

# **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

## **CONDENSED CONSOLIDATED HALF-YEAR ACCOUNTS AS OF 31 DECEMBER 2020**

# CONSOLIDATED INCOME STATEMENT

(in millions of euros, except per-share data)	Note	31 December 2019	31 December 2020
<b>Revenues from operations</b>	5.1	<b>638.4</b>	<b>630.3</b>
Operating costs		(43.9)	(44.4)
Selling, general and administrative expenses		(94.5)	(99.2)
Depreciation expense	6.1	(240.3)	(238.0)
Other operating income and expenses	5.3	(7.8)	(7.7)
<b>Operating income</b>		<b>251.9</b>	<b>241.1</b>
Cost of net debt		(35.1)	(31.7)
Other financial items		(2.6)	(12.1)
<b>Financial result</b>	<b>5.4</b>	<b>(37.7)</b>	<b>(43.9)</b>
<b>Net income before tax</b>		<b>214.2</b>	<b>197.2</b>
Income tax	5.5	(41.2)	(32.0)
<b>Net income</b>		<b>173.0</b>	<b>165.2</b>
Attributable to the Group		169.2	164.0
Attributable to non-controlling interests		3.8	1.2
<b>Basic and diluted earnings per share attributable to Eutelsat Communications shareholders</b>	<b>5.6</b>	<b>0.167</b>	<b>0.162</b>

# COMPREHENSIVE INCOME STATEMENT

(in millions of euros)	Note	31 December 2019	31 December 2020
<b>Net income</b>		<b>173.0</b>	<b>165.2</b>
<b><i>Other recyclable items of gain or loss on comprehensive income</i></b>			
Translation adjustment	6.5.4	10.0	(44.8)
Tax effect		8.3	(14.5)
Changes in fair value of hedging instruments <sup>(1)</sup>	6.5.3	4.4	8.8
Tax effect		-	12.7
<b><i>Other non-recyclable items of gain or loss on comprehensive income</i></b>			
Changes in post-employment benefits		-	(17.3)
Tax effect		-	4.5
<b>Total of other items of gain or loss on comprehensive income</b>		<b>22.7</b>	<b>(50.6)</b>
<b>Total comprehensive income</b>		<b>195.7</b>	<b>114.6</b>
Attributable to the Group		191.8	113.4
Attributable to non-controlling interests		3.8	1.2

<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 2020	31 December 2020
<b>Assets</b>			
Goodwill	6.1.1	401.5	427.9
Intangible assets	6.1.1	262.8	235.1
Tangible assets and construction in progress	6.1.2	3,856.7	3,606.0
Rights of use in respect of leases	6.1.3	556.3	560.7
Non-current financial assets	6.3.4	32.4	83.1
Non-current assets associated with customer contracts and costs to obtain or fulfil a contract	6.2	74.9	46.5
Deferred tax assets		36.3	30.5
<b>Total non-current assets</b>		<b>5,220.8</b>	<b>4,989.9</b>
Inventories		6.7	7.5
Accounts receivable	6.2	335.5	279.1
Current assets associated with customer contracts and costs to obtain or fulfil a contract	6.2	17.1	14.3
Other current assets		43.2	42.8
Current tax receivable		41.7	19.0
Current financial assets	6.3.4	23.4	32.4
Cash and cash equivalents	6.3.1	828.1	1,080.7
<b>Total current assets</b>		<b>1,295.8</b>	<b>1,475.8</b>
Assets held for sale	6.7	-	196.9
<b>Total assets</b>		<b>6,516.6</b>	<b>6,662.6</b>

(in millions of euros)	Note	30 June 2020	31 December 2020
<b>Liabilities</b>			
Share capital	6.5.1	658.6	658.6
Additional paid-in capital		8.0	8.0
Reserves and retained earnings		1,193.0	1,272.5
Non-controlling interests		70.4	96.2
<b>Total shareholders' equity</b>		<b>1,930.0</b>	<b>2,035.2</b>
Non-current financial debt	6.3.2	2,389.7	2,802.9
Non-current lease liabilities	6.3.4	418.7	439.1
Other non-current financial liabilities	6.3.4	85.6	76.1
Non-current payables to fixed asset suppliers		5.9	5.9
Non-current liabilities associated with customer contracts	6.2	120.6	103.3
Non-current provisions	6.6	106.6	122.1
Deferred tax liabilities		195.0	184.6
<b>Total non-current liabilities</b>		<b>3,322.2</b>	<b>3,734.2</b>
Current financial debt	6.3.2	857.7	541.4
Current lease liabilities	6.3.4	74.7	48.7
Other current payables and financial liabilities	6.3.4	107.6	83.3
Accounts payable		73.4	66.5
Current payables to fixed asset suppliers		45.0	42.7
Tax payable		22.8	17.3
Current liabilities associated with customer contracts	6.2	66.8	58.3
Current provisions	6.6	16.5	12.1
<b>Total current liabilities</b>		<b>1,264.5</b>	<b>870.3</b>
Liabilities held for sale	6.7	-	22.9
<b>Total liabilities and shareholders' equity</b>		<b>6,516.6</b>	<b>6,662.6</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)	Note	31 December 2019	31 December 2020
<b>Cash flow from operating activities</b>			
Net income		173.0	165.2
Tax and interest expenses, other operating items		78.0	62.4
Depreciation, amortisation and provisions		243.9	213.2
Deferred taxes		(5.3)	5.2
Changes in accounts receivable		(42.9)	45.6
Changes in assets held under customer contracts and other assets		(12.5)	0.2
Changes in accounts payable		(2.8)	(23.4)
Changes in liabilities associated with customer contracts and other liabilities		(29.2)	(15.1)
Taxes paid		(48.0)	(17.6)
<b>Net cash flows from operating activities</b>		<b>353.9</b>	<b>435.8</b>
<b>Cash flow from investing activities</b>			
Acquisitions of satellites, other property and equipment, and intangible assets	6.1.1, 6.1.2	(151.1)	(67.5)
Insurance repayments		-	6.6
Sales <sup>(1)</sup>		67.5	-
Acquisition of equity investments and other movements <sup>(2)</sup>		(12.7)	(47.3)
<b>Net cash flows from investing activities</b>		<b>(96.4)</b>	<b>(108.2)</b>
<b>Cash flow from financing activities</b>			
Distributions		(567.3)	-
Increase in borrowings	6.3.2	243.8	388.0
Repayment of borrowings	6.3.2	(941.9)	(311.9)
Repayment of lease liabilities		(26.1)	(44.1)
Loan set-up fees		(0.7)	(4.5)
Interest and other fees paid		(53.9)	(57.9)
Transactions with non-controlling interests <sup>(3)</sup>		-	(8.8)
Premiums and termination indemnities on derivatives settled		-	(6.0)
<b>Net cash flow from financing activities</b>		<b>(1,346.1)</b>	<b>(45.1)</b>
Impact of exchange rate on cash and cash equivalents		1.9	(9.5)
<b>Increase/(Decrease) in cash and cash equivalents</b>		<b>(1,086.7)</b>	<b>273.0</b>
<b>Cash and cash equivalents, beginning of period</b>		<b>1,453.9</b>	<b>828.1</b>
Assets held for sale		-	20.4
<b>Cash and cash equivalents, end of period</b>		<b>367.2</b>	<b>1,080.7</b>
<i>Including Cash and cash equivalents, end of period</i>	6.3.1	367.2	1,080.7
<i>Including Overdrafts included under debt, end of period</i>		-	-

<sup>(1)</sup> Sales include the payment of 67.5 million euros in August 2019 pursuant to the sale of the EUTELSAT 25B satellite to its co-owner, Es'Hailsat, for a consideration of 135 million euros.

<sup>(2)</sup> As of 31 December 2019, acquisitions of equity investments include the payment of 10 million euros related to the acquisition of an equity interest in Broadpeak. As of 31 December 2020, they include the payment of €48.2 million in respect of the acquisition of Big Blu Europe, of which €6.8 million in an escrow account (see Note 3.4 "Main changes in the scope of consolidation").

<sup>(3)</sup> As of 31 December 2020, transactions with non-controlling interests include an additional payment linked to the acquisition of minority interests in Eutelsat International taking place during the financial year ended 30 June 2020.

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in millions of euros, except share data)	Share capital			Reserves and retained earnings	Shareholders' equity Group share	Non-controlling interests	Total
	Number	Amount	Additional paid in capital				
<b>As of 30 June 2019</b>	<b>1,013,162,112</b>	<b>658.6</b>	<b>8.0</b>	<b>1,412.3</b>	<b>2,078.9</b>	<b>102.4</b>	<b>2,181.3</b>
Net income for the period	-	-	-	169.2	169.2	3.8	173.0
Other items of gain or loss in comprehensive income <sup>(1)</sup>	-	-	-	22.7	22.7	-	22.7
<b>Total comprehensive income</b>	-	-	-	<b>191.8</b>	<b>191.8</b>	<b>3.8</b>	<b>195.7</b>
Treasury stocks	-	-	-	-	-	-	-
Dividend distributions	-	-	-	(567.5)	(567.5)	-	(567.5)
Benefits for employees upon exercising options and free shares granted	-	-	-	-	-	-	-
Transactions with non-controlling interests and others	-	-	-	(11.1)	(11.1)	(16.1)	(27.2)
<b>As of 31 December 2019</b>	<b>1,013,162,112</b>	<b>658.6</b>	<b>8.0</b>	<b>1,025.5</b>	<b>1,692.1</b>	<b>90.1</b>	<b>1,782.2</b>
<b>As of 30 June 2020</b>	<b>1,013,162,112</b>	<b>658.6</b>	<b>8.0</b>	<b>1,193.0</b>	<b>1,859.6</b>	<b>70.4</b>	<b>1,930.0</b>
Net income for the period	-	-	-	164.0	164.0	1.2	165.2
Other items of gain or loss in comprehensive income <sup>(1)</sup>	-	-	-	(50.6)	(50.6)	-	(50.6)
<b>Total comprehensive income</b>	-	-	-	<b>113.4</b>	<b>113.4</b>	<b>1.2</b>	<b>114.6</b>
Treasury stocks	-	-	-	-	-	-	-
Dividend distributions	-	-	-	-	-	-	-
Benefits for employees upon exercising options and free shares granted	-	-	-	-	-	-	-
Transactions with non-controlling interests and others	-	-	-	(33.9)	(33.9)	24.6	(9.4)
<b>As of 31 December 2020</b>	<b>1,013,162,112</b>	<b>658.6</b>	<b>8.0</b>	<b>1,272.5</b>	<b>1,939.1</b>	<b>96.2</b>	<b>2,035.2</b>

<sup>1)</sup> 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 6.5.3) and the translation reserve (see Note 6.5.4), net of the associated tax effects.

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## NOTE 1: GENERAL OVERVIEW

### 1.1 BUSINESS

Operating capacity on 39 satellites, the Eutelsat Group is one of the world leaders in fixed satellite services. It mainly operates and provides capacity for Video Services, Fixed Data and Government Services as well as capacity for Connectivity applications (Fixed Broadband and Mobile Connectivity), which offer strong potential for growth. Via its fleet, the Group covers the entire European continent, the Middle East, North Africa, Sub-Saharan Africa and large parts of the Asian and American continents.

### 1.2 APPROVAL OF ACCOUNTS

The condensed consolidated half-year accounts as of 31 December 2020 have been prepared under the responsibility of the Board of Directors, which approved them at its meeting of 11 February 2021.

## NOTE 2: KEY EVENTS DURING THE PERIOD

### 2.1 ACQUISITION OF BIGBLU EUROPE'S BROADBAND ACTIVITIES

On 1 October 2020, the Group acquired Bigblu Broadband's European satellite broadband activities for a consideration of 38 million pounds sterling. Bigblu Broadband is the largest distributor of satellite broadband packages in Europe, having developed a well-established satellite broadband platform based on a unique network of installers and resellers. The European activities of Bigblu Broadband currently number several tens of thousands of subscribers across Europe, notably in the UK, Ireland, France, Germany, Italy, Spain, Portugal, Poland, Hungary and Greece.

The impacts of this acquisition are outlined in Note 3.4 "Main changes in the scope of consolidation". This transaction includes a price adjustment clause.

### 2.2 AGREEMENT FOR THE DISPOSAL OF EURO BROADBAND INFRASTRUCTURE

On 18 November 2020, Eutelsat signed an agreement for the disposal of its 51% stake in Euro Broadband Infrastructure Sàrl (EBI), the company operating the KA SAT satellite, and its European broadband business to Viasat Inc, which already owns 49% of EBI. The stake will be sold for an initial consideration of 140 million euros, subject to net working capital and net debt adjustments on completion of the transaction. At the end of a two-year period following completion, the sale price may be adjusted up or down by a maximum of 20 million euros, depending on the level of certain revenues generated by EBI's activities over this period.

Under the agreement, Eutelsat and its subsidiaries will continue to provide transitional services to EBI, including the operation of the ground network for KA SAT, while EBI will provide service continuity to the KA SAT subscriber base of Bigblu Broadband Europe, acquired by Eutelsat in October 2020.

Completion of the transaction is expected in the first quarter of calendar year 2021, subject to the fulfilment of the customary conditions precedent. The corresponding assets and liabilities have been reclassified under assets held for sale as of the date of signature of the agreement (see Note 6.7 "Assets held for sale").

### 2.3 FINANCING TRANSACTIONS

In October 2020, on the regulated market of the Luxembourg Stock Exchange, the Group launched a successful issue of 8-year senior unsecured bonds maturing in 2028 for a total of 600 million euros. These bonds bear a coupon of 1.500% per annum. This bond issue enabled Eutelsat to redeem the 500 million euro principal amount on the bonds issued on 23 June 2016, bearing a coupon of 1.125% and maturing in June 2021.

On 27 November 2020, the Group secured a loan from the European Investment Bank in the amount of 200 million euros for a term of eight years and maturing in December 2028, at a fixed rate of 0.488%.

These two transactions enable the Group to extend its debt maturities under excellent conditions.

### 2.4 LAUNCH OF THE KONNECT SERVICE

On 23 November 2020, following the entry into service of the Eutelsat Konnect satellite, the Group launched the Konnect retail distribution service. This next-generation of satellite broadband services across Europe and Africa is currently being rolled out across both continents, with broadband packages designed to address the needs of individuals, small businesses and institutions currently operating beyond the fiber footprint.

### 2.5 REPERCUSSIONS OF COVID

Since mid-March, although relatively resilient compared with other sectors, the Group's revenues have been negatively impacted by the Covid-19 crisis, and in particular:

- Mobile Connectivity (5% of Group revenues) which continues to be affected by the Covid-related impact on airline and maritime traffic.
- An overall slowdown in the pace of new business, particularly in Broadcast.

In addition, the crisis has had a two-fold impact on the Group's cash generation:

- On the one hand, a slowdown in the collection of trade receivables.
- On the other hand, the postponement of certain payments caused by the delays of satellite programmes, the Covid-19 crisis having affected the operations of satellite manufacturers and launchers and the deployment of ground gateways. Thus, during the first half, the deployment of the ground gateways linked to the Konnect satellite was partially delayed.

The assumptions used for the impairment tests performed on long-term assets, whose results are outlined in Note 6.1.1, and for the valuation of provisions for trade receivables (see Note 6.2.1), have been updated on the basis of the information available to date.

As of 31 December 2020, the Group had cash and cash equivalents and undrawn credit lines for a total amount of over 1.7 billion euros. Finally, the net debt to EBITDA ratio as of 31 December 2020 - as defined in the covenants of the term loan and the structured debt agreements - is respected (see Note 6.3.3).

## NOTE 3: ACCOUNTING PRINCIPLES AND VALUATION METHODS

### 3.1 BASIS OF PREPARATION OF FINANCIAL INFORMATION

The condensed consolidated half-year financial statements as of 31 December 2020 have been prepared in accordance with IAS 34 "Interim Financial Reporting" in a condensed format. The accounts as presented do not contain all the information and Notes required under IFRS for the preparation of consolidated full-year financial statements and must be read in conjunction with the consolidated full-year financial statements for the financial year ended 30 June 2020.

The accounting methods and rules used in preparing these condensed interim accounts are identical to those used for the consolidated full-year financial statements for the financial year ended 30 June 2020, with the exception of the application, as of 1 July 2020, of the new standards and interpretations adopted by the European Union.

- Amendments to references to the conceptual framework in IFRS standards;
- Amendments to IAS 1 and IAS 8 to clarify the meaning of 'material';
- Amendment to IFRS 3 covering the definition of a business.

Applying these standards had no significant impact on the Group's financial statements.

### 3.2 FINANCIAL REPORTING RULES

#### 3.2.1 Translation of financial statements and foreign currency transactions

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

The rules for translating items in financial statements and foreign currency transactions remain unchanged relative to 30 June 2020.

The main foreign currency used is the U.S. dollar. The closing exchange rate used is 1.228 U.S. dollar for 1 euro and the average exchange rate for the period is 1.168 U.S. dollar for 1 euro.

#### 3.2.2 Presentation of current and non-current assets and liabilities

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

### 3.3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

In preparing the condensed consolidated half-year financial statements for the period ended 31 December 2020, Management has exercised judgement, particularly with regard to the recoverable amounts of assets, the recognition of revenues, the estimation of provisions, contingent assets and liabilities, the recognition of tax assets and liabilities and the assessment of customer risk.

### 3.4 MAJOR CHANGES IN THE SCOPE OF CONSOLIDATION

#### 3.4.1 Half-year ended 31 December 2019

No material changes were made to the Group's scope of consolidation during the period

#### 3.4.2 Half-year ended 31 December 2020

On 1 October 2020, the Group finalized the acquisition of 100% of BigBlu Operations Ltd for a consideration of 38 million pounds sterling (41.5 million euros), £6.2 million (€6.8 million) has been also paid into an escrow account. Pursuant to the contract, the final acquisition price will be determined after agreement between the parties on the price adjustment clauses. The company and its subsidiaries operated the Bigblu Broadband group's European satellite broadband activities. This acquisition is in line with the Group's strategy consisting of developing its business in European satellite broadband.

The assessment of the goodwill (based on the £38 million payment made to the benefit of the seller) as of 31 December 2020 is provisional and, notably, includes the value of the customer relationships acquired with this transaction which will constitute a separate intangible asset currently in the assessment process.

As of 31 October 2020, the provisional allocation of the acquisition price is as follows:

	(in millions of pounds sterling)	(in millions of euros) <sup>(1)</sup>
Tangible assets	7.4	8.0
Rights of use	1.5	1.6
Inventories	1.2	1.3
Accounts receivable	6.5	7.1
Assets associated with customer contracts	9.9	10.8
Cash and cash equivalents	0.9	1.0
Other assets	2.8	3.0
<b>Total assets</b>	<b>30.2</b>	<b>32.9</b>
Lease liabilities	1.5	1.6
Accounts payable	23.2	25.3
Liabilities associated with customer contracts	11.8	12.9
Other debt	7.0	7.6
<b>Total liabilities</b>	<b>43.4</b>	<b>47.3</b>
Provisional residual goodwill	51.2	55.8i
<b>Transferred counterparty</b>	<b>38.0</b>	<b>41.5</b>
<b>Acquisition consideration</b>	<b>38.0</b>	<b>41.5</b>

<sup>(1)</sup> Data converted at the exchange rate as of the acquisition date.

## NOTE 4: SEGMENT INFORMATION

The Group considers that it only operates in a single industry 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 that are monitored by the Chief Executive Officer, the Deputy Chief Executive Officer and the Chief Financial Officer who together make up the Group's main operational decision-making body are as follows:

- Revenues;
- EBITDA defined as the operating result before amortisation and depreciation, impairment of assets and other operating income and expense, and the EBITDA profit margin on turnover;
- Cash Capex covering the acquisition of satellites and other tangible or intangible assets as well as payments in respect of export credit facilities and lease liabilities;
- Discretionary free cash flow defined as Net cash flow from operating activities less Cash Capex as well as interest and other financial costs, net of interest received;
- Net debt to EBITDA ratio (see Note 6.3.3 "Net Debt").

Internal reporting is a presentation of the Group's consolidated income statement according to a different breakdown of items than the one used in the consolidated financial statements in order to highlight performance indicators for which the main aggregates are identical to those included in the Group's consolidated accounts. Financial reporting is prepared in accordance with IFRS principles applied by the Group for its consolidated financial statements

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

## NOTE 5: NOTES TO THE INCOME STATEMENT

### 5.1 REVENUES

#### 5.1.1 Revenues by application

Revenues by application are as follows:

(in millions of euros)	31 December 2019	31 December 2020
Broadcast	389.4	378.9
Data and Professional Video	87.8	81.4
Government Services	78.3	76.9
Fixed Broadband	39.1	42.1
Mobile Connectivity	41.2	33.9
<b>Total Operating Verticals</b>	<b>635.8</b>	<b>613.1</b>
Other Revenues	2.6	17.2
<b>Total</b>	<b>638.4</b>	<b>630.3</b>
<i>EUR/USD exchange rate</i>	<i>1.11</i>	<i>1.17</i>

#### 5.1.2 Revenues by geographical region

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

(in millions of euros and as a percentage)	31 December 2019		31 December 2020	
Regions	Amount	%	Amount	%
France	44.2	6.9	39.0	6.2
Italy	72.3	11.3	77.3	12.3
United Kingdom	36.8	5.8	32.2	5.1
Europe (other)	169.0	26.5	172.0	27.3
Americas	139.7	21.9	117.1	18.6
Middle-East	112.7	17.7	121.4	19.3
Africa	48.9	7.7	47.9	7.6
Asia	19.5	3.1	17.2	2.7
Other	(4.7)	(0.7)	6.3	1.0
<b>Total</b>	<b>638.4</b>	<b>100.0</b>	<b>630.3</b>	<b>100.0</b>

Other revenues include the impact of EUR/USD currency hedging which stood at 6.1 million euros for the half-year ended 31 December 2020 versus (5.1) million euros for the half-year ended 31 December 2019.

### 5.2 SHARE-BASED COMPENSATION

In addition to the plans in force within the Group as of 30 June 2020, the Group granted a new phantom share plan settled in cash and shares on 5 November 2020. The vesting of these phantom shares is subject to the achievement of performance-related conditions and to the condition that the beneficiaries still be employed within the Group during a given period.

The expense relating to share-based compensation (excluding social contributions) amounted to 0.4 million euros for the half-year ended 31 December 2020 (0.8 million euros for the half-year ended 31 December 2019).

### 5.3 OTHER OPERATING INCOME AND EXPENSES

(in millions of euros)	31 December 2019	31 December 2020
Other operating income	-	0.7
Other operating expenses	(7.8)	(8.4)
<b>Total</b>	<b>(7.8)</b>	<b>(7.7)</b>

Other operating charges mainly include restructuring costs and costs related to changes in the scope of consolidation.

### 5.4 FINANCIAL RESULT

(in millions of euros)	31 December 2019	31 December 2020
Interest expense after hedging	(34.7)	(30.7)
Interest on lease liabilities	(7.6)	(7.3)
Loan set-up fees and commissions	(3.7)	(2.6)
Capitalised interest	10.2	8.8
<b>Cost of gross debt</b>	<b>(35.7)</b>	<b>(31.8)</b>
Financial income	0.6	0.1
<b>Cost of net debt</b>	<b>(35.1)</b>	<b>(31.7)</b>
Foreign-exchange impact	0.4	(9.0)
Other	(3.0)	(3.1)
<b>Financial result</b>	<b>(37.7)</b>	<b>(43.9)</b>

The interest expense as of 31 December 2020 includes 4.6 million euros related to the execution and termination of pre-hedging instruments used to secure the interest rate on the October 2018, June 2019 and October 2020 bonds. As of 31 December 2019, this amount stood at 4.4 million euros.

The amount of capitalised interest depends on the state of progress and number of satellite construction programmes recorded during the relevant financial period. The interest rate used to determine the amount of interest expense eligible for capitalisation stood at 2.35% as of 31 December 2020 versus 2.42% as of 31 December 2019.

### 5.5 INCOME TAX

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

As of 31 December 2020, the effective income tax rate stood at 16.2% (versus 19.2% as of 31 December 2019). This rate includes the effect of the exemption of the portion of Eutelsat S.A.'s profit attributable to the company's satellites operated outside France (article 247 of the French General Tax Code introduced by the 2019 Finance Bill), the effect of taxation rates for foreign subsidiaries that are lower than in France, as well as exchange rate differences and inflation effects on the deferred tax positions of the Satellites Mexicanos subsidiary.

## 5.6 EARNINGS PER SHARE

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

(in millions of euros)	31 December 2019	31 December 2020
<b>Net income</b>	<b>173.0</b>	<b>165.2</b>
Income from subsidiaries attributable to non-controlling interests	(1.1)	(1.2)
<b>Net earnings used to compute earnings per share</b>	<b>171.8</b>	<b>164.0</b>
<b>Average number of basic and diluted shares</b>	<b>1,013,162,112</b>	<b>1,013,162,112</b>

## NOTE 6: NOTES TO THE BALANCE SHEET

### 6.1 FIXED ASSETS

#### 6.1.1 Goodwill and other intangibles

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

(in millions of euros)	Goodwill	Other intangibles	Total
<b>Gross assets</b>			
<b>Gross value as of 30 June 2020</b>	<b>401.5</b>	<b>585.9</b>	<b>987.4</b>
Acquisitions	-	4.4	4.4
Transfers	-	10.7	10.7
Entry into the scope	55.8	-	55.8
Foreign exchange variation	(29.4)	(24.3)	(53.7)
Disposals and scrapping of assets	-	(1.3)	(1.3)
Assets held for sale	-	(7.9)	(7.9)
<b>Gross value as of 31 December 2020</b>	<b>427.9</b>	<b>567.5</b>	<b>995.5</b>
<b>Amortisation and impairment</b>			
<b>Accumulated amortisation as of 30 June 2020</b>	<b>-</b>	<b>(323.1)</b>	<b>(323.1)</b>
Amortisation expense	-	(28.1)	(28.1)
Reversals (disposals and scrapping of assets)	-	1.3	1.3
Foreign exchange variation	-	10.1	10.1
Assets held for sale	-	7.5	7.5
<b>Accumulated amortisation as of 31 December 2020</b>	<b>-</b>	<b>(332.4)</b>	<b>(332.4)</b>
Net value as of 30 June 2020	<b>401.5</b>	<b>262.8</b>	<b>664.3</b>
<b>Net value as of 31 December 2020</b>	<b>427.9</b>	<b>235.1</b>	<b>663.0</b>

## 6.1.2 Tangible assets and construction in progress

Tangible assets have evolved over the past two financial periods as follows:

(in millions of euros)	Satellites	Other tangibles	Construction in progress	Total
<b>Gross assets</b>				
<b>Gross value as of 30 June 2020</b>	<b>6,198.7</b>	<b>479.4</b>	<b>1,061.3</b>	<b>7,739.3</b>
Acquisitions	1.9	6.9	108.1	116.9
Disposals	-	(2.0)	-	(2.0)
Scrapping of assets	(155.8)	(5.7)	-	(161.5)
Foreign exchange variation	(101.1)	(3.1)	(0.5)	(104.7)
Transfers and others	182.5	20.2	(213.0)	(10.3)
Entry into the scope	-	8.1	-	8.1
Assets held for sale	(296.0)	(65.4)	-	(361.4)
<b>Gross value as of 31 December 2020</b>	<b>5,830.1</b>	<b>438.4</b>	<b>955.9</b>	<b>7,224.3</b>
<b>Depreciation and impairment</b>				
<b>Accumulated depreciation as of 30 June 2020</b>	<b>(3,488.8)</b>	<b>(392.9)</b>	<b>(1.2)</b>	<b>(3,882.9)</b>
Depreciation expense	(163.0)	(12.0)	-	(174.9)
Reversals (disposals)	-	2.0	-	2.0
Reversals (scrapping of assets)	155.8	5.2	-	161.0
Foreign-exchange variation	45.6	1.7	-	47.3
Assets held for sale	175.3	53.8	-	229.0
<b>Accumulated depreciation as of 31 December 2020</b>	<b>(3,275.1)</b>	<b>(342.2)</b>	<b>(1.2)</b>	<b>(3,618.5)</b>
<b>Net value as of 30 June 2020</b>	<b>2,709.9</b>	<b>86.6</b>	<b>1,060.1</b>	<b>3,856.7</b>
<b>Net value as of 31 December 2020</b>	<b>2,555.0</b>	<b>96.2</b>	<b>954.7</b>	<b>3,606.0</b>

The satellites listed below are under construction at the balance sheet date and should be launched during the financial years as indicated.

Projects	Years
Quantum and Hotbird 13F	Calendar year 2021
Konnect VHTS, EUTELSAT 10B and Hotbird 13G	Calendar year 2022

The transfers relating to satellites under construction for the period ended 31 December 2020 correspond to the entry into service of the Konnect satellite launched during the financial year ended 30 June 2020.



### 6.1.3 Rights of use in respect of leases

During the financial period ended 31 December 2020, rights of use evolved as follows:

(in millions of euros)	Satellites	Miscellaneous Tangible assets	Total
<b>Gross assets</b>			
<b>Gross value as of 30 June 2020</b>	<b>850.9</b>	<b>34.8</b>	<b>885.7</b>
Acquisitions	-	39.9	39.9
Foreign exchange variation	-	(0.7)	(0.7)
Lease amendments and terminations	-	(13.2)	(13.2)
Entry into the scope	-	1.6	1.6
Assets held for sale	-	(1.2)	(1.2)
<b>Gross value as of 31 December 2020</b>	<b>850.9</b>	<b>61.3</b>	<b>912.2</b>
<b>Depreciation and impairment</b>			
<b>Accumulated depreciation as of 30 June 2020</b>	<b>(311.4)</b>	<b>(18.0)</b>	<b>(329.4)</b>
Depreciation expense	(28.7)	(6.1)	(34.7)
Lease amendments and terminations	-	12.1	12.1
Foreign-exchange variation	-	0.2	0.2
Assets held for sale	-	0.4	0.4
<b>Accumulated depreciation and impairment as of 31 December 2020</b>	<b>(340.0)</b>	<b>(11.4)</b>	<b>(351.4)</b>
Net value as of 30 June 2020	<b>539.5</b>	<b>16.8</b>	<b>556.3</b>
<b>Net value as of 31 December 2020</b>	<b>510.9</b>	<b>49.9</b>	<b>560.7</b>

Satellite rights of use mainly relate to the Express AT1, Express AT2, Express AM6, Express 36C and Astra 2G leases. None of these lease contracts contain purchase options on expiry of the lease.

No renewal options have been considered to determine the term of the leases.

### 6.1.4 Purchase commitments

In addition to the items posted to the balance sheet, the Group has commitments with suppliers for the acquisition of assets (satellites and other assets) and the provision of services for an aggregate amount of 619 million euros as of 31 December 2020 and 857 million euros as of 30 June 2020. As of 31 December 2020, future payments in respect of these commitments are scheduled as follows

(in millions of euros)	At 31 December 2020
Maturity within 1 year	222
From 1 to 2 years	227
From 2 to 3 years	33
From 3 to 4 years	12
Maturity exceeding 4 years	125
<b>Total</b>	<b>619</b>

Furthermore, the Group has granted guarantee of 2.8 million euros to a third party, together with a guarantee covering the payment of the sums in respect of the granting of orbital rights. This guarantee is unlimited and applies to the entire term of the licence.

## 6.2 RECEIVABLES, ASSETS AND LIABILITIES FROM CUSTOMER CONTRACTS AND COSTS TO OBTAIN OR FULFIL A CONTRACT

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

(in millions of euros)	30 June 2020	31 December 2020
<b>Assets</b>		
Accounts receivable	335.5	279.1
Assets associated with customer contracts	42.8	45.4
Costs to fulfil contracts	26.9	4.3
Costs to obtain contracts	22.3	11.0
<b>Total current and non-current assets</b>	<b>427.5</b>	<b>339.8</b>
<i>Incl. non current portion</i>	74.9	46.5
<i>Incl. current portion</i>	352.6	293.4
<b>Liabilities</b>		
Financial liabilities - Guarantees and commitments received	56.2	54.6
Current contract liabilities	187.5	161.7
<b>Total current and non-current liabilities</b>	<b>243.7</b>	<b>216.3</b>
<i>Incl. non current portion</i>	152.8	138.2
<i>Incl. current portion</i>	90.9	78.1

### 6.2.1 Accounts receivable

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

(in millions of euros)	30 June 2020	31 December 2020
Non-matured receivables	145.8	111.1
Matured receivables between 0 and 90 days	58.1	54.7
Matured receivables for more than 90 days	250.7	209.9
Provision for bad debt	(119.2)	(96.6)
<b>Total</b>	<b>335.5</b>	<b>279.1</b>

Changes in Impairment of trade receivables over the past two financial periods were as follows:

(in millions of euros)	Total
<b>Value as of 30 June 2020</b>	<b>119.2</b>
Net allowance (reversals)	14.3
Reversals (used)	(33.2)
Foreign exchange variation	(1.8)
Assets held for sale	(1.9)
<b>Value at 31 December 2020</b>	<b>96.6</b>

## 6.3 FINANCIAL ASSETS AND LIABILITIES

### 6.3.1 Cash and cash equivalents

Cash and cash equivalents are detailed as follows:

(in millions of euros)	30 June 2020	31 December 2020
Cash at bank and in hand	482.5	719.7
Cash equivalents	345.5	360.9
<b>Total</b>	<b>828.1</b>	<b>1,080.7</b>

### 6.3.2 Financial debt

Financial debt breaks down as follows:

(in millions of euros)	Rate	30 June 2020	31 December 2020	Maturity
Loans with Eutelsat Communications S.A.	Variable	483.1	71.2	
EIB term loan	0.488 %		200.0	December 2028
Bond 2022	3.125 %	300.0	300.0	October 2022
Bond 2025	2.000 %	800.0	800.0	October 2025
Bond 2027	2.250 %	600.0	600.0	July 2027
Bond 2028	1.5 %	-	600.0	October 2028
Structured debt				
	Variable	71.2	59.3	May 2024
	0.65%	61.3	66.2	June 2022
	0.75%	77.8	79.0	June 2023
	0.90%	12.0	45.6	June 2024
<b>Sub-total of debt (non-current portion)</b>		<b>2,405.4</b>	<b>2,821.3</b>	
Loan set-up fees and premiums		(15.7)	(18.4)	
<b>Total of debt (non-current portion)</b>		<b>2,389.7</b>	<b>2,802.9</b>	
Bond 2021	1.125 %	500.0	500.0	June 2021
Structured debt	Variable	23.7	23.7	
RCF drawdown	Variable	300.0	-	September 2020
Accrued interest not yet due		33.9	17.6	
<b>Total debt (current portion)</b>		<b>857.7</b>	<b>541.4</b>	
<b>Total</b>		<b>3 247.3</b>	<b>3 344.3</b>	

All the debt is denominated in euros.

The structured debts are subject to a financial covenant that provides for a net total debt to EBITDA ratio equal to or less than 4.0/1. As of 31 December 2020, the Group was in compliance with all the banking covenants. The bonds are also backed by a banking covenant which provides for each lender to request early repayment of all amounts due in the event of a change of control of Eutelsat S.A. or Eutelsat Communications, and a rating downgrade on Eutelsat S.A.

The credit agreements do not include any guarantee by the Company or any pledge of assets to lenders, but do contain restrictive clauses (subject to the usual exceptions provided for in this type of loan agreement) which limit the ability of Eutelsat 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 satellite, a commitment not to have more than one satellite that is not covered by a launch insurance policy.

As of 31 December 2020, the Group had active credit lines for an aggregate undrawn amount of 659.2 million euros (398.8 million as of 30 June 2020). These lines of credit are backed by the same type of bank covenants as those in place for the term loan and other structured debt.

The schedule of debt maturities, excluding issue costs and premiums and accrued interest not yet due as at 31 December 2019 was as follows:

(in millions of euros)	Amount	Maturity within 1 year	Maturity between 1 and 5 years	Maturity exceeding 5 years
Loans with Eutelsat Communications S.A.	71.2	-	71.2	-
EIB term loan	200.0	-	-	200.0
Structured debt	273.9	23.7	250.1	-
Bond 2021	500.0	500.0	-	-
Bond 2022	300.0	-	300.0	-
Bond 2025	800.0	-	800.0	-
Bond 2027	600.0	-	-	600.0
Bond 2028	600.0	-	-	600.0
<b>Total</b>	<b>3,345.1</b>	<b>523.7</b>	<b>1,421.3</b>	<b>1,400.0</b>

### 6.3.3 Net debt

Net debt breaks down as follows:

(in millions of euros)	30 June 2020	31 December 2020
Loans with Eutelsat Communications S.A.	483.1	71.2
EIB term loan	-	200.0
Bonds	2,200.0	2,800.0
RCF drawdown	300.0	-
Structured debt	246.1	273.9
Change portion of the cross-currency swap	(4.3)	(57.1)
Lease liabilities	489.6	485.5
<b>Gross debt</b>	<b>3,714.4</b>	<b>3,773.5</b>
Cash and cash equivalents	(828.1)	(1,101.1)
<b>Net debt</b>	<b>2,886.3</b>	<b>2,672.4</b>

The balance of cash and cash equivalents reported as of 31 December 2020 includes 20.4 million euros of cash representing assets held for sale, along with the Group's current account debt to EBI, which Eutelsat S.A. has agreed to repay prior to the disposal of EBI in the amount of 74.1 million euros (see Note 6.7 "Assets held for sale").

The changes in the debt position between 30 June 2020 and 31 December 2020 are presented below:

(in millions of euros)	30 June 2020	Cash flow	Non-cash flow	Currency effect	Fair value change and other	31 December 2020
Loans with Eutelsat Communications S.A.	483.1	(411.9)	-	-	-	71.2
EIB term loan	-	200.0	-	-	-	200.0
Bonds	2,200.0	600.0	-	-	-	2 800.0
RCF drawdown	300.0	(300.0)	-	-	-	-
Structured debt	246.1	(11.9)	39.7	-	-	273.9
Change portion of the cross-currency swap	(4.3)	-	-	-	(52.7)	(57.1)
Lease liabilities	489.6	(44.1)	40.3	(0.1)	(0.2)	485.5
<b>Total</b>	<b>3,714.4</b>	<b>32.1</b>	<b>80.0</b>	<b>(0.1)</b>	<b>(52.9)</b>	<b>3,773.5</b>

### 6.3.4 Other financial assets and liabilities

Other financial assets break down as follows:

(in millions of euros)	30 June 2020	31 December 2020
Non-consolidated equity investments	14.7	14.7
Financial Instruments	10.3	68.5
Other financial assets	30.9	32.3
<b>Total</b>	<b>55.8</b>	<b>115.5</b>
<i>Incl. current portion</i>	23.4	32.4
<i>Incl. non current portion</i>	32.4	83.1

Other financial liabilities break down as follows:

(in millions of euros)	30 June 2020	31 December 2020
Lease liabilities	493.4	487.8
Other liabilities	86.6	79.1
Derivative financial instruments	43.0	26.4
Social contributions and payroll liabilities	48.7	32.8
Tax liabilities	15.0	20.9
<b>Total</b>	<b>686.7</b>	<b>647.3</b>
<i>Incl. current portion</i>	182.3	132.0
<i>Incl. non current portion</i>	504.4	515.2

Lease liabilities include accrued interest of 2.5 million euros as of 30 June 2020 and 3.1 million euros as of 31 December 2020.

### 6.3.5 Derivative financial instruments

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

(in millions of euros)	Notional		Fair value		Change in fair value over the period	Impact on income (excl. coupons)	Impact on equity (excl. coupons)
	30 June 2020	31 Dec 2020	30 June 2020	31 Dec 2020			
Synthetic forward sale with knock-in option	244.7	99.3	5.8	11.4	5.5	-	5.5
Cross currency swap	612.0	553.9	(33.9)	30.7	64.6	-	64.6
<b>Total forex derivatives</b>	<b>856.7</b>	<b>653.2</b>	<b>(28.1)</b>	<b>42.1</b>	<b>70.1</b>	-	<b>70.1</b>
Pre-hedging swap	300.0	-	(4.7)	-	4.7	-	4.7
<b>Total interest rate derivatives</b>	<b>300.0</b>	-	<b>(4.7)</b>	-	<b>4.7</b>	-	<b>4.7</b>
<b>Total derivatives</b>	<b>1,156.7</b>	<b>653.2</b>	<b>(32.8)</b>	<b>42.1</b>	<b>74.8</b>	-	<b>74.8</b>

As of 31 December 2020, the cumulative fair value of the derivative financial instruments was positive at 68.5 million euros and negative at 26.4 million euros (see Note 6.3.4 "Other financial assets and liabilities").

## 6.4 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

(in millions of euros)	30 June 2020	31 December 2020
Bond 2021	501.5	501.7
Bond 2022	314.1	316.4
Bond 2025	817.7	859.9
Bond 2027	609.1	649.5
Bond 2028	-	610.2
<b>Total</b>	<b>2,242.4</b>	<b>2,937.7</b>

## 6.5 SHAREHOLDERS' EQUITY

### 6.5.1 Share capital

As of 31 December 2020, the share capital of Eutelsat Communications S.A. comprised 1,013,162,112 ordinary shares with a par value of 0.65 euro per share. There were no movements during the period ended 30 June 2020.

### 6.5.2 Dividends

At its meeting of 8 October 2020, the Ordinary and Extraordinary General Meeting of Shareholders decided not to distribute a dividend in respect of the financial year ended 30 June 2020. In 2019, the dividend payout amounted to 567.4 million euros, i.e. 0.56 euro per share.

### 6.5.3 Change in the revaluation surplus of financial instruments

Changes in the revaluation surplus for derivative instruments qualified as hedging instruments during the financial year break down as follows:

(in millions of euros)	Total
<b>Balance at 30 June 2020</b>	<b>(52.4)</b>
Changes in fair value within equity that can be reclassified to income	21.5
<b>Balance at 31 December 2020</b>	<b>(30.9)</b>

### 6.5.4 Translation reserve

Changes in the translation reserve during the financial period were as follows:

(in millions of euros)	Total
<b>Balance at 30 June 2020</b>	<b>128.4</b>
Net change over the period	(59.3)
<b>Balance at 31 December 2020</b>	<b>69.1</b>

The main currency generating translation differences is the US dollar.

As of 31 December 2020, the translation reserve includes 30.7 million euros for the Cross Currency Swap used to hedge currency exposure of a net investment in a foreign operation (see Note 6.3.5 "Derivative financial instruments") and (112.2) million euros relating to the Cross Currency Swap having matured during a previous financial year.

### 6.5.5 Actuarial gains and losses

The reference interest rates used to determine the discounted value of the guarantee given to a pension fund and retirement benefits were reduced from 1.25% as of 30 June 2020 to 0.80% as of 31 December 2020. This reduction in the discount rate led to a 17.3 million euro increase in the commitments over the period.

## 6.6 PROVISIONS

Changes in provisions between 30 June 2020 and 31 December 2020 are presented below:

(in millions of euros)	30 June 2020	Allowance		Reversal		Reclassification	Recognised in equity	Liabilities held for sale	31 December 2020
		Used	Unused	Used	Unused				
Financial guarantee granted to a pension fund	83.7	0.6	-	-	-	-	16.5	-	100.8
Retirement indemnities	14.6	0.6	(1.8)	-	-	-	0.8	-	14.1
Other post-employment benefits	6.2		(0.7)	-	(0.3)	-	-	(0.5)	4.7
<b>Total post-employment benefits</b>	<b>104.4</b>	<b>1.2</b>	<b>(2.5)</b>	<b>-</b>	<b>(0.3)</b>	<b>-</b>	<b>17.3</b>	<b>(0.5)</b>	<b>119.5</b>
Commercial, employee-related and tax litigation	18.6	3.8	(1.0)	(6.3)	(0.5)	-	-	-	14.7
<b>Total provisions</b>	<b>123.1</b>	<b>5.0</b>	<b>(3.5)</b>	<b>(6.3)</b>	<b>(0.8)</b>	<b>-</b>	<b>17.3</b>	<b>(0.5)</b>	<b>134.2</b>
<i>Incl. non current portion</i>	106.6								122.1
<i>Incl. current portion</i>	16.5								12.1

### 6.5.6 Litigation and contingent liabilities

Eutelsat S.A., a company belonging to the tax consolidation group of which Eutelsat Communications S.A. is the integral parent company, underwent a tax audit in respect of the financial years ended 30 June 2012, 2013 and 2014. In December 2016, the company received a tax adjustment notification in respect of the financial periods ended 30 June 2013 and 30 June 2014. As a result of the pre-litigation appeals and subsequent discussions, the amounts claimed by the tax authorities were significantly reduced. There is still disagreement on certain tax enhancements, on which Eutelsat believes that it has solid defences.

Eutelsat S.A. underwent a tax audit in respect of the financial years ended 30 June 2016 and 2017. In December 2019, the company received a tax adjustment notification in respect of these two financial periods. The company has responded to this proposed adjustment.

## 6.7 ASSETS HELD FOR SALE

As of 31 December 2020, the assets and liabilities shown in the financial situation statement under "Assets held for sale" and "Liabilities held for sale", relate to the activities of Euro Broadband International Sàrl (EBI) and its subsidiaries. On 18 November 2020, Eutelsat S.A. agreed to sell its 51% stake in Euro Broadband Infrastructure Sàrl (EBI), the company operating the KA SAT satellite, and its European broadband activities to Viasat Inc, its 49% shareholder.

The total amounts of "Assets held for sale" and "Liabilities held for sale" stand, respectively, at 196.9 and 22.9 million euros with the breakdown as follows:

(in millions of euros)	31 December 2020
<b>Assets</b>	
Intangible assets	0.3
Tangible assets and construction in progress	132.3
Rights of use	0.8
Non-current financial assets	0.3
Non-current assets associated with customer contracts and costs to obtain or fulfil a contract	16.5
Deferred tax assets	0.8
<b>Total non-current assets</b>	<b>151.1</b>
Inventories	2.7
Accounts receivable	9.1
Current assets associated with customer contracts and costs to obtain or fulfil a contract	7.3
Other current assets	5.4
Current tax receivable	0.2
Current financial assets	0.8
Cash and cash equivalents	20.4
<b>Total current assets</b>	<b>45.8</b>
<b>Total assets</b>	<b>196.9</b>

(in millions of euros)	31 December 2020
Non-current lease liabilities	0.6
Other non-current financial liabilities	0.7
Non-current liabilities associated with customer contracts	13.7
Non-current provisions	0.5
Deferred tax liabilities	2.8
<b>Total non-current liabilities</b>	<b>18.3</b>
Current lease liabilities	0.2
Other current payables and financial liabilities	0.9
Accounts payable	1.5
Tax payable	0.2
Current liabilities associated with customer contracts	1.8
<b>Total current liabilities</b>	<b>4.6</b>
<b>Total liabilities</b>	<b>22.9</b>

EBI constitutes a group of assets held for sale within the meaning of IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations:

- The asset group is available for immediate sale in its current state,
- Eutelsat considers this operation to be highly probable and expects its completion in the first quarter 2021. This judgement is based on the firm and irrevocable nature of the purchase offer received, and on the nature of the conditions precedent remaining to be fulfilled.
- The book value of the asset will mainly be recovered by its sale rather than by its continued use in view of the loss of control resulting from the full disposal of the Group's stake in EBI and its subsidiaries.



As result, as of 18 November 2020, Eutelsat reclassified EBI and its subsidiaries under “Assets held for sale“. The impacts of this reclassification on the Group’s consolidated financial statements are as follows:

- The assets held for sale and the corresponding liabilities are presented separately from the other assets and liabilities on specific lines of the financial position statement as of 31 December 2020, without reclassification in the financial position statement as of 30 June 2020.
- The depreciation relating to the assets within the scope being divested was suspended as of 18 November 2020.

In addition, Eutelsat has undertaken to reimburse the current account held with EBI before the sale. As of 31 December 2020, the amount of the current account stood at 74.1 million euros.

## **NOTE 7: RELATED-PARTY TRANSACTIONS**

No related-party transactions of a nature different to those entered into during the financial year ended 30 June 2020 were realised during the reporting period.

## **NOTE 8: SUBSEQUENT EVENTS**

None