>(6.5)</b>   | <b>(4,066.3)</b> |
| Depreciation expense                               | (301.4)          | (34.4)         | -              | (335.8)          |
| Impairment   | (20.7)           | 4.2            | -              | (16.5)           |
| Reversals (disposals)                              | -                | -              | -              | -                |
| Reversals (scrapping of assets) <sup>(1)</sup>     | 426.1            | 0.2            | -              | 426.3            |
| Foreign-exchange variation                         | (14.7)           | (0.8)          | -              | (15.5)           |
| Exits from the scope                               | -                | -              | -              | -                |
| Transfers and others                               | (6.5)            | (2.3)          | 6.5            | (2.3)            |
| <b>Accumulated amortization as of 30 June 2024</b> | <b>(3,576.9)</b> | <b>(433.0)</b> | <b>-</b>       | <b>(4,010.1)</b> |
| Net value as of 30 June 2022                       | <b>2,352.8</b>   | <b>117.0</b>   | <b>1,208.1</b> | <b>3,677.6</b>   |
| Net value as of 30 June 2023                       | <b>2,369.9</b>   | <b>117.5</b>   | <b>1,099.6</b> | <b>3,586.9</b>   |
| <b>Net value as of 30 June 2024</b>                | <b>2,814.1</b>   | <b>174.5</b>   | <b>357.6</b>   | <b>3,346.3</b>   |

(1) The scrapping of assets and the associated reversal is linked to the decommissioning of the E10A satellite (see Note 2.2) and the loss of the 113WA satellite.

(2) Transfers relating to satellites arising during the period ended 30 June 2024 correspond to the entry into commercial service of the KVHTS, E10B, HOTBIRD 13G and HOTBIRD 13F satellites launched during the period.

As of 30 June 2024 and 30 June 2023, the Group recognized respective impairment losses on satellites of 20.7 million euros and 66.6 million euros.

The expected dates of entry into service for satellites under construction at the balance sheet date are as follows:

| Projects               | Years              |
|------------------------|--------------------|
| EUTELSAT 36D           | 2024 calendar year |
| Flexsat Americas 113WX | 2028 calendar year |

### 7.1.3 Rights of use in respect of leases

#### ACCOUNTING PRINCIPLES

Contracts under which the Group uses a specific asset are recognised as assets on the balance sheet in the form of a right of use, and a liability on the liabilities side, where the contractual terms are such that they qualify as leases, i.e. they transfer control of the asset over the entire lease term.

Rights of use are generally amortised over the term of the lease covering the non-cancellable period supplemented, where applicable, by renewal options, which the Group is reasonably certain to exercise.

The discount rate used to calculate the value of the right of use and the lease liability is determined, for each contract, on the basis of the associated estimated marginal debt rate.

Assets with a low unit value and leases with a term of less than 12 months are recognised as expenses.

During the fiscal year ended 30 June 2024, the rights of use saw the following changes:

| (in millions of euros)  | Satellites     | Other tangible assets | Total          |
|---|----------------|-----------------------|----------------|
| <b>Gross assets</b>   |                |                       |                |
| <b>Gross value as of 30 June 2022</b>                             | <b>847.7</b>   | <b>63.4</b>           | <b>911.0</b>   |
| New contracts   | -              | 1.3                   | 1.3            |
| Modifications and early terminations of contracts                 | (98.6)         | (5.4)                 | (104.0)        |
| Scrapping of assets   | -              | -                     | -              |
| Foreign-exchange variation  | -              | (0.3)                 | (0.3)          |
| Entries into the scope  | -              | (0.9)                 | (0.9)          |
| <b>Gross value as of 30 June 2023</b>                             | <b>749.1</b>   | <b>58.1</b>           | <b>807.0</b>   |
| New contracts   | -              | 0.3                   | 0.3            |
| Modifications and early terminations of contracts                 | -              | 5.3                   | 5.3            |
| Scrapping of assets   | -              | -                     | -              |
| Foreign-exchange variation  | -              | 0.1                   | 0.1            |
| Entries into the scope  | -              | -                     | -              |
| <b>Gross value as of 30 June 2024</b>                             | <b>749.1</b>   | <b>63.9</b>           | <b>812.9</b>   |
| <b>Depreciation and impairment</b>                                |                |                       |                |
| <b>Accumulated depreciation and impairment as of 30 June 2022</b> | <b>(432.8)</b> | <b>(25.3)</b>         | <b>(458.1)</b> |
| Depreciation expense  | (48.8)         | (6.3)                 | (55.1)         |
| Impairment  | (4.2)          | -                     | (4.2)          |
| Reversals (modifications and early terminations of contracts)     | 52.6           | 2.3                   | 54.9           |
| Reversals (scrapping of assets)                                   | -              | -                     | -              |
| Foreign-exchange variation  | -              | 0.2                   | 0.2            |
| Exits from the scope  | -              | 0.4                   | 0.4            |
| <b>Accumulated depreciation and impairment as of 30 June 2023</b> | <b>(433.2)</b> | <b>(28.8)</b>         | <b>(462.0)</b> |
| Depreciation expense  | (45.5)         | (6.6)                 | (52.1)         |
| Impairment  | -              | -                     | -              |
| Reversals (modifications and early terminations of contracts)     | -              | -                     | -              |
| Reversals (scrapping of assets)                                   | -              | -                     | -              |
| Foreign-exchange variation  | -              | (0.1)                 | (0.1)          |
| Exits from the scope  | -              | -                     | -              |
| <b>Accumulated depreciation and impairment as of 30 June 2024</b> | <b>(478.6)</b> | <b>(35.5)</b>         | <b>(514.1)</b> |
| Net value as of 30 June 2022                                      | <b>414.9</b>   | <b>38.1</b>           | <b>452.9</b>   |
| <b>Net value as of 30 June 2023</b>                               | <b>315.9</b>   | <b>29.3</b>           | <b>345.1</b>   |
| <b>Net value as of 30 June 2024</b>                               | <b>270.5</b>   | <b>28.4</b>           | <b>298.7</b>   |

Satellite rights of use mainly relate to the Express AT1, Express AT2, Express AM6, Express 36C and Astra 2G leases. The terms of these leases cover the expected life spans of this type of satellite and, as such, none of these contracts include purchase options upon termination of the contract. No renewal options have been considered to determine the term of the leases.



#### 7.1.4 Fixed asset value tests

##### ACCOUNTING PRINCIPLES

###### Goodwill and non-amortised intangible assets

Goodwill and other intangible assets with an indefinite useful life, such as the brand, are tested annually for impairment or more frequently when an event occurs indicating a potential loss in value.

###### Amortizable assets

For tangible fixed assets and intangible assets with finite useful lives, an impairment test is performed when there is an external or internal indication that their recoverable values may be lower than their carrying amounts (for example, the loss of a major customer or a technical incident affecting a satellite).

An impairment test consists of appraising the recoverable amount of an asset, which is the higher of its fair value net of disposal costs and its value in use. If it is not possible to estimate the recoverable value of a particular asset, the Group determines the recoverable amount of the cash generating unit (CGU) with which it is associated. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows largely independent of the cash inflows from other assets or groups of assets. In order to define its CGUs, the Group takes into account the conditions of use of its fleet and, in particular, the capacity of certain satellites to be used as back-up for other satellites.

CGUs correspond to orbital positions, carrying one or more satellites, as well as customer contracts and the associated relationships (after taking into account the technical or economic interdependence of their cash flows).

The Group estimates value in use on the basis of estimated future cash flows. These are generated by the asset or the CGU during its useful life and are discounted using the Group's WACC defined for the impairment testing, based on the medium-term plan approved by Management and reviewed by the Board of Directors. Revenues in the medium-term plan are based upon the order backlog for each satellite, market studies, and the deployment plan for existing and future satellites. Costs given in the plan that are used for the impairment test consist mainly of in-orbit insurance costs, technical and commercial costs directly attributable to the satellites tested, as well as tax expenses. Beyond a maximum five-year period, cash flows are estimated on the basis of constant rates of growth or decline.

The fair value net of selling costs is equal to the amount that could be received from the sale of the asset (or of one CGU) in the course of an arm's length transaction between knowledgeable, willing parties, less the costs relating to the transaction.

Impairment losses and their reversals are recognised in the income statement under other operating income and expenses.

###### Goodwill

The Group's goodwill is the result of acquisitions related to the geostationary satellite operations. This goodwill is therefore tracked at Eutelsat's operational segment level, on the basis of the cashflows arising from the activity linked to the geostationary satellites.

The cash flows used are based on an updated version of the Group's five-year business plan approved by the Board of Directors in February 2024 covering the periods through to the 2027-28 fiscal year, on the long-term plan defined on an ongoing basis over a horizon covering the periods through to the 2034 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.

With respect to financial metrics such as the WACC (8.17% used) and the long-term growth rate used to calculate the terminal value, the sensitivity analyses show that a 65bp increase in the WACC or a 135bp fall in the long-term growth rate could derive a value in use below the net book value of the assets tested as of 30 June 2024. A zero-growth rate to perpetuity would not lead to a value in use below the net book value of the assets tested.

Furthermore, the main operational assumptions potentially impacting the recoverable amount of assets are the level of EBITDA and the amount of capital expenditures. The operational assumptions of the long-term plan are based on internal market models of the growth trend for the Group's activity and on external strategic reviews. The sensitivity analyses show that a 1% decline in EBITDA for each year of the plans used and in the terminal value would not result in a goodwill impairment.

The impairment tests performed as of 30 June 2024 on the basis of discounted cash flow forecasts did not lead to the recognition of any impairment expenses.

###### Depreciable assets

Concerning the impairment tests carried out in respect of the satellites as of 30 June 2024, the cash flows used are based on an updated version of the five-year business plan for the Group approved by the Board of Directors in February 2024, then on the cash flows extended until the end of life of each satellite based on a normative growth rate.

As of 30 June 2024 and 30 June 2023, these tests resulted in the recognition of respective impairment losses on satellites under ownership of 20.7 million euros and 66.6 million euros (see Note 7.1.2 "Tangible assets and construction in progress"). No impairment losses on rights of use have been recognised as of 30 June 2024 (versus 4.2 million euros as of 30 June 2023 (see Note 7.1.3 "Rights of use in respect of leases").

#### 7.1.5 Purchase commitments

In addition to the items recognised on the balance sheet, the Company has entered into commitments with suppliers for the acquisition of assets (satellites and other assets) and the provision of services amounting to a total of 623 million euros as of 30 June 2023 and 374 million euros as of 30 June 2024.

The following table lists the future payments in respect of these commitments as of 30 June 2023 and 30 June 2024:

| (in millions of euros)     | As of 30 June 2023 | As of 30 June 2024 |
|----------------------------|--------------------|--------------------|
| Maturity within 1 year     | 225                | 90                 |
| From 1 to 2 years          | 113                | 74                 |
| From 2 to 3 years          | 40                 | 75                 |
| From 3 to 4 years          | 55                 | 16                 |
| Maturity exceeding 4 years | 190                | 119                |
| <b>Total</b>               | <b>623</b>         | <b>374</b>         |

## 7.2 Investments in associates

### ACCOUNTING PRINCIPLES

The Group's investments in associates consolidated under the equity method are initially booked at their cost of acquisition, including as appropriate the goodwill arising. Their book value is then increased or reduced to take into account the Group's share in the profits or losses realised after the acquisition date.

After the application of the equity method and should there be an event indicating a potential loss in value, the book value may be the subject of an impairment in the event that its recoverable value would be below its carrying amount.

#### Value of the investment in OneWeb Holdings Ltd.

As of 30 June 2024, investments in associates represents the equity value of the company OneWeb Holdings Ltd. and the result from associates corresponds to the Group's share in the result of OneWeb Holdings Ltd.

| (in millions of euros)                      | 30 June 2023 | 30 June 2024 |
|---|--------------|--------------|
| Equity interests at the opening date        | 605.7        | 501.2        |
| Purchases of shares                         | -            | -            |
| Change in scope                             | -            | (0.40)       |
| Share of result of associates               | (87.3)       | (154.0)      |
| Translation adjustment                      | (17.3)       | 9.8          |
| <b>Equity interests at the closing date</b> | <b>501.2</b> | <b>356.6</b> |

The main financial data from the OneWeb Holdings Ltd subgroup based on the latest accounting period ended 30 June 2024 are as follows:

| (in millions of dollars)  | 30 June 2024   |
|---|----------------|
| <b>Net result</b>   | <b>(490.5)</b> |
| <b>Balance sheet</b>  |                |
| Non-current assets  | 2,310.1        |
| Current assets  | 215.6          |
| Shareholders' equity  | 1,651.5        |
| Non-current liabilities   | 378.6          |
| Current liabilities   | 482.9          |
| (in millions of euros)  | 30 June 2024   |
| <b>Group share of the net assets</b>                                |                |
| Net asset value   | 1,656.1        |
| Percentage held   | 22.91%         |
| <b>Group share in net asset value</b>                               | <b>379.4</b>   |
| Goodwill  | 17.2           |
| Impairment  | (40.2)         |
| <b>Book value of the Group's equity interest as of 30 June 2024</b> | <b>356.6</b>   |

### 7.3 Receivables, assets and liabilities on customer contracts and costs to obtain and fulfil contracts

#### ACCOUNTING PRINCIPLES

Accounts receivable are recorded at their nominal value. They are subject to impairment, recognised as Selling and Administrative Expenses, in order to cover the risk of expected future losses. These impairments are determined on the basis of a statistical approach of expected credit losses by market and region, after taking into account the deposits and guarantees received, and supplemented, where applicable, by a specific impairment in the event of failure to make contractual payments or significant financial difficulties on the part of a customer.

Assets held under customer contracts include assets relating to revenue recognised in respect of variable prices or free periods not yet invoiced to the customer. The deferred costs of obtaining contracts correspond to the consideration paid to the customer. Contract fulfilment costs include the deferral of the cost of sales of Broadband terminals.

Liabilities related to customer contracts consist of prepayments received from customers or invoiced prior to delivery of the services.

Receivables, assets and liabilities on customer contracts and the costs to obtain and fulfil contracts are summarised as follows:

| (in millions of euros)                                      | 30 June 2023 | 30 June 2024 |
|---|--------------|--------------|
| <b>Assets</b>   |              |              |
| Accounts receivable   | 223.4        | 248.5        |
| Assets associated with customer contracts                   | 40.2         | 45.2         |
| Costs to fulfil contracts                                   | -            | -            |
| Costs to obtain contracts                                   | 4.9          | 4.9          |
| <b>Total current and non-current assets</b>                 | <b>268.5</b> | <b>298.5</b> |
| <i>Including non-current portion</i>                        | <i>31.8</i>  | <i>37.4</i>  |
| <i>Including current portion</i>                            | <i>236.7</i> | <i>261.1</i> |
| <b>Liabilities</b>  |              |              |
| Financial liabilities - Guarantees and commitments received | 31.2         | 31.1         |
| Liabilities associated with customer contracts              | 337.5        | 383.0        |
| <b>Total current and non-current liabilities</b>            | <b>368.7</b> | <b>414.1</b> |
| <i>Of which non-current portion</i>                         | <i>289.7</i> | <i>304.0</i> |
| <i>Of which current portion</i>                             | <i>78.9</i>  | <i>110.1</i> |

### 7.3.1 Accounts receivable

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

| (in millions of euros)                      | 30 June 2023 | 30 June 2024 |
|---|--------------|--------------|
| Non-matured receivables                     | 136.1        | 120.0        |
| Matured receivables between 0 and 90 days   | 25.6         | 46.5         |
| Matured receivables between 90 and 365 days | 26.0         | 50.9         |
| Matured due for more than 365 days          | 136.8        | 143.2        |
| Impairment                                  | (101.0)      | (112.1)      |
| <b>Total</b>                                | <b>223.4</b> | <b>248.5</b> |

The account receivables due for more than 365 days as of 30 June 2024 include receivables amounting to 6.9 million euros covered by collateral deposits (versus 3.9 million euros as of 30 June 2023). These do not involve any risk of impairment in the income statement. The provision for impairment of 112.1 million euros as of 30 June 2024 covers 82% of the receivables due for more than 365 days except collateral deposits and 46% of all overdue receivables.

In addition, given the nature of the activities and the geographies in which it operates, the Group is periodically required to collect matured receivables due for more than one year.

Credit risk arising from a customer's failure to pay its debt at the due date is tracked at the level of each entity under the supervision of the financial managers. In the most important cases, the relevant financial managers are assisted by a credit manager, acting in accordance with the instructions of the Group's debt recovery service. This tracking is based mainly on an analysis of the amounts due and can be accompanied by a more detailed study of the creditworthiness of some debtors. Based on the assessment of the financial managers, entities may be required to hedge their credit risk by obtaining bank guarantees from first-tier financial institutions and insurance companies, and guarantee deposits from customers.

Credit risk is mitigated by the following guarantees and commitments received:

| (in millions of euros)             | 30 June 2023                 |                    | 30 June 2024                 |                    |
|------------------------------------|------------------------------|--------------------|------------------------------|--------------------|
|                                    | Value of accounts receivable | Value of guarantee | Value of accounts receivable | Value of guarantee |
| Guarantee deposits                 | 59.0                         | 12.3               | 66.5                         | 8.3                |
| Bank or insurance guarantees       | 10.4                         | 9.5                | 12.6                         | 13.2               |
| Guarantees from the parent company | 3.6                          | 3.6                | 7.7                          | 7.7                |
| <b>Total</b>                       | <b>73.0</b>                  | <b>25.5</b>        | <b>86.8</b>                  | <b>29.1</b>        |

Guarantee deposits are recognised as financial liabilities. Bank guarantees and guarantees from parent companies are not shown on the balance sheet.

The Group's ten largest clients accounted for 32% of revenues as of 30 June 2024 (30% as of 30 June 2023). The top five account for 21% of revenues (20% as of 30 June 2023).

The changes in impairment of trade receivables over the two fiscal years are as follows:

| (in millions of euros)          | Total        |
|---------------------------------|--------------|
| <b>Value as of 30 June 2022</b> | <b>91.3</b>  |
| Net allowance (reversal)        | 21.0         |
| Reversals (used)                | (10.4)       |
| Foreign exchange variations     | (0.9)        |
| <b>Value as of 30 June 2023</b> | <b>101.0</b> |
| Net allowance (reversal)        | 13.5         |
| Reversals (used)                | (2.9)        |
| Foreign exchange variations     | 0.4          |
| <b>Value as of 30 June 2024</b> | <b>112.1</b> |

### 7.3.2 Assets associated with customer contracts, costs to obtain and fulfil non-current contracts

| (in millions of euros)   | Total       |
|--|-------------|
| <b>Assets associated with customer contracts as of 30 June 2022</b>      | <b>41.7</b> |
| Use of assets associated with customer contracts during the period       | (3.1)       |
| New assets associated with customer contracts recorded during the period | 1.8         |
| Net reversals (depreciations)  | -           |
| Translation adjustment   | (0.2)       |
| <b>Assets associated with customer contracts as of 30 June 2023</b>      | <b>40.2</b> |
| Use of assets associated with customer contracts during the period       | (9.3)       |
| New assets associated with customer contracts recorded during the period | 14.2        |
| Net reversals (depreciations)  |             |
| Translation adjustment   | 0.1         |
| <b>Assets associated with customer contracts as of 30 June 2024</b>      | <b>45.2</b> |

The costs to obtain and fulfil contracts are shown below:

| (in millions of euros)  | Total       |
|---|-------------|
| <b>Costs to obtain and fulfil customer contracts as of 30 June 2022</b> | <b>11,1</b> |
| Use of costs to obtain and fulfil customer contracts during the period  | (3,5)       |
| Exits from the scope  | (2,8)       |
| <b>Costs to obtain and fulfil customer contracts as of 30 June 2023</b> | <b>4,9</b>  |
| Use of costs to obtain and fulfil customer contracts during the period  | -           |
| Exits from the scope  | -           |
| <b>Costs to obtain and fulfil customer contracts as of 30 June 2024</b> | <b>4,9</b>  |

### 7.3.3 Liabilities associated with customer contracts

The liabilities associated with customer contracts break down as follows:

| (in millions of euros)  | Total        |
|---|--------------|
| <b>Liabilities associated with customer contracts as of 30 June 2022</b>      | <b>224.4</b> |
| Revenue recognition during the period   | (49.0)       |
| New liabilities associated with customer contracts recorded during the period | 164.7        |
| Translation adjustment  | (2.0)        |
| Exits from the scope  | (2.4)        |
| <b>Liabilities associated with customer contracts as of 30 June 2023</b>      | <b>335.8</b> |
| Revenue recognition during the period   | (51.7)       |
| New liabilities associated with customer contracts recorded during the period | 97.9         |
| Translation adjustment  | 1.1          |
| Exits from the scope  | 0.0          |
| <b>Liabilities associated with customer contracts as of 30 June 2024</b>      | <b>383.0</b> |

## 7.4 Financial assets and liabilities

### ACCOUNTING PRINCIPLES

#### Cash and cash equivalents

Cash mainly comprises cash in hand and demand deposits with banks. Cash equivalents mainly consist of short-term deposits with original maturities of three months or less, term accounts, as well as mutual fund investments that are easily convertible into a known amount of cash, the liquid value of which is determined and published daily and for which the risk of a change in value is insignificant. Mutual fund investments with fair value option through profit or loss are carried at fair value, with the resulting realised or unrealised gains or losses arising from the change in fair value recognised under the financial result.

#### Financial debt

Financial debts comprise bank loans, bond loans and structured debts. They are initially recognised at the fair value of the consideration received, less directly attributable transaction costs. These costs are recognised as loan set-up fees and premiums and are spread out over the period of the loan.

#### Financial assets

With the exception of derivative financial instruments and non-consolidated investments financial assets are recorded at amortised cost. An impairment loss is recognised in the income statement when there is evidence of an impairment loss. Non-consolidated financial assets are measured at fair value.

#### Financial liabilities

Lease liabilities recognised in exchange for rights of use correspond to the aggregate of discounted future payments under the lease contracts. The discount rate used to measure these payables is determined by contract based on the estimated marginal debt rate of the entity that holds the contract.

When the Group grants firm or conditional purchase commitments to non-controlling shareholders, the corresponding amount of non-controlling interests is reclassified as a financial liability to reflect the fair value of the commitment. The financial liability is revalued at each balance sheet date with a corresponding entry in shareholders' equity if no further details are provided by the IFRS standards.

#### Derivative financial instruments

Derivatives that do not qualify as hedging instruments are recognised at fair value, with subsequent changes in fair value recognised in the financial result. Derivatives qualifying as hedging instruments are measured and recognised on the basis of hedge accounting criteria.

The Group uses derivative financial instruments to hedge cash flows (forwards and forwards KI) and the net investment of its subsidiaries in Mexico, Singapore and Dubai (cross currency swap). Forwards, forwards KI, and the interest rate component of the cross-curren

Hedging transactions are carried out using derivative financial instruments, the fair value changes of which are intended to offset the exposure of the hedged items to these same changes. Changes in fair value are recognised in shareholders' equity, within other recyclable gains and losses in comprehensive income, for the effective portion of the hedging relationship, while changes in fair value for the ineffective portion are recognised in the financial result. cy swap are recorded as financial assets or liabilities depending on the position while the exchange component is included in the Group's net debt.

Cumulative changes in the fair value of the hedging instrument previously recognised in equity are reclassified to the income statement when the hedged transaction affects the income statement. The gains and losses thus transferred are recognised in the income statement at the level of the

### 7.4.1 Cash and cash equivalents

Cash and cash equivalents are detailed as follows:

| (in millions of euros)   | 30 June 2023 | 30 June 2024 |
|--------------------------|--------------|--------------|
| Cash at bank and in hand | 12.5         | 420.1        |
| Cash equivalents         | 467.3        | 411.9        |
| <b>Total</b>             | <b>479.8</b> | <b>832.0</b> |

## 7.4.2 Financial debt

The financial debt breaks down as follows:

| (in millions of euros)                         | Rate     | 30 June 2023   | 30 June 2024   | Maturity      |
|--|----------|----------------|----------------|---------------|
| EIB term loan                                  | 0.49%    | 200.0          | 200.0          | December 2028 |
| Bond 2025                                      | 2.00%    | 800.0          | 176.6          | October 2025  |
| Bond 2027                                      | 2.25%    | 600.0          | 600.0          | July 2027     |
| Bond 2028                                      | 1.50%    | 600.0          | 600.0          | October 2028  |
| Bond 2029                                      | 9.75%    | -              | 600.0          | April 2029    |
| Capex financing facility                       |          |                |                |               |
|  | 0.90%    | 53.0           | -              | June 2024     |
|  | 1.87%    | 75.0           | -              | June 2024     |
|  | 2.15%    | 50.0           | -              | June 2025     |
|  | 2.56%    | 75.0           | 75.0           | June 2026     |
|  | Variable |                | 53.0           | June 2026     |
|  | Variable |                | 53.0           | June 2027     |
| <b>Sub-total of debt (non-current portion)</b> |          | <b>2,453.0</b> | <b>2,357.6</b> |               |
| Loan set-up fees and premiums                  |          | (9.9)          | (21.2)         |               |
| <b>Total of debt (non-current portion)</b>     |          | <b>2,443.1</b> | <b>2,336.4</b> |               |
| Structured debts                               | 0.75%    | 65.0           | -              | July 2023     |
|  | 2.15%    | -              | 50             | June 2025     |
|  | Variable |                | 53             | June 2025     |
| Accrued interest not yet due                   |          | 31.5           | 36.0           |               |
| <b>Total debt (current portion)</b>            |          | <b>96.6</b>    | <b>139.0</b>   |               |
| <b>Total</b>                                   |          | <b>2,539.7</b> | <b>2,475.5</b> |               |

The totality of the debt is denominated in euros.

All the financial debt is denominated in euros. The term loan and structured debt (intended to finance Capex) are subject to a financial covenant which initially stipulated a ratio of total net debt to EBITDA of less than or equal to 4.0:1. During the first half of the 2022-23 fiscal year, the Group obtained from its lenders that the calculation of the ratio of total net debt to EBITDA should take into account in advance the receipt of after-tax proceeds from the C-Band release for the test periods up to 30 June 2024 (see Note 2.4). The Group has also to respect the net debt to EBITDA ratio of 4, at the end of December and June of each year.

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

The bonds are also subject to a banking covenant under which each lender may request early repayment of all amounts due in the event of a change of control of Eutelsat S.A. or Eutelsat Communications accompanied by a downgrade in Eutelsat S.A.'s credit rating.

As of 30 June 2024 the Group is in compliance with all the banking covenants.

The credit agreements include neither a guarantee by the Company nor a pledge of assets to lenders, but do contain restrictive clauses (subject to the usual exceptions provided for in this type of loan agreement) which limit the ability of Eutelsat Communications and its subsidiaries, in particular to grant liens on a borrower's assets, incur additional debt, dispose of assets, enter into mergers or acquisitions, sales of assets and finance lease transactions (except those carried out within the Group and expressly provided for in the loan agreement) and modify the nature of the business of the Company and its subsidiaries.

The credit arrangements include a commitment to maintain "launch-plus-one-year" insurance policies for any satellite located at 13° East and, for any other satellites, a commitment not to have more than one satellite that is not covered by a launch insurance policy.

In addition, as of 30 June 2024, the Group has active credit facilities for an aggregate undrawn amount of 450.0 million euros (1,009.0 million euros as of 30 June 2023). These credit lines are subject to banking covenants similar to those in place for the term loans and the structured debt. The Group has also obtained an extension to the term of its affiliate Eutelsat S.A.'s 200 million euro credit facility until June 2025, the final year being subject to the lenders' agreement.



The schedule of debt maturities, excluding issue costs and premiums and accrued interest not yet due as of 30 June 2024 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 debts       | 284.0          | 103.0                  | 181.0                          | -                          |
| Bond 2025              | 176.6          | -                      | 176.6                          | -                          |
| Bond 2027              | 600.0          | -                      | 600.0                          | -                          |
| Bond 2028              | 600.0          | -                      | 600.0                          | -                          |
| Bond 2029              | 600.0          | -                      | 600.0                          | -                          |
| <b>Total</b>           | <b>2,460.6</b> | <b>103.0</b>           | <b>2,357.6</b>                 | <b>-</b>                   |

### 7.4.3 Other financial assets and liabilities

The detailed breakdown of the other financial assets is as follows:

| (in millions of euros)                          | 30 June 2023 | 30 June 2024 |
|---|--------------|--------------|
| Non-consolidated equity investments             | 11.5         | 5.5          |
| Derivative financial instruments <sup>(1)</sup> | 13.7         | 0.3          |
| Other financial assets <sup>(2)</sup>           | 637.8        | 508.5        |
| <b>Total</b>                                    | <b>663.0</b> | <b>514.3</b> |
| <i>Of which current portion</i>                 | <i>424.3</i> | <i>108.1</i> |
| <i>Of which non-current portion</i>             | <i>238.7</i> | <i>406.2</i> |

<sup>(1)</sup> See Note 7.4.5 "Derivative financial instruments".

<sup>(2)</sup> As of 30 June 2023, the Other financial assets included notably the receivable relating to the release of the C-Band for 352 million euros (see Note 2.2) and the asset arising from the advance payment of capacity to the OneWeb Group in the amount of 89 million euros (see Note 2.1).

The other debts and financial liabilities break down as follows:

| (in millions of euros)                          | 30 June 2023 | 30 June 2024 |
|---|--------------|--------------|
| Lease liabilities                               | 319.5        | 278.8        |
| Other liabilities                               | 69.7         | 44.8         |
| Payables to fixed asset suppliers               | 189.6        | 35.6         |
| Derivative financial instruments <sup>(1)</sup> | 32.4         | 41.7         |
| Liabilities for social contributions            | 47.0         | 49.1         |
| Tax liabilities                                 | 15.8         | 11.9         |
| <b>Total</b>                                    | <b>674.0</b> | <b>461.9</b> |
| <i>Of which current portion</i>                 | <i>345.6</i> | <i>210.6</i> |
| <i>Of which non-current portion</i>             | <i>328.4</i> | <i>251.3</i> |

<sup>(1)</sup> See Note 7.4.5 "Derivative financial instruments".

As the construction of certain satellites progresses, the acceptance of milestone payments leads to the recognition of an asset under construction and an account payable.

The changes in lease liabilities during the period break down as follows:

| (in millions of euros) | 30 June 2023 | New contracts | Cash flow     | Others     | Currency effects | Change in accrued interests | 30 June 2024 |
|------------------------|--------------|---------------|---------------|------------|------------------|-----------------------------|--------------|
| Satellites             | 280.4        |               | (33.5)        |            |                  | (0.3)                       | 246.6        |
| Real estate            | 39.1         | 0.3           | (7.8)         | 0.4        | 0.1              |                             | 32.1         |
| Others                 | -            |               |               |            |                  |                             | -            |
| <b>Total</b>           | <b>319.5</b> | <b>0.3</b>    | <b>(41.2)</b> | <b>0.4</b> | <b>0.1</b>       | <b>(0.3)</b>                | <b>278.7</b> |

The amounts shown for lease liabilities include accrued interest totalling 1.8 million euros as of 30 June 2023 and 3.0 million euros as of 30 June 2024.

#### 7.4.4 Net debt

The net debt breaks down as follows:

| (in millions of euros)                  | 30 June 2023   | 30 June 2024   |
|---|----------------|----------------|
| Eutelsat Communications S.A. loans      | (76.4)         | (141.0)        |
| EIB term loan                           | 200.0          | 200.0          |
| Bonds                                   | 2,000.0        | 1,977.0        |
| Structured debts                        | 318.0          | 284.0          |
| "Change" portion of cross-currency swap | 13.6           | 23.5           |
| Lease liabilities                       | 316.2          | 275.8          |
| <b>Gross debt</b>                       | <b>2,771.4</b> | <b>2,618.9</b> |
| Cash and cash equivalents               | (479.8)        | (832.0)        |
| <b>Net debt</b>                         | <b>2,291.6</b> | <b>1,786.9</b> |

The changes in the debt position between 30 June 2022 and 30 June 2023 are presented below:

| (in millions of euros)                  | 30 June 2022   | Cash flow     | Non-cash flow | Currency effects | Fair value change and others | 30 June 2023   |
|---|----------------|---------------|---------------|------------------|------------------------------|----------------|
| Eutelsat Communications S.A. loans      | 39.9           | (116.3)       | -             | -                | -                            | (76.4)         |
| EIB term loan                           | 200.0          | -             | -             | -                | -                            | 200.0          |
| Bonds                                   | 2,300.0        | (300.0)       | -             | -                | -                            | 2,000.0        |
| Structured debts                        | 133.0          | 185.0         | -             | -                | -                            | 318.0          |
| "Change" portion of cross-currency swap | 41.3           | -             | -             | -                | (27.7)                       | 13.6           |
| Lease debt                              | 420.6          | (53.7)        | (51.2)        | (0.2)            | 0.7                          | 316.2          |
| <b>Total</b>                            | <b>3,134.8</b> | <b>(52.4)</b> | <b>(51.2)</b> | <b>(0.2)</b>     | <b>(27.0)</b>                | <b>2,771.4</b> |

The changes in the debt position between 30 June 2023 and 30 June 2024 are presented below:

| (in millions of euros)                  | 30 June 2023   | Cash flow      | Non-cash flow | Currency effects | Fair value change and others | 30 June 2024   |
|---|----------------|----------------|---------------|------------------|------------------------------|----------------|
| Eutelsat Communications S.A. loans      | (76.4)         | (65.0)         |               |                  |                              | (141.0)        |
| EIB term loan                           | 200.0          |                |               |                  |                              | 200            |
| Bonds                                   | 2,000.0        | (11)           | (12)          |                  |                              | 1,977          |
| Structured debts                        | 318.0          | (34)           |               |                  |                              | 284            |
| "Change" portion of cross-currency swap | 13.6           |                |               |                  | 9.9                          | 23.5           |
| Lease debt                              | 316.2          | (41.2)         | 0.7           | 0.1              |                              | 275.8          |
| <b>Total</b>                            | <b>2,771.4</b> | <b>(151.2)</b> | <b>(11.3)</b> | <b>0.1</b>       | <b>9.9</b>                   | <b>2,618.9</b> |

#### 7.4.5 Derivative financial instruments

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

| (in millions of euros)   | Notional     |              | Fair value    |               | Change in fair value over the period | Impact on income (excl. coupons) | Impact on equity (excl. coupons) |
|--|--------------|--------------|---------------|---------------|--------------------------------------|----------------------------------|----------------------------------|
|  | 30 June 2023 | 30 June 2024 | 30 June 2023  | 30 June 2024  |                                      |                                  |                                  |
| Synthetic forward transaction with knock-in option (Eutelsat S.A.) | 354.7        | 120.0        | 13.2          | (0.3)         | (13.5)                               | -                                | (13.5)                           |
| Cross currency swap  | 621.9        | 635.5        | (31.9)        | (38.9)        | (7.0)                                | -                                | (7.0)                            |
| Forex swap derivatives   |              | 201.0        | -             | (2.2)         | (2.2)                                | (2.2)                            | -                                |
| <b>Total forex derivatives</b>                                     | <b>976.6</b> | <b>956.5</b> | <b>(18.7)</b> | <b>(41.4)</b> | <b>(22.7)</b>                        | <b>(2.2)</b>                     | <b>(20.5)</b>                    |
| Pre-hedging swap   |              |              |               |               |                                      |                                  |                                  |
| <b>Total interest rate derivatives</b>                             | <b>-</b>     | <b>-</b>     | <b>-</b>      | <b>-</b>      | <b>-</b>                             | <b>-</b>                         | <b>-</b>                         |
| <b>Total derivative instruments</b>                                | <b>976.6</b> | <b>956.5</b> | <b>(18.7)</b> | <b>(41.4)</b> | <b>(22.7)</b>                        | <b>(2.2)</b>                     | <b>(20.5)</b>                    |

Coupons on interest rate instruments qualifying as future cash flow hedges are posted directly to income. The change recognised in equity in respect of these instruments corresponds to the change in fair value net of coupons. Coupons on the cross-currency swap and forwards qualifying as a hedge of a net investment in a foreign operation, as well as changes in fair value net of coupons, are booked directly to shareholders' equity.

The fair value and maturities of derivatives qualifying as hedges are as follows:

| (in millions of euros)           | Fair value recognised in equity and to be reclassified to income as of 30 June 2023 |                |              |               |              |              |                   |
|----------------------------------|---|----------------|--------------|---------------|--------------|--------------|-------------------|
|                                  | Total   | 1 year at most | 1 to 2 years | 2 to 3 years  | 3 to 4 years | 4 to 5 years | More than 5 years |
| Foreign exchange risk hedges     | (18.7)  | 13.2           | -            | (31.9)        | -            | -            | -                 |
| <b>Net total at 30 June 2023</b> | <b>(18.7)</b>   | <b>13.2</b>    | <b>-</b>     | <b>(31.9)</b> | <b>-</b>     | <b>-</b>     | <b>-</b>          |

| (in millions of euros)              | Fair value recognised in equity and to be reclassified to income as of 30 June 2024 |                |              |              |              |              |                   |
|-------------------------------------|---|----------------|--------------|--------------|--------------|--------------|-------------------|
|                                     | Total   | 1 year at most | 1 to 2 years | 2 to 3 years | 3 to 4 years | 4 to 5 years | More than 5 years |
| Foreign exchange risk hedges        | (41.4)  | (41.4)         | -            | -            | -            | -            | -                 |
| <b>Net total as of 30 June 2024</b> | <b>(41.4)</b>   | <b>(41.4)</b>  | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>          |

## 7.4.6 Risk management

The Group is exposed to market risks, principally in terms of currency and interest rates. To address this, the Group uses a certain number of financial derivatives. The Group does not engage in financial transactions whose associated risk cannot be quantified at maturity, i.e. the Group never sells assets it does not hold, or about which it is uncertain whether it will subsequently hold them. The objective is to limit, where appropriate, the fluctuation of revenues and cash-flows due to variations in interest rates and foreign-exchange rates.

### Foreign exchange risk

Through the sale of its satellite capacity, the Group is a net receiver of currencies, mainly the U.S. dollar. Consequently, the Group is thus primarily exposed to the risk of fluctuation in the euro/U.S. dollar exchange rate.

In order to hedge foreign exchange risks, the Group may be compelled to use forward sales or synthetic forward transactions with knock-in option of U.S. dollars against the euro, which can be exercised or not depending on the exchange rate at their expiry date. However, the Group cannot guarantee that it will be able to systematically hedge all of its U.S. dollar-denominated contracts.

Additionally, to hedge the translation risk arising either from foreign investments or intra-group financing, the Group may also create liabilities (respectively assets) denominated in the currency of the cash flows generated by these assets (respectively liabilities). The hedging instruments used by the Group may include currency derivatives (cross-currency swaps and forwards) documented as net foreign investment hedges. The Group has thus put in place a euro-U.S. dollar currency swap for a notional amount of 680.2 million dollars to hedge its net investment in the subsidiaries based in Mexico, Singapore and Dubai. Intra-group loans are mainly hedged using plain-vanilla currency swaps.

Given its exposure to foreign currency risk, the Group estimates that a 10% increase in the euro/U.S. dollar exchange rate (excluding foreign exchange derivatives) would result in a 55.6 million euro decline in the Group's revenue and a 22.1 million euro decline in operating expenses. It would also result in a 141.8 million euros negative variation in the Group's translation reserve.

### Interest rate risk

The Group manages its exposure to interest rate fluctuations by maintaining a portion of its debt at fixed rates (Eutelsat S.A. bonds) and, where necessary, by applying a hedging or pre-hedging policy.

Considering the full range of financial instruments available to the Group as of 30 June 2024 an increase of ten basis points (+0.1%) over the EURIBOR interest rate would have a non-material impact on the interest expense with the revaluation of the financial instruments having an impact on the income statement.

### Financial counterparty risk

Financial counterparty risk includes issuer risk, execution risk in connection with derivatives or monetary instruments, and credit risk related to liquidity and forward investments. The Group minimises its exposure to issuer, execution and credit risk by acquiring financial products from first-rate financial institutions and banks. Exposure to these risks is closely monitored.

The Group does not foresee any losses resulting from a failure by its counterparts to respect their commitments under the agreements it has concluded.

As of 30 June 2024, the counterparty risk associated with these operations is not deemed to be significant.

### Liquidity risk

The Group manages liquidity risk by taking into account the maturity of financial investments, financial assets and estimated future cash flows from the operating activities.

The Group's objective is to maintain a balance between the continuity of its funding needs and their flexibility through the use of overdraft facilities, term loans, revolving lines of credit from banks, bond loans and satellite lease agreements.

On 8 April 2024, Eutelsat S.A. and Eutelsat Communications entered into a series of refinancing transactions to anticipate the expiry, in September and October 2025, of certain financing arrangements including:

- a 2% 800 million euros unsecured bond issued on 25 September 2018 and maturing on 2 October 2025 (ISIN: FR0013369493),
- a committed, syndicated credit facility in the amount of 450 million euros maturing on 30 September 2025,
- a committed, syndicated credit facility in the amount of 200 million euros maturing on 30 September 2025.

The transactions entered into were as follows:

- Eutelsat S.A. issued, at par, a new 9.75% senior unsecured bond in the amount of 600 million euros maturing 13 April 2029 (ISIN: XS2796660384 for the RegS portion and XS2796660970 for the 144A portion). This bond has early redemption options in favour of the borrower: on 13 April 2026 at 104.875% vs. par, on 13 April 2027 at 102.438% vs. par and on 13 April 2028 at par.

On its issue, this bond was rated B7a3 (Moody's) / B+ (S&P) / BB+ (Fitch).

This bond has a number of incurrence covenants including:

- A limit on payments to the benefit of third parties, outside the company's normal operations (including investments, financing and taxes), that may be made by Eutelsat S.A. and its majority-owned subsidiaries. These payments are not capped as long as Eutelsat S.A.'s consolidated leverage ratio, pro forma of these disbursements, remains below 2.75 times, assuming no default or event of default.
- A maximum disbursement budget for OneWeb Holding Limited and its subsidiaries, excluding cash flows linked to the operating activities, if the pro forma consolidated leverage ratio of the planned disbursements exceeds 2.75 times. This budget is capped at the higher of 1,400 million euros or 175% of Eutelsat S.A.'s consolidated EBITDA, and remains subject to a pro forma consolidated net leverage ratio of no more than 3.25 times; this is subject to no default or event of default occurring.
- In parallel, Eutelsat S.A. organized a tender offer at 98 vs. par for its existing 800 million euro 2025 bond mentioned above. The results of the tender offer were as follows:
  - A total principal amount of Existing Bonds tendered and accepted for purchase at 98 vs. par: 623.4 million euros, resulting in a cash inflow of 610.9 million euros.
  - Accrued interest on the existing bonds tendered and accepted for purchase: 1.03279%, resulting in a cash inflow of 6.4 million euros.
  - A total principal amount of Existing Bonds remaining in circulation after the Settlement Date: 176.6 million euros.
- On the credit facilities,
  - Eutelsat S.A. sent its lenders an early termination in due form of its syndicated facilities in the amounts of 450 million euros and 200 million euros mentioned above; these cancellations came into effect on 8 April 2024; none of these facilities were drawn down at that time and their cancellation did not give rise to a cash repayment.
  - Eutelsat S.A. entered into a new 450 million euro committed and unsecured syndicated credit facility with a group of leading banks. This credit facility matures on 4 April 2027 and can be extended for a further two twelve-month periods at Eutelsat S.A.'s request, subject to the banks' acceptance. As of 30 June 2024, this facility had not been drawn down. In this new facility, the net maintenance leverage at 4.00 and the test dates were maintained unchanged.

The Group's debt maturity profile is shown below:

| As of 30 June 2024<br>(in millions of euros) | Balance-sheet<br>value | Total contractual<br>cash flows | Timelines as of 30 June 2024 |                |                |                |                | More than<br>5 years |
|--|------------------------|---------------------------------|------------------------------|----------------|----------------|----------------|----------------|----------------------|
|  |                        |                                 | June-25                      | June-26        | June-27        | June-28        | June-29        |                      |
| EIB term loan                                | (199.8)                | (204.4)                         | (1.0)                        | (1.0)          | (1.0)          | (1.0)          | (200.4)        | -                    |
| Bonds  | (1,924.4)              | (2,328.6)                       | (84.5)                       | (258.5)        | (681.0)        | (660.8)        | (643.9)        | -                    |
| Structured debts                             | (282.1)                | (308.1)                         | (115.3)                      | (136.3)        | (56.5)         | -              | -              | -                    |
| Lease debt                                   | (278.8)                | (278.8)                         | (47.8)                       | (46.5)         | (48.6)         | (51.8)         | (84.1)         | -                    |
| Qualified derivatives <sup>(1)</sup>         | (41.7)                 | (41.7)                          | (41.7)                       | -              | -              | -              | -              | -                    |
| <b>Total financial debt</b>                  | <b>(2,726.8)</b>       | <b>(3,161.6)</b>                | <b>(290.3)</b>               | <b>(442.3)</b> | <b>(787.1)</b> | <b>(713.6)</b> | <b>(928.4)</b> | -                    |
| Other financial liabilities                  | (142.3)                | (142.3)                         | (118.9)                      | (23.3)         | -              | -              | -              | -                    |
| <b>Total financial liabilities</b>           | <b>(2,869.1)</b>       | <b>(3,303.9)</b>                | <b>(409.2)</b>               | <b>(465.6)</b> | <b>(787.1)</b> | <b>(713.6)</b> | <b>(928.4)</b> | -                    |
| Qualified derivatives <sup>(1)</sup>         | 0.3                    | 0.3                             | 0.3                          | -              | -              | -              | -              | -                    |
| Financial assets                             | 514.3                  | 514.3                           | 108.1                        | 406.3          | -              | -              | -              | -                    |
| Cash   | 420.1                  | 420.1                           | 420.1                        | -              | -              | -              | -              | -                    |
| Cash equivalents                             | 411.9                  | 411.9                           | 411.9                        | -              | -              | -              | -              | -                    |
| <b>Total financial assets</b>                | <b>1,346.6</b>         | <b>1,346.6</b>                  | <b>940.4</b>                 | <b>406.3</b>   | -              | -              | -              | -                    |
| <b>Net position</b>                          | <b>(1,522.5)</b>       | <b>(1,957.3)</b>                | <b>531.2</b>                 | <b>(59.3)</b>  | <b>(787.1)</b> | <b>(713.6)</b> | <b>(928.4)</b> | -                    |

<sup>(1)</sup> The amounts broken down under derivative instruments are recognised at fair value (and not as contractual cash flows).

|  |                        |                                      | Timelines as of 30 June 2023 |                |                |               |                |                      |
|--|------------------------|--------------------------------------|------------------------------|----------------|----------------|---------------|----------------|----------------------|
| As of 30 June 2023<br>(in millions of euros) | Balance-sheet<br>value | Total con-<br>tractual<br>cash flows | June-24                      | June-25        | June-26        | June-27       | June-28        | More than<br>5 years |
| EIB term loan                                | (199.9)                | (205.3)                              | (1.0)                        | (1.0)          | (1.0)          | (1.0)         | (1.0)          | (200.5)              |
| Bonds  | (2,023.4)              | (2,183.0)                            | (38.5)                       | (38.5)         | (838.5)        | (22.5)        | (622.5)        | (622.5)              |
| Structured debt                              | (316.3)                | (328.1)                              | (198.2)                      | (53.0)         | (76.9)         | -             | -              | -                    |
| Lease debt                                   | (319.5)                | (316.2)                              | (43.5)                       | (43.5)         | (46.1)         | (48.0)        | -              | (135.0)              |
| Qualified derivatives <sup>(1)</sup>         | (32.4)                 | (32.4)                               | (0.5)                        | (31.9)         | -              | -             | -              | -                    |
| <b>Total financial debt</b>                  | <b>(2,891.5)</b>       | <b>(3,065.0)</b>                     | <b>(281.7)</b>               | <b>(167.9)</b> | <b>(962.5)</b> | <b>(71.5)</b> | <b>(623.5)</b> | <b>(958.0)</b>       |
| Other financial liabilities                  | (322.1)                | (322.1)                              | (298.1)                      | (24.0)         | -              | -             | -              | -                    |
| <b>Total financial liabilities</b>           | <b>(3,213.7)</b>       | <b>(3,387.1)</b>                     | <b>(579.8)</b>               | <b>(191.9)</b> | <b>(962.5)</b> | <b>(71.5)</b> | <b>(623.5)</b> | <b>(958.0)</b>       |
| Qualified derivatives <sup>(1)</sup>         | 13.7                   | 13.7                                 | 13.7                         | -              | -              | -             | -              | -                    |
| Financial assets                             | 649.3                  | 649.3                                | 410.6                        | 238.7          | -              | -             | -              | -                    |
| Cash   | 467.3                  | 467.3                                | 467.3                        | -              | -              | -             | -              | -                    |
| Cash equivalents                             | 12.5                   | 12.5                                 | 12.5                         | -              | -              | -             | -              | -                    |
| <b>Total financial assets</b>                | <b>1,142.8</b>         | <b>1,142.8</b>                       | <b>904.1</b>                 | <b>238.7</b>   | <b>-</b>       | <b>-</b>      | <b>-</b>       | <b>-</b>             |
| <b>Net position</b>                          | <b>(2,070.9)</b>       | <b>(2,244.3)</b>                     | <b>324.3</b>                 | <b>46.8</b>    | <b>(962.5)</b> | <b>(71.5)</b> | <b>(623.5)</b> | <b>(958.0)</b>       |

<sup>(1)</sup> The amounts broken down under derivative instruments are recognised at fair value (and not as contractual cash flows).

#### 7.4.7 Other commitments

Within the framework of commercial contracts or specific bilateral agreements, the Group has issued bank guarantees in favour of third parties. As of 30 June 2024, the amount of these bank guarantees represents 171.3 million euros.

## 7.5 Fair value of financial instruments

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

### 7.5.1 Fair value of financial assets

The following tables break down each asset comprising financial instruments and show its fair value. whether or not the instrument is recorded on the balance sheet at fair value:

| (in millions of euros)                                 | Total | Net carrying amount as of 30 June 2023 |  |   |                               |
|--|-------|--|--|---|-------------------------------|
|  |       | Amortised cost                         | Fair value through other items of income | Fair value through the income statement | Fair value as of 30 June 2023 |
| <b>Non-current assets</b>                              |       |  |  |   |                               |
| Long-term loans and advances                           | 238.7 | 227.2                                  | -  | 11.5                                    | 238.7                         |
| Non-current assets on customer contracts               | 31.7  | 31.7                                   | -  | -                                       | 31.7                          |
| <b>Current assets</b>                                  |       |  |  |   |                               |
| Accounts receivable                                    | 221.7 | 221.7                                  | -  | -                                       | 221.7                         |
| Current assets on customer contracts                   | 13.3  | 13.3                                   | -  | -                                       | 13.3                          |
| Other receivables                                      | 449.0 | 449.0                                  | -  | -                                       | 449.0                         |
| <b>Derivative financial instruments <sup>(1)</sup></b> |       |  |  |   |                               |
| Qualified as hedges                                    | 13.7  | -                                      | 13.7                                     | -                                       | 13.7                          |
| <b>Cash and cash equivalents</b>                       |       |  |  |   |                               |
| Cash   | 467.3 | -                                      | -  | 467.3                                   | 467.3                         |
| Cash equivalents <sup>(2)</sup>                        | 12.5  | -                                      | -  | 12.5                                    | 12.5                          |

<sup>(1)</sup> Fair value hierarchy: level 2 (observable inputs other than quoted prices in active markets).

<sup>(2)</sup> Fair value hierarchy: level 1 (reflecting quoted prices).

| (in millions of euros)                                 | Total | Net carrying amount as of 30 June 2024 |  |   |                               |
|--|-------|--|--|---|-------------------------------|
|  |       | Amortised cost                         | Fair value through other items of income | Fair value through the income statement | Fair value as of 30 June 2024 |
| <b>Non-current assets</b>                              |       |  |  |   |                               |
| Long-term loans and advances                           | 406.2 | 394.6                                  | -  | 11.6                                    | 406.2                         |
| Non-current assets on customer contracts               | 37.4  | 37.4                                   | -  | -                                       | 37.4                          |
| <b>Current assets</b>                                  |       |  |  |   |                               |
| Accounts receivable                                    | 248.5 | 248.5                                  | -  | -                                       | 248.5                         |
| Current assets on customer contracts                   | 12.6  | 12.6                                   | -  | -                                       | 12.6                          |
| Other receivables                                      | 107.9 | 107.9                                  | -  | -                                       | 107.9                         |
| <b>Derivative financial instruments <sup>(1)</sup></b> |       |  |  |   |                               |
| Qualified as hedges                                    | 0.3   | -                                      | 0.3                                      | -                                       | 0.3                           |
| <b>Cash and cash equivalents</b>                       |       |  |  |   |                               |
| Cash   | 420.1 | -                                      | -  | 420.1                                   | 420.1                         |
| Cash equivalents <sup>(2)</sup>                        | 411.9 | -                                      | -  | 411.9                                   | 411.9                         |

<sup>(1)</sup> Fair value hierarchy: level 2 (observable inputs other than quoted prices in active markets).

<sup>(2)</sup> Fair value hierarchy: level 1 (reflecting quoted prices).

Except for the derivative financial instruments and the non-consolidated shares, the carrying amount of the financial assets represents a reasonable approximation of their fair value.

As of 30 June 2024, the total amount of fair value on derivative financial instruments was 0.3 million euros (see Note 7.4.3 "Other financial assets and liabilities").

## 7.5.2 Fair value of financial liabilities

The following tables break down each liability comprising financial instruments and show its fair value, whether or not the instrument is recorded on the balance sheet at fair value:

| (in millions of euros)                                 | Net carrying amount as of 30 June 2023 |  |  |   | Fair value as of 30 June 2023 |
|--|--|--|--|---|-------------------------------|
|  | Total                                  | Instruments measured at amortised cost | Derivative instruments qualified as hedges | Instruments measured at fair value through the income statement |                               |
| <b>Financial debt</b>                                  |  |  |  |   |                               |
| Floating rate loans                                    | 316.3                                  | 316.3                                  | -  | -   | 316.3                         |
| Bond loans <sup>(1)</sup>                              | 2,023.4                                | 2,023.4                                | -  | -   | 2,023.4                       |
| Fixed rate loans                                       | 199.9                                  | 199.9                                  | -  | -   | 199.9                         |
| Bank overdrafts  | -                                      | -                                      | -  | -   | -                             |
| <b>Other financial liabilities</b>                     |  |  |  |   |                               |
| Non-current  | 296.5                                  | 296.5                                  | -  | -   | 296.5                         |
| Current  | 345.5                                  | 345.5                                  | -  | -   | 345.5                         |
| <b>Derivative financial instruments <sup>(2)</sup></b> |  |  |  |   |                               |
| Qualified as hedges                                    | 31.9                                   | 31.9                                   | -  | 31.9  | 31.9                          |
| Accounts payable                                       | 90.4                                   | 90.4                                   | -  | -   | 90.4                          |
| Fixed assets payable                                   | 189.6                                  | 189.6                                  | -  | -   | 189.6                         |

<sup>(1)</sup> Fair value hierarchy: level 1 (reflecting quoted prices).

<sup>(2)</sup> Fair value hierarchy: level 2 (observable inputs other than quoted prices in active markets).

| (in millions of euros)                                 | Net carrying amount as of 30 June 2024 |  |  |   | Fair value as of 30 June 2024 |
|--|--|--|--|---|-------------------------------|
|  | Total                                  | Instruments measured at amortised cost | Derivative instruments qualified as hedges | Instruments measured at fair value through the income statement |                               |
| <b>Financial debt</b>                                  |  |  |  |   |                               |
| Floating rate loans                                    | 276.8                                  | 276.8                                  | -  | -   | 276.8                         |
| Bond loans <sup>(1)</sup>                              | 1,924.4                                | 1,924.4                                | -  | -   | 1,924.4                       |
| Fixed rate loans                                       | 199.6                                  | 199.6                                  | -  | -   | 199.6                         |
| Bank overdrafts  | -                                      | -                                      | -  | -   | -                             |
| <b>Other financial liabilities</b>                     |  |  |  |   |                               |
| Non-current  | 251.3                                  | 251.3                                  | -  | -   | 251.3                         |
| Current  | 133.2                                  | 133.2                                  | -  | -   | 133.2                         |
| <b>Derivative financial instruments <sup>(2)</sup></b> |  |  |  |   |                               |
| Qualified as hedges                                    | 41.7                                   | -                                      | 41.7                                       | -   | 41.7                          |
| Accounts payable                                       | 111.7                                  | 111.7                                  | -  | -   | 111.7                         |
| Fixed assets payable                                   | 35.6                                   | 35.6                                   | -  | -   | 35.6                          |

<sup>(1)</sup> Fair value hierarchy: level 1 (reflecting quoted prices).

<sup>(2)</sup> Fair value hierarchy: level 2 (observable inputs other than quoted prices in active markets).

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



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

| (in millions of euros) | 30 June 2023   | 30 June 2024   |
|------------------------|----------------|----------------|
| Bond 2025              | 724.2          | 170.4          |
| Bond 2027              | 498.1          | 529.2          |
| Bond 2028              | 442.1          | 486.0          |
| Bond 2029              | -              | 627.0          |
| <b>Total</b>           | <b>1,664.4</b> | <b>1,812.6</b> |

## 7.6 Shareholders' equity

### ACCOUNTING PRINCIPLES

#### Costs for capital increases

External costs directly related to increases in capital and reduction of capital are allocated to additional paid-in capital, net of taxes when an income tax saving is generated.

#### Treasury stock

Treasury stock is recognised by reducing shareholders' equity on the basis of the acquisition cost. When the shares are sold, any gains and losses are recognised directly in consolidated reserves net of tax and are not included under income for the year.

### 7.6.1 Share capital

As of 30 June 2024, the share capital of Eutelsat Communications S.A. was composed of 1,013,162,112 shares with a nominal value of 0.65 euro per share. There were no movements during the period ended 30 June 2023.

### 7.6.2 Dividends

The Group does not intend to propose a dividend distribution to the General Meeting of Shareholders on 21 November 2024.

### 7.6.3 Change in the revaluation surplus for derivative instruments

The changes in the revaluation surplus for derivative instruments qualified as hedging instruments (tax effect included) during the fiscal year break down as follows:

| (in millions of euros)   | Total         |
|--|---------------|
| <b>Balance as of 30 June 2023</b>                                      | <b>(43.8)</b> |
| Changes in fair value within equity that can be reclassified to income | 6.3           |
| <b>Balance as of 30 June 2024</b>                                      | <b>(37.5)</b> |

The revaluation reserve for the derivative instruments does not include the unwinding of forwards.

### 7.6.4 Translation reserves

The translation reserve (tax effect included) has changed as follows over the year:

| (in millions of euros)            | Total        |
|-----------------------------------|--------------|
| <b>Balance as of 30 June 2023</b> | <b>191.8</b> |
| Net change over the period        | 1.2          |
| <b>Balance as of 30 June 2024</b> | <b>193.0</b> |

The main currency generating translation differences is the U.S. dollar.

As of 30 June 2024, the translation reserve includes (38.9) million euros in respect of the Cross-Currency Swap used to hedge the currency exposure of net investments in foreign operations.

## 7.7 Provisions

### ACCOUNTING PRINCIPLES

A provision is recognised when, at the balance sheet date, the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, for which a reliable estimate of the amount involved can be made. The amount recognised as a provision represents the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

If the effect of the time value of money is material, the amount of the provision will be equal to the discounted value of anticipated expenditure needed to settle the obligation. Increases in provisions recorded to reflect the passage of time and the effect of discounting are recognised as financial expenses in the income statement.

The changes in provisions between 30 June 2023 and 30 June 2024 are as follows:

| (in millions of euros)                         | 30 June 2023 | Entry into the scope | Allowance  |              | Reclassified | Change in scope | Recognised in equity | Currency variation | 30 June 2024 |
|--|--------------|----------------------|------------|--------------|--------------|-----------------|----------------------|--------------------|--------------|
|  |              |                      | Used       | Unused       |              |                 |                      |                    |              |
| Financial guarantee granted to a pension fund  | 15.7         | 0.0                  | 0.6        | (4.5)        | 0.0          | 0.0             | 6.5                  | 0.0                | 18.3         |
| Retirement benefits                            | 9.0          | 0.0                  | 1.1        | (0.9)        | 0.0          | 0.0             | 0.4                  | 0.0                | 9.6          |
| Other post-employment benefits <sup>(1)</sup>  | 4.4          | 0.0                  | 0.1        | 0.0          | 0.0          | 0.1             | 0.0                  | 0.0                | 4.6          |
| <b>Total post-employment benefits</b>          | <b>29.1</b>  | <b>0.0</b>           | <b>1.8</b> | <b>(5.4)</b> | <b>0.0</b>   | <b>0.1</b>      | <b>6.9</b>           | <b>0.0</b>         | <b>32.5</b>  |
| Commercial employee-related and tax litigation | 5.1          | 0.0                  | 6.3        | (0.5)        | (0.5)        | (0.2)           | 0.0                  | 0.3                | 10.5         |
| <b>Total provisions</b>                        | <b>34.4</b>  | <b>0.0</b>           | <b>8.0</b> | <b>(6.0)</b> | <b>(0.5)</b> | <b>(0.2)</b>    | <b>6.9</b>           | <b>0.3</b>         | <b>43.1</b>  |
| <i>Of which non-current portion</i>            | 29.2         |                      |            |              |              |                 |                      |                    | 32.5         |
| <i>Of which current portion</i>                | 5.1          |                      |            |              |              |                 |                      |                    | 10.6         |

<sup>(1)</sup> The other post-employment benefits mainly relate to end-of-contract indemnity payments in various subsidiaries.

### 7.7.1 Financial guarantee granted to a pension fund

Eutelsat S.A. gave a financial guarantee to the pension fund administering the pension scheme established by the Inter-Governmental Organisation (IGO) when the latter transferred its operations to Eutelsat S.A. in 2001. This defined-benefit pension scheme was closed, and the vested pension rights were frozen prior to the transfer. The financial guarantee provided by Eutelsat S.A. is valued and recorded in the same manner as a defined-benefit pension commitment, although the Group did not directly take over the statutory commitments contracted with the IGO. This guarantee can be called under certain conditions to compensate for future under-funding of the plan, with no quantitative threshold triggering the call on this guarantee.

In 2017, the financial guarantee was called for the sum of 35.9 million euros based on the projected deficits of the scheme and an agreement was reached with the pension fund for nine payments of 4.0 million euros spread out from 30 June 2017 to 30 June 2025.

In 2021, a new agreement replacing the previous version was entered into with the pension fund, increasing the total payment due to the fund to 29 million euros as of 30 June 2023, with a schedule through to 30 June 2029.

These payments may be adjusted according to possible changes in the future financial position which will be assessed on an annual basis.

The changes in the plan's obligations and assets between 30 June 2023 and 30 June 2024 are as follows:

| (in millions of euros)   | 30 June 2023 | 30 June 2024 |
|--|--------------|--------------|
| <b>Present value of the obligations at beginning of period</b>         | <b>146.0</b> | <b>138.8</b> |
| Service cost for the period  | -            | -            |
| Financial cost   | 4.8          | 5.5          |
| Actuarial differences related to financial assumptions: (gains)/losses | (3.9)        | 9.2          |
| Benefits paid  | (7.1)        | (8.3)        |
| Gain linked to the effects of changes in demographic assumptions       | (1.0)        | -            |
| <b>Present value of the obligations at end of period</b>               | <b>138.8</b> | <b>145.2</b> |

| (in millions of euros)   | 30 June 2023 | 30 June 2024 |
|--|--------------|--------------|
| <b>Fair value of plan assets at beginning of period</b>                | <b>145.0</b> | <b>123.1</b> |
| Expected return on plan assets   | 4.7          | 5.0          |
| Actuarial differences related to financial assumptions: gains/(losses) | (23.8)       | 2.6          |
| Contributions paid   | 4.4          | 4.4          |
| Benefits paid  | (7.1)        | (8.3)        |
| <b>Fair value of plan assets at end of period</b>                      | <b>123.1</b> | <b>126.8</b> |

The weighted average period of the obligations is 12.97 years.

The amounts included in the fair value of the plan assets do not include any financial instruments issued by Eutelsat S.A. or any property or movable assets owned or used by Eutelsat S.A. The actual return on the plan's assets amounts to (19.1) million euros and 7.6 million euros as of 30 June 2023 and 30 June 2024 respectively.

The actuarial valuations were realised based on the following assumptions:

|                            | 30 June 2023 | 30 June 2024 |
|----------------------------|--------------|--------------|
| Discount rate              | 4.10%        | 3.80%        |
| Rate for pension increases | 2.20%        | 2.20%        |

A 25-basis point decrease in the discount rates would result in a 4.6 million euros increase to the provision.

The changes in provisions over the two fiscal years were as follows:

| (in millions of euros)                                | 30 June 2023 | 30 June 2024 |
|---|--------------|--------------|
| <b>Provision at beginning of period</b>               | <b>1.1</b>   | <b>15.7</b>  |
| Net income/expense recognized in the income statement | (0.9)        | 0.5          |
| Actuarial (gains)/losses                              | 19.9         | 6.5          |
| Contributions paid                                    | (4.4)        | (4.4)        |
| <b>Provision at end of period</b>                     | <b>15.7</b>  | <b>18.4</b>  |

## 7.7.2 Retirement and related benefits

### ACCOUNTING PRINCIPLES

The Group's retirement schemes consist of defined contribution plans and defined benefit plans.

Expenses for defined-benefit pension schemes are recognised as "Staff costs" based on the contributions made or outstanding for the fiscal year for which services are delivered by recipients of the scheme.

The defined-benefit plans are plans for which the Group has contractually agreed to provide a specific amount or level of benefits. These benefits are assessed using the Projected Unit Credit actuarial method, which involves forecasting the amounts of the expected future payments on the basis of demographic (staff turnover, mortality and age at retirement) and financial assumptions (salary growth and discounting). The pension cost for the period consisting of the service cost is posted to "Staff costs" and the discounting effects are recognised in the financial result. The actuarial differences arising from changes in actuarial assumptions or experience differences are recognised as "Other items of comprehensive income".

### Defined-benefit pension schemes

The Group's defined-benefit pension scheme commitments mainly include the retirement benefits plan for Eutelsat S.A. staff.

As of 30 June 2023 and 30 June 2024, the position is as follows:

| (in millions of euros)   | 30 June 2023 | 30 June 2024 |
|--|--------------|--------------|
| <b>Present value of the obligations at beginning of period</b> | <b>11.2</b>  | <b>9.0</b>   |
| Service cost for the period                                    | 0.8          | 0.7          |
| Financial cost   | 0.3          | 0.4          |
| Actuarial differences  | (2.5)        | 0.5          |
| Termination indemnities paid                                   | (0.8)        | (0.5)        |
| Others   | -            | -            |
| <b>Present value of the obligations at end of period</b>       | <b>9.0</b>   | <b>10.1</b>  |

The weighted average period of the obligation is 9 years (versus 9 years in 2023).

The actuarial valuations were realised based on the following assumptions:

|                        | 30 June 2023 | 30 June 2024 |
|------------------------|--------------|--------------|
| Discount rate          | 4.05%        | 3.75%        |
| Rate for salary growth | 2.5%         | 2.5%         |

The discount rate used in the actuarial valuation is determined based on high-grade corporate bonds (AA and AAA) with maturities consistent with those of the relevant scheme.

#### Defined-contribution pension schemes

Employer contributions made under the mandatory pension scheme in France during the fiscal year amounted to a respective 6.0 million euros and 6.2 million euros as of 30 June 2023 and 30 June 2024.

The Group also has a supplementary defined contribution funded plan for its employees (excluding directors and corporate officers who are employees), which is financed by employee and employer contributions representing 6% of gross annual salary, limited to eight times the French Social Security threshold. The employer contributions paid under these schemes amounted to a respective 2.0 million euros and 2.0 million euros as of 30 June 2023 and 30 June 2024.

#### 7.7.3 Litigation and contingent liabilities

##### ACCOUNTING PRINCIPLES

In the course of its business activities, the Group is involved in legal actions and commercial disputes. The Group exercises its judgement to assess the risks incurred on a case-by-case basis and a provision is recorded to cover an expected outflow of resources. In cases viewed as unsubstantiated or insufficiently argued, no provision is recognised.

## 7.8 Tax assets and liabilities

### 7.8.1 Deferred tax assets and liabilities

#### ACCOUNTING PRINCIPLES

Deferred taxes are the result of temporary differences arising between the tax base of an asset or liability and its book value. Deferred taxes are recognised for each fiscal entity in respect of all temporary differences, with some exceptions, using the balance sheet liability method.

Accordingly, deferred tax liabilities are recognised for all taxable temporary differences except:

- Where the deferred tax liability arises from goodwill for which amortisation is not deductible for tax purposes, or from the initial recognition of an asset or liability other than in a business combination which, at the time of the transaction, does not affect the accounting or the taxable profit, or the tax loss; and
- When the deferred tax liability arises from investments in subsidiaries, and the Group is able to control the reversal of the difference and it is probable that the temporary difference will not be reversed in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable income will be available against which the deductible temporary differences can be charged. However, a deferred tax asset is not recognised if it arises from a deductible temporary difference generated by the initial recognition of an asset or liability other than in a business combination which, at the time of the transaction, does not affect the accounting or the taxable profit, or the tax loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance sheet date.

The carrying amount of deferred tax assets is reviewed on each balance sheet date and reduced to the extent that it is not probable that sufficient taxable profit will be available to allow the benefit of all or part of these deferred tax assets to be utilised.

Deferred taxes are not discounted and are recorded as non-current assets and liabilities.

The changes in the breakdown of the deferred tax balances between 30 June 2023 and 30 June 2024 were as follows:

| (in millions of euros)                                   | 30 June 2023   | Foreign exchange impact and reclassification | Result for the period | Recognised in equity | 30 June 2024   |
|--|----------------|--|-----------------------|----------------------|----------------|
| <b>Deferred tax assets</b>                               |                |  |                       |                      |                |
| Derivative instruments                                   | 51.6           | -  | 0.3                   | (3.8)                | 48.2           |
| Loss carry-forwards                                      | 12.9           | 0.0  | 6.1                   | -                    | 19.0           |
| Bad-debt provisions                                      | 23.2           | 0.0  | 5.0                   | -                    | 28.2           |
| Financial guarantee granted to the pension fund          | 4.1            | -  | (1.0)                 | 1.7                  | 4.7            |
| Provisions for risks and expenses                        | 3.8            | 0.0  | 0.7                   | -                    | 4.6            |
| Tangible and intangible assets                           | 25.1           | (0.6)  | (6.1)                 | -                    | 18.4           |
| Others   | 9.0            | (0.7)  | 1.1                   | -                    | 9.4            |
| <b>Total deferred tax assets</b>                         | <b>129.8</b>   | <b>(1.3)</b>                                 | <b>6.0</b>            | <b>(2.1)</b>         | <b>132.5</b>   |
| <b>Deferred tax liabilities</b>                          |                |  |                       |                      |                |
| Derivative financial instruments                         | (7.1)          | -  | (0.0)                 | 3.5                  | (3.7)          |
| Intangible assets  | (1.0)          | (0.0)  | (0.6)                 | -                    | (1.6)          |
| Tangible assets  | (219.6)        | (0.6)  | (11.3)                | -                    | (231.5)        |
| Others   | (28.0)         | 0.5  | 19.5                  | -                    | (8.1)          |
| <b>Total deferred tax liabilities</b>                    | <b>(255.6)</b> | <b>(0.2)</b>                                 | <b>7.5</b>            | <b>3.5</b>           | <b>(244.8)</b> |
| <b>Net asset/(liability) position</b>                    | <b>(125.7)</b> | <b>(1.4)</b>                                 | <b>13.5</b>           | <b>1.4</b>           | <b>(112.2)</b> |
| <b>Reflected as follows in the financial statements:</b> |                |  |                       |                      |                |
| Deferred tax assets                                      | 1.2            |  |                       |                      | 1.9            |
| Deferred tax liabilities                                 | (126.9)        |  |                       |                      | (114.1)        |
| <b>Total</b>   | <b>(125.7)</b> |  |                       |                      | <b>(112.2)</b> |

The deferred tax asset or liability corresponds to the aggregate of the consolidated entities' net positions.

Deferred tax liabilities relate mainly to the taxable temporary differences generated by:

- the accounting treatment at fair value of customer contracts and relationships and other intangible assets in the context of the acquisitions of Eutelsat S.A. and Satmex.
- the accelerated depreciation of satellites for tax purposes.

The timeline for recovery of deferred tax assets on carry-forward losses is presented in the table below:

| (in millions of euros)                         | Amount      | Maturity within 1 year | Maturity between 1 and 5 years | Maturity exceeding 5 years | Undefined   |
|--|-------------|------------------------|--------------------------------|----------------------------|-------------|
| Timelines of activated tax loss carry-forwards | 73.7        | -                      | -                              | -                          | 73.7        |
| <b>Total</b>                                   | <b>73.7</b> | <b>-</b>               | <b>-</b>                       | <b>-</b>                   | <b>73.7</b> |

Furthermore, the Group has a stock of unrecognised tax loss carry-forwards amounting to 3.2 billion euros as of 30 June 2024 (94.0 million euros as of 30 June 2023) with the following maturity dates:

| (in millions of euros)                             | Amount      | Maturity within 1 year | Maturity between 1 and 5 years | Maturity exceeding 5 years | Undefined   |
|--|-------------|------------------------|--------------------------------|----------------------------|-------------|
| Maturities of unrecognised tax loss carry-forwards | 34.8        | 0.1                    | 0.7                            | 0.1                        | 33.9        |
| <b>Total</b>                                       | <b>34.8</b> | <b>0.1</b>             | <b>0.7</b>                     | <b>0.1</b>                 | <b>33.9</b> |

In December 2021, the OECD/G20 Inclusive Framework on Tax Base Erosion and Profit Shifting published the rules for the global model to combat tax base erosion (known as the "GloBE rules" or "Pillar 2 model rules"). These rules aim to reform international taxation by ensuring that multinational companies with consolidated revenues of above 750 million euros are subject to a minimum effective tax rate of 15% in each of the jurisdictions in which they operate. As part of the 2024 Finance Act, France transposed the Pillar 2 model rules into its tax legislation, which apply mandatorily to accounting periods beginning on or after 31 December 2023.

As the Pillar 2 legislation is not applicable to the Group at the balance sheet date, the Group does not incur any current tax liability as of 30 June 2024. Furthermore, under the exception provided for in the amendments to IAS 12 published on 23 May 2023 and approved by the European Commission, the Group does not recognize or disclose information concerning Pillar 2 deferred tax assets and liabilities at the end of the fiscal year

The Group has carried out a preliminary assessment of the Pillar 2 impacts using the financial data for the year ending 30 June 2023. It does not expect a significant impact in most of the jurisdictions due to the application of transitional protection regimes. In France, an additional tax may be due, but this is still being assessed.

The Group will monitor any changes in standards and commentaries published by the OECD and/or the jurisdictions in which it operates, in order to be in full compliance with the Pillar 2 rules.

### **7.8.2 Tax audit procedure**

The company Eutelsat has been the subject of several accounting verification procedures in respect of the period between 1 July 2012 and 30 June 2020.

A first procedure covered the fiscal years ended 30 June 2012, 2013 and 2014, for which an upwards tax adjustment proposal was received in December 2016. As a result of the pre-litigation appeals and subsequent discussions, the amounts claimed by the tax authorities were reduced. There is still disagreement on one tax enhancement which will consequently be the subject of a pre-litigation appeal in 2024.

A second procedure covered the fiscal years ended 30 June 2018, 2019 and 2020, for which two upwards tax adjustment proposals were received in December 2021, then in December 2022. The responses to the observations were received at the end of May 2023. There is still disagreement with regard to a final tax enhancement, for which the Company has initiated the applicable administrative remedies.

## Note 8. RELATED-PARTY TRANSACTIONS

Related parties consist of:

- Note 4. direct and indirect shareholders, and their subsidiaries, who have exclusive control or significant influence, which is presumed where more than 50% of the shares are held or where the investor is a member of the Board of Directors of an entity of the Group,
- Note 5. minority shareholders of entities which the Group consolidates under the full consolidation method, and
- Note 6. key management personnel.

### 8.1 Key management personnel

The Group considers that, in the context of Eutelsat's governance, the notion of "Key management personnel" includes the members of the Executive Committee chaired by the Chief Executive Officer, and the members of the Board of Directors.

The compensation allocated to the members of the Executive Committee breaks down as follows:

| (in millions of euros)                  | 30 June 2023 | 30 June 2024 |
|---|--------------|--------------|
| Compensation <sup>(1)</sup>             | 8.2          | 17.7         |
| <b>Total short-term benefits</b>        | <b>8.2</b>   | <b>17.7</b>  |
| Post-employment benefits <sup>(2)</sup> | 0.04         | -            |
| Share-based payments <sup>(3)</sup>     | 1.0          | 0.2          |
| <b>Total long-term benefits</b>         | <b>1.04</b>  | <b>0.2</b>   |

<sup>(1)</sup> Including the gross salaries inclusive of the variable portion, bonuses, benefits in kind, incentive payments, profit sharing and social security contributions paid.

<sup>(2)</sup> Corresponding to the past service costs of defined benefit pension plans.

<sup>(3)</sup> Corresponding to the expense recorded in the income statement for share-based compensation.

The fees paid to the members of the Board of Directors in respect of the fiscal year ended 30 June 2024 amount to 1.6 million euros (1.0 million euros in respect of the fiscal year ended 30 June 2023).

### 8.2 Other related parties

The transactions with related parties other than key management personnel are summarised as follows:

| (in millions of euros)                          | 30 June 2023 | 30 June 2024 |
|---|--------------|--------------|
| Revenues  | 3.9          | 0.6          |
| Financial result                                | 11.0         | -            |
| Gross receivables (including unbilled revenues) | 99.4         | 1.0          |

## Note 9. SUBSEQUENT EVENTS

No subsequent events



## Note 10. STATUTORY AUDITORS' FEES

| (in thousands of euros)   | EY         |             |            |             | Forvis Mazars |             |            |             |
|---|------------|-------------|------------|-------------|---------------|-------------|------------|-------------|
|   | Amount N   | %           | Amount N-1 | %           | Amount N      | %           | Amount N-1 | %           |
| <b>Statutory audit. certification. review of separate and consolidated financial statements</b> |            |             |            |             |               |             |            |             |
| Eutelsat S.A. and Subsidiaries  | 526        | 85%         | 735        | 99%         | 515           | 81%         | 531        | 98%         |
| <b>Sub-total</b>  | <b>526</b> | <b>85%</b>  | <b>735</b> | <b>99%</b>  | <b>515</b>    | <b>81%</b>  | <b>531</b> | <b>98%</b>  |
| <b>Services other than certification of the financial statements</b>                            |            |             |            |             |               |             |            |             |
| Eutelsat S.A. and Subsidiaries  | 94         | 15%         | 4          | 1%          | 119           | 19%         | 8          | 2%          |
| <b>Sub-total</b>  | <b>94</b>  | <b>15%</b>  | <b>4</b>   | <b>1%</b>   | <b>119</b>    | <b>19%</b>  | <b>8</b>   | <b>2%</b>   |
| <b>Total</b>  | <b>620</b> | <b>100%</b> | <b>739</b> | <b>100%</b> | <b>634</b>    | <b>100%</b> | <b>539</b> | <b>100%</b> |

Services other than the certification of financial statements correspond essentially to the work undertaken within the framework of unregulated financial reviews.