EUTELSAT COMMUNICATIONS S.A.

Société anonyme with a Board of Directors
and a share capital of 230,544,995 euros
Registered office: 32 boulevard Galliéni,
F-92130 Issy les Moulineaux

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MANAGEMENT REPORT OF THE BOARD OF DIRECTORS ON THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note: The English version of this Management Report is a free translation of the French version and is provided solely for the benefit of English-speaking users.

Dear Shareholder(s),

We submit to you a management report on the activity of Eutelsat Communications (the Company) and the Eutelsat Group[1] for the year ended 30 June 2021.

We also present to you the company and consolidated financial statements for the year ended 30 June 2021. The consolidated statements show the intra-group relations with our subsidiaries and affiliated companies.

This report was adopted by the Board of Directors at its meeting on 29 July 2021.

INTRODUCTION

Operating capacity on 38 satellites in-orbit between 133° West and 174° East, broadcasting around 7,000 television channels, the Group is one of the leaders in EMEA area[2] for the provision of Fixed Satellite Services (FSS).

It mainly operates and supplies capacity for Broadcast as well as for Connectivity applications (Fixed Data, Government Services Fixed Broadband and Mobile Connectivity) which have strong long-term growth potential.

Via its fleet, the Group covers the entire European continent, the Middle East and North Africa, as well as sub-Saharan Africa and a large section of the Asian and American continents, potentially giving it access to almost 100% of the world's population. The Group is also invested in OneWeb which is developing a global low-earth orbit constellation.

1 Eutelsat Group" or "the Group" means Eutelsat Communications and all the companies controlled directly or indirectly by Eutelsat Communications

2 EMEA includes western and central Europe, Russia and central Asia, the Middle-East, North Africa and Sub-Saharan Africa.

1 – KEY HIGHLIGHTS IN THE FINANCIAL YEAR

1.1 MAIN HIGHLIGHTS OF FY 2020-21

The main highlights of the fiscal year are the following:

Operating Verticals revenues at the top end of the upgraded range of objectives

- €1,201 million on a reported basis, down 3.3% like-for-like
- €1,220 million at 1.14 €/$ rate, at the high end of our €1,200 to 1,220 million range

Robust financial performance despite tough external context

- High level of cash generation, with reported Discretionary Free Cash flow of €467 million, representing 38% of revenues and record high Adjusted Discretionary Free Cash flow of €498 million.
- Industry-leading profitability with a 74.7% EBITDA margin despite headwind related to covid-linked Bad Debt.
- Sound balance sheet with an improved Net Debt / EBITDA ratio at 2.88x (versus 3.05x last year).

Strong commercial performance with growing backlog representing 3.5 years of revenues

- **Broadcast**: Sky Italia renewal highlighting the long-term relevance of satellite broadcast in Europe and incremental capacity commitment from Multichoice in sub-Saharan Africa;
- **Fixed Data**: Multiple deals with new or expanded capacity highlighting the robust demand for Backhaul and Corporate Networks;
- **Government Services**: New EGNOS payload on EUTELSAT HOTBIRD 13G with a total contract value of €100m over 15 years; EUTELSAT 36D selected by Airbus Defence and Space to carry its latest Ultra High Frequency (UHF) payload;
- **Fixed Broadband**: Major wholesale agreement with Telecom Italia for the Italian capacity on EUTELSAT KONNECT and KONNECT VHTS, following similar deal with Orange for France.
- **Mobile Connectivity**: Agreement with Global Eagle for capacity in inclined orbit at 139°West.

Ramp up of Fixed Broadband strategy with significant acceleration expected from FY 2021-22

- Entry into service of EUTELSAT KONNECT with full coverage over Europe and Africa
- Progress in Western Europe:
  - Wholesale agreements with Orange and TIM; ongoing discussions with other operators.
  - Launch of retail offers in several European countries, following successful integration of Bigblu Broadband Europe.
- Multiple distribution agreements signed in key African markets.

Strategic investment in OneWeb

- Compelling entry point to the LEO segment.
- Additional growth engine for our connectivity businesses.
- Strong potential for co-operation thanks to complementarity of resources and assets.

Well on track to receive C-Band proceeds during FY 2021-22 with completion report to be filed imminently

- Completion report on both phase 1 and phase 2 of the transition to be filed imminently.
- Eutelsat eligible for a pre-tax consideration of $507m of which $125m for phase 1 and $382m for phase 2.
- Proceeds expected in full during FY 2021-22 for both phase 1 and phase 2.

Updated financial objectives extending visibility to FY 2023-24

- Operating Vertical revenues expected between €1,110 million and €1,150 million in FY 2021-22 (at 1.20 €/$ rate),
- Operating vertical revenues expected to grow from FY 2022-23 with an acceleration in FY 2023-24, on the back of the entry into service of new assets with substantial firm precommitments.
- Adjusted Discretionary Free Cash Flow Objective for FY 2021-22 raised by €30m at constant currency; growth from FY 2022-23.

Commitment to strong shareholder returns with recommended dividend of €0.93, up 5%

- Dividend covered more than twice by Reported Discretionary Free Cash Flow.

Please refer also to the section 5.2 “Fleet Performance”.

1.2 REVENUES BY BUSINESS APPLICATION

For a review of the performance for each application, please refer to section 7.3.1 “Revenue evolution” of this document.

1.3 FINANCIAL PERFORMANCE

Key Financial Data	FY 2019-20	**FY 2020-21**	**Change**
P&L			
Revenues - €m	1,278.3	**1,233.9**	**-3.5%**
“Operating Verticals” revenues reported - €m	1,276.3	**1,201.2**	**-5.9%**
“Operating Verticals” revenues at constant currency and perimeter - €m	1,267.5	**1,225.9**	**-3.3%**
“Operating Verticals” revenues as per financial objectives	-	**1,219.9**	**-**
EBITDA[3] - €m	985.0	**921.9**	**-6.4%**
EBITDA margin - %[2]	77.1%	**74.7%**	**- 2.4 pts**
Group share of net income - €m	297.6	**214.1**	**-28.1%**
Financial structure			
Reported Discretionary Free-Cash-Flow - €m[2]	474.4	**467.1**	**-1.5%**
Adjusted Discretionary Free-Cash-Flow - €m[2]	496.5	**497.6**	**+0.2%**
Net debt - €m	2,999.4	**2,655.5**	**-€343.9m**
Net debt/EBITDA - X[2]	3.05	**2.88**	**-0.17x**
Backlog - €bn	4.1	**4.4**	**+7.4%[4]**

EBITDA, EBITDA margin, Net debt / EBITDA ratio, Cash Capex and Discretionary Free Cash-Flow are considered as Alternative Performance Indicators. Their definition and calculation can be found in the section below.

For more detail, please refer to sections 7 of this document.

1.4 OTHER OPERATION INDICATORS

1.4.1 Operational and utilized transponders

The number of operational transponders at 30 June 2021 stood at 1,377 almost unchanged year-on-year. The number of utilized transponders stood at 981, up 21 units year-on-year.

As a result, the fill rate stood at 71.2% compared with 69.7% a year ago.

	30 June 2020	30 June 2021
Operational transponders (1)	1,376	1,377

[3] Please refer to Section 1.5. for more details on Alternative Performance Measures.

[4] At constant currency.

Utilized transponders [(2)]	960	981
Fill rate	69.7%	71.2%

Note: Based on 36 MHz-equivalent transponders excluding high throughput capacity;
(1) Number of transponders on satellites in stable orbit, back-up capacity excluded.
(2) Number of transponders utilized on satellites in stable orbit.

1.4.2 Backlog

At 30 June 2021, the backlog stood at €4.4 billion, down 7.4% at constant currency compared to 30 June 2020, reflecting natural backlog consumption in the absence of material Broadcast renewals. It was equivalent to 3.5 times 2020-21 revenues. Broadcast represented 64% of the backlog.

	30 June 2020	30 June 2021
Value of contracts **(in billions of euros)**	4.1	4.4
In years of revenues based on last fiscal year	*3.2*	*3.5*
Share of Broadcast	68%	64%

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

1.5 ALTERNATIVE PERFORMANCE INDICATORS

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

EBITDA, EBITDA margin and Net debt / EBITDA ratio

EBITDA reflects the profitability of the Group before Interest, Tax, Depreciation and Amortization. It is a frequently used indicator in the Fixed Satellite Services Sector and more generally the Telecom industry. The table below shows the calculation of EBITDA based on the consolidated P&L accounts for FY 2019-20 and FY 2020-21:

Twelve months ended June 30 (€ millions)	**2020**	**2021**
Operating result	490.2	347.2
+ Depreciation and Amortization	530.9	507.7
- Other operating income and expenses	(36.1)	67.0
EBITDA	**985.0**	**921.9**

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

Twelve months ended June 30 (€ millions)	**2020**	**2021**
EBITDA	985.0	921.9
Revenues	1,278.3	1,233.9
EBITDA margin (as a % of revenues)	**77.1%**	**74.7%**

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

Twelve months ended June 30 (€ millions)	2020	2021
Last twelve months EBITDA	985.0	921.9
Closing net debt[5]	2,999.4	2,655.5
Net debt / EBITDA	**3.05x**	**2.88x**

Cash Capex

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

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

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

The table below shows the calculation of Cash Capex for FY 2019-20 and FY 2020-21:

Twelve months ended June 30 (€ millions)	2020	2021
Acquisitions of satellites, other property and equipment and intangible assets	(220.3)	(183.4)
Insurance proceeds	85.6	6.6
Repayments of ECA loans, lease liabilities and other bank facilities [6]	(86.7)	(165.2)
Cash Capex	**(221.5)**	**(342.0)**

Discretionary free cash flow (DFCF)

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

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

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

The table below shows the calculation of Reported Discretionary free cash flow and Adjusted Discretionary free cash flow for FY 2019-20 and 2020-21 and its reconciliation with the cash flow statement:

Twelve months ended June 30 (€ millions)	2020	2021
Net cash flows from operating activities	779.0	889.0
Cash Capex (as defined above)	(221.5)	(342.0)
Interest and other fees paid net of interest received	(83.2)	(80.0)
Reported Discretionary Free-Cash Flow	**474.4**	**467.1**

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

[6] Included in lines "Repayment of borrowings" and "Repayment of lease liabilities" of cash-flow statement

Currency impact[7]	-	24.4
Hedging Impact	10.6	(15.6)
One-off costs related to “LEAP 2” program and move to new headquarters	11.5	21.7
Adjusted Discretionary Free-Cash Flow	**496.5**	**497.6**

1.6 CHANGES IN PERIMETER

Acquisition of Bigblu Broadband

On 30 September 2020 Eutelsat Communications acquired the European satellite broadband activities of Bigblu Broadband for a consideration of approximately £38 million.

Investment in OneWeb

On 27 April 2021 Eutelsat has entered into an agreement with OneWeb, for the subscription of a c.24% equity stake[8], becoming a leading shareholder of the company alongside the UK Government and Bharti Global. Eutelsat will invest $550 million in OneWeb, with closing expected in H2 2021 subject to regulatory authorisations.

Closing of the disposal of EBI

On 30 April 2021 the transaction with Viasat for the disposal of Eutelsat’s 51% stake in Euro Broadband Infrastructure (EBI), the company operating the KA-SAT satellite, and related European broadband business, was closed for an initial amount of €143 million. The net impact of this sale on the Group's net debt amounted to €41.5 million, after taking into account the cash held by EBI at the date of the sale.

[7] FY 2020-21 discretionary Free-Cash Flow has been converted at FY 2019-20 €/$ rate.

[8] Following the $500m investment from Bharti announced on 29 June 2021 and subject to its completion, the stake of Eutelsat would be mechanically diluted to 19.3%

2 - PRESENTATION OF THE GROUP'S ACTIVITIES, MARKETS AND STRATEGY

2.1 A SUSTAINABLE BUSINESS MODEL

With a fleet of 38 geostationary satellites, Eutelsat is one of the world's leading operators of telecommunication satellites. The Group operates satellites located in geostationary orbit from 133° West to 174° East, with a footprint covering Europe, Africa, the Middle-East, Asia-Pacific and the Americas. On the strength of these premium orbital positions and extensive ground infrastructure, Eutelsat has built a solid client base of broadcasters, telecommunications operators and government agencies, served either directly or through distributors. The main suppliers are satellite manufacturers and launch service providers.

With their ubiquitous coverage and high bandwidth availability, the satellites are well positioned to offer high-performance solutions for delivering content directly to end users, including populations located in the most isolated regions.

Eutelsat's mission consists of anticipating the development of communications thanks to a cutting-edge satellite technology to open the way to new forms of communication, enabling everyone to be connected around the globe.

Eutelsat is deploying a major investment strategy to contribute to bridging the digital divide. The entry into service of the EUTELSAT KONNECT satellite has given the Group a next-generation satellite enabling it to offer high-speed broadband access across Europe and Africa. With the forthcoming launch of the KONNECT VHTS satellite, the Group's broadband capacity will be reinforced.

Within Eutelsat, personal engagement and team spirit are key to the achievement of shared and ambitious goals. Every day, the Group's 1,200 employees work on unleashing the potential of innovative technologies so that users around the world can benefit from the most up-to-date video and connectivity services.

Its expertise, innovative ability and the establishment of a constructive, long-term stakeholder dialogue enable Eutelsat - the world leader in video, its core business nearly 7,000 television channels of which 2,300 free-to-air – to rank alongside the major connectivity players.

MAJOR TRENDS

A market which will remain fiercely competitive with new entrants

Resilient core broadcast business

Development in Connectivity

Technological changes opening up new markets

Digital inclusion of the regions

RESOURCES	SHARED VALUE CREATION	IMPACTS FOR STAKEHOLDERS
HUMAN CAPITAL • 1,200 employees • 50 nationalities • Global network with over 25 subsidiaries and sales offices • More than 90% full-time contracts •	**OUR MISSION** **ENABLE EVERYONE TO BE CONNECTED AROUND THE WORLD**	**ACT FOR THE WELL-BEING OF EMPLOYEES** • Gender equality index 91/100 • Job Booster recruitment programme • Absenteeism rate: • Number of accidents at work: • Bloom at Work survey

INDUSTRIAL CAPITAL • 38 geostationary satellites • Infrastructure including teleports in France, Italy, Madeira and Mexico • Nearly 7,000 channels broadcast via our satellites globally	**OUR STRATEGIC AMBITION** • Adapt the Group's strategy to the change in its markets • Maximise value creation in the historic activities • Accelerate the Group's development in Connectivity	**ENABLE ACCESS TO INFORMATION** • Coverage of rural areas • Bridge the digital divide: development and marketing of high-speed broadband offers via satellites • Access to education and connectivity: Italy, Africa, Mexico
FINANCIAL CAPITAL • Backlog representing more than 3 years of revenues • Shareholders' equity (€2,691m) • Solid credit profile with investment grade credit ratings	**DIVERSITY OF EUTELSAT'S BUSINESS** • Broadcast (of TV channels) • Fixed data • Fixed high-speed broadband services for governments • Fixed and mobile high-speed broadband connectivity	**OPTIMISE THE COMPANY'S FINANCIAL PERFORMANCE** • A high dividend offering an attractive yield • Strong cash generation: €467m in 2020-21 • Market capitalization of 2,271 million euros at 30 June 2021 • Solid financial structure
INTELLECTUAL CAPITAL • More than 45 patents in the Eutelsat portfolio • Continuous innovation	**CLIENTS (DIRECT AND INDIRECT)** • Broadcasters • Telecom operators • Companies • Government agencies • Individuals	**INNOVATING IN THE SPACE WORLD** • EUTELSAT QUANTUM • Amongst the first users of 100% electric satellites
ENVIRONMENTAL CAPITAL • Implementation of a Clean Space policy • 6 proprietary teleports and more than 70 partner teleports • A new head office in Issy-Les-Moulineaux • "Space Debris Mitigation Plan" programme	**SUPPLIERS AND BUSINESS PARTNERS** • Satellite manufacturers • Satellite launch operators • Partner satellite operators • Partner teleport operators	**REDUCE OUR ENVIRONMENTAL IMPACT** • 22 satellites passivated and re-orbited and 113 placed in geostationary orbit • Installation of photovoltaic panels at the Madeira site • ISO14001certification at the Madeira and Cagliari sites • More than 15% reduction in our CO_2 emissions from air travel between 2016 and 2019
SOCIETAL CAPITAL • A robust ethical and anti-corruption policy • Broadcasting of more than 2,200 free-to-air channels • Inclusion of CSR clauses in our contracts with suppliers • In-field engagement in humanitarian relief in partnership with NGOs		**BUILDING LONG-TERM RELATIONSHIPS WITH OUR STAKEHOLDERS** • 100% of employees trained in anti-corruption • Internal "arrondi solidaire" initiative • Implementation of programmes enabling the digital inclusion of the most farflung regions • Member of the Space Data Association

2.2 GROUP'S ACTIVITIES

Operating capacity on 38 satellites in-orbit between 139° West and 174° East providing coverage of EMEA[9], the Americas and a large part of the Asian continent, the Group delivers its services to broadcasters and network operators directly or via distributors.

As of 30 June 2021, Eutelsat's revenues were 1,234 million euros, of which 62% came from Video Applications. The backlog stood at 4.4 billion euros, of which 64% for Broadcast.

2.2.1 Broadcast

Accounting for 62% of Eutelsat's revenues, Broadcast ("Video Distribution") revenues stood at 741 million euros for the Financial Year 2020-21.

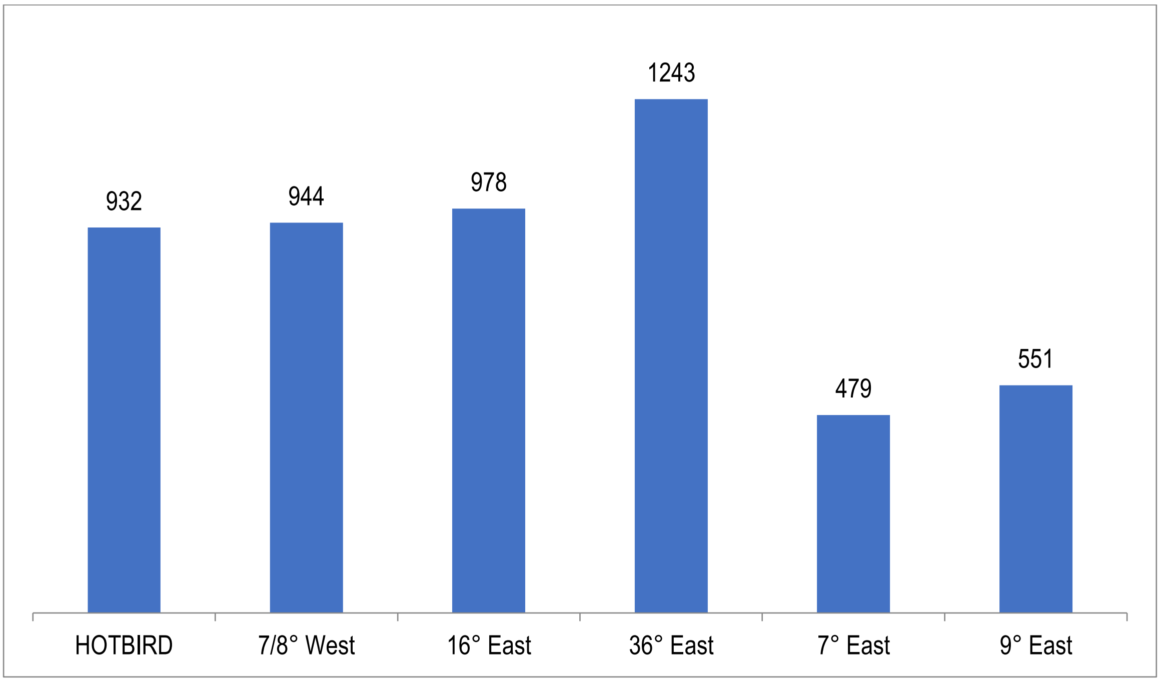
Eutelsat provides its customers with broadcasting capacity and associated services to enable them to transmit TV programmes mainly to households that are either equipped to receive them direct via satellite, or – to a much lesser extent -connected to cable or IP networks. The Group occupies a key place in the audiovisual chain which extends from the reporting site to the TV viewer's screen.

With 7,006 TV channels (including 1,942 in High Definition) broadcast via the Group's in-orbit resources, Eutelsat is a market leader not only in Europe, but also in emerging markets such as Russia, the Middle-East, North Africa and Sub-Saharan Africa where, thanks to its premium broadcasting orbital positions it benefits regularly from the launch of new television channels and the surge in popularity of new broadcasting formats (High Definition, Ultra High Definition).

Eutelsat is a pioneer in the development of Ultra High Definition broadcasting: for example, the Group launched the HOTBIRD 4K1 demo channel, encoded in HEVC and broadcast at 50 frames per second with 10-bit color depth. It was then Europe's first Ultra-HD channel in this new standard. At 30 June 2021, Eutelsat carried 23 unique UHD channels on its fleet mainly in Europe and in Russia.

Eutelsat's business model is based on long-term relationships with its broadcasting customers, with large parks (sometimes several million) of antennae pointed at the Group's satellites. The Group's customers for video distribution include leading broadcasters such as Sky Italia and Rai in Italy, nc+ and Cyfrowy Polsat in Poland, Nova and OTE in Greece, United Group (Total TV) in the Balkans, DigiTurk in Turkey, Al Jazeera Sport and BeinMedia in the Middle-East, TricolorTV and NTV+ in Russia, Multichoice, Canal+ Overseas and ZAP in Africa, or Milicom in Latin America. Distributors like Nilesat, Telespazio or Arquiva can also be clients.

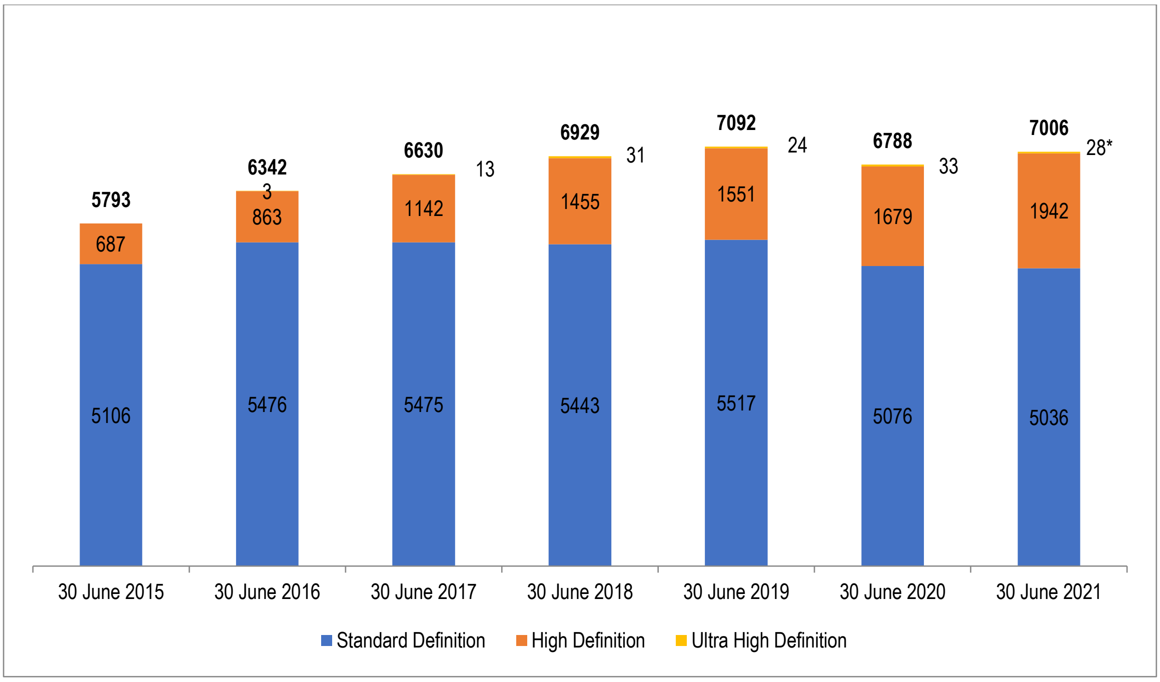
Channels broadcast on the Group's satellites at Eutelsat's main Video neighbourhoods



Source: Eutelsat Communications

Number of channels on Eutelsat's fleet

[9] Extended Europe consists of Western Europe, Central Europe, Russia & Central Asia, North Africa, the Middle-East and Sub-Saharan Africa



Source: Eutelsat Communications.
* Of which 23 unique UHD channels

2.2.2 Connectivity

2.2.2.1 Fixed Broadband

Fixed Broadband revenues amounted to 80 million euros in Financial Year 2020-21 and represented 7% of Group revenues.

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

Operating in the Ka-band, EUTELSAT KONNECT, which entered service in Financial Year 2020-21, provides 75 Gbps of capacity across a 65-beam network and marks a turning point in the evolution of multi-beam satellites with unprecedented levels of flexibility. With a cost per marketable Gbps that is significantly lower than that of previously operated assets, it provides a competitively priced broadband Internet access solution for households in areas not covered by terrestrial broadband networks.

Initially, the satellite's coverage is being split between Europe, with around 55% of capacity focused on high-demand regions - namely France, Italy, Germany, Spain, the UK - and Africa, where the satellite is significantly boosting and gradually replacing the capacity provided by a third-party operator.

In France and Italy, satellite capacity is marketed by Orange and Telecom Italia respectively. In the other countries covered (notably the United Kingdom, Ireland, Spain, Portugal, Germany, Austria), Eutelsat markets its own retail offerings for people who live outside the areas covered by fibre. The packages offer ultra-fast speeds (from 30 to 100 Mbps) and unlimited data, guaranteeing subscribers far from traditional networks speeds comparable to those of fibre optics with a range of competitive and affordable tariffs (from €30/month to €70/month) with low installation costs, combined with free installation and provision of all equipment included in the monthly tariff for the majority of customers.

In Africa, the Group addresses the connectivity needs of individuals, businesses and governments with services active in some 15 countries at this stage, in particular in the Democratic Republic of Congo, Nigeria, South Africa, Cameroon and Côte d'Ivoire, with the prospect of serving a growing number of national markets in the future. In some countries (e.g. the Democratic Republic of Congo or Côte d'Ivoire), Eutelsat markets its own services directly, which are tailored to the African market, while in others it relies on partners (e.g. Coolink in Nigeria or Paratus in South Africa). The services that started with the lease of HTS capacity on the fleet of the operator Yahsat are gradually being migrated to the EUTELSAT KONNECT satellite.

In addition, Eutelsat provides Ka-band capacity for satellite Internet access in Latin America on the EUTELSAT 65 West A satellite, most of which is sold to EchoStar. Since autumn 2016, Eutelsat has also been providing satellite Internet access services in Russia on the EUTELSAT 36C satellite, notably through a partnership with Tricolor.

2.2.2.2 Data & Professional Video

Data & Professional Video revenues stood at 161 million euros for Financial Year 2020-21 and represented 13% of Eutelsat's revenues.

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

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

Regarding Professional Video, the Group provides:

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

In these applications, capacity can be allocated on a permanent basis or for occasional use, the latter part being sensitive to the holding of specific events, for example sports.

2.2.2.3 Government Services

Government Services revenues amounted to 151 million euros in Financial Year 2020-21 and represented 13% of Group revenues.

Government missions require reliable global communications that can be rapidly deployed throughout the world. The Group's satellites enable a wide coverage with a strong quality of service and provide direct links between Europe, the Middle-East, Africa, Asia and the Americas. Whether operations are land-based, maritime, field, or air, demand for satellite services is generally driven by three key needs: interconnection of sites that are dispersed or located some distance from high-speed terrestrial routes, guaranteed immediate availability of capacity as well as security and reliability.

The Group addresses notably the needs in terms of satellite capacity required by the military and by intelligence, surveillance, safety, security and reconnaissance systems for the U.S. administration that indirectly represents the majority of revenues in this application. In addition, the Group also operates the GEO-3 payload of the European Geostationary Navigation Overlay System (EGNOS), on board the EUTELSAT 5 West B satellite under a 15-year contract signed in 2017 with the European Global Navigation Satellite Systems Agency (GSA). In Financial Year 2020-21, the Group was awarded a contract by the GSA for the development, integration and operation of its next-generation EGNOS GEO-4 service on the EUTELSAT HOTBIRD 13G satellite, a 15-year contract with a total value of 100 million euros.

Besides the GSA, the main customers for this business unit are specialist distributors who cater for the needs of the US administration through contracts whose main terms are fixed on a multi-year basis but which include annual exit options.

2.2.2.4 Mobile Connectivity

Mobile Connectivity revenues amounted to 67 million euros in Financial Year 2020-21 and represented 5% of Group revenues. The capacity is used to provide Connectivity services on planes or ships.

The Group has a portfolio of assets with capacity dedicated to Mobile Connectivity (in-flight or maritime) at 3° East, 10° East, 172° East, 33° East, 70° East, 115° West and 117° West orbital positions. With its portfolio of orbital resources and satellites, it is also able to provide services on satellites in inclined orbit, which can be relocated according to the market opportunities in that application. In the value chain, the Group is a raw capacity provider and its main customers are distributors/integrators such as Panasonic, Marlink, GoGo, ViaSat, Taqnia or Speedcast, or telecom operators such as China Unicom or Telenor, which resell turnkey services to airlines or shipping companies.

For example, at the end of November 2017, the EUTELSAT 172 B satellite entered service, carrying a Ku-band multi-beam payload dedicated to In-Flight Connectivity over the Pacific Ocean region. This capacity has been fully leased to Panasonic Avionics Corporation as a key growth platform for in-flight broadband and over-the-air television services for airlines serving the Asia-Pacific region, and to China Unicom to deploy In-Flight Connectivity services over a region stretching from the US West Coast to Asia and Australia.

In recent years, the Group has also developed its maritime business with agreements with Speedcast, Marlink and Telenor for capacity at multiple orbital positions. While the Group does not have a strong presence in the cruise ship connectivity segment, it is more active in the merchant marine and luxury ship segments.

Contracts in this area are usually long-term, multi-year contracts.

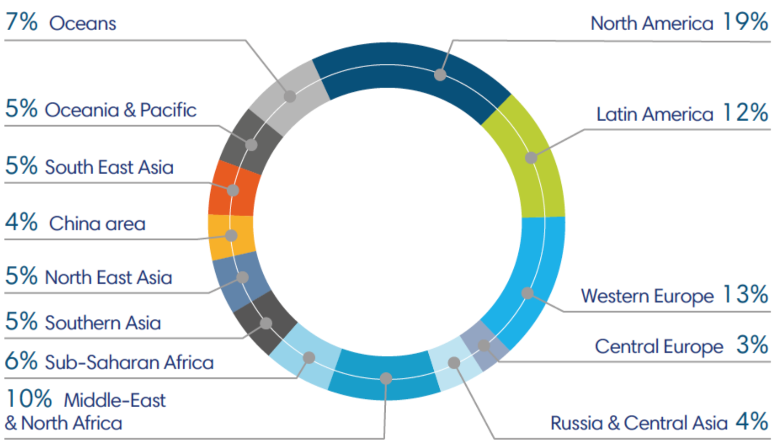
2.3 MAIN MARKETS AND COMPETITION

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

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

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

Breakdown by region of revenue for FSS sector



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

2.3.1 The Fixed Satellite Services industry

2.3.1.1 A market with visibility

Eutelsat: a core player in the most resilient segments

Visibility on the FSS market is underpinned by several factors:

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

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

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

2.3.1.2 An increase in usages driven by the digital revolution

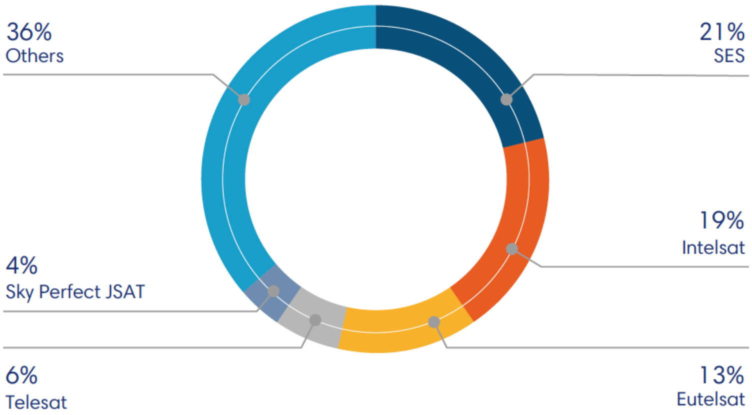
Eutelsat: a key player in the distribution of Video content

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

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

2.3.1.3 A fast-changing and competitive environment

Operators global market share (based on revenues)



Source: Euroconsult, 2020 edition.

The three largest operators – Intelsat, SES and Eutelsat – hold a 50% market share in the FSS sector. At the regional level, some operators have also implemented for a few years investment programmes with a view to expanding their markets and competing with global operators. These programmes may encounter obstacles such as the high level of investment, expertise and commercial effort required, as well as the complexity of the international regulatory environment. In addition, for certain non-video applications, the arrival of HTS and subsequently VHTS satellites driven by technical innovation provides increased throughput at competitive costs

Finally, several Low Earth Orbit constellation projects are emerging, although they are at different stages of development. These Low Earth Orbit constellations are based on different principles than those of geostationary satellites. Lower orbits (ranging from a few hundred km to a few thousand km) give lower latencies than those of geostationary satellites; low-orbit satellites are standardised and smaller, with less mass, but there are more of them (from a few dozen to several thousand) and eventually offering global coverage. Although they aim to ultimately address a wide range of uses (Fixed Broadband, Mobility, Fixed Data Government), they will not be serving the Broadcast markets which account for more than 60% of the Group's revenues. In addition to OneWeb in which the Group has invested (see below), these projects include Starlink (SpaceX), which began operations in the past year, and several constellations that are not yet operational such as Kuiper (Amazon) and Lightspeed (Telesat).

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

2.3.1.4 A dual market dynamic

In the satellite capacity market, Broadcast is the main historical activity. Although it is a resilient business, it is no expected to grow in the coming years despite pockets of opportunity in emerging markets, given a slight contraction in demand in mature markets (Europe). Other historical activities, notably Fixed Data from geostationary assets have seen a decline in revenues for several years. At the same time, new high-growth markets are emerging in so-called “Connectivity” activities. These include Fixed Broadband as well as Fixed Data, Government Services and Mobile Connectivity, some of which are heritage activities to be reinvigorated by technological evolution and innovation in the satellite industry. These activities offer a significant growth potential for satellite operators in the medium and long-term.

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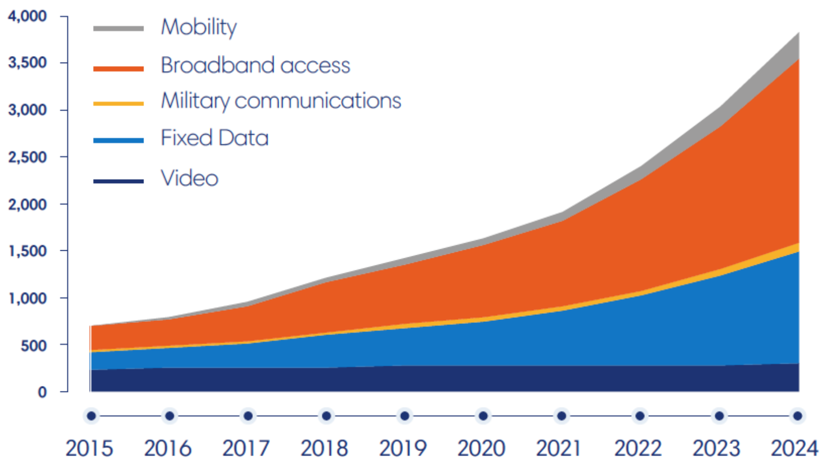
Breakdown by application of global demand in GBPS (regular and HTS capacity used)



Source: Euroconsult, 2020 edition.

2.3.2 Broadcast business – market prospects

Broadcast is the largest segment of the FSS market, accounting for circa 3,200 transponders worldwide, equivalent to 50% of the volume of regular capacity available on the market (source: Euroconsult, 2020 edition).

Overall the Broadcast market benefits from two structural trends:

- the number of homes equipped with a satellite terminal should continue to increase. Between 2021 and 2025, it is expected to increase more than 9 million units on Eutelsat's main broadcast markets (EMEA and Russia) representing a slight progression in satellite market share in terms of TV reception that is expected to stand at around 36% over the same period (Source: Digital TV Research);
- the number of channels broadcast by satellite worldwide continues to slightly increase exceeding 42,000 in 2020 (source: Euroconsult, 2020 edition).

Market dynamics differ between developed and emerging countries.

In developed countries:

- The market is mature. In Europe in particular, trends should be broadly stable to slightly down, with HD and UHD ramp up broadly more than offsetting improvement of compression and encoding format as well as end of certain simulcast channels.
- Requiring more satellite capacity than Standard Definition (a 36 Mhz transponder can broadcast more than 20 Standard Definition channels or around 9 HD channels in MPEG-4 format), the HD penetration rate on Eutelsat satellites has risen from 25% to 28% in the past year. According to Euroconsult, the number of HD channels should increase at a weighted average annual rate of 8% in EMEA and Latin America over the 2019-2029 period to more than 12,000 channels by 2029.
- Conversely, technological advances in the compression of television signals together with the discontinuation of simulcast channels have a negative impact on capacity requirements. The implementation of the DVB-S2 standard and the adoption of the MPEG-4 compression format will make it possible to broadcast up to twice as many channels per transponder, thereby optimising the use of bandwidth between television channels, which in turn reduces the cost of accessing satellite capacity for new entrants on the market. However, Eutelsat is more advanced on compression (74% of channels are already in MPEG-4) than on HD penetration (penetration rate of 28%). Future HD ramp-up should therefore be more significant than the growth in the number of MPEG-4 channels. In addition, it should be noted that the generalisation of a new compression format is a very long-term phenomenon insofar as it requires compatible equipment (television or box) at the end user's premises.

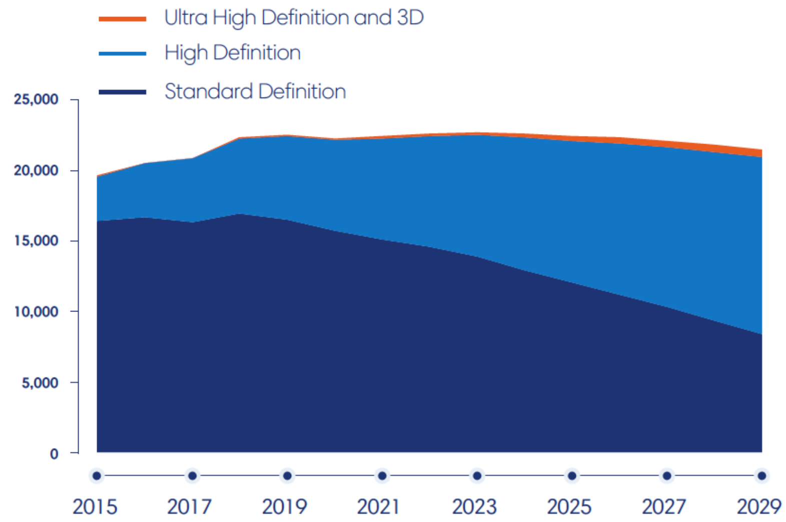
- Ultra-High Definition technology is developing, and suitable equipment is beginning to emerge. It is currently almost three times as bandwidth-hungry than HD, even factoring in the efficiency gains brought by the new HEVC compression format, which creates opportunities for growth demand.
- The development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

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

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

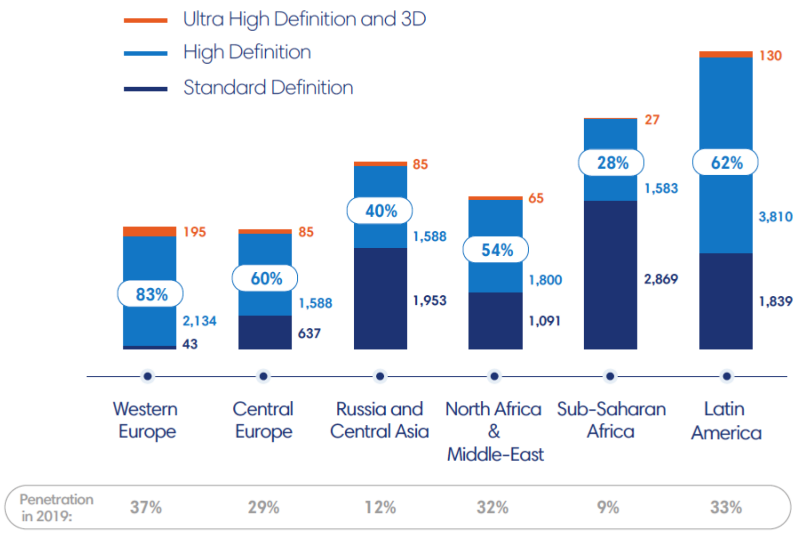
Overall, in the Group's main markets, Broadcast trend in FY 2021-22 is expected to be broadly similar to FY 2020-21, impacted by the carry forward-effect of the slowdown in new business related to the Covid crisis prevalent during most of the year. The trend is expected to improve thereafter.

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



Source: Euroconsult, 2020 edition.

HD penetration by subregion in 2029



Source: Euroconsult, 2020 edition.

2.3.3 Connectivity Applications – market prospects

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

2.3.3.1 Fixed Broadband

The number of homes equipped with a satellite terminal connected to the Internet has risen by 20% in five years to reach 3.0 million worldwide (source: Euroconsult, 2020 edition). Mainly confined to the European and American markets at this stage, Satellite Broadband is expected to grow in the years ahead, notably expanding to new regions (Africa, Russia…).

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

- In all geographical areas millions of homes will long remain out of reach of terrestrial infrastructures. Therefore, the satellite is the only way for them to have access to Internet, representing a highly significant addressable market for the FSS industry. In Europe, for instance, about four million homes will still be deprived of fixed terrestrial Internet connection exceeding 10 Mbps and 4G indoor Connectivity in 2030 in spite of the investment programmes announced by governments and telecom operators. In most emerging countries the deployment of terrestrial networks is lagging behind mature countries, which means the addressable market in those countries is even more significant.
- The emergence of HTS satellites ("High Throughput Satellites") in the Ka frequency band has significantly reduced the cost of access to satellite resources for connectivity services when compared to traditional satellites. The deployment of second generation HTS satellites and of VHTS satellites ("Very High Throughput satellites") with dramatically increased capacity compared to HTS satellites, will provide a far larger number of users with offers comparable in terms of price and quality to very-high-speed terrestrial networks, leading to a change in scale in these markets, without saturating the strong demand described hereabove.

Overall, Eutelsat estimates that the addressable market for its two main regions of activities (Europe and Africa) stands at around 4 million and 5 million premises respectively, in the long-term (by 2030).

2.3.3.2 Other Connectivity applications

Other connectivity applications include Fixed Broadband, Government Services and Mobile Connectivity. The market addressed by these verticals is evaluated at $10 billion (source: Euroconsult 2020) by the end of a decade and growing at a double-digit rate, including revenues from both geostationary and non-geostationary satellites. Whilst most of the growth in this market will be captured by low or medium earth orbit satellites, geostationary satellites will continue to play a major role in these segments given their characteristics, particularly in terms of coverage and throughput, as well as the installed base of terminals and antennas.

Fixed Data

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

- VSAT business networks: although fibre optic is currently penetrating urban areas, many rural and suburban areas are being left behind as they do not offer a sufficient return on investment for terrestrial operators. In many areas, in particular in emerging countries, satellite technology is therefore the optimal solution. Three sectors account for the majority of demand for this segment: the oil and gas industry, for connecting onshore and offshore drilling platforms; and the banking and retail sectors, for securely circulating financial and logistical data between different outlets. More than two million VSAT terminals for business networks are in operation globally and this is expected to continue to grow as illustrated by the chart below.
- Interconnecting mobile networks: The market for interconnecting mobile networks is defined as the transmission of information (primarily voice at present and data in the future) between base stations (that connect directly to mobile terminals, such as mobile telephones) and their various network aggregation points. Satellite is one technology amongst others (such as fibre optic and microwave) for transmitting information between these points. It is concentrated in emerging countries, in particular Latin America and Southern Asia. For satellite operators, this segment should benefit from the development and the extension of data-greedy 3G/4G/5G mobile networks, therefore generating additional demand for satellite capacity that will enable to complement the coverage of terrestrial networks. In particular, low earth orbit satellites are well positioned to capture this opportunity due to their low latency.
- The "trunking" market is defined as the transmission of information (voice or data, also known as "IP trunking") between one national backbone network and another. This market is in decline in large part due to competition from terrestrial infrastructures, fibre or submarine cables. Nevertheless, satellite technology still plays an important role in areas that are not connected to the terrestrial network or that have a poor connection to the network. There is also a specific market segment that helps to secure the network in countries where fibre optic is unreliable.

- Finally, the development of the Internet of Things (IoT) in various applications (transport, logistics, agriculture, intelligent environments, etc.) represents a new market for satellite operators as a complement to other infrastructures, whether to connect objects directly or because the networks of IoT actors themselves need to be interconnected. It represents a significant long-term growth opportunity.

Overall demand is expected to grow in volume notably thanks to increased Data traffic and network extension but is accompanied by a significant and sustained decline in prices reflecting an increase in available satellite capacity, particularly HTS, and a decrease of its production cost. While Fixed Data from geostationary assets has declined in recent years, non-geostationary satellites will capture most of the future growth in this application in the long-term.

Including revenues generated by both geostationary and non-geostationary satellites, this market should represent a global opportunity of more than $3 billion of revenues by the end of the decade (source: Euroconsult 2020) and growing at around 7% average annual rate.

Government services

In the medium and long-term demand in the Government Services market will benefit from developments in security, surveillance, safety and IT systems in a context of increasing volumes of data exchanged, miniaturisation of equipment and deployment of remote-controlled systems, and from the increasing use of commercial capacities by governments seeking to rationalise spending on the long-term. Increasing space defense budget is also a positive factor. Finally, geopolitical context remains an element that can impact the demand on the short-term.

Non-geostationary satellite constellations are expected to further broaden the market given their ubiquitous coverage characteristics in particular. While geostationary satellites will continue to play a major role in this segment as they benefit from a large base of terminals installed and the launch of innovative services (e.g. EUTELSAT QUANTUM), non-geostationary satellite constellations will progressively capture most of the growth in this segment.

Including revenues generated by both geostationary and non-geostationary satellites, this market should represent a global opportunity of more than $3 billion of revenues by the end of the decade (source: Euroconsult 2020) and growing at around 11% average annual rate.

Mobile Connectivity

Broadband mobile communications is a market with strong growth potential both in maritime and in-flight Connectivity.

Although it is currently strongly affected by the world sanitary situation, demand for in-flight Connectivity in terms of volume is indeed expected to increase at middle and long term on the back of the following factors:

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

The market for maritime satellite Connectivity is made up of different sub-segments, each with its own dynamics: Merchant ships, cruise ships, yachts. It is expected to grow, particularly in light of more bandwidth-hungry usages and due to factors in which are common to Aero Mobility.

While our long-term outlook for the Connectivity segment, and in particular the fact that it represents a significant growth opportunity, remains largely unchanged, the sanitary crisis heavily affected certain players in the value chain and the timing of the recovery in the most affected segments (aero and cruise ships) remains uncertain.

In the long-term, including revenues generated by both geostationary and non-geostationary satellites, this market should represent a global opportunity of more than $3 billion of revenues by the end of the decade (source: Euroconsult 2020) and growing at around 15% average annual rate.

2.4 GROUP STRATEGY

In the face of the market environment, Eutelsat has implemented from fiscal year 2016-17 on a two-step strategy in response to the recent slowdown in growth of its core businesses. The aim of the first step is to maximise the revenue generation of its businesses by adapting its operational and financial objectives. The second step consists of returning to growth by optimizing value creation and capturing the longer-term potential in Connectivity.

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

- Maximize cash generation of our heritage businesses in order to fund our transition toward high growth verticals whilst continuing to deliver a high level of shareholder return.
- Leveraging the connectivity verticals to deliver revenue growth, more specifically:
    - Geostationary-enabled: in Fixed Broadband via EUTELSAT KONNECT and KONNECT VHTS satellites as well as in other applications via selected investments.
    - Low-orbit-enabled: addressing Telecom needs in the long-term via the stake in in OneWeb

2.4.1 Maximising free cash-flow generation

The maximisation of Discretionary free cash-flow generation is achieved through a set of financial and operational measures in the Group's heritage businesses, in particular Broadcast that is the main driver of the Group's cash flow generation.

2.4.1.1 Financial Measures

Financial measures are structured around four areas:

- optimising capex: capex savings will be achieved without impacting the current deployment plan and associated future revenues. Savings will notably be driven by the implementation of a "design-to-cost" approach. The order of EUTELSAT 5 West B (in fall 2016) using this approach lead to savings in excess of 30% compared to the theoretical replacement cost of EUTELSAT 5 West A. More recently, the replacement of the HOTBIRD constellation is another illustration of this approach. Several other elements will also contribute to capex reduction, in particular the capitalisation on industry-wide efficiency improvements and the strict monitoring of Ground capex. The average annual investment budget has been reduced to a maximum of €400 million per year, compared with €500 million previously.
- reducing the cost of debt: the refinancing of bond issues maturing in March 2017, January 2019 and January 2020 generated savings at run rate of respectively circa 30 million euros, circa 24 million euros and circa 10 million euros per year before tax;
- controlling operating costs with the implementation of "LEAP 1" cost-savings plan generated 32 million euros in annualised savings in 2018-19. A new "LEAP 2" cost-savings plan is being put in place with the aim of generating a further 20 to 25 million euros in savings by 2021-22;
- a reduction of the order of 70 million euros in the annual tax burden, following the change in French tax territoriality treatment.

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

Furthermore, in order to maximise cash and accelerate deleveraging, Eutelsat has been streamlining its portfolio of assets with the disposal since 2016 of several assets (Hispasat, WIns /DHI, Eutelsat 25B, EBI) for a consideration of more than 750 million euros at an average EBITDA multiple around 8x.

2.4.1.2 Adaptation of strategy in core business Broadcast

The Group's strategy for mature countries aims to optimise the value of its assets by:

- increasing direct access to its customers when and where appropriate;
- reorganization of indirect distribution in specific cases;
- stimulating HD and Ultra HD take-up   implementing more segmented pricing strategies aiming at capturing part of the efficiency gains enabled by improved modulation formats;
- attracting premium channels in different language pools;
- developing a new set of services to strengthen relationships with customers while generating additional revenue opportunities.

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

- leveraging on its existing in-orbit resources: therefore in Financial Year 2020-21, Multichoice, one of Africa's largest broadcasting groups, committed to several additional transponders at the 36° East orbital position, thereby testifying to the dynamism of the African market.

- continuing to invest selectively in most promising markets. The entry into service of EUTELSAT 7C in January 2020 has significantly improved coverage in Sub-Saharan Africa where the Video market is expanding rapidly. A contract has been signed with Canal+ shortly after the entry into service of the satellite for the launch of a new DTH platform in Ethiopia.

Finally, in the medium term, Eutelsat aims to optimise value creation in its core Video business by systematising a cost-based design approach to optimise investments, in particular for replacing its in-orbit resources, thereby maximising the return on capital employed.

2.4.2 Returning to growth by seizing longer-term opportunities in Connectivity

Eutelsat's return is based on the seizure of long-term opportunities in Connectivity, be it in Fixed Broadband or other applications (Fixed Data, Government Services, Mobile Connectivity or Internet of Things).

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2.4.2.1 GEO-enabled

In Fixed Broadband via in particular EUTELSAT KONNECT and KONNECT VHTS

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

Financial Year 2020-21 was marked by the gradual entry into service of the EUTELSAT KONNECT satellite from November 2020. This will provide significant resources to serve the Fixed Broadband markets in Europe and Africa. It marks a turning point in the evolution of multi-beam satellites thanks to unprecedented levels of flexibility that will optimise fill rates and to favourable economic conditions, with a significantly lower cost per marketable Gbps than that of existing in-orbit assets.

The Group has made major progress in implementing its European Fixed Broadband strategy with:

- The reorganisation of its European business with
    - the disposal of the stake in Euro Broadband Infrastructure, which carries the KA-SAT satellite, in service since 2011;
    - the acquisition of Bigblu Broadband Europe, the leading distributor of Fixed Satellite Broadband in Europe.
- Distribution in Europe is thus organised around two axes
    - wholesale agreements with Telecom operators, like those signed with Orange and Telecom Italia. Similar agreements are under discussion;
    - direct distribution organised around Bigblu Broadband's European satellite activities, which have enabled the first retail offerings to be launched in several European countries.

A second satellite, KONNECT VHTS, whose main application will also be Fixed Broadband, will mark a major milestone and a real change of scale for Connectivity. This VHTS satellite, with a total capacity of approximately 500 Gbps covering Europe and scheduled for launch in the first half of calendar year 2022, will carry the most powerful digital processor ever put into orbit, capable of combining flexibility in capacity allocation, optimal use of spectrum and gradual deployment of the network on the ground.

In addition to Europe, the Group is also present in other areas:

- in Africa using the KONNECT satellite, which will eventually (after the entry into service of KONNECT VHTS) be fully redeployed in Africa, and where capacity marketing efforts are focused in the following directions;
    - distribution agreements with service providers (e.g. Coolink in Nigeria or Paratus in South Africa) or Telecom operators (Telone in Zimbabwe);
    - digital inclusion programmes supported by governments, such as the agreement with Schoolap in the DRC (connection of several thousand schools) or the Post Office in Côte d'Ivoire;
    - direct distribution, which continues to be tested with a few directly operated shops in the DRC and Côte d'Ivoire;
    - Wi-Fi hotspots to provide high-speed internet access at public places such as hospitals, schools and universities, shops, etc.
- in Russia with a Ka-band HTS payload on the EUTELSAT 36C satellite: the service was launched in autumn 2016 and is based in particular on a partnership agreement with the Russian pay-TV operator Tricolor TV;
- in Latin America, where the Ka-band payload on the EUTELSAT 65 West A satellite is largely leased to the Echostar group.

In Other Connectivity applications via selected investments

Given the strong demand in Connectivity activities, the Group will pursue growth opportunities with multiple initiatives including selected investments, as long as they are consistent with its financial framework, provide a differentiating factor and/or are associated with significant customer commitments.

In particular;

- Eutelsat has ordered during the 2019-20 fiscal year the EUTELSAT 10B satellite, which is expected to enter into service in 2023 and includes two incremental HTS Ku-band payloads dedicated to mobility offering exceptional coverage from the Americas to Asia. Firm multi-year capacity commitments representing more than one-third of this incremental HTS capacity have already been made, reflecting the strong demand for Ku-band mobility services in this geographical area.
- EUTELSAT QUANTUM, expected to start operations before the end of 2021 is a new software-based reconfigurable satellite, bringing a differentiated value proposition. Customers will enjoy the flexibility to configure coverage, bandwidth, power and frequencies. The applications enabled by this new concept in satellite technology are particularly suited to customers in the Government Services sector who are seeking operational flexibility.
- The KONNECT VHTS satellite, although mainly dedicated to fixed broadband (see above), will also provide from the 2023 calendar year Ka-band capacity over Europe adequate to deliver a very high-speed broadband experience and thus meet the needs of the mobility and government services market.
- In government services, opportunities for hosted payloads will be pursued, such as the EGNOS payloads on EUTELSAT 5 WEST B (in service) and on EUTELSAT HOTBIRD 13G, as well as the UHF payload on EUTELSAT 36D.
- Moreover, Eutelsat is exploring the possibility of a further development in the Internet of Things (IoT) market in particular with the ELO constellation project. This constellation relies on nano-satellites at reduced costs (around €1m per satellite) complementing terrestrial IoT networks and enabling a global coverage, so that objects are able to transmit data, irrespective of their location and without increasing their cost or energy. The first phase is devoted to in-depth tests, with five satellites, the first of which was launched in 2021. Other satellites could gradually be added to the constellation if this new initiative proves successful, with a global commercial service being possible with a few tens satellites.
- The Group will keep optimising the resources of its geostationary fleet developing notably managed services to deliver a service in Mbps to the client. The group notably launched Eutelsat ADVANCE, an innovative portfolio of managed connectivity services combining Ka and Ku-band for a truly end-to-end global service. It addresses demand for connectivity services with extended reach, as business processes increasingly migrate to the cloud. The Group will also keep looking for commercial opportunities coming from the relocation of satellites operating in inclined orbit as illustrated by the agreement signed with Global Eagle for mobility services at 139° West.

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

Through its investment in OneWeb, the Group benefits from a compelling entry point to the considerable LEO constellation opportunity in the Connectivity applications (excluding Fixed Broadband) in particular in Fixed Data, Government Services and Mobility, with, in addition, a strong commercial potential for ‘win-win’ co-operation thanks to complementarity of resources and assets.

With much of its global network already deployed, the OneWeb constellation, which enjoys valuable ITU-backed priority spectrum rights, will operate 648 satellites in low orbit (LEO) offering low latency. This first generation of satellites will offer significant regional coverage by the end of 2021, reaching global coverage the following year. OneWeb will be the first complete non-geostationary constellation with truly global coverage, significantly ahead of competing projects. It will deliver 1.1 Tbps of capacity addressing the government, fixed data and mobility markets. Plans include a second-generation constellation that will provide significant enhancements in terms of capacity, flexibility and economics.

In a context where LEO features will enable the extension of the addressable market for satellite operators well beyond their current reach, the complementarity of Eutelsat’s and OneWeb’s resources and assets is expected to optimize both companies' commercial potential thanks to Eutelsat’s strong commercial and institutional relationships, recognized technical expertise and global geostationary fleet, and OneWeb’s ability to address the multiple applications requiring low latency and ubiquity.

2.5 EXTRA-FINANCIAL GROUP STRATEGY

The Group’s strategy with respect to CSR seeks to focus on those areas where it can maximise its influence, in particular on the protection on the maintenance of space around the Earth uncongested and clean and the reduction of the digital divide. Since several years, it is working on the reduction of its carbon footprint even if, given the nature of its activities, the Group has a limited impact on the production of greenhouse gases.

In this context the Group’s CSR policy identifies four major areas of focus:

- Engaging in efforts to bridge the “digital divide”;
- Protecting the environment and maintaining the space around the Earth uncongested and clean;
- Implementing a Human Resources policy suited to the challenges facing the Group;

- Strengthening our relationships with other stakeholders by promoting our corporate values as well as ethics, and loyalty principles.

KPIs specific to each of these three areas have been defined and action plans put in place. These elements are described in more detail in Chapter 3 of this document. In addition, the compensation of corporate officers includes objectives linked to the company’s non-financial performance (see Chapter 10 of this document).

3 – CORPORATE ENVIRONMENTAL, SOCIAL AND SOCIETAL RESPONSIBILITY

PREAMBLE

With over 40 years' service to telecommunications, Eutelsat considers incorporating social and environmental priorities within its businesses to be key to the long-term success of its operations and strategy. Four guiding principles, enshrined in the values shared within Eutelsat, thus underpin its Corporate Social Responsibility (CSR) policy.

- actively participating in the effort to bridge the digital divide;
- protecting the environment and ensuring the space around Earth remains clean and uncluttered;
- strengthening relationships with our stakeholders in accordance with our principles of ethics and loyalty;
- conducting a human resources policy geared to the aspirations of the Group and broader society, in particular by promoting gender equality.

The first materiality review conducted by our Group this spring confirmed this reference framework for the undertakings on which our CSR policy is based: when questioned to clarify their expectations, internal and external stakeholders in France and internationally confirmed the importance of these CSR priorities to be upheld and which are specific to our activities, both on the earth and in orbit.

Eutelsat's day-to-day operations are focused on making satellites the go-to infrastructure for digital inclusion. In a world which has undergone a profound transformation during these long months of global pandemic, the connectivity needs have continued to grow, for remote working and education, or simply to stay in touch with friends and family. Just because people live in remote areas, it is now unthinkable for them not to have the same opportunities for internet access as other citizens.

During the financial year, the Group's 1,200 employees mobilised around accelerating our efforts to promote digital inclusion globally, with the planning and entry into service of new in-orbit resources, providing a concrete solution to the problem of black spots. Satellite technology has a pivotal role to play, not only in promoting digital inclusion, but also in addressing disaster relief situations.

This year our Group also pursued its responsible fleet management policy, in close liaison with satellite manufacturers and launchers, at a time when space debris has become a concern for the whole industry and wider society.

Furthermore, we significantly reinforced our integrity and compliance programmes through dedicated governance, a network of correspondents and anti-corruption training for all employees, thereby reaffirming the Group's commitment to combatting influence peddling.

Lastly, within an economic context degraded by the public health crisis, Eutelsat focused, in particular, on attracting and retaining talent through recruitment campaigns directed at young graduates and skills reviews for high-potential managers. Within the framework of its undertakings, Eutelsat has also made diversity a priority since we believe that greater representativeness within the company is an effective lever in performance and an accelerator of its transformation.

All these actions are part of ever-greater efforts to incorporate the United National Sustainable Development Goals within Eutelsat's strategy and reaffirm our unwavering commitment to the United Nations Global Compact dating back to 2019. They contribute to a dynamic of continuous progress, a veritable source of pride for all our employees.

Respecting our undertakings constitutes one of the keys to the long-term development of our Group and its services. We must place them at the heart of our actions. In this way, our choices for the future will help us become an ever-more-sustainable organisation.

I would like to thank all our employees for their commitment, and our customers and shareholders for their confidence.

Rodolphe Belmer
Chief Executive Officer

3.1 CHALLENGES AND CSR POLICY

During the 2019-20 financial year, Eutelsat's management pursued its efforts to promote the awareness of social, environmental and societal issues within the Group and among an external audience.

The previous financial year was marked by several developments: creation of the CSR Committee, setting up of a Diversity Committee, initiation of a dialogue with our stakeholders, in particular suppliers and non-financial rating agencies, the Group's adherence to the principles of the United Nations Global Compact, adoption of Environmental, Social and Governance (ESG) criteria for the qualitative objectives used to determine the Chief Executive Officer's compensation, formalisation of the process for identifying non-financial risks. The company also responded to the EcoVadis rating agency to reinforce its responsible purchasing policy.

In compliance with Article L. 225-102-1 of the French Commercial Code and Decree No. 2017-1265 dated 9 August 2017 enacted for the application of Order No. 2017-1180 dated 19 July 2017 on the disclosure of non-financial information by some major companies and corporate groups, Eutelsat discloses its non-financial performance statement. To this end it has collated information for the items pertaining to its business, and in response to the non-financial risks classified under the following fields:

- Social;
- Environmental;
- Societal.

3.1.1 CSR Governance

The CSR Committee is coordinated by the Corporate Communications Department and includes three members of the Executive Committee (Chief Human Resources Officer, Chief Technical Officer, General Counsel). It meets twice a year.

This Committee is tasked with ensuring that CSR is an integral part of the Group's strategic thinking and subsequently structuring the CSR policy.

During the spring of 2021, the CSR Committee carried out a review of CSR materiality for Eutelsat and its internal and external stakeholders, resulting in the materiality matrix figuring in section 3.1.2 Relations with stakeholders.

A CSR officer within the Technical Department monitors environmental issues, while two CSR project managers reporting to the Corporate Communications Department are tasked with coordinating CSR projects, reporting and communications. The Committee is supported by several specialised functional departments: Human Resources, Investor Relations, Institutional Affairs, Legal Affairs, Technical Department, General Services, Finance, Internal Audit, Risk Management, Operations and all the Teleports.

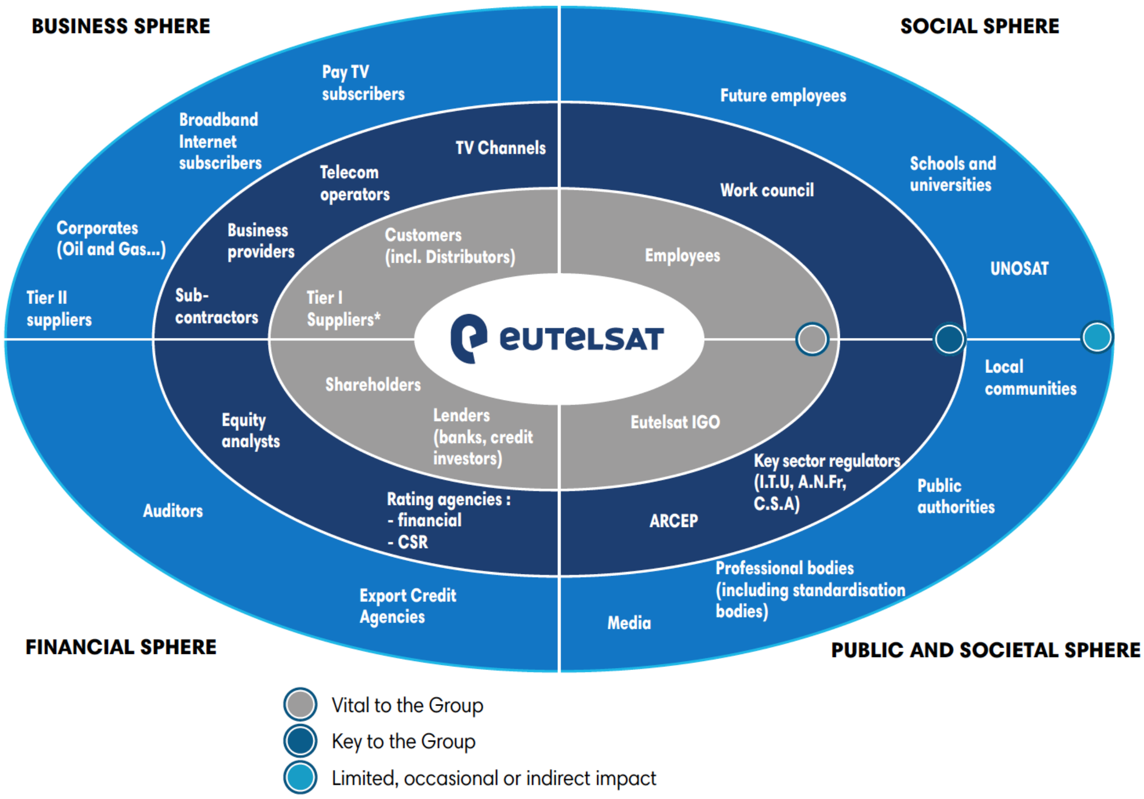
A new code of ethics was issued in 2018 to reaffirm the Company's values. These values underpin the principles that govern management and business conduct. Lastly, Eutelsat upholds the principles of the United Nations Global Compact, its first Communication on Progress Report having been published in 2019.

A Diversity Committee has been established to reinforce the human resources management policy, particularly with respect to gender equality in the Company.

3.1.2 Relations with stakeholders

The transformation of exchanges and the ongoing development of digital technologies are leading to new challenges for Eutelsat and its stakeholders. The Group thus maintains a regular dialogue with its stakeholders to obtain information and garner various perspectives that will help in its decision-making process.

The Group's main stakeholders are identified in the following matrix. The identification and ranking of stakeholders is structured around their degree of impact on the Group, the influence they may have on Eutelsat's decisions and on Eutelsat's participation in the activities of these different groups.



* Tier I suppliers mainly include satellite manufacturers, launchers, insurers, technology providers, suppliers of ground equipment.

The Group has signed up to the "Collective for Space Care([10])" Charter which brings together the world of space operators and partners who undertake to conduct responsible space operations, in compliance with international treaties and principles on space, and in accordance with the resulting best practice. The aim is to promote the safety of people and property, ensure the health of those engaged in space operations, protect the environment both on Earth and in outer space, and strengthen the prevention of the risks associated with launch and in-orbit operations.

The Group's international presence and the unique footprint of its worldwide fleet of satellites provide many opportunities to engage in a wide range of development and solidarity initiatives. This societal commitment can take different forms: vis-à-vis its external stakeholders, examples include the Group's participation in research and development programmes that use satellite technology to protect citizens and endangered animal species, support humanitarian relief initiatives and digital development, promote science and technology in schools, as well as support the non-governmental organisation EUTELSAT IGO. Internally, the Group's societal commitment is reflected in the "*arrondi solidaire*" programme.

3.1.2.1 Technology partnerships that help protect civilian populations

Eutelsat has signed technology partnerships with players from the space and the Internet of Things sectors to help develop innovative satellite resources to protect civilian populations and endangered species. As regard civilian protection, the EUTELSAT 9B satellite, operational since November 2016, hosts EDRS-A, the first payload of the European data relay system rolled out by the European Space Agency (ESA) and Airbus Defence and Space. EDRS-A has opened a space data highway, accelerating data flows between low-orbit satellites and their ground stations. The data flow system uses an on-board laser communication terminal, an inter-satellite link in Ka-band, and a Ka-band antenna, which transmits data from geostationary orbit to the EDRS ground stations. The response time required to conduct a wide range of operations such as monitoring natural disasters, emergency operations and coastal and maritime patrol operations has been significantly improved.

3.1.2.2 EUTELSAT IGO maintains a constant dialogue with the space community

Eutelsat maintains relations with the intergovernmental organization, EUTELSAT IGO, and with various stakeholders on environmental and societal responsibility issues.

EUTELSAT IGO has permanent observer status with the United Nations Committee on the Peaceful Uses of Outer Space (COPUOS) and as such participates in the meetings of the Committee and its two Subcommittees, the Scientific and Technical Subcommittee and the Legal Subcommittee. Due to the Covid-19 pandemic, most of the meetings of the Committee and

10 *https://presse.cnes.fr/sites/default/files/drupal/201506/default/cp110-2015_-_collective_for_space_care.pdf.*

Subcommittees have been postponed in 2021. In February 2020, EUTELSAT IGO participated in the 57th session of the Scientific and Technical Subcommittee during which the subject of space debris was discussed in great detail. The way to create the conditions most favourable to developing international cooperation concerning the peaceful uses of outer space were also discussed. The Executive Secretary, Piotr Dmochowski-Lipski, participating as an observer in the meetings organized by the United Nations Office of Outer Space Affairs, confirmed his continued support for the role of COPUOS in maintaining and strengthening peaceful cooperation in space and in safeguarding space and Earth for future generations.

Since its creation in 2010, by two specialized agencies of the United Nations, namely the ITU (International Telecommunication Union) and UNESCO, the Broadband Commission has promoted the adoption of inclusive and effective broadband policies and practices everywhere in the world. In his capacity as Commissioner, the Executive Secretary continues to be fully involved in the work of the Commission aimed at promoting the importance of broadband as part of the global policy agenda, fostering the development of broadband infrastructure and services, and ensuring that the benefits of these technologies are shared by the world's population as a whole. On the occasion of its 10th anniversary in September 2020, the Commission reiterated the need to implement its medium-term agenda for action in the face of the Covid-19 crisis[11] and achieve the 2025 global advocacy targets, with a view to expanding access to and the adoption of broadband infrastructures and services to "connect the other half" of the world's population and achieve the United Nations Sustainable Development Goals for 2030. By taking into account the strategic role of satellite communications, the Executive Secretary is an active member of specialised working groups and, in 2020, contributed to the drafting of two reports concerning School Connectivity[12] and Countering disinformation while respecting freedom of expression[13].

EUTELSAT IGO's status as an intergovernmental organisation operating satellite systems in the ITU's three sectors, enables the Executive Secretary and the Secretariat to participate in the ITU's activities concerning the Organisation. The Organisation has followed the work of the ITU meetings at the initiative of the Radiocommunication Sector and the Telecommunication Development Sector. The Executive Secretary participated in the first ITU Virtual Digital World[14] event during which ministerial round tables and meetings took place on the role of digital technologies during and after the Covid-19 pandemic, and the need to redouble efforts to close the digital divide and ensure connectivity for everyone.

3.1.2.3 Materiality review

During the spring of 2021, Eutelsat conducted a CSR materiality review showing the importance of such issues for its internal and external stakeholders, and resulting in the CSR materiality matrix.

The issues reviewed were selected and proposed by the CSR team based on an internal analysis of the non-financial risks, a consultation process on the CSR reference frameworks and the issues reported by companies in the same sector: Eutelsat's competitors, customers and suppliers.

This materiality matrix enabled the identification of Eutelsat's priority CSR issues and avenues for work and collaboration to be established both internally and externally. These different issues were evaluated based on:

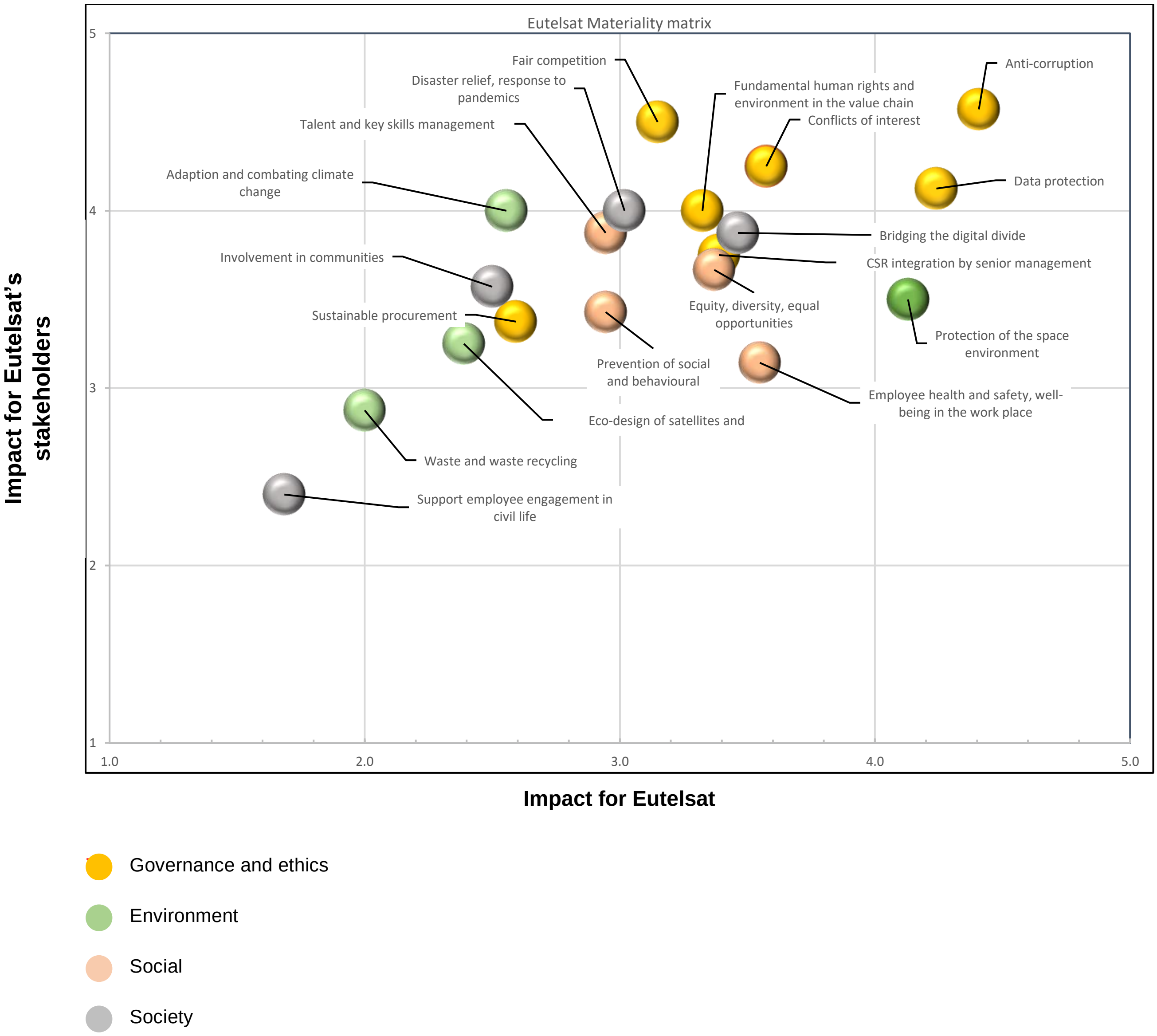
- Their impact or importance for Eutelsat and its internal stakeholders
- Their impact or importance for Eutelsat's external stakeholders

For the internal stakeholders, Eutelsat employees representing all the divisions and three members of the Executive Committee were consulted.

External stakeholders consulted: customers, suppliers, shareholders and Board members, NGOs, specialised media, international agencies.

For some of them, this exchange opened up prospects for further collaboration on the CSR issues discussed.

[11] https://broadbandcommission.org/COVID19/Pages/default.aspx
[12] For more information on the report see "The Digital Transformation of Education : Connecting Schools, Empowering Learners" in https://www.broadbandcommission.org/Documents/working-groups/SchoolConnectivity_report.pdf
[13] For more information on the report see Balancing Act: Countering Digital Disinformation While Respecting Freedom of Expression)
[14] https://digital-world.itu.int/events/itu-virtual-digital-world-2020/daily-highlights



The non-financial risks and opportunities outlined in the following chapter are thus the risks and opportunities which have been deemed to be material for Eutelsat by all of its stakeholders.

3.1.3 Main non-financial risks

Certain non-financial risks, particularly those related to corruption, have a likelihood/occurrence ratio that identifies them as specific risk factors that are likely to have a significant impact on the Group's financial situation. They are therefore described and discussed in detail in Chapter 4.

Other non-financial risks are risks whose occurrence does not have a direct material impact on the Group's financial situation, even if the efficiency and performance of certain operations could be affected. These risks may affect Eutelsat or its stakeholders.

The organisation put in place and the method used to identify and manage risks can also be found in Chapter 4.

The following non-financial risks have been ranked based on the scale of impact they could have on the Group.

The Group may be faced with the risk of non-compliance with the applicable laws and regulations, in particular with regard to combating corruption and influence peddling, financial sanctions, personal data protection and competition law linked to relations with its stakeholders.

This risk could have a material impact on the Group's activities.

Identification of the risk

See Section 4.4 for a description of the risk.

Risk management and monitoring

For some years, the Group has been reinforcing its anti-corruption programme, through dedicated governance, a network of correspondents, training and communication initiatives, and actions implemented under the Sapin II Act and AFA (French anti-corruption agency) recommendations. The Group has improved its anti-corruption policy with a change in the Group's whistle-blower hotline procedure and a 100% anti-corruption training rate. However, the Group cannot guarantee that the checks and procedures put in place will be able to detect and prevent all infringements.

Space collisions and debris potentially impacting the Group's satellite operations

This risk could have a material impact on the Group's activities.

Identification of the risk

With the increasing number of communications satellites in space, the issue of end-of-life of satellites and the potential debris generated in the process is becoming increasingly relevant. A collision between our satellites and certain types of space debris could lead to considerable damage to our satellites, thus affecting the Group's operations and leading to substantial financial losses.

Risk management and monitoring

Positioned in geostationary orbit for an average period of fifteen years, the satellites operated by Eutelsat do not belong to the category that generates the most debris, unlike those in low or medium orbit. Nevertheless, Eutelsat has made a number of commitments and adopted procedures to de-orbit satellites reaching end-of-life and reduce the risk of pollution in space. When they reach end-of-life we thus reposition our satellites more than 200 kilometres beyond geostationary orbit, thereby respecting the international guidelines.

Through its activities and relations with its suppliers and sub-contractors, the Group could be exposed to a risk of non-compliance with the regulations across its value chain.

This risk could have a material impact on the Group's activities.

Identification of the risk

In view of Eutelsat's high-tech environment and the activity of its suppliers, Eutelsat could be exposed to risks of an infringement of human rights (forced labour, working conditions that are not decent, discrimination and non-respect of the rights of freedom of association and freedom of expression), as well as to corruption and environmental risks involving direct or indirect third parties. This could be the case for the use of minerals extensively used in high-tech equipment, originating from conflict zones or zones where human rights are not respected.

Risk management and monitoring

Eutelsat implements a policy of respect for human rights and freedoms though the deployment of the anti-corruption clause in its contracts. Eutelsat also abides by all the clauses and the CSR charters submitted by its customers. Lastly, Eutelsat is also a signatory and member of the UN Global Compact, testifying to its commitment to promoting the respect of human rights.

Eutelsat may face different risk factors linked to the health and safety of persons

This risk could have a moderate impact on the Group's activities.

Identification of the risk

Some of Eutelsat's activities, mainly at the level of the teleports, could expose its employees or sub-contractors to various risks (installation and maintenance of equipment in teleports, exposure to electromagnetic waves, etc.).

Non-respect of the regulations or the absence of measures on safety and quality of life in the work place would cause accidents in the work place which may have legal, operational and reputational consequences.

Risk management and monitoring

Pursuant to French law, Eutelsat has implemented the Comprehensive Risk Assessment Document (DUERP) to evaluate professional risks, which lists all the risks for the Issy-Les-Moulineaux sites and the Paris-Rambouillet teleport. This document has been adapted following the Covid-19 public health crisis. A health and retirement scheme is available to all employees. For employees present at the teleport, training is provided on the risk of exposure to electromagnetic saves and testing is frequently carried out at the level of the installations.

A lack of diversity and inclusion could impact the Group's activities

This risk could have a moderate impact on the Group's activities.

Identification of the risk

In a globalized and multicultural world, a lack of diversity and inclusion could reduce the Group's attractiveness. Diversity is also a powerful level in innovation and creativity which enables the generation of new synergies within the Group. Lastly, since these are the expectations of today's society, not responding to them could adversely impact the Group's reputation.

Risk management and monitoring

The Diversity Committee, established in 2019, steers the initiatives in favour of diversity, with a first objective of increasing the proportion of women within the company by 1% by 2023 relative to 2020 and 5% more women in the top management (Top 100). The Committee steers the gender equality plan with the analysis of the impact of maternity leave on salaries and bonuses, the promotion of paternity leave, partnerships with NGOs sponsoring scientific training for young girls and the organization of conferences to raise awareness of diversity issues. In addition, more than 50 nationalities are represented amongst the Group's employees while more than 15% of the employees hired during the financial year are non-French nationals.

Eutelsat incurs a risk linked to talent and key skills management

This risk could have a moderate impact on the Group's activities.

Identification of the risk

Eutelsat operates within a competitive environment which is constantly changing due to technological developments in the telecommunications sector and the arrival of new market entrants. Eutelsat could have difficulty in recruiting talented people and training employees in new skills enabling the company to remain competitive and innovative.

Risk management and monitoring

With the One Eutelsat (corporate culture and professionalised management) and Bloom At Work (360° management and employee engagement) programmes, Eutelsat has been focusing for several years on the management of key talent and employee engagement. In 2020 and beyond, talent management will also draw on the new HR Information System for talent identification and succession planning. Under the guidance of the Human Resources Department, a regular presentation on the programme is made to the Executive Committee.

In 2020, rolled out the Job Booster programme to hire 30 new key talents. Lastly, 100% of the Group's employees received training.

The rapid growth in uses could call into question Eutelsat's commitments on reducing its environmental impacts

This risk could have a moderate impact on the Group's activities.

Identification of the risk

Given the nature of its activities, Eutelsat must deploy an appropriate environment policy to contain the explosion in uses, particularly in the video, broadband and IOT markets. The explosion in uses and the higher resolution of the videos viewed could lead to an increase in its customers' greenhouse gas emissions.

Risk management and monitoring

To reduce its indirect environmental impact, Eutelsat has implemented a number of actions. Eutelsat has thus obtained ISO14001 certification for its Madeira teleport and will soon obtain certification for its Cagliari teleport. Furthermore, Eutelsat has developed a building energy efficiency policy and a travel reduction policy to reduce the carbon footprint of its activities.

3.1.4 Opportunities for the Company

Bridging the digital divide

Eutelsat is a key player in the effort to bridge the "digital divide", which refers to discrepancies in access to information and communication technologies (ICTs), specifically to Internet and TV broadcasting. Downgrading of the services offered by Eutelsat, in particular for free-to-air television broadcasting or the provision of bandwidth, could widen these discrepancies.

The Group's policy in this area serves three purposes:

- Provide Internet access to individuals, businesses and government agencies located in areas with little or no coverage by terrestrial networks;

- Meet specific needs by fulfilling the public policy objectives of digital inclusion;
- Promote access to free-to-air television for all homes.

3.1.5 Awards for the CSR policy

An overview of Eutelsat's extra-financial scores:

MSCI	ecovadis	vigeo eiris	SUSTAINALYTICS	S&P Global ROBECOSAM	Gaïa INDEX
AA (AAA)	**50/100**	**58/100**	**17.5**	**30/100**	**73/100**
	(2020)		(2019)	(2019)	(2020)
Top 7% of the Media & Entertainment sector	**Bronze** **Certification**	**+10 points** relative to 2019	Score reflecting a low ESG risk **Top 12%** of the Global Ranking	Score identical to the sector average	**+13 points** relative to 2019

Eutelsat has also obtained other scores recognising its sustainable development efforts. Eutelsat thus obtained a score of 91/100 in the Gender Equality Index, six points above the average, ranking Eutelsat amongst the leading companies for equality and diversity.

3.1.6 Eutelsat's contribution to the United Nations Sustainable Development Goals

As a member of the United Nations Global Compact since 2019, Eutelsat contributes to the achievement of the sustainable development goals by operating in a sustainable matter to meet the needs of a constantly-changing society.

	Goals	Achievements
4 QUALITY EDUCATION	– 4.3 Vocational training and higher education – 4.4 Skills and access to employment – 4.7 Education in sustainable development – 4.a Accessibility of educational establishments	– 100% of employees (excluding Konnect) have received training – Support for associations and foundations in promoting the sciences, technology, engineering and mathematics (STEM) and the related professions (CGénial and Ailes de France foundations and the Junior Achievement association. – Promote access to education via governmental cooperation to facilitate access to digital in schools
5 GENDER EQUALITY	– 5.1 End all forms of discrimination – 5.5 Ensure full participation in leadership – 5.b Enhance the use of enabling technology – 5.c Gender equality policy	– Gender equality policy targeting a 5% increase in the percentage of women within the Top 100 and a 1% increase across the whole Group – 1/3 of the Executive Committee is composed of women – Deployment of a plan to promote professional equality and quality of life in the workplace in 2020
8 DECENT WORK AND ECONOMIC GROWTH	– 8.2 Economic productivity – 8.4 Resource efficiency – 8.5 Full and productive employment, and decent work – 8..6 Promote youth employment and training	– Job Booster programme: campaign to recruit 30 young graduates during the public health crisis, across all the Group's activities – Signature of collective agreements to improve employee well-being at work

	— 8.8 Labour rights and safe and secure working environments	
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	— 9.1 Develop sustainable, resilient and inclusive infrastructures — 9.4 Upgrade infrastructure and sustainable industrialisation — 9.5 Innovation, research and development — 9.c Increase ccess to information and communications technologies	— Implementation of a policy to bridge the digital divide — Launch of 100% electric satellites — Launch of the first low earth-orbit satellite (ELO) — Implementation of the Space Debris Mitigation Plan (to reduce space debris) covering satellite station keeping operations, satellite repositioning on geostationary orbit, measures in the event of anomalies, inclined orbit operational strategies and end-of-life operations
10 REDUCED INEQUALITIES	— 10.2 Empower and promote inclusion — 10.3 Ensure equal opportunity	— Policy aimed at bridging the digital divide in regions where access to terrestrial networks is limited or does not exist. Collaboration with the different governments to promote internet access
13 CLIMATE ACTION	— 13.2 Climate policy	— ISO 14001 certification for the teleports in Madeira — Improvement in building energy efficiency — More than 15% reduction in CO2 emissions thanks to a travel management policy between 2015 and 2019
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	— 16.5 Reduce corruption — 16.6 Strong institutions — 16.7 Inclusive decision-making — 16.10 Ensure access to information and protect fundamental freedoms	— 100% of employees have received anti-corruption training — Actions in place to combat deliberate jamming — Availability of more than 2,000 free-to-air channels
17 PARTNERSHIPS FOR THE GOALS	— 17.8 Scientific and technological capacity-building — 17.10 Equitable multilateral trading system — 17.17 Multi-player partnerships	— Collaboration with private and public players within the framework of our digital inclusion policy — Purchasing policy put in place respecting the international standards on corruption and business ethics — Permanent dialogue with the EUTELSAT IGO international organisation — Partnership with numerous governments in Africa to combat Covid-19

3.1.7 Dashboard for Eutelsat's non-financial performance statement

Priorities	Policies and actions put in place (Code of Conduct, pledge, policy)	Key performance indicators	2020	NFPS reference
Risks linked to corruption and business ethics	Eutelsat is exposed to the risk of non-compliance with the applicable laws and regulations on combating corruption and influence peddling, personal data protection and competition law.	Percentage of employees having been trained in the anti-corruption risk:	100%	See 3.2 Integrity and ethics
		Number of employees trained in the personal data protection legislation:	19	

Bridging the digital divide	Eutelsat is a key player in the effort to bridge the "digital divide" which refers to discrepancies in access to information and communication technologies between populations, specifically to internet and TV broadcasting. Downgrading of the services offered by Eutelsat, in particular for free-to-air television broadcasting or the provision of bandwidth could widen these discrepancies.	Number of free-to-air channels broadcast on the satellite fleet	2300	See 3.3 Societal information
Space-associated risks	With the increasing number of communications satellites in space, the issue of end-of-life of satellites and the potential debris generated in the process is becoming increasingly relevant.	Number of de-orbited and passivated satellites having reached end-of-life by 15 June 2020	113	See 3.4 Environmental information
		Number of satellites repositioned in geostationary orbit as of 15 June 2021	22	
Key talent	As a highly technical business, Eutelsat could be affected in the event of the disengagement or departure of key talent, or by an insufficient ability to attract new talent.	Percentage of employees trained	100%	See 3.5 Social information
		Fulfilment rate measured by the observatory	8.6	
Diversity and inclusion	Eutelsat is focused on the diversity of its human resources as a means of embracing different viewpoints, promoting value creation and innovation, and avoiding discrimination and harassment	% of women in the Group	33.8%	See 3.5 Social information
		Number of nationalities in the Group	49	
Health, safety and well-being in the workplace	Eutelsat is committed to providing a positive, safe and considerate working environment, at its own sites but also in all the partner teleports.	Rate of absenteeism (Eutelsat S.A.)	4.12%	See 3.5 Social information
		Frequency rate of accidents at work (Eutelsat S.A.)	4.72%	
Risks linked to relations with stakeholders	Given the highly-technical nature of Eutelsat's business and the activities of its suppliers, Eutelsat may be exposed to risks of violation of human rights (forced labour, unacceptable working conditions, discrimination and contravening the freedom of association and expression), risks of corruption and environmental risks involving a direct or indirect third party.	Number of World-Check checks:	1 519	See 3.6 Outsourcing and suppliers

3.2 INTEGRITY AND ETHICS

3.2.1 Commitment of the Governing Body

Integrity and ethics are key priorities for the Group. This is reflected in the governing body's commitment to fighting corruption and all forms of unethical business practices, and is demonstrated by all the interventions and measures put in place not only to prevent and detect corruption or influence peddling, but also to ensure compliance with regulations on personal data protection and competition law.

3.2.2 Compliance Policy

3.2.2.1 Compliance regarding the fight against corruption and influence peddling

During the financial year and in compliance with the French Sapin II Act, the Group continued to strengthen its compliance policy aimed at preventing and detecting cases of corruption and influence peddling, and to roll out the programme by taking the following actions:

During the financial year the roll out of the global action plan and the targeted action plans stemming from the anti-corruption risk mapping established in 2018 was finalized.

At the end of 2020, the Group launched an exercise to revise its risk mapping to define a new methodology for identifying, evaluating and ranking corruption and influence peddling risks with regard to the Group's activities. This notably included the new activities resulting from either development or recent acquisitions. This revision was entrusted to an external firm specialised in ethics and compliance.

In January 2021, the exercise began with the approval of the list of more than 50 employees selected to participate in the interview phase by Eutelsat. The finalization of the exercise is foreseen for July 2021.

Development and regular updating of internal policies regarding ethics and compliance

The Group is committed to observing the highest ethical standards in all the countries in which it operates. In order to formalise this commitment, and to ensure that it is enforced consistently across all Group entities, internal ethics and compliance policies have been developed and are regularly updated. This set of anti-corruption guidelines is regularly supplemented to address the risks identified through the mapping of corruption and influence peddling risks.

During the financial year, the Compliance Department established a new anti-corruption evaluation procedure during capital transactions which expanded the scope of its compliance programme. This procedure makes anti-corruption due diligence mandatory prior to any merger-acquisition transactions or entry into a joint-venture.

In parallel, at the end of 2020, a checking procedure was drafted and approved by the Compliance Committee. To comply with the provisions of the Sapin II Act, this procedure provides for three levels of checks and details their scope, frequency and modalities. On the basis of this procedure, there are plans to launch the second level checks shortly. The third level checks for the anti-corruption guidelines, carried out every year by Internal Audit, will be adjusted to take into account this new procedure. This detailed procedure will be published and will enable the effective verification of all the measures comprising the Eutelsat compliance programme (Whistleblower procedure, third-party evaluation, accounting audits, etc.).

Extension and automation of pre-contractual due diligence procedures on third parties

During the financial year, the Group continued to expand the scope of its pre-contractual due diligence procedures with respect to third parties, which had previously only concerned commercial agents, identified as those third parties potentially most at risk, and joint venture partners, third parties of strategic importance due to the nature of their relationship with the Group. These due diligence procedures are now carried out systematically and automatically for all third parties – customers, suppliers and agents – before they enter into a contractual relationship with any Group entity, and in different ways depending on the level of risk involved. They include extensive anti-bribery checks via the specialised WorldCheck database. In 2020, 1,519[15] WorldCheck audits were carried out. Based on the results of corruption risk analyses, the third parties fall into several categories based on their level of risk. In-depth investigation reports may be requested from ADIT, a company specialising in both open and closed investigations. This due diligence process is integrated into the internal operational procedures, in particular those relating to procurement and sales.

Indicators of activity and results are presented in § 3.8.3

Optimisation of the internal whistleblowing mechanism

During the financial year, the external whistleblowing mechanism was updated. This mechanism encourages the collection of reports and guarantees the protection and anonymity of whistleblowers acting in good faith. It is supported by whistleblower hotlines in the regions where Eutelsat has operations.

[15] The comparison with the previous year's figures is not relevant, as the methods of identifying the assessed third parties were changed during the year

This whistleblower hotline procedure has been outsourced to an independent specialist service provider and guarantees the strict confidentiality of notifications and 24/7 availability in all countries in which the Group operates, Russian and China having been included as of this financial year.

The Whistleblowing and Internal Investigations Charter was updated in accordance with the provisions of Act No. 2016-1691 of 9 December 2016 on transparency, anti-corruption and the modernisation of economic life ("Sapin II Act"): the scope of notifications has been extended beyond the sole cases of possible corruption, and the protection of the whistleblower acting in good faith has been secured through the adoption of a non-reprisal policy and strict confidentiality measures. The identities of employees who are the subjects of whistleblowing are also protected. The Charter also sets out the rules governing data collection and storage in accordance with the French Data Protection Act of 6 January 1978 and EU Regulation 2016/679 of 27 April 2016 on protection of personal data.

During the financial past year, three whistleblower notifications were received. The first, in December 2020, was addressed to the Legal Affairs Department which was able rapidly to close the matter. The second, in February 2021, originating from the Eutelsat MENA subsidiary via the EthicsPoint platform, resulted in the verification of the relevant departments. The third notification, received in March 2021 through internal channels, was handled by the Legal Affairs and Compliance Departments.

Training programme intensification

The training programme on combating corruption and influence peddling is aimed at both (i) new Group employees, in order to raise awareness within a reasonable period of time following their arrival date, and (ii) existing employees on a regular basis and, in particular, those most exposed to corruption risks, to ensure that they maintain and update their knowledge.

Special training sessions were organized during the financial year for employees in the Purchasing Department and for those in the Eutelsat Sales Department. In total, 315 individuals have been specially trained in the third party evaluation processes.

Online training campaigns are organised every two years for all Group employees, to ensure that they are provided with a consistent level of awareness and regular updates. The latest campaign, launched in July 2020 in partnership with Wolters Kluwer France, was dedicated to anti-corruption.

Over the course of the financial year, 1,047 Eutelsat employees, i.e. the total headcount (excluding BigBlu Broadband)[16], followed mandatory online anti-corruption training.

Follow-up of online training is now part of the on-boarding procedure for new employees in all the Group's entities, to ensure that they receive training in the shortest possible time.

On the occasion of the International Anti-Corruption Day on 9 December 2020, the Compliance Department also organised a special event for the Group’s employees. This awareness-raising initiative took the form of a webinar during which ethics and compliance experts from outside the Group were invited to contribute and answered questions in real time from the Group’s employees.

	Units	2020
Percentage of employees trained in anti-corruption (excluding BigBlu Broadband)	%	100

Monitoring and evaluation of the Internal Audit Department's actions

As mentioned above, a checking policy was drafted during the financial year and approved by the Compliance Committee. The year saw the adoption of a verification plan with three levels of checks. This verification plan enables the evaluation and verification of the compliance measures deployed within the Group.

The Internal Audit Department has carried out two specific audit aimed at preventing and combating corruption and influence peddling: a first audit to verify and evaluate the measures implemented under the compliance programme, on which a report was issued in July 2018, and a second audit to monitor the implementation of the recommendations of the first audit, on which a report was issued in October 2018.

These recommendations were further implemented during the financial year; to date, 99% of the recommendations have been implemented or are in the process of being implemented.

Based on the responses to the French Anti-Corruption Agency's (AFA) monitoring questionnaire, the maturity indicator stood at 1.51 on 1 January 2019, up from 2018. This indicator ranges from 1 to 3, with 1 being the highest score.

Responses to the questionnaire published by the French Anti-Corruption Agency (hereinafter “AFA“)

In 2020, to comply in full with the Sapin II Act and with the recommendations published by the AFA, the Group launched an exercise to redraft the responses to the AFA questionnaire. This questionnaire contains 163 questions divided into eleven themes and requires a considerable amount of work to assemble the information. During the financial year, the Code of Conduct, Training and Commitment of the Governing body sections were completed. Work on the redrafting of the eight remaining sections has begun, with the finalization of the exercise being scheduled for the 2021 financial year.

[16] This figure represents the Eutelsat workforce at the end of the first phase of the training campaign in October 2020.

3.2.2.2 Compliance regarding personal data protection

During the financial year, the Group pursued the implementation of its policy of compliance with the regulations on personal data protection, in particular Regulation (EU) 2016/679 dated 27 April 2016 ("GDPR") and French Act no. 78-17 dated 6 January 1978 as modified (known as the "Loi informatique et libertés").

At organisational level, the Personal Data Protection Officer (DPO) coordinates an internal network of correspondents within the subsidiaries and operating divisions. Correspondents have received specific training from the DPO. The network helps to ensure that correspondents are continuously aware of data protection issues and that information is circulated so that personal data protection and systems security issues can be addressed at an early stage of a project.

The data processing register has been the subject of an updating and consolidation process carried out by the DPO. Standard clauses to be inserted in contracts based on the qualification of the parties have also been established and circulated to all the relevant internal players.

An internal policy on protecting personal data has been established by the DPO in collaboration with a legal firm. This policy aims to outline the Group's responsibilities and obligations pursuant to the data protection regulation, and has instilled a culture of data protection compliance and governance within the Group.

As part of the DPO's activities and relations with his/her correspondents, the DPO has organised procedures for managing requests from data subjects wishing to exercise their rights pursuant to the standards of the regulations. Similarly, in case of personal data breach, procedures have been established enabling the DPO to investigate and report the data breach and perform the necessary notifications. Where appropriate, the DPO works in close cooperation with the Information Systems Security Officer.

Insofar as the protection of personal data is a collective matter, the DPO undertakes awareness-raising actions. Several training sessions have thus been organised for the Group's employees.

A legal firm specialised in Digital Law has been mandated by Eutelsat to accelerate the Group's compliance process pursuant to the data protection rules.

3.2.3 Governance

In terms of governance, the Group Compliance Division has set up an internal network of correspondents to promote the deployment of the compliance programme across all entities of the Group, by implementing local compliance actions, monitoring their effectiveness and reporting any perceived weaknesses. Quarterly meetings are organised for the members of this internal network.

In addition, the Group Compliance Committee meets every two months and is required to issue rulings on all matters related to the prevention and detection of corruption and influence peddling within the Group, and more broadly on all matters pertaining to corporate ethics.

In addition, compliance matters are regularly addressed during meetings of the Executive Committee. For information purposes the latter also receives the minutes of all Compliance Committee meetings.

A compliance update is included on the agenda for every meeting of the Audit Committee, which became the Audit, Risks and Compliance Committee in 2019, as well as every Board of Directors' meeting following these Committee meetings. During the financial year, a presentation on the methodology for the revision of the Group's anti-corruption risk mapping was thus made to the Committee and a further presentation will be made once this has been finalized.

3.2.4 Consumer Health and Safety Measures

Consumers use Eutelsat services through their Internet access or content providers. There are no specific measures relating to the health or safety of end-users.

3.3 SOCIETAL INFORMATION

3.3.1 Helping bridge the "digital divide"

Satellite technology is an easy and reliable solution for broadband access and now for high-speed broadband access for homes and businesses located beyond the reach of terrestrial telecommunications networks.

According to the European Commission's most recent Digital Economy and Society Index (DESI) Report, published on 12 June 2020, 86% of the EU's population is covered by so-called NGA (Next Generation Access) technologies capable of providing users with speeds of at least 30 Mbps. In rural zones, this figure drops to 59%, with 9% of homes not covered by any fixed Internet access network other than satellite. In Europe, it is thus estimated that 2% to 3% of homes will be without high speed broadband access over the long term.

In this regard, satellites are an essential complement to terrestrial telecommunications networks.

In recent years, a new generation of high-throughput geostationary satellites has however emerged, with satellites that are more powerful and especially much more flexible than the previous generation. Eutelsat is again positioned as a global leader in this segment.

In January 2020, Eutelsat thus launched EUTELSAT KONNECT, a next generation satellite dedicated to high-speed broadband. This satellite has been operational since mid-November 2020 and provides coverage of Western Europe and a large part of sub-Saharan Africa. This next generation satellite gives Eutelsat considerably higher throughput, now enabling it to offer high speed broadband everywhere, with consumer packages priced in line with a fibre subscription, from 30 euros a month (with pricing adapted to the standards of living in the countries covered). These consumer offers are marketed either through distributor partners (like in France and Italy) or by direct sale to consumers and businesses (via the WeKonnect brand).

The launch of the EUTELSAT KONNECT VHTS (Very High Throughput) satellite between now and 2022 will see Eutelsat take a further step towards closing the digital divide in Europe. In April 2018, Eutelsat reaffirmed its commitment to bridging the digital divide by placing an order with Thales Alenia Space for EUTELSAT KONNECT VHTS, a next generation satellite equipped with hundreds of beams and a Ka-band capacity of 500 Gbps. This new satellite will be mainly dedicated to fixed high-speed consumer broadband access and in-flight connectivity, and will provide coverage of extended Europe from a geographical perspective, from the Canary Islands to Turkey and up to Iceland and Moscow, as well as the southern part of the Mediterranean Basin.

The entry into service of EUTELSAT KONNECT VHTS in early 2023 will thus supplement the high-speed broadband capacity of the EUTELSAT KONNECT satellite and meet the ever-growing needs of users in terms of speeds and data consumption. The fixed high speed broadband services provided by EUTELSAT KONNECT VHTS will be comparable to fibre-delivered services, with speeds potentially reaching up to 200 Mbps.

In recent years, the Group has also considerably strengthened its Ka-band HTS resources in regions in which the digital divide is most pronounced:

- In **Russia**, with the launch of the EUTELSAT 36C satellite in December 2015;
- In **Brazil**, **French Guiana** and other Latin American countries, with the launch and entry into service of EUTELSAT 65 West A in 2016;
- In **sub-Saharan Africa**, with the marketing, as of 2016, of the next generation broadband services provided by the Al-Yah 2 satellite then the Al-Yah 3 satellite in 2018, both belonging to the operator Yahsat. Currently, the EUTELSAT KONNECT satellite offers broadband coverage to some 40 countries in sub-Saharan Africa, including those with the largest populations like the Democratic Republic of Congo, Nigeria and South Africa. Since the end of 2020, the EUTELSAT KONNECT satellite has thus enabled broadband coverage to be offered to several hundred thousand households located in virtually all the countries covered.
- The C-band satellite resources provided by the Eutelsat fleet are now also being harnessed to reduce the digital divide in areas with significant disparities in Internet access.

Eutelsat mandated by EUSPA to develop EGNOS GEO-4

Eutelsat has signed a 15-year agreement with the European Union Space Programme Agency (EUSPA) to develop, integrate and operate its next-generation EGNOS GEO-4 service. Eutelsat has already operated the EGNOS GEO-3 payload on EUTELSAT 5 West B since February 2020.

EGNOS (European Geostationary Navigation Overlay Service) is the European geostationary navigation overlay service that improves the reliability of positioning information. EGNOS is essential for maritime, rail and air transport systems. EGNOS also enhances the geo-positioning required by other ground-based applications used in precision agriculture, geomatics and civil engineering.

3.3.1.1 Serving specific requirements by addressing public policy digital inclusion goals

Satellite technology is particularly suited to meeting the needs and requirements of public authorities as it is capable of delivering high-quality and cost-effective Internet connectivity, with a quicker roll-out than other options across any area, while avoiding the geographical constraints associated with mountainous areas.

In France, as part of the "Plan France Très Haut Débit" (France high-speed broadband plan), in March 2019 the Government officially launched the "Regional Digital Cohesion" scheme. This is an on-demand service available to all French households not served by at least 8 Mbps. It established a 100 million euro programme to provide grants of up to 150 euros per household for the equipment and installation costs of "Digital Cohesion"-labelled packages.

In Spain, a similar scheme has existed since 2018, to subsidise the equipment and installation by up to 450 euros per household or business. Lastly, other large European countries plan to put in place equipment subsidy schemes to enable inhabitants in blackout zones to access high speed broadband by satellite, in particular in the United Kingdom and Germany.

Within the European Union, the transposition of the new Electronic Communications Code requires the Member States to put in place a universal high-speed broadband service. To achieve this objective on an exhaustive basis (guaranteeing the universality of access) and within a reasonable timeframe, satellites thus appear to be a key tool for operators subject to these new requirements, as a complement to their fixed or mobile terrestrial networks.

In the Americas, Eutelsat Americas provides capacity for various social connectivity programmes, notably in Mexico and Colombia, and is one of the leaders in the satellite sector for such programmes. The latter are designed to connect rural communities and give them access to a broad range of services (schools, hospitals, libraries, etc.).

In Asia, Eutelsat Communications and the Rural Connectivity Group (RCG), a joint venture between New Zealand's three mobile network operators, announced the signature of a contract to deploy a telecommunications network in the Chatham Islands in New Zealand. This will enable businesses and individuals on the islands to access 4G wireless broadband.

In Africa, the public authorities are also beginning the important conversation around digital inclusion and are calling on Eutelsat's connectivity services to ensure service continuity and equality for everyone across this vast continent.

Accordingly, in the Democratic Republic of Congo, Konnect Africa has undertaken to connect thousands of schools to the Internet in partnership with Schoolap and Flash Services. The project provides schools with high-speed Internet connectivity, giving them access to a digital platform of officially-recognised educational content and high-quality teaching materials. The first phase of the project has enabled the connection of 450 private schools and the deployment is ongoing. Furthermore, during the health crisis caused by the coronavirus epidemic, Konnect Africa offered free broadband access to the coordinating bodies involved in the response to the crisis in South Africa, Nigeria and the Democratic Republic of Congo. Hospital teams throughout the territory have thus been able effectively to coordinate their efforts by sharing information in real time and thus combat the spread of the virus more effectively. In South Africa, over a 6-month period, Eutelsat provided free access to eight healthcare facilities not served by the terrestrial networks in the Mpumalanga province. With the help of the Aspen Pharmacare pharmaceutical company, the operation with be expanded in 2021 to a total of 13 healthcare facilities, for a one-year period.

More broadly, in numerous rural areas, satellite technology facilitates teleconsultation, allowing health centres in remote areas to hook up with university hospitals thanks to satellite broadband connections. The support provided by satellite technology is key to combatting the pandemic across Africa, particularly thanks to the instantaneous connection that allows for real-time reporting and optimal management of the epidemiological data collected.

Aside from the education and health sectors, the services offered by Konnect Africa are key in many other fields of interest to public authorities, including security and defence, remote administrative services, land use planning and business creation, not to mention public initiatives to promote local agriculture.

3.3.1.2 Promoting access to free-to-air television for all households

Eutelsat promotes access to free-to-air television for all households in France and worldwide.

As of 31 December 2020, the Group was broadcasting some 7,000 TV channels including more than 2,300 free-to-air channels, accessible without being subscribed to its satellites (i.e. close to 30% of all channels broadcast as of that date), to an audience of over one billion viewers, mainly in Europe, Russia, the Middle-East and Africa.

In France, the EUTELSAT 5 West B satellite launched in October 2019 enables the FRANSAT platform to broadcast 26 free DTT channels (along with the 25 regional France 3 channels in HD, local and thematic channels, radio stations, and connected TV services) on a subscription-free basis. FRANSAT is the only free satellite DTT multi-channel platform listed by the French broadcasting authority. It is designed in particular for households with little or no terrestrial reception. Over two million households are equipped to receive FRANSAT on an individual or collective basis.

FRANSAT is also a preferred conduit for local channels to broadcast to a wider audience across 100% of mainland France. For local authorities, small community cable networks in DTT black spots and isolated terrestrial broadcasters, FRANSAT provides "FRANSAT PRO", a satellite-delivered free-of-charge community DTT solution.

The FRANSAT service is regularly enhanced to improve the televisual experience for viewers: HD, Ultra HD, the "FRANSAT Connect" portal for browsing the programme guide, interactive online services.

The FRANSAT platform is at the forefront in terms of Ultra HD broadcasting, with the arrival of several 24/7 channels in this format, alongside the FRANSAT Ultra HD channel. This regularly broadcasts major sporting or cultural events such as the French Open at Roland-Garros or the FIFA World Cup in partnership with major broadcasters. Accordingly, all FRANSAT subscribers enjoyed the Ultra HD viewing experience on two major events in 2019: the FIFA Women's World Cup and the Rugby World Cup, broadcast on a dedicated channel called TF1 4K.

Since the Covid-19 crisis, the consumption of linear television has seen a very strong increase everywhere in the world. In France, during the first lockdown in March 2020, the time spent watching television increased by 32%, with an average of 4h39 per day. The same held true for Italy where the average time spent watching television increased by more than an hour with an average of 6 hours per day.

During this troubled and destabilizing period, television and, in particular, linear television have further consolidated their dominant position for access to information and their ability to bring together millions of viewers at the same time to share certain programmes (educational, entertainment).

Within this highly specific context, FRANSAT has systematically supported the initiatives from the French government and the France Télévisions public broadcasting group to enhance the free-to-air proposition. On 7 April 2020, FRANSAT thus broadcast the pop-up channel #A offering educational and family programmes and, since 1 February 2021, has been broadcasting the Culture Box channel to support the cultural sector.

Within the past few years, Eutelsat's HOTBIRD video neighbourhood has become a benchmark orbital position for more than 135 million households in Europe, the Mediterranean Basin and the Middle-East, providing them with free access to a rich line-up of over 1,000 channels broadcast in some 40 languages. The 13° East orbital position also offers the opportunity for populations living outside their country of origin to preserve a cultural link with the latter by receiving their national channels.

3.3.2 Eutelsat's commitment to humanitarian programmes

3.3.2.1 Engaging in humanitarian relief

Eutelsat is one of the original signatories of the UN Crisis Connectivity Charter, integrated with the work of the World Food Programme (WFP). This Charter, which was signed in late 2015 by GVF (Global VSAT Forum), ESOA (EMEA Satellite Operators' Association) and multiple satellite operators with the support of the Emergency Telecommunications Cluster (ETC) under aegis of the World Food Programme and the UN Office for the Coordination of Humanitarian Affairs, aims to provide governments and NGOs with immediate (within 24 hours) and resilient connectivity in the event of a major humanitarian crisis on four continents. It defines the framework for coordinating and working between stakeholders to optimise the arrangements and response times to telecommunications needs in emergencies.

The main commitments of the Charter include:

- pre-planned, scalable satellite-based solutions that can be deployed within 24 hours of a disaster and can be adapted to the specific nature of each operation;
- satellite equipment pre-positioned in Dubai at the UN Humanitarian Response Depot (UNHRD) for deployment within 24 hours to disaster areas;
- pre-allocated bandwidth, to allow priority access to Internet traffic for humanitarian relief purposes.

All assistance under the UN Crisis Connectivity Charter is provided free of charge.

Technical training sessions for humanitarian staff, in addition to crisis response simulations, have regularly been held since the signing of the Charter by Eutelsat and other satellite operators and integrators.

The Crisis Connectivity Charter became operational in spring 2018, with the signing of a contribution agreement between the United Nations World Food Programme (WFP) and Eutelsat, including around forty ground reception kits, and pre-allocated bandwidth on four satellites within the Group's fleet. The Charter was first activated in early 2019 for Cyclone Idai in Mozambique, for which Eutelsat was thanked by the WFP. Eutelsat was also chosen by the WFP to respond to the needs of the humanitarian relief agencies during hurricane Dorian, the most powerful hurricane in the history of the Bahamas. Eutelsat contributed to the supply of VSAT terminals and bandwidth to provide connectivity services to the affected areas.

In 2021, Eutelsat supplied the UN logistics hub in Panama with five terminals to plan for the forthcoming hurricane season. These terminals will be used on E65W in line with the commitment made within the framework of the Crisis Connectivity Charter.

Eutelsat is also a member of the Emergency Telecommunications Cluster (ETC). ETC is a global network of organisations that work together to provide shared communications services in humanitarian emergencies. Within the framework of its participation in this network. Eutelsat has donated two devices for training to the Gear Up scenario in Germany, for all the members of the Emergency Telecommunications Cluster. Eutelsat has supplied training, applications and telephone assistance to all the members of the network. In 2020, Eutelsat also represented the satellite industry within the Emergency Telecommunications Cluster.

Eutelsat has also been supporting Télécoms Sans Frontières (TSF) since 2007. The assistance provided by Eutelsat under this partnership allows this international NGO to fit out a community or crisis unit with broadband connectivity within a few hours to send data, video or voice communications.

Similarly, Eutelsat's partnership with TSF has been active for several years in large-scale conflict areas, helping to ensure near-continuous coordination of the various humanitarian relief operations carried out in the field.

With a view to further improving the response time of TSF's partner teams, and in addition to the resources already made available to the NGO, each year the Group donates multiple devices ready for use on aircraft.

Similarly, the Group has supported the NetHope NGO since 2004. In the past year, Eutelsat has donated ten devices and bandwidth to support the humanitarian efforts carried on by the NGO in refugee camps in Uganda.

Eutelsat has also decided to donate all of the aid provided by the Singapore government under the Job Support Scheme (JSS) to support employment and business during the Covid-19 crisis to several NGOs. The NGOs selected are the Singapore Red Crosse Society, the Singapore Cancer Society, the Nanyan Technological University Fund and the Singapore Junior Achievement.

Lastly, Eutelsat is directly committed to NGOs that are not specialised in telecommunications such as "Action contre la faim", by providing technical training for humanitarian staff.

3.3.2.2 L’Arrondi Solidaire – Solidarity in favour of local employment and micro-credit

These external initiatives and partnerships are accompanied by individual commitments within Eutelsat. They are accompanied by other initiatives such as “l’arrondi solidaire”, where Eutelsat was the first French company to offer this programme in 2010, enabling employees to donate the euro cents from their salaries each month to charitable causes. The Company then adds 200% of the employee contribution which is then paid to local employment and microcredit charities such as “ADIE” and “Positive Planet”.

3.3.3 Territorial impact of the Group’s activities on employment and regional development

3.3.3.1 Supporting digital development in rural areas

Please see § 3.2.3.2 below and also section § 3.2.1.1 “Serving specific requirements by addressing the challenges of public policies with regard to digital inclusion”.

3.3.3.2 Promoting access to knowledge, a major challenge for development

Eutelsat actively supports the teaching of the sciences in schools and, in a more general sense, is proactive in education through its promotion of digital access.

The Group has forged close ties with students in the telecom and space sectors, in particular through its employees who teach in university courses. Educational partnerships are also implemented with a view to promoting students’ interest in science and technology.

The Group is also investing in educational projects in southern Italy and Africa, as part of an innovative programme called “ONEClass! Open Network for Education”, conducted by the Openet Group and supported by the ARTES (Advanced Research in Telecommunications System) branch of the European Space Agency. Aimed at multi-class schools and associations promoting access to education for migrant minors, the project will rely on satellite technology and more specifically on the resources of Eutelsat’s KA-SAT satellite for its set-up and implementation. The “multi-class” segment includes the provision of live lessons to geographically isolated pupils in different locations via an on-line conference system, in addition to e-learning resources available on a dedicated cloud. The principle is similar for the segment concerning the NGOs who work in immigrant reception centres, who provide access to education to unaccompanied foreign minors. This network includes classes located in Africa. The bandwidth supplied by Eutelsat is a key factor in the programme’s success, and supports a new inclusive teaching model, in particular for populations of migrant pupils.

In the Americas, the Group’s subsidiary Eutelsat Americas makes its own contribution to the field of education through several programmes.

Since 2010, the Company has taken part in the federal digital inclusion programme México Conectado, steered by the Ministry of Communications and Transportation. This programme, which aims to offer free Internet access in public spaces such as schools, hospitals, universities, parks and government institutions, currently connects approximately 100,000 sites. More than two thirds of connections are for schools and almost 30% of all public spaces connected via the programme use satellite technology. A partnership entered into between Eutelsat Americas and the company Elara Communicaciones has enabled a large number of schools to enjoy the educational potential provided by satellite Internet access. Similar social connectivity initiatives are also conducted in Panama, Colombia and Ecuador.

In 2018, Eutelsat chose to support the Ghana Code Club, a non-profit association committed to introducing all primary school children, and girls in particular, to the IT professions available in Ghana. The NGO trains Ghanaian children aged 8 to 16 in basic computer skills while teaching them to design their own games, videos and websites.

By offering students the opportunity to learn about coding, the Ghana Code Club helps them develop the skills they need to succeed in an increasingly digital world.

In 2021, Eutelsat chose to collaborate with the Ailes de France Foundation: created under the aegis of the Fondation de France, the Ailes de France Foundation aims to contribute to the awareness and promotion of the aeronautics and space world, for example by supporting educational, scientific, cultural and sustainable development projects, in particular in favour of young people. In partnership with the CNES (Centre national d’études spatiales), Eutelsat is participating in the project through the ”Bourse ESPACE”, by financing six scholarship funds enabling young people to continue their studies in the field of aeronautics and space.

Eutelsat Supports the Junior Achievement Association and the CGénial Foundation

In keeping with its commitment to foster diversity, Eutelsat supports associations that raise awareness of science and science-related trades, particularly amongst girls. This year, the Company chose to support the Junior Achievement association and the CGénial foundation in their efforts to attract young people to science and technology, and help them along their career paths.

In the United Arab Emirates, Singapore and Mexico, Eutelsat's partnership with Junior Achievement seeks to develop the entrepreneurial skills of girls by strengthening the links between school and the corporate world. In France, Eutelsat is working with the CGénial Foundation towards the same goal through a crossover programme involving teachers and employees of the Eutelsat Group.

3.3.3.3 Impact on employment and regional development

Among the Group's sites, it is the teleports that participate most directly and actively in local economic activity owing to their implantation in peri-urban or rural areas.

The Paris-Rambouillet teleport in France offers some benefits to the local community in terms of employment and regional development, making it the second largest economic contributor in the Eure and Loir department. The Company thus uses local service providers for some of its activity and upkeep, namely:

- local firms for the upkeep and maintenance of the grounds surrounding the teleport, small repairs, restoration;
- a regional company for antenna installation;
- most technical products required for the proper functioning of the teleport are purchased from a local company in Rambouillet;
- local farmers by making land around the Paris-Rambouillet teleport available for organic farming.

Similarly, the Group's teleports in Mexico have a positive impact on local communities in that they promote local suppliers. Local businesses are called upon for gardening, maintenance, servicing or office supplies. In addition, support for the local community is provided through a number of activities including: reforestation and grants to local NGOs and other organisations. The proportion of local suppliers is estimated at 75%.

At the Paris-Rambouillet teleport, in order to reduce the impact of increased traffic in the region due to its business, the Company manages a shuttle-bus service between the teleport and Rambouillet town centre. Carpooling is also encouraged.

In a spirit of openness and with a view to promoting knowledge of the satellite industry, the Paris-Rambouillet teleport regularly receives visitors on site including schools, local elected representatives, local authorities and journalists. In 2020, more than 4,700 visitors came to the site.

In Madeira, company presentations at local schools are frequently organised and the teleport teams regularly receive visits from students in partnership with their schools.

3.4 ENVIRONMENTAL INFORMATION

3.4.1 Global Environmental Policy

The Group's environmental policy is structured around two areas:

- Satellite fleet management: space congestion and the environmental impact of a satellite's life cycle, a key component of the environmental policy. The Group applies a responsible fleet management approach in close partnership with satellite manufacturers and launch service providers to mitigate satellites' environmental impacts and conducts a proactive policy to reduce space debris;
- Optimising the environmental impact of Eutelsat's terrestrial operations: teleports and ground management activities. Due to the nature of its business, the Company does not have any factories or warehouses and its impact related to energy consumption and air, land or sea transport remains limited. This secondary focus is nevertheless important as it enables the Group's employees to become involved in environmental policy.

In 2017, the Madeira teleport was granted ISO 14001 certification for environmental management.

There are no provisions or guarantees for environmental risks, nor is there any ongoing litigation or potential risks concerning environmental issues within the Eutelsat Group.

3.4.1.1 Means used for preventing environmental risks and pollution

The means used to reduce space pollution are set out below in § 3.3.2. As regards reducing pollution and releases related to terrestrial operations, please refer to section 3.3.5 on circular economy and pollution in the report.

The issue of exposure to electromagnetic waves is also an environmental risk. Here is the comment issued by the World Health Organisation (WHO) on this matter:

"WHO, through the International EMF Project, has established a programme to monitor the EMF scientific literature, to evaluate the health effects from exposure to EMF in the range from 0 to 300 GHz, to provide advice about possible EMF hazards and to identify suitable mitigation measures. Following extensive international reviews, the International EMF Project has promoted research to fill gaps in knowledge. In response national governments and research institutes have funded over 250 million U.S. dollars on EMF research over the past 10 years.

While no health effects are expected from exposure to RF fields from base stations and wireless networks, research is still being promoted by WHO to determine whether there are any health consequences from the higher RF exposures from mobile phones.[17]*"*

3.4.2 Effects of the activity on the spatial environment

3.4.2.1 Keeping the space around the Earth uncongested and clean

3.4.2.1.1 Space debris management policy

Eutelsat's fleet of telecommunications satellites operates in geostationary orbit 35,786 kilometres (22,236 miles) above the Earth along the Equator, far beyond the Earth's atmosphere. The satellites remain at this distance from Earth for their entire operational life. When they reach end-of-life, approximately 15 to 20 years after entering service, they are re-positioned in a graveyard orbit, approximately 300 kilometres beyond geostationary orbit using the remaining on-board propellant. The satellites never return to Earth, nor do they re-enter the Earth's atmosphere.

Eutelsat is assessing the possibility to launch a constellation of low-orbit nano-satellites (known as ELO). Throughout their operational lives (including decommissioning), the satellites will be operated in compliance with the French Space Operations Act (Loi sur les Opérations Spatiales - LOS) and the international regulations.

Since the early 2000s, Eutelsat has addressed the issue of space debris by implementing a policy of responsible management of such debris, combining its operational experience with recommendations from the international community.

Since 8 July 2005, Eutelsat has been certified for satellite control and operations (ISO 9001 standard).

In 2005, Eutelsat also established a Space Debris Mitigation Plan covering station-keeping maneuvers, satellite repositioning in geostationary orbit, colocation strategies, anomaly remedial measurements, inclined orbit operations strategies and end-of-life operations.

Eutelsat's Space Debris Mitigation Plan is based on international (issued by the Scientific and Technical Subcommittee of the United Nations Committee on the Peaceful Uses of Outer Space - COPUOS) and European guidelines (IADC Space Debris Mitigation Guidelines, European Code of Conduct for Space Debris Mitigation), and the criteria defined by the French Space Operations Act. The Plan sets out the requirements aimed at improving end-of-life and passivation operations, as well as minimising collision risks during operations, which are more stringent than those contained in the regulations applicable to the Company. The Plan is updated on a regular basis in order to incorporate the new standards.

To date, thanks to the internal policies it applies, Eutelsat has re-orbited and passivated 22 satellites18 that have reached end-of-life, with a 95% success rate, clearly outperforming the industry. All 22 satellites have been re-orbited in compliance with international guidelines and the French Space Operations Act since its coming into force, i.e. in such a way as to prevent them from re-entering the protected zone (+/-200 km from geostationary orbit) in the long term (over 100 years). Lastly, Eutelsat has placed 113 satellites[19] in geostationary orbit. All these operations were successfully conducted in compliance with the regulations governing collision risks and space debris generation. To mitigate collision risk, Eutelsat moves its satellites out of the geostationary corridor (+/-40 km above geostationary orbit) during the repositioning phase, and assesses collision risks with the help of USSTRATCOM data, the EU SST (Space Surveillance and Tracking) anti-collision service and information contained in the Space Data Association database.

3.4.2.1.2 Compliance with the French Space Operations Act

The French Space Operations Act, which came into force on 10 December 2010, underscores the need for a responsible approach to fleet management.

The Act establishes a regulatory framework within which Eutelsat operates in collaboration with the French Ministry of Research and the CNES (Centre National d'Etudes Spatiales) to meet its obligations regarding in-orbit control of a space object.

The technical authorisations and licenses delivered by the Ministry of Research under this Act are managed by the CNES. Eutelsat cooperates with the CNES during every stage of a satellite's life. Before a satellite is authorised, the CNES reviews the technical documentation with Eutelsat. After obtaining clearance, Eutelsat invites the CNES to its technical reviews in order for the CNES to verify the correct application of the technical regulations. Finally, Eutelsat informs the CNES of any incidents occurring on a satellite and/or any change in orbital position.

As part of discussions with the CNES with a view to obtaining authorisations, Eutelsat specifies its strategies for depleting the resources of a satellite in a way that limits any increase in space debris, or for permanently deactivating all means of generating

[17] https://www.who.int/topics/electromagnetic_fields/fr/
https://www.who.int/health-topics/electromagnetic-fields#tab=tab_1

[18] Number as of 7 May 2021

[19] Number as of 7 May 2021

power on board the satellite. Eutelsat also demonstrates that it has sufficient resources to conduct de-orbiting operations and provides a probability calculation for their successful completion. Finally, Eutelsat provides the CNES with a study of the dangers posed to populations, the environment and public health, in particular the dangers associated with the generation of space debris (in the event of a collision with another space object, for example), as well as a plan to address the risks of accidental collisions.

From the outset, the best practices adopted by Eutelsat have enabled the Company to comply with the requirements of the French space legislation and the Group continues to be a responsible operator, committed to the avoidance of space debris.

3.4.2.1.3 Sharing Eutelsat's policy and practices

In 2011, Eutelsat became an Executive Member of the Space Data Association (SDA). Bringing together satellite fleet operators, the SDA is tasked with assessing the risks of potential close approaches on the geostationary orbit and the Low Earth Orbit and sharing information with a view to mitigating RF interference.

Eutelsat is also involved in many events and workshops organised throughout Europe on space debris management. More specifically, the Group plays an active part in two key events organised by the CNES on a regular basis: the Workshop on End-of-Life Operations (biannual) and the annual Working Panel on outer space debris. It also monitors the work of the ESA and other relevant international institutions.

In 2013, Eutelsat also presented its internal policy and provided feedback on the French Space Operations Act at a workshop hosted by the "Long-term Sustainability of Outer Space Activities" working group of the UNCOPUOS Scientific and Technical Subcommittee. In addition, Eutelsat has regularly reported on its experience following the implementation of the French legislation during consultation sessions hosted by the CNES in 2013, 2017 and 2018.

3.4.2.2 Responsible fleet management policy

3.4.2.2.1 Satellite manufacturing

Eutelsat is procuring or has recently procured, either directly or via its subsidiaries, satellites from four of the world's major satellite manufacturers: Airbus Defence and Space SAS (Airbus Group), Northrop Grumman, Maxar Space (Maxar Technologies Group) and Thales Alenia Space (Thales & Leonardo Group). Each of these manufacturers has adopted policies to minimize their environmental impact and promote sustainable development and comply with international regulations on space debris.

Airbus Defence and Space considers the environment at all stages of its operations, striving to minimize its industrial footprint and aiming to develop eco-efficient products throughout its lifecycle. The company complies with all applicable environmental regulations and its sites are ISO 140001 certified. Since 2019, Airbus has set and implemented ambitious environmental reduction goals for 2030 against a 2015 baseline through its High5+ plan. The High 5+ plan includes site reduction targets for energy consumption, CO2 emissions, water consumption, volatile organic compound emissions and waste production. Airbus voluntarily report on environmental issues using the Global Reporting Initiative standards.

Northrop Grumman remains committed to conducting its operations in an environmentally responsible manner and complying with all applicable environmental laws and regulations. Northrop Grumman embraces environmental sustainability and is committed to minimizing its environmental footprint through its company-wide goals to reduce greenhouse gas emissions, conserve potable water and increase solid waste diversion from landfills. To date, they have exceeded their greenhouse gas reduction goal of 30%, achieving a 44% reduction from 2010, and met their 20% potable water reduction goal. They also reached a 69% solid waste diversion from landfill rate, just short of their 70% goal."

Maxar Technologies considers the impacts of its operations on natural resources, the environment and space of critical importance, particularly in its manufacturing operations located in California. Maxar's manufacturing processes adhere to strict federal and California state regulations for air and water emissions and waste disposal. Additionally, Maxar deploys numerous sustainability initiatives to minimize energy usage, water usage, waste to landfill and greenhouse gas (GHG) emissions throughout its facilities.

Thales Alenia Space (TAS) is part of the Thales Group which has conducted an environmental protection policy since 2007. A new set of objectives for 2019-2023 continues to seek to reduce energy consumption, CO2 emissions, waste production and recycling. This new set of targets also reinforces the eco-design approach designed to limit the environmental impact of its products. In addition to the ISO 14001 Environmental certification of its sites and products, TAS's main energy consuming sites have been certified ISO 50001 for energy management. The Group is extending its approach to all its suppliers, requiring them to align their policies and internal processes with all the principles that Thales has undertaken to respect.

It should be noted that EU manufacturers are subject to the EU REACH regulation (Regulation (EC) No. 1907/2006) which entered into force in 2007 to secure the production and use of chemical substances by manufacturers within the EU.

3.4.2.2.2 Launch services

As a satellite operator, Eutelsat does not itself launch satellites, but uses launch service providers such as Arianespace and International Launch Services (ILS).

Arianespace uses the Ariane 5 ECA rocket to launch Eutelsat's satellites. The main combustion products from this launcher are hydrochloric acid and aluminium oxide from the launcher's solid rockets and water vapour from the cryogenic (liquid oxygen and hydrogen) first and second stages. The total CO2 equivalent emissions from an Ariane 5 ECA launch are estimated at 200 metric tons. Checks carried out after each launch show that the impact on the local environment is very limited. Arianespace continues its efforts to protect the environment in all aspects of the activities at its launch site in Kourou, French Guiana. In 2014, the launch facility's environmental management system and energy management system were, respectively, ISO 14001 and ISO 50001 certified.

ILS utilises the Proton M/Breeze M rocket from the Baikonur cosmodrome in Kazakhstan. The Russian Federal Meteorology and Environment Service, the Bauman Moscow Technical University and the Russian Academy of Science have performed a study of the environmental contamination by the Proton M/Breeze M launcher both by the pre-lift off propellant emission and by the combustion product exhaust during Proton M and Breeze M flights. The amount of CO2 generated by the pre-lift-off exhaust is approximately 0.5 metric tons whilst that during the Proton M flight could be up to 350 metric tons. For the Breeze M (upper stage) flight which occurs at altitudes from 160 km up to 35,000 km, the CO2 emissions from the propulsion system can amount to up to seven metric tons.

3.4.2.2.3 Analysis of the life cycle of a geostationary satellite

In 2016, the European Space Agency conducted an analysis of the life cycle of satellites, which found that emissions from the whole life cycle of the mission (design, manufacturing, testing, launch campaign, launch and operation) are estimated at 56,000 metric tons of CO2 equivalent.

3.4.3 Pollution on Earth

Due to the nature of its business activities, the Company has no factories or warehouses and its environmental footprint related to energy consumption and air, land or sea transport remains limited. There is no employee training specifically related to environmental protection. Efforts are, however, made to limit energy consumption and transport, which mainly account for the Group's environmental footprint.

3.4.3.1 Measures to prevent, reduce or remedy environmental releases to air, water and land that may seriously affect the environment

Eutelsat's fleet of satellites has no direct environmental impact on the Earth's atmosphere. Furthermore, the activities carried out at teleports and offices do not represent any material risk of causing serious damage to the environment.

Sections 3.4.2.2.1 and 3.4.2.2.2 outline the key aspects of the environmental policy pursued by satellite manufacturers and launch service providers.

3.4.3.2 Addressing specific nuisances, particularly noise pollution

At Eutelsat's Paris-Rambouillet teleport (France), noise pollution only affects the site's employees as there are no residential buildings in the immediate vicinity of the teleport. Noise prevention systems have been implemented to reduce the noise generated by antennas and air-conditioning systems. Earplugs are provided to employees who work in the air-conditioned technical rooms. Periodic inspections are conducted to check the facilities' noise levels and to deploy solutions with a view to their reduction. In addition, checks of electromagnetic fields are done every 5 years at least, or when necessary, for example during the installation of a new antenna.

The teleport in Turin (Italy) is located in a semi-industrial area in close proximity to residential buildings. In order to reduce the environmental impact of the teleport, a number of measures are implemented on an on-going basis. These include:

- implementation of a system to reduce noise generated by antennas and air-conditioning systems. Periodic checks are performed once a year to check the noise level and implement solutions to reduce it;
- planting of trees around the teleport perimeter to reduce the visual impact of the antennas on the neighbourhood;
- dedicated barriers to reduce the potential electromagnetic impact;
- a system to identify non-operating antennas;
- periodic checks of electromagnetic pollution are performed by ARPA (Regional Agency for Environment Protection) and by the Politecnico di Torino University. The last electromagnetic pollution check was performed in March 2017;
- the continuous monitoring of antenna alignment by the ARPA and the City of Turin through online access to the teleport systems.

In Cagliari (Sardinia), the teleport is in an industrial area that is intrinsically noisy. Periodic noise checks at the teleport are less frequent, the latest having been performed in 2010. Electromagnetic checks are also carried out, the most recent having been completed in 2019 after the installation of two new antennas.

The Iztapalapa Teleport in Mexico is located in a government complex where other telecommunications and security entities are based. The complex is situated in Mexico City, in the vicinity of a power plant and a residential zone. Earplugs are provided to employees working in the air-conditioned plant rooms.

The Hermosillo Teleport (Mexico) is also located within a government complex housing telecommunications and security entities but it is not adjacent to any residential areas. Earplugs are provided to employees working in air-conditioned plant rooms. Every two years, inspections are conducted to check the level of noise emissions from the facilities and implement solutions with a view to their reduction.

In the two Mexican teleports, noise pollution has been limited by insulating all noisy equipment at the site. In addition, trees have been planted to contribute to noise insulation and reduce the visual impact of the antennas.

3.4.3.3 Circular economy

3.4.4.3.1 Waste prevention and management

The Group is committed to observing best practices in the management of waste generated in its offices. Starting in 2010 in Mexico and 2015 in Paris, Eutelsat has pursued a rigorous programme to reduce paper consumption and recycle waste in its offices. The programme includes replacing printers with multifunction copiers with badges and reducing the number of photocopiers to lower paper consumption and using FSC or EU/Ecolabel certified paper.

Eutelsat SA has implemented several waste management measures:

- sorting of waste: paper, cardboard, glass, ordinary industrial waste (OIW) using dedicated collection bins;
- installation of waste bins for paper collection in offices and locations frequently used by employees (photocopiers);
- daily removal of waste;
- confidential document destruction by shredding truck;
- recycling of paper, cans, PET (plastic bottles) via Paprec/La Corbeille Bleue;
- WEEE (electrical and electronic waste) from discarded electrical or IT equipment is either donated to associations for those in operation or disposed of by authorised companies.

The Group’s international subsidiaries have also implemented consumption reduction and waste sorting procedures.

3.4.4.3.2 Water consumption and supply in relation to local constraints

Water is used to maintain green areas and for cooling systems.

The sites which consume the most water are the headquarters (Paris) and the teleports. The office air conditioning systems in Paris account for the highest consumption of water, with peak levels during the summer. The water supply system at the Paris-Rambouillet teleport was refurbished in 2018, with a separate supply for teleport operations and fire-fighting networks.

In Madeira, rainwater is stored for irrigation and a rain sensor is used to avoid wastage. Water consumption is measured on a monthly basis.

For Eutelsat Americas, the water consumption shown corresponds to that of the Iztapalapa and Hermosillo teleports; consumption at the headquarters is not monitored. Consumption is kept to a minimum, with no watering of green spaces in Iztapalapa and very little watering in Hermosillo (located in the desert), where the local government applies restrictions on the use of water. In 2020 an irrigation system was implemented for the fruit trees in Hermosillo, likewise the water from the air conditioners is used to irrigate green areas, work continues to cover all areas to use the minimum consumption of water without affecting the plants.

The amounts of water consumed are shown in the table of indicators at the end of the document.

3.4.3.3.3 Consumption of raw materials and, where appropriate, measures for improving efficiency in their use

The Group operates no factories and therefore does not consume raw materials for conducting its business, with the exception of paper.

3.4.3.4 Climate change

3.4.3.4.1 Energy consumption and, where appropriate, measures to improve energy efficiency and the use of renewable energies

Much of the Group’s energy consumption is the result of cooling and heating operations for the teleports used for establishing two-way connectivity between the Earth and its fleet of satellites. During the summer months, electronic equipment must remain at constant temperatures, so an air conditioning system is used. During the winter months, when exterior temperatures can fall below freezing, antennas used to uplink signals to satellites must be heated in order to ensure their proper functioning. The Group has gone to great lengths to reduce the teleports’ electricity consumption and this has yielded promising results.

Various actions have been rolled out at the Paris-Rambouillet Teleport, including:

- Intensive use of de-icing with anticipation of weather conditions and gradual implementation of a system for supplying fresh air from outside the buildings (free-cooling);
- a pilot passive de-icing system for antennas measuring up to 3.8 meters has been installed on some 20 antennas. It avoids the consumption of energy (electricity or other) for heating the antennas in winter.

Energy audits are made and show that the energy consumption is optimized for the site (60% business, 40% environmental)

In Italy, an energy audit of the Centallo and Cebrosa sites in the Turin region was conducted, resulting in the following actions:

- implementation of new uninterrupted power supplies;
- implementation of an energy management system.

At the Teleport of Cagliari a project has been launched, for completion in 2021, for the installation of photovoltaic panels and the teleport site in Madeira, Portugal, is equipped with photovoltaic panels.

Eutelsat Americas has been implementing energy-saving measures for many years: priority use of natural lighting, low-energy light bulbs, motion sensors to control lighting in all common areas. For the offices located at Eutelsat's Paris headquarters, "green committees" bringing together suppliers, the owner of the premises and the maintenance service provider are organised to identify measures to save electricity consumption, such as the use of a BMS (Building Management System) or the installation of low-energy light bulbs. Awareness-raising initiatives are regularly carried out among employees.

At the Hermosillo teleport based in Mexico, the site has upgraded its air-conditioning system and replaced the glass roof structure of the main building with thermal insulating panels allowing natural light flow into the building

In addition, the Group Information Systems Division is conducting a streamlining project on Group level concerning its information systems and processes. The main actions taken or pursued since 2016:

- the implementation of a product catalogue for servers and workstations favouring the low consumption of computer equipment and respect for the environment;
- the implementation of equipment such as "Blade" for servers, which consumes less energy, with electrical system units;
- computers go into stand-by mode if not used for 20 minutes;
- the replacement of work stations now tends to be conducted upon request when the station is no longer functional, and no longer systematically every 3 years.

Under the project name "One Move IT", the teams took advantage of the move in Eutelsat's head office to change virtualisation technology.

This migration enabled Eutelsat to rationalise its equipment (servers), reducing the number of servers from more than 40 to ten, thereby generating savings at all levels:

- Savings on hardware (servers)
- Savings on energy: this equipment's electricity consumption has been reduced by two-thirds
- Saving on Datacenter maintenance costs
- Savings on administration (more modern and responsive, fewer servers to manage, fewer licenses to purchase)
- Savings on subcontracting

The Group has also migrated all of its remaining physical servers to virtual servers.

As a result, the Group's Corporate Datacenter has no remaining non-virtualised servers.

This critical step was carried out without any service interruption, enabling the rationalisation of the equipment while generating savings.

	Units	2020
Consumption of energy in kWh (Group)	kWh	22 925 587

3.4.3.4.2 Significant items of greenhouse gas emissions generated by the Group's business and, in particular, by the use of the goods and services it produces

The Group assesses the significant items of greenhouse gas emissions over a broader scope, in compliance with Article 173 of France's Energy Transition Act (*Loi de transition énergétique*). This assessment has resulted in a total of 7,303 metric tons of CO2 equivalent, broken down as follows:

Significant items of greenhouse gas emissions	Emissions in metric tons of CO2 equivalent	Comments
Scope 1 (Fuel oil consumption)	57.81	Fuel oil or diesel used in teleport operations
Scope 2 (Energy consumption at Eutelsat's main sites)	5,626.2	Electricity for the teleports and the Group's head office
Scope 3 (Employee business travel by air + by motorized vehicle + equipment for Eutelsat S.A. employees)	1,610.36	Buildings, electronic and IT equipment
Total	**7,303**	Scope 1+2+3
(1) Data covering more than 90% of staff: Eutelsat S.A., Eutelsat Americas, Skylogic, Eurobroadband Services and Eutelsat do Madeira Unipessoal LDA who have reported the information.		

Note that the European Space Agency evaluated the emissions generated by a geostationary satellite over its life cycle (production, launch, operation, end of life) at 56,000 metric tons of CO2 equivalent.

This year, Eutelsat launched the ELO Alpha satellite. In the absence of precise data reported on greenhouse gas emissions during the life cycle of a low-orbit satellite, we are not able to extrapolate and compare the information with the data from the European Space Agency on geostationary satellites.

The main emission items for the terrestrial operations are energy consumption and air travel for business purposes. For these items, projects are underway:

- Energy: see section 3.4.4.4.1 above;
- Travel: the new travel purchasing procedure, implemented in 2017 to standardise the travel rules, aims to reduce the number of trips and encourage the use of video-conferencing tools.

Note also that Eutelsat S.A. conducted a Greenhouse Gas Emission Assessment in 2018 for the scope of the direct and indirect emissions related to energy consumption (Scopes 1 and 2 of the official method). These emissions totalled 956 metric tons of CO2 eq., mainly from electricity consumption at the Paris-Rambouillet teleport and in air conditioning systems.

In 2017, Eutelsat Americas conducted a Greenhouse Gas Emission Assessment on a global scale, with an evaluation of 2,522 metric tons of CO2 eq., of which 1,514 tons of CO2 eq. Scopes 1 and 2.

3.4.4.4.3 Taking into account the impacts of climate change

Eutelsat's activities have limited exposure to the impacts of climate change.

3.4.4.5 Protection of biodiversity

Eutelsat's activities have little impact on biodiversity. However, several initiatives have been conducted in this field.

Most of the land owned but not used by Eutelsat at the Paris-Rambouillet teleport site is leased to a farmer, who has contracted to convert production to organic farming and has started to rest the land for this purpose. Part of the land at the teleport is currently being transformed into flowering meadows.

At the Eutelsat Americas teleport sites, fumigation operations are regularly conducted for pest control purposes, using eco-friendly products.

In Madeira, indigenous plants and grasses have been planted in green areas, and the use of more environmentally-friendly products is encouraged.

In terms of animal protection, in November 2017 Eutelsat joined forces with the Sigfox Foundation to step up the protection of the endangered rhinoceros population through the "Now Rhinos Speak" project. The implementation and use of a secure rhino tracking platform have been made possible thanks to satellite links using Eutelsat's orbital resources. To date, this initiative has resulted in the tracking of around ten wild rhinoceroses.

3.5 SOCIAL INFORMATION

3.5.1 Employment

3.5.1.1 Workforce

The Group's workforce has slightly increased: 1,171 employees in 2020 (versus 1,005 in 2019). Employees were accounted differently between 2019 and 2020 following a change in methodology (see 3.9 Note on the Methodology). Furthermore, the Group acquired BigBlu Broadband in October 2020, explaining the increase in the number of employees between 2019 and 2020.

In France, there were some 60 new hires (a 33% increase on 2019). This recruitment was in anticipation of forthcoming retirement departures and to support the transformation of the Group.

The Group's subsidiaries in France, Italy and Mexico, and since 2017 in the Middle-East (formerly Noorsat), account for close to 84% of the workforce.

Eutelsat S.A. prepares an annual social audit report summarising the key data in a single document. This provides a high-level overview of the Company's performance in this area. The social audit report is prepared with reference to the calendar year.

Breakdowns of the workforce by gender, age and geographical area can be found in the social indicator tables in section 3.8.1.

	Units	2020
Total Workforce	Persons	1,171
Men	Persons	775
Women	Persons	396

3.5.1.2 Vocational integration of young people

Eutelsat is conscious of the need to include young people in the world of work, particularly within an economic environment which has been negatively impacted by the public health crisis. This is why the Group continued to recruit under its internship and work/study programme in 2020. Eutelsat S.A. thus hired more than 27 people on apprenticeship contracts in 2020 and nine people under 25 years of age were recruited on either temporary or permanent employment contracts.

At the end of 2020, the Group launched a recruitment campaign dubbed "Job Booster". This recruitment campaign is to help young graduates to find their first jobs in this difficult context. It aims to hire some thirty young graduates who will enrich the company with their skills and participate in its transformation.

3.5.1.3 Compensation

Employee compensation comprises a fixed salary, a possible bonus and an LTIP ("Long Term Incentive Plan").

The performance criteria used to calculate bonuses are correlated with the performance of the Group or divisions, and have been harmonised across the Group and its subsidiaries.

The LTIP is based on both quantitative financial criteria and CSR criteria.

Eutelsat S.A.:

A employee savings plan (ESP) was established within Eutelsat S.A. in July 2000: the plan distributes significant sums on top of compensation as part of a profit-sharing plan.

Employees who so wish may save up to 5,000 euros per year in the corporate savings plan (PEE). Eutelsat tops this up with an employer contribution of up to 2,170 euros.

3.5.2 Quality of life at work

As a state-of-the-art technology company operating in a global market, Eutelsat is committed to creating an international corporate culture, uniting employees around the idea of shared practices and values, attracting and retaining talent and ensuring good working conditions. The role of women in the Company and the reframing of the concept of disability are amongst the priorities of the HR management policy.

The Group is highly culturally diverse, with employees from 49 countries across five continents at end-2020. Five nationalities are represented on the Board of Directors and 19 on the Leadership Committee. As of 31 December 2020, 48% of the Group's total workforce (i.e. 569 of the 1,171 employees) was outside France.

To make it more cohesive and maintain its international identity, the Group is implementing a policy built around the:

- quality of life at work and employee engagement, measured through the Bloom At Work platform;
- organization of in-house sales seminars and webinars, in France and abroad;
- mobility of French employees across the Group's international subsidiaries.

3.5.2.1 Quality of life at work and employee commitment

At Eutelsat S.A., the action plan to promote gender equality and quality of life at work was published in 2020. It addresses a number of topics with respect to quality of life at work, including work-life balance and the right to log off, echoing the publication in 2017 of a digital tools' usage charter. It is also supported by the elements concerning the right to log off in the supplementary clause to the remote working agreement signed in the summer of 2020.

The action plan also addresses the launch of the project to relocate the Paris head office, which took place in October 2020. To this end, the action plan on gender equality and quality of life at work reiterated various fundamental principles that had governed the layout of the new premises. Quality of life at work constituted a real organisational challenge for the relocation in terms of very light and spacious working spaces with a ratio of 1.8 available at Issy-les-Moulineaux: for every 10 work stations there are eight collaborative positions. In addition, rest areas have been created and a great deal of attention was paid to visual and acoustic comfort, and to ergonomic furniture. Lastly, a high-quality collective canteen was put in place adapted to the needs of employees and offering several catering solutions with different and specific ambiances.

Additionally, in line with the French Mobility Orientation Act of 24 December 2029, known as the "LOM", a mobility plan was established at the end of 2020. It inventories and outlines the measures taken with respect to employee travel and introduces several new measures aimed at green journeys: some tangible, innovative examples include recharging stations for electric vehicles in the car park and the creation of bicycle repair workshops. Furthermore, notably following the mobility plan, Eutelsat established a working group to promote carpooling.

In France, an agreement had been successfully negotiated in 2018 on working time accounts (Compte épargne temps or CET) with the first such accounts being created in 2019. These allow employees to personally manage their leave to tailor their time off to their needs. This agreement puts into effect the desire of the social partners to provide employees with effective measures to help improve their quality of life at work.

For the Group, a key area in improving quality of life at work has been the introduction and roll-out of remote working, initially in Mexico and Italy, and subsequently in France. This has been followed by other countries like Russia and our subsidiary in Dubai. Since the establishment of remote working, some regions have even seen their mechanisms broadened or made more flexible in a spirit of trust and a culture of performance.

In France, an agreement was signed in 2019 making it possible to establish a specific system to support employees facing personal emergencies as much as possible: the gifting of time off.

This system reflects the spirit of unity, solidarity and mutual support shown within a working community and is wholly in line with Eutelsat's values and specifically those of respect and team spirit.

To step up the support provided to carers, at end-2019 discussions began on how to support family caregivers. These should be concluded in 2021. Along the same lines, discussions began in Italy in 2020 on establishing a similar system and specifically on promoting solidarity and the Group's values.

As part of an effort to prevent psychosocial risks, an external hotline (Psya service) allows Eutelsat SA employees to reach out to a hotline manned by certified clinical psychologists.

The Company's **values, a driver of** employee engagement

The Ethics Charter published in 2018 underlines the Company's mission and key values as well as its commitments to its clients, partners and employees. The One Eutelsat programme has been rolled out for over a year, involving 200 Group employees across all subsidiaries and all managers, including the members of Executive Committee. A driver of employee engagement, this programme has made it possible to unite those employees around the Group's shared values and strengthened their management skills by emphasising professional behaviour, emotional intelligence, managerial kindness and human capital. Training workshops are held to communicate and share these values with all Group employees.

Employee engagement and satisfaction at work are regularly measured and, since last year, have been monitored using the *Bloom At Work* platform. This combines a digital and employee support solution, surveying employees as to their alignment with Eutelsat's values and their application. The campaign conducted in 2020 revealed an engagement score of 8.6/10. Thanks to the breakdown of these results by team, managers can define and put in place actions to deal with areas flagged for possible improvement.

3.5.2.2 Talent identification, development and retention

In early 2020, a new "Talent Review" process was rolled out in line with the Rising Star programme for high-potential executives conducted over two financial years.

This process is overseen by the Group's Human Resources Department, covers all countries and teams, and instills a "bottom-up" approach that enables interaction by team/department, and then at Group Executive Committee level.

This process aims to:

- identify, develop and retain a talent pool (high potentials and "key experts");
- feed into the Group's succession plans;
- facilitate SWOT analyses of organisations and draw up resulting action plans to manage skills (training, recruitment, partnership) and optimise organisations and business processes.

Other actions benefiting all employees have been further developed over the years, such as a long-term employee loyalty plan for around 30 Group employees.

Furthermore, Eutelsat has expanded its social media presence to build and enhance other ties with employees and more broadly with people who are interested in its business.

3.5.2.3 Work organisation

3.5.2.3.1 Collaborative innovation

Eutelsat is working towards the digital transformation. This helps to bring together the Company's cultures, processes and tools under the One Eutelsat programme.

The Group's new Intranet portal, launched in May 2019, gives employees a single access point for their business tools which are now standardised, a company-wide social network and any useful information and documents.

3.5.2.3.2 Working time arrangements

Eutelsat complies with the International Labour Organisation (ILO) rules on working time arrangements. Moreover, the Group's management ensures that all subsidiaries, both in France and abroad, comply with local labour laws, including those relating to working time.

At Group level, the statutory 40-hour week applies to 100% of the Group's employees. In France, where 52% of the Group's employees are based, the management applies the statutory 35-hour week for non-managerial staff representing 11% of the workforce. The vast majority (89%) of employees hold management positions and benefit from an average package of 212 working days per year, allowing for more flexibility in the way they organise their schedules. Employees receive six weeks of paid leave. Managers also enjoy 13 days of RTT (Reduction of Working Time).

Several working time agreements have been signed with employee representatives, including the Working Time Account and remote working agreements, signed in 2018.

The subsidiaries have a policy of paid leave that complies with the labour laws and regulations in the countries in which Eutelsat operates. Some offer additional leave provisions and benefits.

Well beyond the technical aspects, remote working (see section 3.4.1.1) is an integral part of the corporate plan to foster a culture of performance and accountability amongst team members. Employees are able to contribute to new ways of sharing work between the office and home. It was with these principles in mind that a supplementary clause to the remote working agreement was signed with the social partners in France in July 2020.

3.5.3 Labour relations

The Group's management strives to further productive social dialogue for the well-being of its employees worldwide and above all to ensure ongoing compliance with local practices in the countries in which it operates. The Group's HR Department looks to harmonise practices and schemes across companies with a view to strengthening the "One Team" spirit, a value reaffirmed within the Group.

3.5.3.1 Organisation of social dialogue

For Eutelsat, social dialogue and maintaining a positive social climate are very important, as demonstrated by the ongoing dialogue between the social partners. The roll-out of the My HR Planet platform across the Group provides a tool that will support integration and social dialogue. It is now accessible through the Group's Intranet portal.

At its main subsidiary Eutelsat S.A., the Group fully respects freedom of association and promotes social dialogue through collective bargaining. Following the rulings in September 2017, Eutelsat's social partners agreed to extend the existing mandates for another year. A works committee (French CSE) was set up following the election of employee representatives in November 2018. In 2019 and 2020, the Company showed its ability to develop social dialogue with these new bodies and to implement their new role, which was notably the subject of an agreement in 2018.

Eutelsat S.A. has implemented an agreement on trade union rights governing, in particular, relations between the social partners. The Company Intranet, where company-level agreements are accessible, is also a communications tool on these matters. In addition, meetings are organised around the annual and half-year results to recap on the highlights for the period and present the results to Group employees.

A co-construction initiative has been established with all stakeholders, notably via joint working groups on key issues. The measures linked to the return to the office within the framework of the Covid-19 pandemic were thus co-constructed with the employee representatives, the players demonstrating a real maturity in social dialogue and health/safety matters.

More than just underpinning communications and dialogue, the Intranet portal available to the whole Group represents a means of changing working practices against the background of the digitalisation of the Company.

3.5.3.2 Collective agreements

This section mainly concerns Eutelsat S.A., whose collective agreements are published on the Company's Intranet.

Eutelsat S.A.'s social partners emphasise corporate social responsibility:

- "Mid-career" interviews are held annually with employees who wish to reflect on their experience and skills and fulfil their mobility aspirations;
- Combined with the agreement on the "Generation Contract" signed in November 2016, the Company offers employees who are approaching the end of their careers a part-time mechanism with full pension contributions, alongside schemes to help them with their retirement;
- In 2018, two agreements on i) working time accounts (CET) and ii) remote working were signed and have been rolled out within Eutelsat S.A. since 2019. Similar remote working arrangements have also been implemented in various subsidiaries, e.g. in Italy;
- In 2019, the social partners signed an agreement governing the gifting of time off between employees, defining the arrangements and rules of application both for Eutelsat and for the employees who are giving and receiving. This agreement reflects the spirit of unity and solidarity to support employees facing family emergencies.

Regarding gender equality and the "Generation Contract", a review of the recommended measures is conducted annually and presented to the employee representatives

3.5.4 Health, safety and well-being in the workplace

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

3.5.4.1 Health and safety conditions

In France, the Comprehensive Risk Assessment Document (DUERP) lists the risks and is updated annually by the safety department at the Issy-les-Moulineaux sites and the Paris-Rambouillet teleport. This document has a specific procedure for dealing with work-related stress risks, available on the Company's Intranet. Not only was it updated three times during 2020 in response to the Covid-19 pandemic, this document was also comprehensively revised for the Issy-les-Moulineaux site in early 2021 following the move. This pandemic was also an opportunity to express the "One Team" value through the help provided, in 2020, to Group companies located in areas in which the virus was spreading (shipping masks, hand gel, etc.).

Details of the actions carried out in the various fields associated with employee health and security can be found below.

Health:

Eutelsat S.A. (France) has established a guaranteed health and retirement programme for all its employees, particularly through health and life insurance schemes in addition to supplementary retirement benefits. Eutelsat S.A. offers employees over 50 years old a complementary full medical check-up every three years. A medical centre specialising in prevention carries out health checks intended to avoid serious ailments caused by occupational illnesses by means of high-end medical services. It also offers lifestyle advice designed to minimise the negative impacts associated with factors such as inappropriate diet, sleep problems and stress. A special programme is in place for controllers.

Travel:

There is a special process for foreign travel, with graded levels of approval depending on the country risk assessment, and membership of a foreign support team. Employees receive general training on travel risks with additional training as required for specific country risks.

3.5.4.2 Electromagnetic waves

The subject of exposure to electromagnetic waves is also part of the environmental risks. The World Health Organisation (WHO) has commented on this issue as follows:

"WHO, through the International EMF Project, has established a programme to monitor the EMF scientific literature, to evaluate the health effects from exposure to EMF in the range from 0 to 300 GHz, to provide advice about possible EMF hazards and to identify suitable mitigation measures. Following extensive international reviews, the International EMF Project has promoted research to fill gaps in knowledge. In response national governments and research institutes have funded over 250 million U.S. dollars on EMF research over the past 10 years.

While no health effects are expected from exposure to RF fields from base stations and wireless networks, research is still being promoted by WHO to determine whether there are any health consequences from the higher RF exposures from mobile phones.[20]*"*

To protect Eutelsat teleport employees in France from potential undesirable exposure to electromagnetic waves, the Company takes the various precautions listed below:

Tests and access to facilities

- Periodic tests measuring radiation and its impact are carried out at the Paris-Rambouillet teleport. The most recent tests were completed in 2019.
- All antennas at the Paris-Rambouillet teleport are tested in accordance with ESVA (Earth Station Verification and Assistance) to ensure the quality of the facility and detect any incidences of radiation exceeding the acceptable norms. As a standard part of every ESVA activity, antenna radiation patterns are measured. This allows for corrective actions to be taken in response to any installation shortcomings (such as excess surface mechanical tolerance, etc.). A radiation pattern is used to determine the maximum permissible EIRP (Equivalent Isotropic Radiated Power) spectral density, which may not be exceeded by any transmission originating from the station being tested. Eutelsat establishes standards to ensure compliance with national and international (i.e. ITU) radio frequency regulations.
- Access to potential high-risk exposure installations (limited number of antennas close to the ground) is strictly controlled by fences or marked with signage on the ground.

Awareness-raising and training

- All employees working on antennas are informed of the potential exposure risks.
- Training of new recruits at the three sites (Balard, Paris-Rambouillet and Le Ponant).
- Training of Local Safety Teams at the three sites.
- Fire drills at the three sites.

The other teleports in Italy, Mexico and Madeira have implemented similar procedures.

3.5.4.3 Employee representation on health and safety matters

In France, the employee representative body responsible for health, safety and working conditions is the SSCT Committee, an integral part of the CSE. It is the Company's main point of contact for such matters. The SSCT Committee meets various times during the year and at least once a quarter. Its powers and role are set out in the agreement on the transformation of social dialogue – Agreement on the functioning of the social and economic committee, signed in 2018.

In Italy, in-house union representatives, known as RLS ("rappresentante dei lavoratori per la sicurezza") are responsible for issues relating to employee safety. An employee is also responsible for the safety of installations and for the mandatory health and safety training of all employees. This employee is called the "Preposto alla sicurezza". Lastly, the HR team arranges regular medical check-ups for employees.

Within the group, 80% of the staff are employees of entities benefiting from an employee representative body. This is the case in France, Italy and Mexico.

[20] https://www.who.int/topics/electromagnetic_fields/fr/
https://www.who.int/health-topics/electromagnetic-fields#tab=tab_1

3.5.4.4 Accidents at work and occupational illnesses

In 2020, 13 occupational accidents were recorded throughout the Group, including five in France and eight in Italy, representing a total of 39 days of absence following these accidents.

One occupational illness was recorded in the Middle-East region.

	Units	2020
Frequency rate (Eutelsat S.A.)	Number	4.72
Gravity rate (Eutelsat S.A.)	Number	0.037
Absenteeism rate (Eutelsat S.A.)	%	4.12

3.5.5 Training and career management

3.5.5.1 Skills enhancement

To remain competitive, the Group offers employees training programmes that allow them to become more effective in their daily work, or to build new skills that will enable them to remain abreast of developments in the Group's businesses. To this end, despite the situation of public health crisis, Eutelsat S.A. heavily invested in employee training in 2020[21] with a wide range of disciplines and themes covered, reflecting the challenges facing the Group.

Training sessions focused on:

- Cybersecurity;
- Combating corruption: 100% of the Group's employees (excluding BigBlu Broadband) received compliance and anti-corruption training through an e-learning on the subject;
- Regulatory and technical aspects of satellite communications or data processing systems;
- Project management, time management and prioritisation;
- Living languages, particularly English and French for non-native speakers;
- Personal development, self-confidence, constructive communication, public speaking;
- Support functions: human resources, finance, law;
- IT tools.

The Group continues to promote digital initiatives including on-line courses, MOOC modules, e-learning, blended learning, etc.

3.5.5.2 Careers and mobility

In France and in every country where Eutelsat operates, annual performance interviews are conducted by managers with the support of the HR computer system. A professional development interview has also been established which must take place on an annual basis and may be conducted in parallel with the annual performance review. These interviews are designed to support employees in their desire for mobility and skills development.

In France, Eutelsat S.A. continues to apply the principle of a mid-career interview, specifically for older employees (45 years plus), which was opened up to all employees in 2015. A jobs board was created with the support of the HR computer system, allowing for all vacancies to be posted ahead of time on the Intranet. Any internal candidate who applies is interviewed.

3.5.6 Diversity and equal opportunities

3.5.6.1 Gender equality

The proportion of women in the Company and gender equality are priorities for the Company, and the Executive Committee has tackled these issues to make progress in this area. At Group level, a Diversity Committee was set up and began work on 3 June 2019, focusing in particular on the place of women in the Company. The percentage of women in the Group is 33.8%. The 2023 targets are 1% more women in the Group compared with 2020 and 5% more women in the Group's top management (top 100); this is one of the criteria for the long-term variable compensation agreed in November 2019. The plan supports measures pertaining to paternity leave, which have been rolled out across a number of countries (Italy, Singapore, Dubai, Mexico), actions to raise awareness of and combat cognitive biases for employees and managers, along with educational efforts carried out in partnership with NGOs (Fondation CGénial, Junior Achievement).

[21] *Share of the payroll allocated to training at Eutelsat S.A.: 2%.*

In 2021, Eutelsat S.A. scored 91/100 in the professional equality index, i.e. a 2-point increase relative to 2020, recognizing the gender equality policy deployed in recent years.

In France, a new action plan to promote gender equality and quality of life at work was established at the end of 2020 to be rolled out in 2021. It follows on from the previous action plan dating back to 2019 and covers access to employment, career development, effective compensation and work-life balance. Targets and indicators have been set for each of these priorities. The Gender Equality Committee meets at least once a year to monitor this action plan.

A special budget is set aside for salary adjustment schemes. The taking of paternity leave is also encouraged. Since 2009, Eutelsat S.A. has been topping up the indemnities paid to fathers by the social security system, in order to maintain compensation levels. Since the end of 2020, Eutelsat has been studying the new paternity leave modalities foreseen by the French government, while bearing in mind its actions deployed internationally.

Data on employment, training and compensation by gender can be found in the social indicator table at the end of this document.

In Italy, Eutelsat has been a member of the Valore D association since 2019. This association of 200 companies promotes diversity and an inclusive culture in companies and organisations. Belonging to the Valore D network enables companies to position themselves as a powerful and influential voice on diversity and inclusion, and gives access to a network composed of international companies who are already committed to diversity and inclusion, thereby facilitating successful collaboration.

Within the Group, a paternity leave scheme has also been put in place designed to give new fathers time to help out around the home. In a number of countries, the Group offers new fathers additional days of leave on top of the statutory provision. In Italy for example, the Company provides an additional five days, bringing total paternity leave to 12 days. In Mexico, paternity leave has been doubled to 10 days. In France, statutory paternity leave is 11 days, but discussions began in 2020 about extending this and are ongoing in 2021 as explained above.

3.5.6.2 Employment and integration of people with disabilities

The Group employs 16 people with disabilities (compared with 19 in 2019), six of whom at Eutelsat S.A.

Eutelsat also seeks to find other jobs within the Company for employees who are deemed unfit for their existing positions. The Company also works with recruitment agencies that are aware of disability issues on the vocational integration of people with disabilities.

Eutelsat S.A. contributes a portion of the apprenticeship tax collected to institutions that focus on promoting education for people in need of a second chance or on integrating people with disabilities.

In line with the values of respect, trust and courage that it upholds, Eutelsat is committed to promoting an understanding of disability within the Company and to combating prejudice. To this end, initiatives to raise awareness were carried out in 2019 in cooperation with APF in France. Fun interactive workshops were offered to all employees to change their perception of disability, whether visible or invisible. Eutelsat intends to continue this practice in the future, by holding new thematic days, the aim being to remove the disability bias.

3.5.6.3 Combating discrimination and encouraging diversity

The international and multicultural context together with compliance with local regulations have led Eutelsat to emphasise skills and diversity, eliminating all forms of discrimination from its HR management processes. Particular attention is paid to these points during the recruitment process, for which the company relies in France on Mozaïc RH, a specialist service provider.

Diversity and, in particular, multiculturalism are key factors in Eutelsat's success.

3.5.7 Respect for the fundamental conventions of the International Labour Organization (ILO)

All Eutelsat subsidiaries comply with the ILO's conventions and principles in countries where these fundamental conventions apply.

3.5.7.1 Respect for freedom of association and the right to collective bargaining

All Eutelsat subsidiaries have stated that they are in compliance with all regulations regarding the right to collective bargaining in the countries in which they operate.

The Group observes strict political, religious, and philosophical neutrality. The Group makes no financial contributions to political candidates, elected political representatives or political parties. Employees are allowed to participate in political activities in their own right, outside company premises and without using the Group's corporate image to support their personal beliefs. These principles are applied with due regard for the individual freedom of expression of employees and their representatives.

3.5.7.2 Combating discrimination in jobs

The Group respects the principles outlined in the ILO conventions.

3.5.7.3 Elimination of forced labour

All Group subsidiaries comply with the principles outlined by the ILO.

3.5.7.4 Prohibition of child labour

All Group subsidiaries comply with the principles outlined by the ILO.

3.6 OUTSOURCING AND RELATIONSHIPS WITH SUPPLIERS

Given the highly technical nature of Eutelsat's business, it works with a limited number of major suppliers or subcontractors that manufacture and launch the Group's satellites. As well as supplying Eutelsat with satellites compliant with French space law, these main suppliers, principally located in Europe and the U.S., are held to high social responsibility standards.

As for the purchasing policy of products and services for use in offices, the Purchasing Department in the Group's headquarters in Paris ensures that key suppliers have implemented a policy that addresses the social and environmental issues: a purchasing charter is in force to reach this goal which our suppliers must respect.

Verification principles and procedures for our direct suppliers are thus applied across the whole Eutelsat Group. Furthermore, environmental and social clauses are added to the contracts while adapting them to local regulations.

All employees likely to be in contact with our suppliers must complete special awareness-raising programmes and training on the risks.

Calls for tenders contain a commitment to respect the ethical charter. Procurement contracts always contain clauses requiring compliance with regulations, prohibition of employment of non-registered personnel, combating of anti-corruption, etc. For product suppliers, the product description sheet is usually attached or provided on request.

Furthermore, within the framework of compliance with the Sapin II Act, the verification process has been reinforced:

All suppliers are the subject of a preliminary check prior to the creation of a partnership:

- The creation of suppliers is centralised by the Group Purchasing Department;
- Verification of suppliers is carried out prior to their creation in the database, based on a specific questionnaire and World-Check;
- The evaluation and classification of the supplier risk is carried out according to a series of criteria (Supplier Activity, country in which the company is registered for trading, etc.) defined jointly with the Legal Affairs Department based on the French anti-corruption agency's recommendations (Agence Française Anticorruption – AFA);
- High-risk suppliers are reviewed and approved by the Compliance Committee, or even by the Executive Committee in the event of a particularly high risk;
- At-risk suppliers are the subject of reinforced monitoring.

For existing suppliers:

- All Eutelsat's existing suppliers are the subject of a comprehensive evaluation whenever Eutelsat plans to enter into a new contract or renew an existing contract with them, or whenever a significant change concerning the supplier is identified.
- In the event of a high risk or particularly high risk, existing suppliers must be checked every two years. For a low or moderate level of risk, these checks take place every three years.

In addition, concerning new business introducers/agents, an approval process is in place beginning with the expression of a need approved by the Sales Director, followed by an internal and external questionnaire for the attention of the agent, prior to the due diligence process entrusted to a specialised supplier.

Following the opinion of the specialised supplier, the Eutelsat Compliance Committee decides to authorise or refuse the signature of a contract with the new business introducer.

For the renewal of contracts with existing new business introducers, a simplified due diligence process is requested every two years.

Like with new business introducers, lobbyists are also the subject of a separate due diligence process, with the help of a specialised supplier, the decision then being taken by the Eutelsat Compliance Committee

3.7 OTHER HUMAN RIGHTS ACTIONS

3.7.1 Human rights

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

Since 2019, Eutelsat has abided by the ten principles of the United Nations Global Compact.

As part of its General Terms and Conditions of Sale, Eutelsat has incorporated a provision requiring each party to the contract to ensure that they comply with applicable laws and regulations on child labour and fundamental human rights.

3.7.2 Jamming, a breach of freedom of information

Since 2009, Eutelsat has seen a substantial increase in the number and length of jamming operations affecting its satellite signals. Jamming is defined as interference on Eutelsat's satellite networks which is clearly deliberate and is aimed at disrupting or even preventing the broadcasting of certain TV channels.

By definition, deliberate interference is a violation of freedom of information, as enshrined in Article 19 of the Universal Declaration of Human Rights (1948) and subsequently in the UN Covenant on Civil and Political Rights (1966). The latter, which is binding on the Signatory States, provides in Article 19.1 that "everyone has the right to freedom of expression; this right includes the freedom to seek, receive and impart information and ideas of all kinds, regardless of frontiers, either orally, in writing, in print or in the form of art, or by any other media of their choice". The European Convention for the Protection of Human Rights (Article 10) and the Charter of Fundamental Rights of the European Union, which is equivalent to a European treaty, add that freedom of information must not be restricted by interference by public authorities. Accordingly, the EU Charter of Fundamental Rights states in Article 11 that "everyone has the right to freedom of expression. This right includes freedom of opinion and the freedom to receive or impart information or ideas without interference from public authorities and regardless of frontiers". Finally, Article 11 of France's Declaration of the Rights of Man and of the Citizen (DDHC) of 1789 recalls that "freedom to communicate thoughts and opinions is one of the most valuable rights of human beings: every citizen may therefore speak, write and print freely, subject to being answerable for abusing this freedom in cases determined by law". Given that the DDHC is part of the French constitutional framework, this principle has constitutional status.

Extensive jamming or signal piracy operations have been reported during major sporting events and on sports channels. Eutelsat partners with content providers to combat pirating activities.

3.7.3 Eutelsat actions to combat intentional interference

Eutelsat constantly monitors incidents of intentional interference, identifying their origins (if possible) and the channels affected. The Group is a member of the Satellite Interference Group (SIG), whose mission is to maintain interference at its lowest level. In this context, Eutelsat uses the "Carrier ID" (CID) system, an embedded code containing information, which allows satellite operators to quickly and easily identify the source of the transmission causing interference. In conjunction with representatives of this organisation and of the GVF, Eutelsat is examining the measures to be adopted against deliberate interference, which must be based on a better geolocation of the signal's origin and on the creation of a repository containing all relevant data on this subject.

Intentional interference is also considered illegal under Article 45 of the Constitution of the International Telecommunications Union (ITU) and Article 15 of the Radio Regulations. This is why the ANFR systematically files complaints with the ITU authorities against countries in which the jamming operations originate.

Moreover, following initiatives to which Eutelsat has actively contributed, the Radio-communication Bureau of the ITU recommended the implementation of a series of measures aimed at strengthening regulations governing intentional interference. In particular, it suggested that a network of independent stations be deployed to better track the issue (signature of a Memorandum of Cooperation at ITU), in order to increase and/or confirm the geolocation of deliberate interference.

Faced with the hitherto limited tools and measures available to ITU to address and reduce deliberate jamming operations which have heavily targeted Eutelsat satellites in recent years, France also initiated a draft resolution on the issue which was discussed at CEPT before being submitted as a Common European Proposal at the ITU's Plenipotentiary Conference held in October/November 2014.

With the support of numerous States and the collective involvement of the satellite industry and its customers, as well as international television channels (EBU, BBC, BBG, etc.), the Conference adopted Resolution COM5/2 on transparency and confidence-building measures in outer space activities.

This strengthens the Union's ability to avoid harmful interference by focusing on the sharing of best practices:

- ITU's newly-granted ability to draw on a network of independent monitoring stations to confirm cases of deliberate jamming;
- interference geo-localisation;
- the setting up by ITU of a database for identifying such cases.

Finally, Eutelsat will further contribute to regulatory developments by supporting the work of the relevant international bodies (ITU, COPUOS) and their contacts, including national authorities (ANFR) and international organisations (EUTELSAT IGO).

Furthermore, Eutelsat follows up on issues regarding the protection of intellectual property rights, in particular the broadcasting of content by "pirate" channels. Since March 2014, the Group has been a member of an Anti-Piracy Coalition that brings together key players in the industry (satellite operators, content providers, distributors, advertisers, etc.) in North Africa and the Middle-East (http://menaapc.org/index.html), to monitor satellite TV piracy, take all possible measures to stop piracy (systematic notification of breaches to the distributors involved), ensure the sharing of all data and information relating to pirate channels and raise awareness of the consequences of piracy.

3.8 INDICATORS

The indicators are structured as specified in the French Commercial Code with regard to extra-financial reporting. Correspondence with the data item listed by the GRI standard is indicated when available, as well as a list of the GRI data items published in the Extra-Financial Performance Statement. For the social section, BigBlu Broadband which entered the Group's consolidation scope in October, has been included in the headcount. However, it has not been included in the remaining indicators in the social, environmental and societal sections. There has been a change in methodology for recording headcount in the social section. These employees are no longer booked in Full Time Equivalents but in the number of persons.

3.8.1 Social Information

Social information (calendar year unless otherwise stated)		2020 Value	2019 Value	Unit	GRI ref	Scope
Total Headcount		1,171	1,005	Persons	102-7	Group
Workforce by gender	Male	775	692	Persons	102-8	
	Female	396	307	Persons	102-8	
Workforce by age	Under 25 years	4%	1.79%	Persons	401-1	Group
	Between 25 and 40	39.8%	40.18%	Persons	401-1	
	Between 40 and 60	51.2%	54.58%	Persons	401-1	
	Over 60 years	3.4%	3.46%	Persons	401-1	
Workforce by geographical area	France	607	578	Persons	102-8	
	Italy	203	135	Persons	102-8	
	Mexico	117	133	Persons	102-8	
	Middle East	45	47	Persons	102-8	
	Others	199	103	Persons	102-8	
Recruitment and departures	Recruitment	113		Persons	401-1	Group (Excluding BigBlu Broadband)
	Departures	131		Persons	401-1	
Number of accidents at work		13		Number of accidents	403-2	Group
Number of accidents at work with days of absence		3	4	Number of	403-2	

			accidents		
Number of days of absence caused by an accident	39	271	Number of days	403-2	
Frequency rate	4.72		Number	403-2	Eutelsat S.A.
Gravity rate	0.037		Number	403-2	
Absenteeism rate	4.12		Percentage	403-2	
Occupational diseases	1	0	Number of diseases	403-2	Group
Hours of training	1,431	5,767	Number of hours	404-1	Eutelsat S.A.
% of employees trained	100%		Percentage	404-1	Group (Excluding BigBlu Broadband)
Equality Men/Women	**H en 2020**	**F en 2020**			
Managers	177	78	Persons		Group
Non-managers	598	318	Persons		
Average fixed-salary (in euros)	82,882	66,813	Euros		Eutelsat S.A

3.8.2 Environmental information

Environmental information (calendar year unless otherwise stated)	2020 Value	2019 Value	Unit	Réf. GRI	Scope
Paper and cardboard waste*	10.658		tonnes	301-1	Head Office + sites with teleport (excluding Torino)
Ordinary Waste*	128.29		tonnes	301-1	Head Office + sites with teleport (excluding Torino)
Water consumption	15,737	11,482	m^3	303-1	Head Office + sites with teleport
Electricity consumption	2,178,878	3,555,300	kWh	302-1	Eutelsat S.A. main office
	9,606,820	9,090,610	kWh	302-1	Rambouillet Teleport
	3,611,616	3,551,849	kWh	302-1	Eutelsat Americas
	6,501,033	6,064,307	kWh	302-1	Skylogic (Italy)
	1,027,240	864,231	kWh	302-1	Madeira Teleport
Fuel oil	15,120.5	31,840	litres	302-1	Group
Greenhouse gas emissions	5,684.01	5,474	$teqCO_2e$	305-1,2,3	Group (Scope 1+2)
Greenhouse gas emissions excluding satellite missions	7,303	10,495	$teqCO_2e$	305-1,2,3	Group (Scope 1+2+3 excluding satellites)

Greenhouse gas emissions including satellite missions	7,303	122,496	teqCO_2e	305-1,2,3	Group (Scope 1+2+3 including satellites)

* For the waste indicators, the Torino Teleport is excluded. Indeed, the majority of waste is managed by local authorities, making data collection difficult. Thus, the comparison with data from the previous year is not relevant.

3.8.3 Societal information

Information on integrity, ethics and faire practices (calendar year unless otherwise stated)	2020 Value	2019 Value	Units	Réf. GRI	Scope
Meetings of the Group Compliance Committee	6	5	Number	205.1	Group
Number of alerts	3	1	Number	205.1	
Number of internal investigations	2	2	Number	205.1	
Number of employees trained in anti-corruption*	1,047		Persons	205.1	Group (Excluding BigBlu Broadband)
% of employees trained in anti-corruption (excluding BigBlu BroadBand	100%		Percentage	205.1	
World-check verifications**	1,519		Number	205.1	Groupe (Excluding BigBlu Broadband)
Number of employees trained in personal data protection legislation	19		Persons	205.1	
Number of entities/sites with an active DPO	6		Number	205.1	

* This figure represents the Eutelsat workforce at the end of the first phase of the training campaign in October 2020.

**The comparison with the previous year's figures is not relevant, as the methods of identifying the third parties evaluated were modified during the year.

3.9 NOTE ON THE METHODOLOGY

Since 2010 the Group has published an annual Corporate Social Responsibility Report and, since the 2017-18 financial year, an Extra-Financial Performance Statement.

In accordance with Article L. 225-102-1 of the French Commercial Code and Decree No. 2017-1265 of 9 August 2017 implementing Order No. 2017-1180 of 19 July 2017 on the disclosure of non-financial information by certain large companies and groups of companies, the Group has prepared a response for items that are relevant to its business.

3.9.1 Methodology

Eutelsat's 2020 Extra-Financial Performance Statement covers, for the qualitative information, the financial year from 30 June 2020 to 30 June 2021 and, for the quantitative information, the period from 1 January to 31 December 2021, to align this information with the data in the social audit report.

The entire report has been drawn up based on indicators derived from benchmark international standards like the AA1000 APS (2008), the Global Reporting Initiative (GRI), ISO26000 and the United Nations Global Compact.

Each Eutelsat Communications Group subsidiary has provided some information for the drafting of this report. The section on "social aspects" has been consolidated by the Human Resources Department in the Group's largest subsidiary, Eutelsat S.A., located at the Group's head office in Paris, France. The information regarding "environmental impacts" primarily reflects input from Eutelsat's suppliers (satellite manufacturers and launch companies). We have also included certain information from the Group's Italian and Mexican subsidiaries and teleports located in Paris-Rambouillet (France), Turin (Italy), Cagliari (Italy), Madeira (Portugal) and Mexico. Concerning actions against food waste, this point has not been addressed following the Covid-19 public health crisis and the transfer of the head office to Issy-les-Moulineaux in October 2021. The "societal" information was gathered mainly through the operating company, Eutelsat S.A., but reflects the picture of the Group as a whole.

With reference to Article L. 225-102-1 of the French Commercial Code, the following topics have been excluded as they are not material to Eutelsat's business:

- the fight against food waste and food deprivation;

- a commitment to animal welfare and to responsible, fair and sustainable food.

3.9.2 Scope

This work has been coordinated by the Corporate Communications Department and involves the Group’s main departments and subsidiaries: Human Resources, Investor Relations, Corporate Affairs, Legal Affairs, Technical Department, General Services, Finance, Audit and Internal Control, Risk Management and Teleports.

As the Group's main operating subsidiary, Eutelsat S.A. employs the majority of its workforce (57%). Information from this subsidiary is used as an "internal reference" for the Group. For the other subsidiaries included in the scope of consolidation, please refer to section 5.1 "Simplified Group Organisation Chart" of this document. Where the information being reported is provided exclusively by a specific subsidiary, this has been specified. The quantitative information in this report refers to the 2020 calendar year (1 January 2020 to 31 December 2020), unless otherwise indicated.

3.9.3 Verification of the report

Every year, in accordance with the regulations, Eutelsat mandates one of its statutory auditors, appointed as Independent Third Party, to verify the compliance of the Extra-Financial Performance Statement and the good faith of the information required to figure in the consolidated management report. For this year, Grant Thornton is the independent third party body entrusted with this task.

The verification of the extra-financial information was carried out with the largest contributors from the consolidated entities. In view of the Covid-19 public health crisis, this verification work was carried out remotely.

4 – GROUP RISK FACTORS, INTERNAL CONTROL PROCEDURES AND RISK MANAGEMENT

Before making an investment decision, investors and shareholders are invited to read all the information contained in this Document, including the risks described below. At the filing date of this Document, the risks described are those for whom the Group believes the occurrence is likely to have a significant adverse impact on the Group, its business, financial situation and/or results and outlook, which are important when making an investment decision and which are specific to the Group's activities. This section summarizes the main risks that the Group may face in the course of its business. The risks mentioned are for illustrative purposes only and are not exhaustive. These or other risks not identified at the date of the filing of this report, or considered immaterial by the Group at the date of filings of this report, could have an adverse effect on the Group's business, financial position, results or development prospects. In addition, it should be recalled that some of the risks mentioned or not mentioned in this report may be triggered or arise due to external factors, such as risks beyond the Group's control.

Group risks may be divided into five categories:

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

The significance of risks is assessed according to their probability of occurrence and their negative impact in the event of occurrence. Within each of these categories' risks are ranked in descending order of significance. Finally, it should be noted that the Non-Financial Performance Statement contains a description of the non-financial risks. It should be noted that some of these non-financial risks are - in view of their significance - also included in the risk factors of this chapter.

4.1 OPERATIONAL RISKS

The sanitary crisis

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

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

- A decrease in demand and revenues in certain verticals or sub-verticals which are particularly affected by the sanitary crisis, notably Occasional Use which has been impacted by the postponement or cancellation of sports events, as well as Mobile Connectivity which is affected by the impact of the crisis on airline and to a lesser extent maritime traffic;
- Difficulties for some of the Group's customers, particularly distributors in the most affected segment, Mobile Connectivity, who may not be able to meet their obligations. To a lesser extent, if the crisis were to last, it could have a lasting impact on the advertising revenues of some of our customers in Broadcast and/or lead to an erosion of the customer bases of pay-TV operators in the absence of sports events;
- A slowdown in the pace of new business opportunities in a sustainably deteriorating economic environment
- Late payment and/or non-payment by certain customers, potentially leading to write-downs of receivables;
- The effect of the crisis on the operations of other players in our value chain, notably satellite manufacturers, launchers and gateway installers, could lead to delays in the entry into service of new satellites. EUTELSAT QUANTUM, KONNECT VHTS and EUTELSAT HOTBIRD 13G have therefore seen their entry into service postponed as well as the deployment of the earth stations supporting EUTELSAT KONNECT's operations, resulting in a delay in revenues.

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

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

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

Satellites are sensitive to the external environment. Once they are in orbit, malfunctions may occur for various reasons and reduce their remaining operating life and/or permanently or intermittently reduce their transmission capacity, which could have a considerable adverse impact on the Group's business, financial situation and results. While the Group considers that its satellite fleet is generally in good working order, some of the Group's satellites have experienced equipment failures and are now operating using their redundancy equipment.

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

- quality defects in the components or equipment on board the satellite;
- construction and operational defects;
- excessive fuel consumption to reach the desired orbital position and keep the satellite stationed there or to reposition it to a new orbital position; and
- damage caused by electrostatic or solar storms or by collision with micrometeorites or space debris.

For example, during the 2019-20 fiscal year, the EUTELSAT 5 West B satellite experienced the loss its Southern solar panel, resulting in a loss of power and 55% of the satellite's nominal capacity, with an estimated impact on revenues of between 5 and 10 million euros and a non-recurring cost of mitigation measures, mainly related to the repositioning of the ground antennas, of less than 10 million euros.

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

Despite the management of this risk through:

i) an insurance policy that covers both launch + one year insurance for all newly launched satellites and an in-orbit policy for the existing fleet;
ii) dynamic management of the fleet and of the deployment plan, which can in certain circumstances allow the relocation of a satellite to carry out all or part of the mission of a satellite that may have failed,

nevertheless, there remains a significant net risk, as the above-mentioned measures do not cover, for example, the loss of opportunity generated by a possible breakdown in orbit or are accompanied by a deductible for in-orbit insurance.

Furthermore, the Group uses capacity on five satellites belonging to third parties, and which are recognised as assets in its consolidated balance sheet: Express-AM6[22], Express-AT, Express-AT2, Express-AMU1[23] are owned by RSCC and ASTRA 2G[24] by SES. Furthermore, the Group also leases capacity to Yahsat. In the event of failure or malfunction affecting these satellites, the Group cannot guarantee that it would be in a position to obtain compensation and equivalent available capacity under the same conditions. The Group cannot guarantee that a dispute resulting from such failures or malfunctions would be settled in its favour. The Group may also be exposed to the risk of bankruptcy of the owners of such satellites, which could result in the termination or interruption of its capacity leases. Such situations could lead to a write-down of these assets in the Group's consolidated financial statements and might adversely affect its business, financial situation and results.

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

The Group plans to launch six geostationary satellites (EUTELSAT QUANTUM, KONNECT VHTS, EUTELSAT HOTBIRD 13F, EUTELSAT HOTBIRD 13G, EUTELSAT 10B and EUTELSAT 36D) before the end of calendar year 2024. The purpose of these satellites is to ensure the continuity of service provided by some existing satellites, increase resources in certain orbital positions, consolidate and develop the Group's service offering and step up the level of security at certain orbital positions. Access to space according to the schedule planned by the Group is a key element of the Group's deployment plan and strategy.

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

The number of satellite manufacturers capable of designing and building satellites in compliance with the technical specifications and quality required by the Group is limited, as is the number of suppliers capable of launching these satellites. The limited number of suppliers could reduce the Group's bargaining power and increase the cost of implementing its programme within the scheduled timeframe. Furthermore, in the event of a Group supplier being unable to fulfil its contractual commitments towards the Group within the agreed timeframe, the Group would be forced to reallocate the satellites concerned to other service providers and, in some cases, enter into new launch service contracts which might prove more costly.

Satellite construction is a complex process that could fall behind schedule, result in satellite errors or not meet the Group's desired specifications, especially since some of the satellites in the deployment plan (EUTELSAT QUANTUM, KONNECT VHTS) have an innovative architecture compared to satellites currently in service or hosting specific payloads (EGNOS on EUTELSAT HOTBIRD 13G, UHF on EUTELSAT 36D). In addition, the transport of satellites to launch sites could be delayed by the time required to obtain the export authorizations or licences required to transport certain satellite components.

In addition, satellite launch is also a complex process that could be delayed compared to the planned schedule, resulting in a non-optimal result such as insertion into a non-nominal orbit, or in the event of launch failure resulting in the permanent loss of

[22] Capacity operated by Eutelsat on Express-AM6 is operated under the name EUTELSAT 53A.
[23] Capacity operated by Eutelsat on Express-AMU1 is operated under the name EUTELSAT 36C.
[24] Capacity operated by Eutelsat on ASTRA 2G is operated under the name EUTELSAT 28G.

the satellite. The launcher market is also characterized by a small number of launch service providers with the technical capabilities to launch satellites that are currently under construction or future satellites. The limited number of launchers reduces operational flexibility and access to space within the Group's planned timeframe and could increase the cost of the deployment program or result in a launch delay. If one of the launch service providers is unable to meet its contractual obligations to the Group within the expected timeframe, due to operational (e.g. following a launch failure) or financial difficulties, the Group could reassign the concerned satellite to another launch service provider or, in some cases, even sign new launch service contracts that may be more costly than those currently signed.

Since it began operations, the Group has lost three satellites following launch failures (Eutelsat I-F3 in September 1985, Eutelsat II-F5 in January 1994 and HOTBIRD 7 in December 2002). In addition, in October 2010, the Group reported the loss of the W3B satellite following a malfunction in the satellite's propulsion subsystem after launch. The AMOS-6 satellite, owned by Spacecom and on which the Group planned to lease capacity, was also lost in September 2016 when the rocket exploded on the launch pad.A significant delay in satellite construction, or a delay or failure in the launch of one of these satellites, could lead to a delay in revenue generation, impair the Group's ability to generate new sales opportunities, implement its development strategy and meet its growth objectives, or meet its contractual service continuity commitments to customers and end users. Any significant delay or failure in the launch of any of its satellites could thus have a significant negative impact on the Group's business, financial situation, results and objectives.

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

The Group operates a fleet of 38 geostationary satellites that are mainly controlled and operated from its control centres or teleports. The Group's information systems used to control satellites and communications could experience malfunctions, loss of data integrity, cyber-attacks, or even terrorist acts or sabotage that could compromise the continuity of service, cause a temporary or permanent interruption of service or call into question the quality of the service provided. Such disruptions could result in the loss of customers and revenues and thus have a material adverse effect on the Group's business, financial position and results.

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

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

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

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

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

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

The Group might not be able to renew its In-Orbit Life insurance plan on comparable terms. A deterioration in the In-Orbit Life insurance market or an increase in insurance premia could prompt the Group to reduce its coverage of partial losses or losses deemed total, which itself could lead to an increase in the Group's exposure to the consequences of a failure or malfunction in-orbit. For the fully-owned satellites with the highest revenue contribution, In-orbit insurance takes into account not only the net book value of the satellites but also the revenues generated. The policies cover the partial losses and/or deemed total losses of the insured satellites under certain conditions. The Group's insurance policies, as is customary in the space sector, systematically provide for exclusions in the event of damage caused by acts of sabotage, piracy or terrorism. Furthermore, this insurance programme does not protect the Group against losses such as opportunity cost, interruption of business, delayed activations, image losses or, to a certain extent, losses of revenues and potential asset impairments lower than the retention level.

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

4.2 RISKS RELATING TO CHANGES IN THE SATELLITE TELECOMMUNICATIONS MARKET

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

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

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

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

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

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

Thus, the rise of "HTS" or "VHTS" high capacity satellites or constellations targeting applications other than Video is bringing a significant amount of new capacity at a lower cost per Gigabit. This could lead to a situation of overcapacity and price pressure, particularly in Fixed Data & Professional Video (13% of Group revenues), which is greater than expected, and could have a significant negative impact on the Group's business, financial situation and results. In addition, several low-earth orbit constellation projects are currently underway and could represent new competitors for the Group in certain Fixed Data, Government Services and Connectivity applications, particularly those with low latency.

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

The Group may be affected by the departure of key employees or be unable to hire the staff needed for its operations

For management and operational purposes, the Group relies on a number of key employees who have specialised skills and extensive experience in their respective fields. If these employees were to leave, particularly those occupying commercial, technical and regulatory positions, the Group might have difficulty in replacing them. Moreover, the Group's business, characterised by continuously-evolving technology, requires the ability to constantly attract new, highly qualified employees. In the future, if the Group is unable to retain or replace these employees, or is unable to attract new, highly-qualified employees, this could have a negative impact on its business, financial situation and results.

Demand for satellite services may not evolve as expected

The Group's development notably depends on future demand for Broadcast Applications (62% of Group revenue), linked to the evolution of the number of channels, improvement of the quality of image and the evolution of modulation and compression techniques.

The evolution of the number of channels notably depends on the expected development of broadcasting in emerging markets and if it is maintained in Europe. In this respect, it should be noted that the audiovisual industry is sensitive to variations in advertising budgets and consumer spending, which are in turn affected by the economic environment as a whole. In addition, competition from new online Video Distribution platforms could affect the Group's customers in certain geographies or lead them to reduce their bouquets. Finally, consolidation among satellite TV broadcast platform operators and/or cable operators and could lead to a rationalization of the number of channels broadcast on a national market.

The improvement of quality of image is linked to the rise of High Definition or Ultra High Definition. This rise may not materialize or may be slower than expected. The adoption of new technical broadcasting standards, which has resulted in and could continue to result in a higher signal compression rate, has reduced and could further reduce the demand for transponders for a given number of television channels. If the decline is not offset by an increase in the number of channels transmitted or by improved image quality, the overall demand for transponders could decrease.

The development of Connectivity applications (Fixed Broadband and Mobile Connectivity, which represent 12% of Group revenue) represents the main driver of the Group's growth strategy. This will depend, in part, on continued growth in demand for satellite broadband Internet services which is not guaranteed and is not easily predictable, particularly because of the cost access to satellite capacity, the deployment of alternative terrestrial solutions in certain areas, the cost of terminals or distribution issues.

The growth in demand for Mobile Connectivity depends in part on the progressive equipping of aircraft and maritime fleets, the evolution of aircraft and maritime traffic and the strategies of airlines that are not under the Group's control.

Lastly, the Group generates an important part of its revenues in the Government Services market segment (13% of Group revenue). This segment includes the direct or indirect provision of Government Services, mainly to the US administration, through capacity allocation agreements with distributors, which are generally renewable on an annual basis. The obtaining and/or renewal of capacity allocation contracts for this segment depends to a large extent on the international geopolitical and economic context and the commercial success of the Group's capacity distributors. As a result, the Group cannot be certain that it will be able to continue to generate comparable revenues in Government Services, which may include the non-renewal or renewal of its contracts on less favourable terms.

If the demand for satellite services does not develop as predicted and given the Group's fixed cost structure, this could have a significant negative impact on its business, financial position and results.

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

The Group invests at different scales in innovative projects such as "EUTELSAT QUANTUM", a software-defined satellite, the first of which is expected to be launched in 2021, or ELO, a constellation project in low earth orbit serving the IoT market. The development of these new concepts depends in particular on sufficient demand, the timely and successful execution of these projects and their adequacy to market needs. If these conditions are not met, the ramp-up of these innovative projects could be slower or less profitable than anticipated, which could have a significant negative impact on the Group's business, growth objectives, financial position and results.

In addition, the Group's growth depends in part on the development of the Fixed Broadband business, for which the Group has made significant investments for the European and African markets, on the ground, with a complex network of earth stations, and in orbit, initially with the EUTELSAT KONNECT (progressive entry into service since November 2020) and KONNECT VHTS (expected launch in first half 2022) satellites. The full realisation of this applications' potential, which aims to provide broadband internet access for individuals through a network of distributors and resellers, with a business-to-business-to-consumer model, is subject, in addition to the proper functioning of the in-orbit and terrestrial infrastructure, to the success of the Group's distribution strategy which includes a direct distribution component, and to the availability of competitively priced terminals. Unlike the Group's traditional satellite capacity lease business, as far as direct distribution is concerned, this activity does not benefit from backlog and structurally involves higher customer acquisition costs and a higher level of churn. Slower than expected development or more difficult than expected execution in this application could have a significant negative impact on the Group's business, growth objectives, financial position and results.

Finally, the Group also recently invested in the OneWeb low-orbit constellation, based on the operation of 648 satellites, which is the first constellation of this nature to be deployed and is currently in the rollout phase. Slower than expected development of this innovative project, unexpected technical issues, unplanned inadequacy to market demand or more difficult than expected execution of this project could have a significant negative impact on the Group's financial position and results.

4.3 RISKS RELATING TO CLIENTS

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

The Group provides satellite telecommunications services to customers in a very large number of countries, with a significant proportion of its revenues generated in emerging countries, knowing that i) Eutelsat generates only 6% of its revenues in France ; ii) Eutelsat generates 21% of its revenues in the Middle-East and in North Africa , 7% of its revenues in Sub-Saharan Africa and 6% of its revenues in Russia. The Group's future growth depends also partly on its ability to gain businesses in these emerging countries.

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

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

A significant portion of the Group's capacity is marketed by specialized distributors. These distributors, who resell the Group's resources to end customers, may have overestimated demand or misunderstood customer needs and may not be able to resell the capacity for which they have committed. In this case, these distributors could seek to return the unsold capacity or seek to resell it to Group customers at lower prices. In addition, certain distributors in specific segments such as Mobile Connectivity (5% of revenue) are faced with low margins and high levels of debt that may lead them into a situation of fragility. These elements could have a significant negative impact on the Group's business, financial situation and results.

Furthermore, for several years now, the Group has developed a Fixed Broadband Internet business based in part on a B-to-B-to-C model (business-to-business-to-consumer), addressing end-users through specialized distributors in some geographical regions. These distributors may not be able to develop the business at the pace the Group expects. The Group may also not be able to find suitable distributors in certain markets.

The Group is dependent on a number limited of major customers

The Group generates a significant portion of its business from a limited number of customers. As of 30 June 2021, the Group's ten largest customers represented 35% of its revenues (34% as of 30 June 2020). The five largest represent 24% of the Group's revenue (23% as of 30 June 2020), and 16% for the three largest (16% as of 30 June 2020). Some of the Group's major customers could decide to terminate their contracts, not to partially or totally renew them, or to renew them on terms that are less favourable to the Group. This could have a negative impact on its business, financial position and results. Moreover, some of the Group's major customers, particularly those located in emerging markets or specialized distributors, could encounter financial difficulties that could result in late payments, unpaid debts or bankruptcy, which could lead to an impairment of receivables and/or the termination of capacity agreements, which could have a negative impact on the Group's business, financial position and results.

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

The Group's receivables amounted to 244 million euros at 30 June 2021. In the normal course of business, the Group occasionally encounters difficulties in obtaining payment of the price related to the use of satellite capacity by certain customers or payment of this capacity within the expected time limits, which may result in the impairment of receivables or a negative impact on the Group's working capital requirements. For the year ended 30 June 2021, provisions for impairment of receivables (net of reversals) amounted to 26 million euros (22 million euros at 30 June 2020) and the change in working capital related to trade receivables and related accounts generated a cash flow of 80 million euros ((72) million euros at 30 June 2020). Late payments or increased non-payment volumes could have a significant negative impact on the Group's business, financial position and results.

4.4 REGULATORY RISKS

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

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

Eutelsat S.A. has a number of frequency assignments for which the international coordination procedure, in accordance with the general regime defined by the ITU's Radio Regulations is not yet complete and/or is not yet in operation with any of the Group's satellites. Concerning assignments for which the coordination procedure is not yet complete, priorities for these assignments and for third parties involved in the coordination could mean that coordination restricts the Group's ability to fully operate some of these assignments. Concerning assignments for which the coordination procedure is not yet in operation, the Group might not be in a position to activate them within the timeframes set by the Radio Regulations, which would result in a loss of their current priorities. Both situations could have a significant adverse impact on the Group's activities, financial situation and results.

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

Finally, the ITU's Radio Regulations provide only for voluntary resolution of disputes in the event of disagreements between the ITU's Member States over non-compliance with international regulations governing coordination of their frequency assignments. The Group could be forced to accept the result of an unfavourable agreement between ITU Member States relating to frequency assignments it uses. This could have a significant negative impact on the Group's business, financial situation and results.

The Group could be exposed to the risk of non-compliance with the laws and regulations applicable to it, notably with regard to the fight against corruption and influence peddling, economic sanctions, the protection of personal data and competition law

In the course of conducting its business in France and internationally, the Group is exposed to the risk of non-compliance with the laws and regulations applicable to it, notably with regard to the fight against corruption and influence peddling, economic sanctions, the protection of personal data and competition law. In the event of unethical practices or violations of the laws and regulations applicable to the Group by any employee, the risk could take the form of financial, administrative or criminal penalties and damage to the Group's reputation or image.

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

Such violations can result in civil penalties, including fines, the denial of export privileges, injunctions, asset seizures, debarment from government contracts, the termination of existing contracts, revocations or restrictions of licenses, criminal fines or imprisonment. In addition, such violations could also negatively impact the Group's reputation and consequently its business. Moreover, any such violations by the Group's competitors, if undetected, could give them an unfair advantage when bidding for contracts. The consequences the Group may suffer as a result of the foregoing could have a material adverse effect on the Group's business, financial condition and results.

The Group is governed by the French Space Operations Act

The Space Operations Act was published in France's "Journal official" on 4 June 2008, and its application decrees were published on 10 June 2009. The Group is mainly affected by Decree No. 2009-643 on authorisations. Under this law, a licensing mechanism has been set up for space operations and in-orbit control operations This licensing system establishes several administrative, technical, operational and organizational requirements. If these regulations are tightened or, as the case may be, the Group is unable to comply with them, this could have an impact on the Group's in-orbit operations and/or roll-out plan, which in turn could adversely affect the Group's financial situation.

The Group may not obtain the landing rights or licenses necessary for its activity in certain markets

As a satellite operator offering its services in approximately 150 countries, the Group is subject to the national laws and regulations of many countries regarding communication and broadcasting. Most of these countries do not require specific authorization or licensing to only provide satellite capacity to entities that are themselves authorized to operate communication networks and or/services. In these countries, the Group only needs an authorization license if it intends to deploy and operate its own communication networks or install and operate earth stations. Most European countries and many Member States of the World Trade Organization ("WTO") fall into this category. However, some countries require authorizations for the operation of satellites in orbit. In this case, the Group must therefore be authorized to provide downlink services from the satellite to the earth station terminals located in these countries – the "landing rights".

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

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

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

The Group must be able to maintain its authorizations to operate existing frequency allocations at the orbital positions at which its satellites are operated or where it might need to redeploy some of its satellites. It must also be able to obtain new authorizations to operate existing frequency allocations at both existing and new orbital positions for the future expansion of its business.

In France, the regulatory framework governing electronic communications is laid down in the French Post and Electronic Communications Code, which sets out the rules applicable to any request for authorization to operate frequency assignments. The regulations set out various obligations for the holder of the authorization. Any change in these regulations that would make the conditions for obtaining and implementing these applications more stringent could ultimately affect the Group's ability to obtain new frequency assignment authorizations from the French authorities, or to use them as it sees fit. To date, frequency assignment filings with the ITU and requests for frequency operation authorizations only incur charges for processing the file with the French National Frequencies Agency (Agence nationale des fréquences). A change in the pricing policy could, for example, prompt the authorities to pass on to the operator a portion of the economic value of the orbital positions it operates.

Furthermore, the use of radio frequencies by RF earth stations is covered by authorisations issued by ARCEP. Changes in global, European or national regulatory policies could mean that certain frequency bands previously open to satellites could no longer be accessed through future authorisation requests. This is the case with the 3.4-3.8 GHz band, which cannot be used for Fixed Satellite Services in France since 2008.

In particular, at the World Radiocommunication Conferences held every four years (the last one being held in 2019), certain bands identified for satellite use can be put on the agenda and their potential usage for other purposes than satellite for example for 5G mobile networks can be discussed. Thus, any regulatory changes at international, regional or national level could have a potential impact on the Group's ability to operate optimally in these frequency bands.

When developing new businesses, the Group could be subject to regulatory requirements including those relating to broadcasting (content broadcast) and earth stations. Compliance with these new regulatory requirements could involve considerable investment of time and resources. Furthermore, the Group cannot guarantee that it will be able to obtain or maintain the necessary authorisations, which could delay or interfere with the provision of services to clients in the affected countries or the implementation of its development strategy, thereby having a significant negative impact on its business, financial situation and results.

The amendment of applicable regulations could also limit or prevent the obtaining or retaining of the requisite authorisations regarding the Group's current business or its development strategy. Some states could decide to impose a system of taxation on satellite operators for satellite broadcast reception in their territory. Such a development could have a significant negative impact on the Group's business, financial situation and results.

In addition, the Group is subject to strict regulations regarding the content of the programs broadcast by its satellites. Regulations on the broadcasting of television programmes in the European Union provide that each Member State must ensure that the programmes transmitted comply with applicable laws on broadcasts to the general public, especially for the purpose of the protection of minors and the avoidance of incitement to hatred or violence on grounds of race, sex, religion, habits or nationality. As a European satellite operator, the Group could be given formal notice to cease broadcasting of a television channel from outside the European Union if the channel's content does not comply with the applicable European laws and regulations or if it is likely to damage public order. Any competent regulatory authority in Europe could issue an order to interrupt broadcasting of new non-European channels. As a result, if at any time, governmental or judicial decisions prevent the Group from delivering its transmission services, it could find it more and more difficult to pursue its policy of long-term contracts for the transmission of television channels with non-French customers, thereby encouraging some of its customers to use the services of competing operators, which would have a negative impact on the Group's business, financial situation and results. Furthermore, the Group might not be technically able to cease the broadcast without being forced to interrupt the transmission of other television channels that are part of the same multiplex on the same transponder. These television channels might then terminate contracts for that capacity and apply for compensation. This risk can vary from one member state to another, with certain legislations adopting more flexible policies within the limits authorised by the community framework, and each regulator adopting its own interpretation of adherence to the principles. Certain steps relating to channels that may create compliance problems under French law and the European directive (which is merely transposed by national legislation) are initiated by the Commission itself. Such steps may therefore have repercussions, regardless of the designated national regulator within the European Union. The position of one or another of the appropriate European regulators may, moreover, change and become entrenched over time, and this can neither be predicted nor prevented.

Finally, the Group is subject to other regulations applicable to the channels it broadcasts. Some channels broadcast by the Group could be explicitly addressed by United Nations resolutions transposed via European Union regulations, introducing restrictive measures against some entities, or citing them directly in European regulations. These European regulations are directly applicable to the Group, which must ensure that none of the listed channels are broadcast using its satellites. Considering the number of channels broadcast by the Group, and the absence of direct contractual links with television channels, the risk of transmitting channels covered by such regulations is real.

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

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

Eutelsat S.A. by-laws provide that the international treaty establishing the EUTELSAT IGO, dated 15 July 1982 and amended on 20 May 1999 (hereinafter the "Amended Convention"), is a "Reference Document" for the conduct of Eutelsat S.A.'s business activities. Furthermore, the reciprocal rights and obligations of Eutelsat S.A. and EUTELSAT IGO are defined in an agreement pursuant to the Amended Convention (the "Arrangement") dated 2 July 2001.

The rights of EUTELSAT IGO under the Arrangement allow EUTELSAT IGO to ensure that Eutelsat S.A. abides by the "Basic Principles" defined in the Amended Convention, namely: the public service/universal service obligation for telephony services connected to the international public switched network; the provision of audiovisual services in compliance with relevant international agreements, including the European Convention on transfrontier television and national regulations; the pan-European coverage of the satellite system and compliance with the principles of non-discrimination and fair competition in defining its strategy and conducting its business. With a view to allowing the Company to carry out an initial public offering of its shares, Eutelsat Communications and EUTELSAT IGO signed a Letter-Agreement dated 2 September 2005 (the "Letter-Agreement") by which the Company made certain commitments to EUTELSAT IGO, notably in terms of financial policy.

EUTELSAT IGO's assessment of Eutelsat S.A.'s operations and strategy, in terms of the obligation to observe the "Basic Principles" could be different from that of the Group. As a result, taking into account EUTELSAT IGO's recommendations or requests could reduce the Group's responsiveness and flexibility in conducting its business, managing its debt and equity and defining its distribution policy, and could have a significant negative impact on the Group's business, financial situation and results.

4.5 FINANCIAL RISKS

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

Before Eutelsat S.A. was set up and prior to the transfer by the Intergovernmental Organization (IGO) of its operating activities, the IGO managed a pension fund (the "Closed Pension Fund") for its staff members. The rights of the Closed Pension Fund's beneficiaries were fixed, and management of the fund and the corresponding assets were assigned to a Trust, which was also charged with managing the associated pension liabilities. Pursuant to the transfer agreement dated 2 July 2001, Eutelsat S.A. took over the unlimited financial guarantee given by the IGO to cover any financing shortfall in the Closed Pension Fund.

Changes in the financial position of the fund result in the recognition of a balance sheet provision to cover the difference between the Group's payment obligations and the fair value of the fund's assets. This difference is influenced by changes in the actuarial assumptions reviewed at each balance sheet date by an actuarial expert (discount rate, assets' yield rate, rate of increase in pensions, estimated life expectancy), which means that a significant change in one or more of these variables could result in a call on the unlimited financial guarantee (which is at the fund's discretion) granted by Eutelsat S.A. to the fund after agreements signed in fiscal year 2016-17 and 2020-21, and, if necessary, in the adoption of a new agreement involving additional payments by Eutelsat S.A.

As of 30 June 2021, the defined benefit obligation of the Trust's pension liabilities amounted to 199 million euros in Eutelsat Communications' consolidated financial statements, and the fair value of its assets was 139 million euros. The calculation of total pension liabilities is based on actuarial assumptions including the discount rate, the long-term yield on assets invested, and the estimated life expectancy of the Closed Pension Fund's beneficiaries. The estimated net defined obligation may be higher or lower depending on the scenario applied. Accordingly, as of 30 June 2021, a 50 bps decrease in the discount rate would have therefore resulted in an increase of 17 million euros in the pension deficit.

During fiscal year ended on 30 June 2017, the financial guarantee was called for an amount of 35.9 million euros. This amount was evaluated on the basis of the projections of the Trust, taking into account the future market evolutions. In March 2017 an agreement was reached with the Trust for nine annual payments of 4.0 million euros, spread between 30 June 2017 and 30 June 2025.

During fiscal year ended on 30 June 2021, a new agreement replacing the previous one was signed with the pension fund, bringing the total amount of payments due to the fund as of June 30 2021 to 38 million euro, with a schedule running until June 30 2029. These sums could vary dependent on the future financial positions established annually.

Furthermore, in accordance with the agreements governing the Closed Pension Fund, the Trust's administrators have the power to liquidate the Closed Pension Fund if certain events should occur, including if they deem that the Closed Pension Fund cannot continue to be managed effectively. In the event that administrators of the Trust liquidate the Closed Pension Fund, they would appoint an actuary to determine any shortfall between the value of the Closed Pension Fund's assets compared to its liabilities, and the Group would be compelled to pay the difference, which could be substantial.

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

Foreign exchange risk

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

Some of the Group's revenue and costs are denominated U.S. dollar, which represented nearly 36% of revenues in the financial year ended 30 June 2021 without it being offset by an equivalent level of foreign currency expenditure. The Group is also exposed to EUR/USD exchange rate risks because some purchases of satellites and launch services may be denominated in U.S. dollars. These contracts may involve significant amounts, generally in excess of 50 million U.S. dollars, whose payment may be phased over time. As a result, fluctuations in exchange rates may have a negative impact on the Group's results despite the implementation of a hedging policy, as the Group is no certain that it will be able to hedge its entire net exposure under favourable conditions and/or beyond a one-year horizon. Moreover, considering that development of the Group's business outside the eurozone is a key component of its business strategy, its exposure to exchange rate fluctuations could increase in the future.

Fluctuating exchange rates could lead to an increase in the price of the Group's capacity and services when paid in currencies other than the euro. For example, in fiscal year ended 30 June 2015, the general economic environment in Russia, and in particular the sharp fall in the value of the rouble put pressure on Eutelsat's Russian customers with euro-denominated contracts. Eutelsat accepted to renegotiate with its Russian clients with the aim of temporarily alleviating some contract terms. These fluctuations could reduce demand from customers paying in currencies other than the euro.

Moreover, the Group's clients located in emerging countries may encounter difficulties in obtaining euros or U.S. dollars, because of currency controls, or may face a strong decrease of the euro-equivalent of revenues generated in local currencies. This could significantly affect their ability to pay in euros or in U.S. dollars, thereby exposing the Group to additional exchange rate risks.

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

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

As of 30 June 2021, the Group's consolidated net debt was 2,655 million euros with gross debt of 3,516 million euros and cash of 861 million euros. The Group's main debt maturities are October 2022 (300 million euros), October 2025 (800 million euros), June 2026 (400 million euros), July 2027 (600 million euros), October 2028 (600 million euros) and December 2028 (200 million euros). As of 30 June 2021, the breakdown of Group's financing sources was the following: 17% bank, 65% bond debt, 6% structured debt and 12% financial leases. The main components of the Group's debt are described in Section 7.4.1 of this document.

The Group's ability to generate cash flow depends on economic, financial, competitive, legal, regulatory, commercial and other factors, which are outside its control and which will determine its future performance. Given its level of indebtedness, the Group's operating cash flow is not sufficient, it could be forced to postpone or reduce investments, sell assets, relinquish commercial opportunities or opportunities for external growth (including acquisitions), thereby limiting its operational flexibility. Moreover, if the Group were not able to meet its debt-related obligations, it could be forced to refinance or restructure its debt under less favourable terms or may have difficulty refinancing itself. Such a situation could have a significant adverse impact on its business, financial situation and results.

Given the available resources (cash of 861 million euros and unused credit line of 1,050 million euros as at 30 June 2021) and the planned disbursements, the Group considers that it will be able to meet its future obligations over the next 12 months.

Interest rate risk

Given the financial structure described above and despite the Group's active interest-rate risk management policy described below, the Group's bank debt and structured debt remain at variable rates (for a total outstanding amount of 621 million euros as of 30 June 2021), so that a significant increase in interest rates could result in an immediate increase in the Group's financial expense. In addition, as the Group's main fixed-rate maturities are to be refinanced and taking into account an average maturity of the Group's debt of 5.0 years, an increase in interest rates would also result in a gradual increase in interest expense.

Thus, a substantial increase in interest rates could have a negative impact on its business, financial situation and results.

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

The Group's debt instruments are rated by independent rating agencies, with the following solicited ratings as of 30 June 2021:

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

During financial year 2020-21, Fitch and S&P confirmed and maintained their ratings and outlooks.

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

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

The Group cannot guarantee that it will be able to take measures enabling it to improve or maintain its ratings, nor that agencies will regard such measures as sufficient. Additionally, factors beyond the Group's control, such as those related to its industry segment or the geographical areas in which it operates, may affect its credit ratings.

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

The Company is a holding company that depends on its subsidiaries for the resources required to pay dividends. The ability of its subsidiaries to make distributions may be subject to certain constraints

The Company is a holding company that has only limited capacity to generate revenues. The Company therefore depends on its subsidiaries for the resources required for any payment of dividends or any other form of distribution to its shareholders.

As of 30 June 2021, the Company had a high level of debt with 400 million euros in bank borrowings drawn under the Refinancing Agreement. These borrowings do not carry guarantees from Eutelsat Communications subsidiaries, nor any pledge of assets to the lenders.

The distributable funds of its principal operating subsidiary, Eutelsat S.A., could be seriously affected by its costs, whether or not they result in any disbursement and, in particular, by any impairment of assets recorded in Eutelsat S.A.'s financial statements. In the past, Eutelsat S.A. recorded substantial asset write-downs and may record such write-downs in the future, thereby reducing its distributable net income. Any decline in its subsidiaries' distribution capacity could have a significant negative impact on the Company's financial situation and results.

4.6 INTERNAL CONTROL PROCEDURES AND RISK MANAGEMENT POLICY

Internal control is a Company process defined and implemented under the responsibility of the Audit Departments to ensure, at both the Company and the Group level:

- that there is compliance with legislation and regulations;
- that instructions and guidelines laid down by General Management are applied;
- that the Company's internal procedures function properly, particularly those that help to safeguard its assets;
- that the financial information is reliable,

while contributing to controlling its activities, the effectiveness of its operations and the efficient use of its resources.

The Company ensures that its internal control system complies with the AMF's Reference Terms. This report on the internal control and risk management procedures implemented by the Company is based on the implementation guidelines in the Reference Terms, supplemented by the application guidelines established by the Autorité des marchés financiers (AMF – French financial market regulator) as published in its recommendation dated 22 July 2010.

The risks identified in the internal control plan approved by the Audit Committee are specifically monitored by the Internal Control Department.

The main actions undertaken during the fiscal year include optimizing the internal control process in relation to the main Group-wide systems, in particular through the continued implementation of tools for managing purchases, sales, cash, missions and expense reports according to a Group "core model". The internal control environment relating to the development of Broadband activities, as well as the acquisition of Big Blue BoradBand was the subject of particular attention during the year in order to secure the new processes inherent to these activities.

In the description below, it is important to make a distinction between internal control procedures designed to ensure the security of the Group's operating activities, namely procedures relating to the management of satellite risks and other Group risks on the one hand, and internal control procedures relating to the handling of accounting and financial information (in compliance with the applicable regulations) concerning the business activity of the Company and its subsidiaries on the other hand.

The Company's role is to provide financial and strategic management for the Eutelsat Group. The operating procedures described below are the procedures implemented at Eutelsat S.A. and its subsidiaries.

Risk management policy

Due to the very complex nature of the activities involved in operating and developing its satellite fleet, the Group's Senior Management has always been particularly attentive to risk management within the Group and to the measures taken to cover these risks.

The Internal Control Departments, which continually acts in coordination with each department, is required:

- to undertake to identify the major risks likely to affect the Group's operations and activities and define an associated risk management policy and procedure in conjunction with the other departments involved;
- to update the evaluation (impact and frequency) of the risks identified during the preceding fiscal year, assessing, in conjunction with the functions concerned, policies and processes in place to mitigate risks; and
- to assist the Group's Senior Management as well as the Audit Committee in applying a risk management policy consisting of all the envisaged measures to prevent and reduce risks.

4.6.1 Procedures relating to the satellite fleet and its operation

These procedures are designed to ensure the continuity of the communications service offered to our customers and end users.

Administration and control of the satellite system is the responsibility of the Technical Department, which is in charge of controlling the satellites and the quality of the signals the satellites receive and broadcast.

These activities are carried out from the Company's control centres, which have backup facilities to overcome any operational unavailability or interruption affecting the centres. These centres are located in France and in Mexico depending on the satellite and the entity (Eutelsat S.A. or Eutelsat Americas) responsible for controlling and marketing the satellite. A centre for the control of signal quality was recently opened in Sao Paolo (Brazil) to assist customers in this country. The operational availability of the backup facilities is checked regularly.

These control centres are responsible for ensuring, in line with the recommendations and technical procedures applicable to the various satellites, that the satellites are protected, and that the signal's operational continuity is maintained to meet the requirements of the Group's customers.

Written operational procedures for the control centres, and the control centre responsible for the satellite fleet in particular, cover the various maneuvers and configuration changes required in a nominal situation as well as in a crisis situation, or when a technical incident occurs. These procedures are reviewed and checked using satellite simulators by the staff responsible for controlling them and form part of the controllers' ongoing training.

Any incident affecting a satellite or one of the transmitted signals (e.g. a technical failure or signal interruption) is dealt with internally by the Operations Department according to escalation procedures. These procedures enable internal skilled staff to intervene immediately or call on the expertise of the satellite manufacturers if necessary. Any incidents that affect a satellite or the control system are logged and monitored under the authority of the manager responsible for satellite operations, so as to identify the causes of the incident and propose and implement the necessary corrective measures.

In addition, any material incident likely to affect the quality or continuity of the telecommunications service is:

- communicated to the Group's Senior Management;
- reviewed internally by Eutelsat S.A.'s Technical Department;
- where appropriate, reviewed by a panel of independent experts, depending on the nature of the relevant incidents;
- communicated to customers; and
- where appropriate, reported in a press release.

Back-up capacity and redundancy

As part of the Group's risk management strategy, it has developed a back-up and redundancy policy designed to reduce the risk of service interruptions, outages or failure to meet its contractual commitments.

The Group's satellites are designed with adequate redundancy to contend with potential equipment failures and to meet or exceed their theoretical operational life in-orbit. Significant on-board redundancy of equipment allows the Group to quickly replace any equipment damaged during the operational life of the satellite with minimal or no interruption of service, depending on the nature of the incident. Some of the satellites in the fleet are currently using this redundancy equipment.

Furthermore, the Group offers significant back-up capacity in certain key orbital locations. Back-up capacity is used to replace leased capacity in the event of an on-board fault or equipment failure on a satellite. It is often obtained by pooling capacity on several satellites located at nearby orbital positions and offering similar coverage and technical specifications. This enables the Group to provide continuity of service to customers, depending on the fill factors of the satellites concerned.

The Group has also signed leases guaranteeing continuity of service to some of its customers, by offering them capacity with guaranteed restoration of service using pre-defined capacity (generally on a neighbouring satellite). These leases generally attract a higher price. In the absence of an emergency or malfunction that requires back-up capacity, the Group is able to market this capacity subject to a clawback clause.

IT security and certification of satellite control systems and related services

The introduction of measures designed to improve the security of the satellite control information systems and associated services continued during the past year.

In 2011, the satellite control team obtained ISO 27001 certification for its information security management system for a period of three years, which was renewed in June 2014, June 2017 and in April 2020.

The certification covers:

- satellite control and operations, Launch and Early Orbit Phase Operations (LEOP);
- human resources and defining, developing, procuring, deploying, operating and maintaining the software, computer systems and networks that form part of the satellite ground control systems; and
- the security of stations for the operation of geostationary satellites.

In June 2013 the teleport teams in Rambouillet obtained information security certification (ISO 27001) for a period of three years renewed in June 2016 and June 2019. The certification covers the activities and systems related to:

- the communication control centre;
- the management of the Rambouillet teleport;
- the implementation and supervision of managed services operations; and
- the security of all sites for monitoring the payload, the points of presence and the teleports.

In addition to the ISO 27001 certification, in June 2016 and renewed in June 2019, the Rambouillet teleport teams obtained Tier 4 certification – the highest – for a period of three years, in the context of the programme of certification delivered by the World Teleport Association (WTA). This teleport certification programme is aimed at both teleport operators and their customers. It is intended to be an objective, transparent and internationally-recognised methodology enabling an assessment to be made of the security and the quality of our teleport facilities, as well as the technology used and the operating procedures in place, via a rigorous evaluation of the elements relating to business continuity, transmission chains, satellite and terrestrial connectivity, security of persons and IT systems (cyber security) and the network operations centre.

The operational teams of Eutelsat Americas obtained ISO 27001 certification in August 2016 for a period of three years and renewed in August 2019.

The certification covers the activities and systems related to:

- satellite control operations;
- the operation of the payload;
- monitoring of communications and of the ground segment.

The Skylogic Mediterraneo teams obtained the ISO 27001 certification in 2017 for a period of three years, which was renewed in March 2020.

The certification covers activities and systems relating to design, installation, supply and technical assistance activities for video and data connectivity services, and to the management of the Cagliari teleport.

The Skylogic teams obtained the ISO 27001 certification in 2017 for a period of three years, which was renewed in March 2020.

The certification covers activities and systems relating to design, installation, supply and technical assistance activities for video and data connectivity services on behalf of the Eutelsat Group.

ISO 9001 certification for the satellite control activities was obtained in 2005 and renewed four times: in June 2008, April 2011, May 2014, May 2017 and April 2020. Certification covers control and operation of the satellites, satellite launch and orbit operations and the satellite ground control system (definition, development, procurement, deployment, operation and maintenance).

ISO 9001 certification was also obtained in 2011 for the activities of the Rambouillet teleport, and this was renewed in May 2014, May 2017 and June 2020.

For the Rambouillet teleport, this certification covers activities relating to:

- the communication control centre;
- commercial services (management of data and television signals through teleport ground equipment); and
- radio frequency systems and Rambouillet teleport's technical infrastructures.

For the teleport activities of the subsidiary Skylogic (Turin, Italy) the ISO 9001 certification obtained in May 2014 and renewed in May 2017 and in March 2020 covers design, installation, supply and technical assistance activities on behalf of the Eutelsat Group for video and data connectivity services.

In June 2017, the teleport of the subsidiary Skylogic Mediterraneo (Cagliari, Italy) obtained ISO 9001 certification, which was renewed in March 2020. The certification covers design, installation, supply and technical assistance activities for video and data connectivity services.

Our subsidiary Eutelsat Americas also obtained ISO 9001 certification for all of its operational activities in November 2007 (satellite control and monitoring the quality of signals received and relayed by satellites). This certification has been renewed in 2010, 2013, 2016 and 2019.

In March 2021, Eutelsat Group hired an Information Systems Security Officer.

Reporting to the Group Chief Technical Officer with a functional line to the Chief Security Officer, he will lead all aspects of cybersecurity for the Group. He will be responsible for developing and executing a comprehensive security program to ensure the company's assets and business processes are protected and that risks are assessed and treated at the right level. The CISO will partner with the IT and satellite engineering teams to make sure that the program is aligned with the business interests and the best practices.

Insurance

Launch-plus-one-year and In-Orbit Life Insurance

The Group has an insurance programme covering the phases of a satellite's lifespan, i.e. launch (the launch insurance policy also covers in-orbit acceptance testing and In-Orbit Life of the satellite until the anniversary date of the launch) and in-orbit (In-Orbit Life Insurance policy).

The Group's Launch-plus-one-year and In-Orbit Life Insurance policies include exclusions that are customary in space insurance.

4.6.2 Procedures for preventing and managing the Group's other operating risks

The Company's Business Continuity Plan

The continuity plan includes the following items:

- mapping of critical processes and their recovery objectives. This mapping is derived from an analysis of the impacts on business performance in various crisis scenarios;
- crisis management procedures (logistics, external and internal communication, decision-making processes);
- business procedures describing the tasks to be performed at the backup site;
- the backup IT system (applications, systems and network infrastructure, telecoms);
- procedures describing urgent action to be taken in the event of an incident; and
- the logistics required when the plan is triggered (backup user locations, plant rooms containing backup infrastructure).

The business continuity plan (BCP) aims to define the conditions for continuity of the commercial, financial, administrative and legal activities, as well as corporate communications, management of the IT systems and Human Resources. The business continuity plan was updated during the current fiscal year.

Activities directly linked to managing the satellite fleet (particularly satellite and communications control centre activities) are not currently included as they are already covered by specific security procedures, as described in the previous paragraph devoted to this topic.

Information systems security

In carrying out its business, the Group is exposed to a certain number of operational risks and, more specifically, to risks that are likely to affect its business process. The IT Department is addressing the operating risks relating to the security of the Group's information systems and this is reflected in the following activities:

- mapping risks relating to the security of IT systems and assessing their impact on the Group's operations;
- introducing a policy and a set of standards to meet the Group's security requirements;
- drawing up and monitoring an action plan;
- assessing the protective measures that are in place in organisational and technical areas; and
- reacting in the event of suspicious events or security incidents.

Processing accounting and financial information

In addition to the internal control procedures inherent in its main business activity, the Group has developed significant control procedures for processing accounting and financial information, for both its operating subsidiaries and those that manage its equity interests. During the 2019-20 fiscal year, the Group continued the implementation of a Group ERP in each of its subsidiaries.

Monthly reports are also prepared under the supervision of the Deputy Chief Executive Officer and the Chief Financial Officer. These reports take into account information on the various activities of the Group from the different operational departments of Eutelsat S.A. (Sales Department, Finance Department, Technical Department, Legal Affairs Department etc.) after reconciliation with appropriate accounting and legal documents.

Closing, consolidation and reporting procedures have not been specifically amended during this financial year. Eutelsat S.A.'s financial departments and those of its subsidiaries have duly complied with these procedures.

Preparing the consolidated financial statements

At the end of each month, the financial data from each subsidiary is reviewed by the Consolidation Manager to verify, in particular, that the accounting principles and methods currently in force within the Group are being correctly applied. These accounting principles and methods are set out in the consolidation manual drawn up and distributed within the Group during the year. This manual is updated when necessary. In addition, the Consolidation Manager issues specific instructions to the subsidiaries before the end of each closure of the accounts, including a detailed timetable and a list of the various actions to be taken. In addition, the increased formalisation of the process for drawing up consolidated accounts on the basis of information provided by the subsidiaries ensures that the entire corporate perimeter is covered.

The closing process has been strengthened within the Group's subsidiaries. The half-yearly financial and accounting performance letters were extended over the sales scope and are signed by the RVPs every quarter. This ensures that accounting and financial management is aware of any business commitments.

In addition, each time the accounts are closed (for the half-year and the full-year), the Audit Committee meets to examine and approve the financial statements in the presence of the Company's Statutory Auditors.

Furthermore, as part of their audit at each closing date, the Statutory Auditors ensure that the accounting principles and procedures embedded in the consolidation tool data entry manual and applied by the Company are appropriate, and that the accounts approved by the Board of Directors give a reliable and accurate picture of the financial position and business activity of the Company and the Group.

In furtherance of Management responsibility and financial data control for all companies in the Group, the Company uses a consolidation and reporting system guaranteeing:

- a single source for information used in the legal consolidation and reporting process, managed in a shared database; and
- that legal data is entered by the various senior managers in the companies comprising the Group and stored in the system.

The information used for consolidation is confirmed by the legal managers in the subsidiaries using representation letters.

Insurance

In-orbit third-party liability insurance – Spacecraft third-party liability policy

The Group subscribes to an insurance policy covering civil responsibility for spacecraft, renewed on an annual basis, and which covers potential damaged caused to third parties by the Company in its capacity as a satellite operator.

Credit insurance

The Group has a credit insurance policy aiming to be better protected against customer default risks.

Other insurance policies

The Group has taken out several third-party liability insurances including one covering its Corporate Officers (mandataires sociaux), Directors and senior managers, as well as the senior managers of its subsidiaries, in the performance of their duties.

In addition, the Group has notably a standard insurance against all risks of damage or loss for on-ground telecommunications equipment, various assistance policies for its employees and visitors and an insurance covering employees' travels.

Delegation of signing authority and delegation of powers

In principle, all contracts and documents embodying a commitment by the Company are submitted for signature by the Chief Executive Officer or by one of the two Deputy Chief Executive Officers. However, in a number of specific cases, such as managing contracts with suppliers involving small amounts (lower than 300,000 euros), the Chief Executive Officer has authorised certain people in the Group to delegate signing authority. These delegations are established by the Legal Affairs Department which monitors them. The CEO and the Deputy CEO are authorised to sign all commitments without limitation of the amount or nature, subject to the provisions laid down by the law and the Internal Rules of the Company's Board of Directors.

Managing and monitoring the Group's supplier contracts

As with the Group's other contracts, preparing, negotiating and monitoring the Company's supplier contracts and financing contracts is carried out by Eutelsat S.A. under the service agreement between the Company and Eutelsat S.A. Accordingly, before they are signed, supplier contracts are examined using a procedure that requires endorsement from the relevant Managers, followed by formal approval from the Chief Executive Officer, the Deputy Chief Executive Officer or the Managers to whom the Chief Executive Officer has delegated signing authority.

Procurement procedures

Procedures have been put in place to guarantee that any commitment to order goods or services is preceded by a duly authorized purchase requisition.

The following authorisation procedure must precede all purchases:

- approval by Senior Management of a procurement budget per project/activity as part of the Annual Budget approved by the Board of Directors; and
- validation by Management of the Department which made the purchase request (as well as by General Management beyond a predetermined amount).

Invoices received are compared with the appropriate items delivered and/or the appropriate services provided subsequent to the relevant contract or order being submitted.

Invoice payment is subject to the agreement of the various services involved in the procurement process, in compliance with the internal control principles relating to the rules regarding the separation of roles.

All payments are predicated on the principle that two signatures are required. If certain pre-determined amounts are exceeded, the signature of the Chief Executive Officer or one of the two Deputy Chief Executive Officers is also required.

It should be noted that procurement contracts for satellites and launchers are approved beforehand by the Board of Directors as part of its review of the Group's business and investment decisions. Contracts for these programmes are governed by a specific procedure (technical, legal and financial) before being signed by the Chief Executive Officer or the Deputy Chief Executive Officers of Eutelsat S.A.

Addressing the risk of non-compliance

During the fiscal year the Group has strengthened the programme set up in 2014 to prevent and detect acts of corruption within the Group and continued to deploy it, notably by:

- the implementation of a dedicated governance within the Group, based on the organization and management of an internal network of correspondents in charge of implementing compliance actions locally, monitoring their effectiveness and reporting on any vulnerabilities detected;
- strengthening internal communication to reflect senior management's commitment to the fight against corruption and influence peddling and the application of a "zero tolerance" policy to promote a culture of integrity and ethics throughout the Group;
- the continuation of the actions undertaken as part of the implementation of the eight preventive measures prescribed by the Sapin II act, in accordance with the recommendations of the AFA, notably: (i) the development of a global action plan based on risk mapping and specific action plans with regard to the main risk areas identified, (ii) the development and regular updating of internal policies on ethics and compliance, (iii) the automation of pre-contractual due diligence on third parties and their integration into internal procedures, (iv) the optimization of the internal alert system, (v) the intensification of the training program, and (vi) the conduct of compliance reviews by the internal auditors to assess the implementation and effectiveness of the program.

For more information on non-compliance risk management, please refer to Section 3 of this document.

4.6.3 Prevention and management of the Group's commercial risks

Managing and monitoring the Group's customer contracts

The Group's customer contracts are concluded by Eutelsat S.A. or its subsidiaries on the basis of standard contracts prepared by Eutelsat S.A.'s Legal Affairs Department and Sales Department.

Any change to the standard form is examined in advance by the Legal Affairs Department before the contracts are signed by those with authority to do so.

The execution of sales agreements is subject to a number of approval stages, which vary depending on the annual value of each commitment.

The Group has implemented processes to develop contracts for the allocation of capacity, in particular to verify that contracts are duly signed and that customers are invoiced in accordance with the contract conditions.

Allotment agreements are the subject of monthly and quarterly reports prepared jointly by the Sales and Finance Departments.

Managing the Group's credit risk

In this respect, the standard contracts entered into with customers provide for suspension or interruption of services in the event of payment default. The company has a contracted with two collection agencies.

All new customers undergo a customer risk assessment by the "Credit Management" team in the Finance Department, which determines the amount of financial guarantee required. An annual reassessment is systematically carried out on the entire customer portfolio. Revaluations are also made on a case-by-case basis throughout the year.

The in-house "Credit Management" team of the Financial Department has exclusive responsibility for checking payments. Customers located in geographical areas deemed to be potentially the most exposed to the impact of the economic downturn are monitored closely.

Any delayed payment is thoroughly analysed with the appropriate customer relations managers in the Sales Department and the office of the Legal Affairs Department and, if necessary, followed by appropriate measures. In the event of a dispute, it contacts the Legal Department which handles any litigation with the support of specialised law firms.

The Group also has in place a credit-insurance policy to provide better protection against the risks of customer default.

4.6.4 Management of financial risks

Via its subsidiary Eutelsat S.A., the Group has put in place centralised cash flow management. Under service agreements between Eutelsat S.A. and the various entities within the Group (including the Company), the accounts department at Eutelsat S.A. manages foreign exchange, interest rate, counterparty and liquidity risks on behalf of all the Group's entities.

Moreover, the Group is exposed to market risks, notably in terms of currency, interest rates and counterparty risk. The Executive Board actively manages this risk exposure using various derivative instruments.

These instruments are traded over-the-counter with first-rate banking counterparts. The Group does not engage in financial transactions in a speculative perspective or in a transaction whose associated risk cannot be quantified at their outset, i.e. the Group never sells assets it does not possess or does not know it will subsequently possess.

The goal is, where appropriate, to reduce revenue and cash flow fluctuations arising from interest-rate and foreign exchange rate variations.

The Group manages liquidity risk

As of 30 June 2021, liquidity remains strong, with undrawn credit lines of almost 1,050 million euros and cash of 861 million euros.

As of 30 June 2021, the Group complied with all of the covenants on its various credit facilities as described in Section 7.4 of this Document. The Net Debt to EBITDA ratio stood at 2.88x at 30 June 2021 (3.05x at 30 June 2020).

The Group manages liquidity risk by using a tool enabling it to monitor and manage its recurrent cash flow needs. This tool takes account of the maturity of financial investments, financial assets and estimated future cash flows arising from operations.

The Group's goal is to maintain a balance between continuous funding and flexibility by use of overdrafts, term loans, bond issues, revolving credit lines, structured loans and satellite lease contracts.

Interest rate risk

The Group manages its exposure to interest rate volatility by maintaining a portion of its debt at fixed rates (Eutelsat S.A. bond issues) and when appropriate by a hedging or pre-hedging policy.

Please refer to the Note 7.3.6 of the notes to the consolidated financial accounts for more information.

Foreign exchange risk

In order to hedge the risks of fluctuating foreign exchange rates, the Group may carry out forward sales or synthetic forward sales of U.S. dollars and euros with knock-in options which are exercised or not, depending on the exchange rates on their expiry date. The Group does not automatically hedge or may not be able to hedge all of its contracts denominated in U.S. dollars.

Moreover, in order to hedge the translation risk, the Group may also create liabilities denominated in the currency of the cash flows generated by these assets. Hedging instruments include currency derivatives (cross-currency swaps) documented as hedges of net investments in foreign operations. The Group implemented foreign exchange swaps for a notional amount of 572 million euros to hedge its net investment in Satmex.

Please refer to the Note 7.3.6 of the notes to the consolidated financial accounts for more information.

Counterparty risk

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 risk and its exposure to execution and credit risk by acquiring financial products mainly from A-rated financial institutions or banks. Exposure to these risks is closely monitored and maintained within predetermined limits. As of 30 June 2021, the Eutelsat Communications banking syndicate comprised 8 lenders with Eutelsat S.A.'s banking syndicate comprising 7 banks for the 450 million euro revolver facility and 8 for the 200 million euro revolver facility;

If any of the lenders default on the term loan portion of the credit facilities, the Group retains the amounts initially allocated in full. If any counterparty defaults on the revolving part of a credit facility, the amount obtained may be less than the total amount requested. In this case, the Group has the possibility of drawing one or more additional amounts from the other counterparties in order to obtain the extra sums needed to make up the total amount required. The Group does not expect any losses resulting from a failure by its counterparts to respect their commitments under the agreements it has concluded. As of 30 June 2021, the counterparty risk is not significant.

5 - A YOUNG FLEET WITH COVERAGE OF MOST OF THE GLOBE

5.1 SATELLITE FLEET

As of 30 June 2021, the Group operated capacity on 38 satellites; of which 5 in inclined orbit.

Fully owned capacity as of 30 June 2021

Name of satellite	Orbital position	Geographic coverage	Nominal capacity (number of physical transponders)	Launch date	Estimated Orbital Manouver Lifetime as of 30 June 2021 (2) (calendar year)
EUTELSAT 117 West A	116.8° West	Americas	40 Ku / 24 C	March 2013	2035
EUTELSAT 117 West B	116.8° West	Americas	40 Ku	June 2016	2044
EUTELSAT 115 West B	114.9° West	Americas	32 Ku / 12 C	March 2015	2042
EUTELSAT 113 West A	113° West	Americas	24 Ku / 36 C	May 2006	> 2024
EUTELSAT 65 West A	65°West	Latin America	24 Ku / 10 C / 24 Ka	March 2016	2036
EUTELSAT 8 West B	8° West	Middle-East, Africa, Latin America	40 Ku / 10 C	August 2015	2033
EUTELSAT 7 West A	7° West	Middle-East, North Africa	50 Ku	Sept. 2011	2033
EUTELSAT 5 West B	5° West	Europe, Americas, Africa	35 Ku	October 2019	2035
EUTELSAT 3B	3° East	Europe, Middle-East, Africa	30 Ku / 12 C / 5 Ka	May 2014	2032
EUTELSAT 7B	7° East	Europe, Middle-East, Africa	53 Ku / 3 Ka	May 2013	2039
EUTELSAT 7C	7° East	Europe, Middle-East, Africa	44 Ku	June 2019	2057
EUTELSAT KONNECT	7° East	Europe, Africa	65 Ka spotbeams	January 2020	2037

EUTELSAT 9B	9° East	Europe	50 Ku	January 2016	2038
EUTELSAT 10A	10° East	Europe, Middle-East, Africa	42 Ku / 10 C	April 2009	2023
EUTELSAT HOT BIRD 13B	13° East	Europe, North Africa, Middle-East	64 Ku	August 2006	2025
EUTELSAT HOT BIRD 13C	13° East	Europe, North Africa, Middle-East	64 Ku	December 2008	2024
EUTELSAT HOT BIRD 13E	13° East	Europe, North Africa, Middle-East	38 Ku	March 2006	2024
EUTELSAT 16A	16° East	Europe, Middle-East, Africa, Indian Ocean	53 Ku / 3 Ka	October 2011	2027
EUTELSAT 21B	21.5° East	Europe, Middle-East, Africa	40 Ku	November 2012	2033
EUTELSAT 28E (3)	28.2/28.5° East	Europe	4 Ku	September 2013	2029
EUTELSAT 28F (3)	28.2/28.5° East	Europe	4 Ku	September 2012	Lifetime in excess of 15 years
EUTELSAT 28G (3)	28.2/28.5° East	Europe	4 Ku	December 2014	Lifetime in excess of 15 years
EUTELSAT 33E	33° East	Europe, North Africa, Middle-East, Central Asia	64 Ku	February 2009	2024
EUTELSAT 36B	36° East	Europe, Middle-East, Africa	70 Ku	November 2009	2026
EUTELSAT 70B	70.5° East	Europe, Middle-East, Asia	48 Ku	December 2012	2032
EUTELSAT 172B	172° East	Asia-Pacific, Australia, New Zealand	40 Ku /14 C / 11 spotbeams	June 2017	2036
EUTELSAT 174A	174° East	Asia-Pacific, Australia, New Zealand	20 Ku / 18 C	December 2005	2022
EUTELSAT 48E	48.1° East	Europe, Middle-East, Asia	-	May 2000	Inclined orbit
EUTELSAT 5 West A	5° West	Europe, Americas, Africa	-	July 2002	Inclined orbit
EUTELSAT 12 West E	12.5° West	Europe, Atlantic	-	December 2008	Inclined orbit
EUTELSAT 133 WEST A	133° West	Americas	-	March 2001	Inclined orbit
EUTELSAT 139 West A	139° West	Americas		March 2004	Inclined orbit

(1) The number of transponders can vary from one year to the next as a result of relocations or reconfigurations. The figures are rounded to the nearest whole number.

[2] Every year, the Group reviews the estimated operational life of the satellites in-orbit (for further information, see Notes 7.1.2 to the consolidated financial statements for the financial year ended 30 June 2021).
[3] In January 2014, in the framework of the settlement of a dispute with SES concerning the 28.5° East orbital position the Group contracted long-term satellite capacity on the SES satellite fleet at this orbital position. The number of transponders indicated is the number of transponders fully owned by Eutelsat on SES fleet.

Capacity leased From Third Parties as of 30 June 2021

Name of satellite	Orbital position	Geographic coverage	Nominal capacity (number of physical transponders)	Launch date	Estimated Orbital Manouver Lifetime as of 30 June 2021 (calendar year)
EUTELSAT 53A [(1)]	53° East	Europe, North Africa, Middle-East, Asia	4 Ku	October 2014	2029
Express-AT1 [(1)]	56° East	Siberia	21 Ku	March 2014	2029
Express-AT2 [(1)]	140° East	Far East Russia	9 Ku	March 2014	2029
EUTELSAT 36C [(1)]	36°East	Africa, Russia	52 Ku / 18 Ka	December 2015	2033
EUTELSAT 28G [(2)]	28.2/28.5° East	Europe	8 Ku	September 2014	Lifetime in excess of 15 years
Yahsat 1B	47.6° East	Africa	16 Ka spotbeams	April 2012	Lifetime in excess of 15 years
Al Yah 3	20° West	Africa	18 Ka spotbeams	January 2018	Lifetime in excess of 15 years

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

5.2 FLEET PERFORMANCE

Main changes since 30 June 2020

- The EUTELSAT KONNECT satellite has gradually entered into operational service since November 2020. With the rollout of the ground segment supporting the satellite operations, the satellite has been operating at full capacity since April 2021.
- EUTELSAT 12 West B which was operating in inclined orbit has been de-orbited.
- EUTELSAT 48D has ended its operations in stable orbit at 48°East.
- EUTELSAT 59B, which operates in an inclined orbit, has been relocated to 139°West and renamed EUTELSAT 139 West A.
- As at 30 April 2021, the EUTELSAT KA-SAT 9A satellite is no longer part of the Eutelsat fleet following the disposal of its stake in Euro Broadband Infrastructure to Viasat.
- In July 2021, the EUTELSAT QUANTUM satellite has been launched.

5.3 AN ACTIVE INVESTMENT POLICY

Main investments

During the financial year, the Group has continued its investment programme. Cash Capital expenditure amounted to 342 million euros[25].

During financial year 2020-21:

[25] This includes capital expenditures and payments under existing export credit facilities and under long-term lease agreements on third party capacity.

Procurement of EUTELSAT 36D

Eutelsat procured the EUTELSAT 36D satellite to succeed EUTELSAT 36B, expected to reach its end of life at the end of 2026, at its key 36° East orbital position. EUTELSAT 36D will assure all the main legacy missions of EUTELSAT 36B in Broadcast (Africa and Russia) and government services (EMEA and Central Asia), with enhancements to coverage areas and performance. It will also carry a UHF payload dedicated to Services to governments.

The satellite is due for launch in the first half of 2024 with a substantial protection loop that reflects its critical importance to its main customers.

During financial year 2019-20:

Procurement of EUTELSAT 10B

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

Satellites under procurement

Satellite[1]	**Orbital position**	**Estimated launch (calendar year)**	**Main applications**	**Main geographic coverage**	**Physical Transponders/ Spot beams**	**Of which expansion**
EUTELSAT QUANTUM	48° East	*30 July 2021*	Government	Flexible	8 "QUANTUM" beams	Not applicable
EUTELSAT HOTBIRD 13F	13° East	*H1 2022*	Broadcast	Europe MENA	80 Ku[2]	None
EUTELSAT HOTBIRD 13G	13° East	*H1 2022*	Broadcast	Europe MENA	80 Ku[2]	None
KONNECT VHTS	To be confirmed	*H1 2022*	Connectivity	Europe	~230 Ka spot beams	500 Gbps
EUTELSAT 10B	10° East	*H2 2022*	Mobile Connectivity	EMEA Atlantic & Indian Ocean	12 Ku 10 C >100 Ku spot beams	-48 Ku transponders c. 35 Gbps
EUTELSAT 36D	36° East	*H1 2024*	Broadcast Government	Africa, Russia, Europe	70 Ku	None

[1] KONNECT VHTS, EUTELSAT HOTBIRD 13F, EUTELSAT HOTBIRD 13G, EUTELSAT 10B and EUTELSAT 36D are electric propulsion satellites.

[2] Nominal capacity corresponding to the specifications of the satellites. Total operational capacity at the HOTBIRD orbital position will remain unchanged with 102 physical transponders operated, once regulatory, technical and operational constraints are taken into account.

5.4 LAUNCH SERVICES ASSOCIATED WITH SATELLITES UNDER PROCUREMENT

Generally speaking, under its security policy and resource deployment plan, the Group aims to diversify its launch service providers as much as possible to ensure a degree of operational flexibility in the event of a failed launch. For example, its satellites are technically adaptable to a launch using several different types of launch vehicles. Similarly, the Company may choose to re-allocate satellite launches to another of its launch service providers under its firm or optional launch services contract.

6 – ACTIVITIES OF SUBSIDIARIES AND EQUITY INTERESTS

During the financial year ended 30June 2021:

- The acquisition of the Bigblu Operations Limited group (United Kingdom) has been finalized on 30 September 2020. The group consists of eleven subsidiaries through Europe.
- The dissolution of the company Eutelsat Middle East following its liquidation was carried out on October 27, 2020.
- Eutelsat Broadband Services has been renamed Eutelsat Konnect Services on 16 November 2020.
- The sale of the 51% majority interest in Euro Broadband Infrastructure (Switzerland) to Viasat, which hold ten subsidiaries across Europe, has been finalized on 30 April 2021.
- The subsidiary BB4A Italy has been merged with the subsidiary Skylogic SpA (Italy) on 21 June 2021.
- On 27 April 2021 a minority interest of 24% has been taken in OneWeb, under condition to waive all the usual authorizations for an acquisition of this type.
- The subsidiary Eutelsat Latin America (Panama) has been dissolved on 28 June 2021.

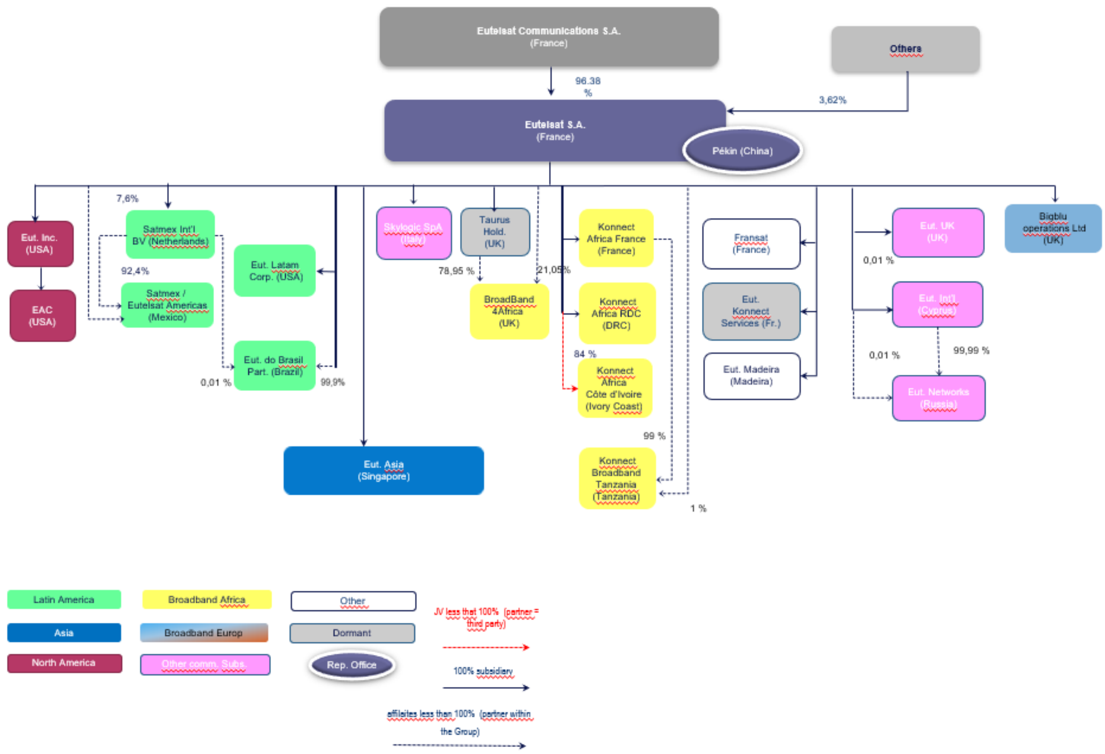
As of June 30, 2021, the Company directly or indirectly owns 57 subsidiaries or equity interests.

Eutelsat Communications is a holding company, which has no operating activity of its own, other than its direct holding in Eutelsat S.A.

The revenues and results shown for the subsidiaries in Section 6.2 are based on the annual financial statements of the companies concerned.

6.1 GROUP SIMPLIFIED ORGANISATIONAL CHART

The organisational chart below is a simplified organisational chart of the Eutelsat Group as of June 30, 2021. The list of all the companies consolidated by Eutelsat Communications at 30 June 2021 is shown in Note 3 of the Notes to the consolidated financial statements of Eutelsat Communications in the appendix to this report.



6.2 MAIN SUBSIDIARIES AND EQUITY INTERESTS

At June 30, 2021, the Group's main operating companies are:

- Eutelsat S.A. (France) 96.38% directly owned by the Company,
- Eutelsat Madeira Lda (Madeira), Eutelsat Asia Pte Ltd. (Singapore), Fransat S.A. (France), and Eutelsat International Ltd. (Cyprus) direct subsidiaries wholly owned by Eutelsat S.A.
- Eutelsat do Brasil Ltda (Brazil), Eutelsat America Corp. (United States) and Satélites Mexicanos, S.A. de C.V. (Mexico), indirect subsidiaries wholly owned by Eutelsat S.A.
- BigBlu Operations Ltd (United Kingdom) directly owned by the Company.

The Group also has several other operating subsidiaries that are responsible for representing Eutelsat in the development of its international activities. S.A. and to promote its services, but neither their revenues nor their net income are significant.

6.2.1 Eutelsat S.A.

Eutelsat S.A. is the Group's main operating company. It is a public limited company with registered office at 32, boulevard Galliéni – 92130 Issy-les-Moulineaux.

Eutelsat S.A.'s revenues and net income

The table below shows Eutelsat S.A.'s consolidated revenues and net income as of 30 June 2021:

(in million euros)	30 June 2021
Revenues	1,237.2
Net profit attributable to the Group	263.7

6.2.2 Main subsidiaries of Eutelsat S.A.

Eutelsat America Corp. (United States)

Incorporated in November 2006, Eutelsat America Corp. is a promotional and representative subsidiary whose purpose is to distribute Eutelsat S.A.'s satellite capacity on the North American market. It is wholly owned through the subsidiary Eutelsat Inc.

Eutelsat do Madeira Lda (Portugal)

Incorporated in June 2008, Eutelsat Madeira Lda is a direct wholly owned subsidiary of Eutelsat S.A. This company is responsible for marketing the wholly owned satellite capacity on the EUTELSAT 10A satellite in C and Ku-band for the African region and Portuguese-speaking markets and on the EUTELSAT 16A satellite in Ku-band for the African region and Indian Ocean islands. Since 1 July 2014, Eutelsat Madeira Lda has also been marketing Eutelsat S.A.'s satellite capacity on EUTELSAT 3B in C and Ku-band for the sub-Saharan African region. Eutelsat Madeira Lda also owns a portion of the E8WB satellite.

Eutelsat Asia Pte Ltd. (Singapore)

Incorporated in June 2012, Eutelsat Asia Pte Ltd is a direct subsidiary wholly owned by Eutelsat S.A. This company owns the EUTELSAT 172B satellite and the EUTELSAT 174A satellite.

Satélites Mexicanos S.A. de C.V. (Mexico)

Acquired by the Group in January 2014, Satélites Mexicanos, S.A. de C.V. is owned by Eutelsat S.A., both directly and indirectly through Satmex International BV.

The company has been operating since March 2014 under the trade name Eutelsat Americas. It is based in Mexico City and operates three satellites: EUTELSAT 113 WEST A at 113° West, EUTELSAT 115 WEST B and EUTELSAT 117 WEST A at 116.8° West. These satellites cover 90% of the population of the American continent.

Satélites Mexicanos S.A. de C.V. operates and markets the EUTELSAT 65 West A satellite, which is also co-owned with Eutelsat do Brasil Ltda. Satélites Mexicanos S.A. de C.V. also operates the EUTELSAT 117 WEST B satellite, which entered into service in January 2017.

Eutelsat do Brasil Ltda. (Brazil)

Eutelsat do Brasil Ltda is an indirect wholly-owned subsidiary of Eutelsat S.A. It is wholly owned through the subsidiary Eutelsat do Brasil Participatoes Ltda.

Eutelsat do Brasil Ltda was initially granted landing rights by the Brazilian authorities to provide capacity for the Brazilian market on the EUTELSAT 12 West A and EUTELSAT 8 West A satellites. Since June 2013, Eutelsat do Brasil Ltda has been additionally granted a licence by the Brazilian telecommunication's regulatory authority for a set of C, Ku and Ka-band frequencies at 65° West. Eutelsat do Brasil Ltda has also entered into a 15-year contract with Hughes, a subsidiary of EchoStar, for the lease of all Ka-band capacity covering Brazil on the EUTELSAT 65 West A satellite partly owned by Eutelsat do Brasil Ltda and operational since May 1, 2016.

Eutelsat Latin America (Panama)

Eutelsat Latin America operates and markets with a dedicated team a portion of the EUTELSAT 65 West A satellite, which is also co-owned with Eutelsat do Brasil Ltda. Eutelsat Latin America also operates the EUTELSAT 117 WEST B satellite, which entered into service in January 2017.

Eutelsat International (Cyprus)

Since 30 January 2020, Eutelsat International Ltd. has been a fully owned direct subsidiary of the Group. Eutelsat International Ltd. is notably responsible for marketing Ku-band capacity on the Express AT1 satellite launched in March 2014 at 56° East.

Eutelsat MENA FZ-LLC (United Arab Emirates)

Eutelsat MENA FZ-LLC is a subsidiary owned through Satmex International B.V. It is notably in charge of marketing video and data capacity for the Middle East region.

The table below shows the revenues and contributing net income of Eutelsat S.A.'s main subsidiaries as of June 30, 2021:

(in million euros)	Eutelsat America Corp.	Eutelsat Madeira Lda.	Eutelsat Asia Pte. Ltd.	Satélites Mexicanos S.A. de C.V.	Eutelsat do Brasil Ltda	Eutelsat International	Eutelsat MENA
Revenues	125.4	29.2	14.5	86.7	13.3	16.6	29.7
Group share of net income	3.6	3.1	5.9	4.9	(18.5)	6.5	(7.7)

7 - CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021 – FINANCIAL INFORMATION

In this section references to Notes refer to the Notes on the Group's consolidated financial statement for the financial year ended 30 June 2021, which are annexed to this report.

7.1 FINANCIAL AND ACCOUNTING POLICY – IFRS STANDARDS

The financial year of Eutelsat Communications runs for 12 months ending on 30 June.

The financial statements at 30 June 2021 have been prepared in accordance with IFRS rules, as adopted by the European Union and effective as of that date.

7.2 CONSOLIDATED SIMPLIFIED BALANCHE SHEET OF EUTELSAT COMMUNICATIONS

Details of the Eutelsat Communications consolidated balance sheet at 30 June 2020 and 30 June 2021 are shown in the attached consolidated financial statements.

Total shareholder's equity stood at 2,691 million euros at 30 June 2021 versus 2,805 million euros at 30 June 2020.

(in millions of euros)	Note	30 June 2020	30 June 2021
Assets			
Goodwill	7.1.1	1,209.2	1,246.5
Intangible assets	7.1.1	514.8	440.3
Tangible assets and construction in progress	7.1.2	3,856.7	3,730.4
Rights of use in respect of leases	7.1.3	556.3	517.5
Non-current financial assets	7.3.3	32.8	71.5
Non-current assets associated with customer contracts and costs to obtain and fulfil contracts	7.2	74.9	37.7
Deferred tax assets	7.7	36.3	7.6
Total non-current assets		**6,280.9**	**6,051.5**
Inventories		6.7	8.1
Accounts receivable	7.2.1	334.8	244.5
Current assets associated with customer contracts and costs to obtain and fulfil contracts	7.2	17.1	17.4
Other current assets		43.5	42.8
Current tax receivable		42.5	26.6
Current financial assets	7.3.3	23.6	27.0
Cash and cash equivalents	7.3.1	832.0	861.1
Total current assets		**1,300.2**	**1,227.5**
Total assets		**7,581.1**	**7,279.0**

(in millions of euros)	Note	30 June 2020	30 June 2021
Liabilities			
Share capital	7.5.1	230.5	230.5
Additional paid-in capital		718.1	718.0
Reserves and retained earnings		1,711.1	1,688.5
Non-controlling interests		144.8	53.7
Total shareholders' equity		**2,804.6**	**2,690.7**
Non-current financial debt	7.3.2	2,505.8	3 097.4
Non-current lease liabilities	7.3.3	418.7	411.6
Other non-current financial liabilities	7.3.3	85.6	89.0
Non-current payables to fixed asset suppliers	7.3.3	5.9	188.7
Non-current liabilities associated with customer contracts	7.2.3	120.6	117.5
Non-current provisions	7.6	106.6	83.0
Deferred tax liabilities	7.7	264.2	197.9
Total non-current liabilities		**3,507.5**	**4,185.0**
Current financial debt	7.3.2	858.1	45.5
Current lease liabilities	7.3.3	74.7	24.1
Other current payables and financial liabilities	7.3.3	111.9	121.4
Accounts payable		73.3	84.9
Current payables to fixed asset suppliers	7.3.3	45.0	25.0
Tax payable		22.8	20.8
Current liabilities associated with customer contracts	7.2.3	66.9	69.0
Current provisions	7.6	16.5	12.6
Total current liabilities		**1,269.0**	**403.3**
Total liabilities and shareholders' equity		**7,581.1**	**7,279.0**

7.3 SIMPLIFIED CONSOLIDATED INCOME STATEMENT OF EUTELSAT COMMUNICATIONS

(in millions of euros, except per-share data)	Note	30 June 2020	30 June 2021
Revenues from operations	6.1	**1,278.3**	**1,233.9**
Operating costs	6.2	(89.7)	(94.7)
Selling, general and administrative expenses [(1)]	6.2	(203.6)	(217.3)
Depreciation expense	7.1.1, 7.1.2, 7.1.3	(530.9)	(507.7)
Other operating income and expenses	6.3	36.1	(67.0)
Operating income		**490.2**	**347.2**
Cost of net debt		(71.8)	(72.8)
Other financial income and expenses		(8.7)	(22.2)
Financial result	**6.4**	**(80.5)**	**(95.0)**
Net income before tax		409.7	252.3
Income tax [(1)]	6.5	(97.5)	(24.2)
Net income		**312.2**	**228.1**
Attributable to the Group		297.6	214.1
Attributable to non-controlling interests		14.6	14.0
Basic and diluted earnings per share attributable to Eutelsat Communications shareholders	6.6	1.283	0.930

(1) The comparable financial statements as of 30 June 2020 have been the subject of a restatement concerning the CAVE (Contribution on Added Value of Enterprises/Cotisation sur la Valeur Ajoutée des Entreprises – CVAE), which has been reclassified from the line Selling, general and administrative expenses to the line Income tax, in the amount of 3.1 million euros, so as to align the presentation on the consolidated financial statements as of 30 June 2021 (see Note 6.5 "Income tax").

7.3.1 Analysis of the activity during the year

7.3.1.1 Revenue

In € millions	FY 2019-20	**FY 2020-21**	Change	
			Reported	Like-for-like[26]
Broadcast	784.6	**741.0**	-5.6%	-4.2%
Data & Professional Video	175.3	**161.4**	-7.9%	-3.7%
Government Services	161.1	**151.4**	-6.0%	+0.0%
Fixed Broadband	76.7	**80.2**	+4.6%	+7.1%
Mobile Connectivity	78.7	**67.2**	-14.6%	-8.4%
Total Operating Verticals	**1,276.3**	**1,201.2**	**-5.9%**	**-3.3%**
Other Revenues[27]	2.0	**32.7**	X 16.4	+35.7%
Total	**1,278.3**	**1,233.9**	**-3.5%**	**-2.9%**
EUR/USD exchange rate	*1.105*	*1.188*		

Total revenues for **FY 2020-21** stood at €1,234 million, down 3.5% on a reported basis and by 2.9% like-for-like.

Revenues of the five Operating Verticals (ie, excluding 'Other Revenues') stood at €1,201 million. They were down by 3.3% on a like-for-like basis excluding a negative currency effect of c. 2.6 points and a broadly neutral perimeter effect with the consolidation of Bigblu Broadband Europe since 1st October 2020 offset by the disposal of Euro Broadband Infrastructure (EBI) on 30 April 2021.

Fourth Quarter revenues stood at €304 million down 4.8% on a reported basis and by 2.4% like-for-like. Revenues of the five Operating Verticals stood at €294 million, down 2.7% year-on-year and up 1.2% quarter-on-quarter on a like-for-like basis.

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

Broadcast (62% of revenues)

FY 2020-21 Broadcast revenues were down 4.2% like-for-like to €741 million. They reflected the full-year impact of the renegotiation of contract terms with Forthnet as well as lower revenues in Europe stemming from a slowdown in the pace of new business against the current covid backdrop which is affecting resellers in particular.

Fourth Quarter revenues stood at €180 million, down by 6.6% year-on-year. Quarter-on-quarter, they were broadly stable excluding Fransat.

At 30 June 2021 the total number of channels broadcast by Eutelsat satellites stood at 7,006 up 3.2% year-on-year. HD penetration continued to increase, standing at 1,942 channels versus 1,679 a year earlier (+15.7%), implying a penetration rate of 27.7% compared to 24.7% a year earlier.

On the commercial front, the year was marked by the renewal of the contract with our largest Broadcast customer, Sky Italia, highlighting the long-term resilience of the European Pay-TV segment. We also expanded our commercial relationship with Multichoice which committed for incremental capacity at 36°East, highlighting the potential of the African market.

Conversely, the tough covid-related economic environment led to a lower than usual level of new business throughout the year, particularly in Europe. Nevertheless, there have been some signs of normalization recently, for example with a contract secured with a major global broadcaster for content distribution on EUTELSAT 9B.

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[26] Change at constant currency and perimeter. The variation is calculated as follows: i) FY 2020-21 USD revenues are converted at FY 2019-20 rates; ii) FY 2020-21 revenues are restated from the contribution of BigBlu Broadband Europe to revenues; iii) FY 2019-20 revenues are restated from the contribution of Eurobroadband Infrastructure in May and June 2020.

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

Data & Professional Video (13% of revenues)

FY 2020-21 Data & Professional Video revenues stood at €161 million, down by 3.7% year-on-year, a trend which has considerably improved compared to the previous year (-14.1%). Fixed Data, which accounts for more than two thirds of this vertical, is benefiting from improving volumes which largely offset the continued price pressure. Professional Video remains in structural decline, although it enjoyed a recovery in Occasional Use compared to FY 2019-20 which was strongly impacted by the suspension of live sports events.

Fourth Quarter revenues stood at €41 million, up 0.9% year-on-year and 2.1% quarter-on-quarter. They included a one-off sale of equipment for circa €1m.

On the commercial front, the year saw dynamic activity levels highlighting the multiple opportunities in Mobile Backhaul and Corporate Networks. Amongst others we renewed and expanded contracts with Liquid Telecom for VSAT services on EUTELSAT 7B, and with Overon for use of capacity on EUTELSAT 10A and EUTELSAT 10B by Eumetsat, the European weather monitoring agency. Elsewhere new contracts were secured with New Zealand's Mobile operators to provide 4G mobile backhaul services to the country's remote offshore territories and with Telespazio for the provision of satellite capacity for rural backhauling in the context of Peru's national telecommunications programme.

Government Services (13% of revenues)

FY 2020-21 Government Services revenues stood at €151 million, stable on a like-for-like basis. This reflected notably the negative carry-forward effect of renewals with the US Government during the past 18 months (85% in Spring 2020, 80% in Fall 2020, 95% in Spring 2021) and a tough comparison basis in the Fourth Quarter which last year included a positive one-off from the temporary relocation of EUTELSAT 7A.

Conversely revenues benefited from new business as well as from the contribution of the EGNOS payload which entered service on 15 February 2020 on EUTELSAT 5 WEST B.

Fourth Quarter revenues stood at €38 million, down 4.5% year-on-year but up 1.7% quarter-on-quarter.

On the commercial front, the EUTELSAT 36D satellite was selected by Airbus Defence and Space to carry its latest Ultra High Frequency (UHF) payload to support communications over the EMEA region.

Fixed Broadband (7% of revenues)

FY 2020-21 Fixed Broadband revenues stood at €80 million, up 7.1% like-for-like. They reflected the initial revenues generated by Konnect Europe, including the start of the wholesale contracts with Orange from 1st January and TIM from 1st April, as well as growth at our African operations.

Fourth Quarter revenues stood at €18 million, up 34.8% on a year-on-year basis and 16.4% quarter-on-quarter.

FY 2020-21 was marked by significant milestones for our Fixed Broadband operations with the entry into Service of the EUTELSAT KONNECT satellite. Progress in Europe included wholesale agreements with Orange and TIM as well as the launch of our retail offers following the integration of Bigblu Broadband Europe. In Africa our distribution capabilities were boosted notably through agreements with Paratus, Telone, Vox, Coollink, Orange DRC and Facebook.

FY 2021-22 is expected to see the full benefit of these wins as well the materialization of other initiatives resulting in a substantial acceleration of growth.

Mobile Connectivity (5% of revenues)

FY 2020-21 Mobile Connectivity revenues stood at €67 million, down 8.4% like-for-like. Revenues reflected the impact of the Covid crisis on Aero Mobility, reducing revenues from certain service providers and leading to the loss of airtime-related revenues on KA-SAT. On a more positive note, Maritime continued to perform well on the back of the ramp-up of contracts secured in the last couple of years.

On the **commercial front**, a multi-year multi-transponder agreement was signed with Global Eagle for capacity in inclined orbit at the 139°West orbital position, highlighting the strength of Eutelsat's in-orbit resources and underlying demand on the Aero Mobility market. In addition, *'Eutelsat ADVANCE',* the recently launched end-to-end managed connectivity service is showing early traction, having already been adopted by several maritime service providers.

The vertical will continue to face a degree of uncertainty on the timing of recovery; however trends improved in the **Fourth Quarter** with revenues up 16.0% year-on-year, albeit compared to a low base, and up 11.6% quarter-on-quarter thanks to the contribution of the Global Eagle contract.

Other Revenues

Other Revenues amounted to €33 million versus €2 million a year earlier. They included a positive €16 million impact from hedging operations compared to a negative effect of (€11) million last year.

7.3.2 Operating charges at 30 June 2021

Operating costs mainly include staff costs and other costs associated with controlling and operating the satellites, as well as insurance premiums for satellite in-orbit lives:

- **Staff costs**: These comprise salaries and the payments by the employer for employees responsible for supplying, operating and maintaining the satellites (including French mandatory profit-sharing for Group employees).
- **Costs for operating and controlling the satellites**: These correspond to the earth station operating costs and equipment costs, which include in particular telemetry, control, positioning, payload management, and maintaining software and equipment at the satellite control centres, as well as traffic supervision and management. The amount of these costs is based on the number of satellites and the family of satellites operated, any repositioning of the satellites, as well as the number and type of services offered. These costs also include sub-contracting of telemetry, control and tracking operations for a number of the satellites in orbit. In addition, Eutelsat S.A. has signed service agreements related to control of the satellite communications systems.
- **In-orbit insurance premia**: In-orbit insurance premia for satellite lives: Satellite in-orbit insurance generally takes effect when the launch insurance policy expires (generally one year after the satellite is launched). When the Group agrees launch insurance covering a satellite's in-orbit life, the premia for periods after the first anniversary of the launch date are treated as in-orbit insurance costs. Depending on the selected risk management policy and prevailing market conditions for space insurance the costs for these insurance premia can vary from one year to the next.

Selling, general and administrative expenses include:

- administrative and commercial staff costs (including mandatory employee profit-sharing);
- general expenses associated with property leases, external studies and logistics;
- expenses associated with developing and marketing new products;
- a portion of the operating taxes; and
- provisions for accounts receivable or other receivables.

The C.E.T. (Contribution Economique Territoriale – Territorial Economic Contribution) is divided between operating costs and selling, general and administrative expenses (based on corresponding staff numbers).

Operating costs and selling, general and administrative expenses represented 25% of 2020-21 revenues (23% for previous financial year). The 6.4% increase over the previous year reflects notably the dilutive impact of the consolidation of Bigblu and a specific Bad Debt headwind related mostly to Mobile Connectivity customers in the context of the Covid crisis. These elements were partly offset by continued cost discipline with the pursuit of the LEAP 2 plan.

As a result, EBITDA stood at €922 million (€985 million at 30 June 2020), down 6.4%.

As a result, the EBITDA margin stood at 74.7% compared to 77.1% last year, a 2.4 points decline.

7.3.3 Depreciation and amortisation and other operating costs

Depreciation and amortisation chiefly corresponds to the depreciation of satellites and on-ground facilities, as well as the amortisation of intangible assets recorded under "Customer Contracts and associated relationships".

Depreciation and amortisation represents the Group's largest expense item.

For fiscal year 2020-21 depreciation and amortisation expenses amounted to €508 million, down €23 million on last year due notably to the disposal of KA-SAT and the end of the amortization period of certain assets (EUTELSAT 7A and EUTELSAT 172A) which more than offset the full year impact of the entry into service of EUTELSAT 7B and EUTELSAT 5 WEST B as well as the entry into service during the year of EUTELSAT KONNECT.

"Other operating income (charges)" stood at -€67 million as of 30 June 2021 compared to +€36 million last year; FY 2020-21 included notably costs related to the Paris headquarters move, the LEAP 2 plan and M&A activity as well as some asset impairments, whereas FY 2019-20 included the insurance proceeds from the partial loss of EUTELSAT 5 West B, net of the impairment of certain assets.

As a reminder, last year's figure included principally insurance proceeds of €92m related to the partial loss of EUTELSAT 5 West B, partly offset by the impairments assets, as well as other one-off items, notably costs incurred for the transfer of customers on Eutelsat 5 West A, the LEAP 2 plan and the Paris headquarters move.

7.3.4 Operating income

Operating income reflects revenues less operating costs, selling, general and administrative expenses, depreciation and amortisation, and other operating income and charges.

As of 30 June 2021, operating income stood at €347 million down 29% on last year.

7.3.5 Financial result

The net financial result amounted to (€95) million (versus (€81) million a year earlier), mainly reflecting an unfavourable impact from foreign exchange gains and losses.

7.3.6 Corporate tax

A tax rate of 10% (versus 24% last year) which reflects notably lower pre-tax profit, the favorable effect of currency and inflation on deferred tax assets and liabilities as well as the two- point reduction in the corporate tax rate in France.

7.3.7 Consolidated net income

As of 30 June 2021, consolidated net income totaled €228.1 million, compared to €312.2 million as of 30 June 2020.

7.3.8 Net income attributable to the Group

Group share of net income stood at €214 million in 2020-21 versus €298 million in 2019-20, a decrease of 28.1%. The net margin stood at 17%.

7.4 GROUP LIQUIDITY AND FINANCIAL RESOURCES

The Group's liquidity requirements mainly cover financing the construction and launch of satellites, servicing its debt and funding its working capital requirement.

The Group's main financial resources are composed of the cash flows generated by the operating activities of Eutelsat S.A. The Group has additional financial resources in the form of lines of credit (bank loans and bonds).

7.4.1 Status of the Group's net indebtedness[28]

At 30 June 2021, the Group's total net debt amounted to 2,665 million euros, and comprised mainly (i) 400 million euros of borrowings drawn down within the framework of the Eutelsat Communications term loan, (ii) 200 million euros of borrowings drawn down within the framework of the Eutelsat S.A. term loan with the European Investment Bank (EIB), (iii) 2 300 million euros of bonds issued by Eutelsat S.A., (iv) 434 million euros of debt related finance leases, mainly for the satellite financing; (v) 222 million euros of structured debt - (export credit and Eutelsat S.A. credit facility); (vi) (39) million euros for the Foreign exchange portion of the cross-currency swap and; vii) 861 million euros in cash, cash equivalents and marketable securities (net of bank overdrafts).

The Group also has 1,050 million euros available under its various lines of undrawn credit.

The table below describes the Group's main credit facilities as of 30 June 2021:

(In millions of euros)	Amount granted	Amount used	Maturity
Eutelsat Communications term loan	400	400	25 June 2026
Eutelsat Communications renewable credit facility	200	-	25 June 2026

28 The Group's net indebtedness includes all its bank debts and bonds as well as the debts associated with satellite finance leases, less its cash in hand and investment securities (see Notes 7.3.4 to the attached consolidated financial statements).

Eutelsat S.A. renewable credit facility n°1	450	-	28 April 2024
Eutelsat S.A. renewable credit facility n°2	200	-	25 juin 2023
Eutelsat S.A. credit facility n°1	200	200	Three tranches: 30 June 2022: €67m 30 June 2023: €80m 30 June 2024: €53m
Eutelsat S.A. credit facility n°2	200	-	Three tranches: 30 June 2024: €75m 30 June 2025: €50m 30 June 2026: €75m
Eutelsat S.A. EIB term loan	200	200	8 December 2028
2022 Eutelsat S.A. Bond	300	300	10 October 2022
2025 Eutelsat S.A. Bond	800	800	2 October 2025
2027 Eutelsat S.A. Bond	600	600	13 July 2027
2028 Eutelsat S.A. Bond	600	600	13 October 2028
2 ONDD export credit facilities	208	22	17 May 2024 and 20 February 2024
Leases	-	434	-
Foreign exchange portion of the cross-currency swap	-	(39)	13 January 2025
Total	4,358	3,516	

As of 30 June 2021, part of the Group's debt bore interest at a variable rate (generally EURIBOR plus a margin) and the bond loan bore interest at a fixed rate. The average cost of debt after hedging stood at 2.38% and the weighted average maturity of the Group's debt stood at 5.0 years.

Cash-flow generation in financial year 2020-21

Net cash flow from operating activities amounted to €889 million, €110 million above last year. The decrease in EBITDA was more than offset by an improved working capital requirement trend reflecting a catch-up compared to FY 2019-20 which was impacted by the Covid crisis. Cash tax was also lower than the previous year which included taxes related to one-off insurance proceeds.

Cash Capex[29] amounted to €342 million, well within our €400m average per annum envelope. It was €120 million above FY 2020 which reflected milestone delays in the context of the Covid crisis and the insurance proceeds from Eutelsat 5 West B.

Interest and other fees paid net of interest received amounted to €80 million versus €83 million last year.

As a result, **Discretionary Free Cash-Flow** amounted to €467 million on a reported basis. At constant currency and excluding the impact of hedging, one-off costs related to the LEAP 2 plan and the move to the new headquarters, Adjusted DFCF stood at €498m, up 0.2%. Excluding the post-tax effect of the above-mentioned insurance proceeds, it would have been up 12%. This evolution comes on top of a compound annual growth rate exceeding 20% in the previous four years.

Discretionary Free Cash-Flow represented 38% of revenues, a record high level.

Change in Consolidated net Debt in financial year 2020-21

At 30 June 2021 **net debt** stood at € 2,655 million, a €344m decrease versus end-June 2020. Discretionary Free Cash-Flow more than covered the dividend payment (€205 million). Other variations included equity investments and divestments (resulting in a net increase in debt of €15 million), the mark-to-market of the foreign exchange portion of the cross-currency swap (resulting

[29] Please refer to Appendix 3 for more details on Alternative Performance Measures.

in a net decrease in debt of €34 million) and as other items (mostly related to leases and structured debt) contributing to the reduction in net debt for a net €63 million.

The **net debt to EBITDA ratio** stood at 2.88x, an improvement compared to end-June 2020 (3.05x).

7.4.2 Description of the financial instruments in place during the financial year ended 30 June 2021

Main changes during financial year ended 30 June 2021

- The 300 million euro that was drawn down on Eutelsat S.A.'s revolving credit facility in the course of FY 2019-20 in order to benefit from an extra layer of security in the context of the Covid-19 crisis was redeemed early during the first quarter of FY 2020-21.
- The Group issued €600 million Eurobond in October with an 8-year maturity and a 1.5% coupon to refinance the June 2021 €500 million maturity.
- An agreement was secured with the European Investment Bank (EIB) for a €200 million 8-year term loan to finance the KONNECT VHTS program.
- The Group's strong liquidity position enabled it to make an early repayment of €200 million out of the €600 million term loan maturing in March 2022, with the remaining portion being subsequently refinanced as indicated below.
- The €500 million Bond maturing in June 2021 was early redeemed in April 2021.
- In June 2021, the Group refinanced the 400 million euro term loan and the 200 million euro Revolving Credit Facility, both maturing in March 2022. They were replaced by two facilities for the same amounts with an initial term of five years.
- In addition, two new facilities were added to increase the Group's liquidity:
  - A 200 million euro Revolving Credit Facility with Eutelsat S.A. for a period of two years.
  - A 200 million euro credit facility consisting of three tranches repayable in June 2024, June 2025 and June 2026 respectively.

Eutelsat Communications S.A. Credit Facilities

Eutelsat Communications S.A. financing structure is the following:

- A 400 million euro Term Loan initially now maturing in June 2026 (with two possible extension facilities of one year) bearing interest at EURIBOR plus a margin depending on Eutelsat Communications S.A. long-term credit ratings given by Standard & Poors (S&P). Interest periods are three months, beginning on 10 September, 10 December, 10 March and 10 June every year.
- A 200 million euro Revolving Credit Facility (undrawn at 30 June 2021), concluded in June 2021 with - initially - a 5-years maturity with two possible extensions of one year. Interest period are of a maximum 6 months and bear interest at EURIBOR (or LIBOR for drawings in US dollars) plus a margin depending on Eutelsat Communications S.A. long-term credit ratings given by Standard & Poors (S&P).

The loan agreements do not involve any guarantee by Eutelsat Communications' subsidiaries or any pledge of assets as collateral for the loan. This loan agreement includes some restrictive clauses, subject to the usual exceptions in loan agreements. The agreement provides for each lender party to the agreement to ask for early repayment of all monies owed if there is a change in control of Eutelsat Communications and Eutelsat S.A. or in the event of concerted action.

In addition, Eutelsat Communications has agreed to directly or indirectly retain 95% of the capital and voting rights in Eutelsat S.A. for the duration of the loan.

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

Eutelsat Communications S.A. is required to maintain a total net debt to annualised EBITDA ratio (as these terms are defined contractually and based on the Group's IFRS consolidated accounts) less than or equal to 4.0 to 1, this ratio being tested on 30 June and 31 December each year.

The fees incurred for setting up the Term Loan are amortised over the duration of the loans. As of 30 June 2021, they represent a balance of 1.6 million euros.

Eutelsat S.A.'s credit facilities

Eutelsat S.A. financing structure is the following:

- 300 million euros 10-year bonds issued on 1st October 2012 on the Luxembourg Stock Exchange, maturing on 10 October 2022. The bonds bear a coupon of 3.125%, were issued at 99.148% and are repayable in full at maturity at 100%;
- 800 million euros of seven-year bonds issued on 25 September 2018 on the Luxembourg Stock Exchange regulated market and maturing on 2 October 2025 ("the Bond Loan 2025"). The 2025 bonds carry an annual coupon of 2.000%, were issued at 99.400%, and are redeemable at maturity at 100% of their principal amount;
- 600 million euros of eight-year bonds issued on 6 June 2019 on the Luxembourg Stock Exchange regulated market and maturing on 13 July 2027 ("the Bond Loan 2027"). The 2027 bonds carry an annual coupon of 2.250%, were issued at 99.822%, and are redeemable at maturity at 100% of their principal amount;
- 600 million euros of eight-year bonds issued on 13 October 2020 on the Luxembourg Stock Exchange regulated market and maturing on 13 October 2028 ("the Bond Loan 2028"). The 2028 bonds carry an annual coupon of 1.500%, were issued at 99.619%, and are redeemable at maturity at 100% of their principal amount;
- Two export credit facilities covered by Credendo for a total amount of 209 million euros; of which 21.9 million euros were drawn at 30 June 2021. These credit facilities have a 11.5 year maturity and will mature respectively on 17 May 2024 and 20 February 2024. They are repayable in 17 semi-annual instalments from February 2016 and May 2016. The first one, for an amount of 87 million euros (of which 29.8 million euros were drawn) was repaid in full by anticipation during the fiscal year. The second one, for an amount of 121 million euros (of which 42.3 million euros were drawn), bears interest at variable rate (rate based on 6-month EURIBOR) and was used to finance the construction of a satellite. 21.1 million euros have been repaid by anticipation during the fiscal year. At 30 June 2021 the facility is reduced to 21.9 million euros.
- A 450 million euro revolving credit facility signed on 28 April 2017 with a five-year term initially and two 1-year extension options subject to lenders agreement, of which one has been exercised and approved. Amounts drawn for a maximum period of six months bear interest at EURIBOR (or LIBOR for amounts drawn in U.S. dollars) plus a 0.23% to 0.95% margin depending on Eutelsat S.A.'s long term rating assigned by Standard & Poor's. Furthermore, under this credit agreement, Eutelsat S.A is required to maintain a total net debt to annualised EBITDA ratio (as contractually defined and based on the consolidated financial statements of the Eutelsat S.A. sub-group prepared in accordance with IFRSs) below or equal to 4 to 1 (this ratio is tested on 30 June and 31 December each year). No amount was drawn from this revolving credit facility as at 30 June 2021.
- A credit facility of up to €200 million signed on 17 April 2019. This facility is composed of three tranches payable in June 2022, June 2023 and June 2024 respectively, bearing interest at a fixed rate plus a predefined margin. Furthermore, under this credit agreement, Eutelsat S.A. is required to maintain a total net debt to annualised EBITDA ratio (as contractually defined and based on the consolidated financial statements of the Eutelsat S.A. sub-group prepared in accordance with IFRS) below or equal to 4 to 1 (this ratio is tested on 30 June and 31 December each year). 200 million euros were drawn from this credit facility as at 30 June 2021.
- A 200 million euro revolving credit facility concluded in June 2021 with a two-year term initially. Amounts drawn for a maximum period of six months bear interest at EURIBOR (or LIBOR for amounts drawn in U.S. dollars) plus a margin depending on Eutelsat S.A.'s long term rating assigned by Standard & Poor's. Furthermore, under this credit agreement, Eutelsat S.A is required to maintain a total net debt to annualised EBITDA ratio (as contractually defined and based on the consolidated financial statements of the Eutelsat S.A. sub-group prepared in accordance with IFRSs) below or equal to 4 to 1 (this ratio is tested on 30 June and 31 December each year). No amount was drawn from this revolving credit facility as at 30 June 2021.
- A credit facility of up to €200 million concluded in June 2021. This facility is composed of three tranches payable in June 2024, June 2025 and June 2026 respectively, bearing interest at a fixed rate plus a predefined margin. Furthermore, under this credit agreement, Eutelsat S.A. is required to maintain a total net debt to annualised EBITDA ratio (as contractually defined and based on the consolidated financial statements of the Eutelsat S.A. sub-group prepared in accordance with IFRS) below or equal to 4 to 1 (this ratio is tested on 30 June and 31 December each year). No amount was drawn from this credit facility as at 30 June 2021.
- A 200 million euro Term Loan initially concluded on 27 November 2020 with the European Investment Bank (EIB) for an 8 year period maturing on 8 December 2028. Interest periods are 6 months, beginning on 10 June and 10 December.

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

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

The bond issues and the credit facilities referred to in paragraph 7.4.2 provide for the possibility:

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

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

Issue costs incurred on issuing the bonds and export credits are amortised over the duration of the loans. As of 30 June 2021, they represent a balance of 16.3 million euros.

7.5 FINANCIAL INSTRUMENTS

The Group is exposed to market risks, principally in terms of currency and interest rates. Exposure to such risks is actively managed, and for this purpose the Group employs a certain number of derivatives, the objective of which is to limit, where appropriate, the fluctuation of revenues and cash-flows due to variations in interest rates and foreign-exchange rates.

The Group's policy is to use derivatives to hedge such exposure and comply with its financial covenants. 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 possess, or about which it is uncertain whether it will subsequently possess them.

These risks are described in the Risk Factors in section 4 of the current report.

7.6 LITIGATION

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

8 – COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021 – FINANCIAL INFORMATION

8.1 ACCOUNTING AND FINANCIAL PRINCIPLES

The annual financial statements as of 30 June 2021 were drafted in compliance with the provisions of the Code of Commerce (Articles L.123-12 to L123-28) and regulation 2016-07, dated 4 November 2016, of France's national accounting standards body. The conventions below were applied in adherence to the principle of prudence, according to the basic rules: (i) continuity of operations (ii) keeping financial years independent of each other, (ii) consistency in accounting methods from one financial year to the next and (iv) in compliance with the general rules for drawing up and presenting annual financial statements.

8.2 COMPANY ACTIVITIES AND KEY HIGHLIGHTS DURING THE YEAR

The Company's status is that of a holding company. Its role is to direct the financial and strategic activities of the Eutelsat Group and the Company has no other operational activity.

8.3 EXTRACTS FROM THE COMPANY'S BALANCE SHEET AND INCOME STATEMENT AT 30 JUNE 2021

Details of the Company's Balance Sheet and Income statement for the financial year ended 30 June 2021 are presented in the Company financial statements in appendix 2 attached to this report.

8.3.1 Balance sheet at 30 June 2021 – Company financial statements

The balance sheet can be found in the Company financial statements in appendix 2.

Changes in shareholders' equity over the year are described in detail in Note 4.5 to the Company financial statements in appendix 2.

For more information about the financing operations of the Company see Note 4.6 in the Company financial statements in appendix 2 to this report.

8.3.2 Income statement at 30 June 2021 – Company financial statements

The Income statement can be found in the Company financial statements in appendix 2.

The Company's net result showed a profit of -9 million euros for financial year ended 30 June 2021 compared to 535 million euros for previous financial year.

9 – FINANCIAL OUTLOOK

A growing backlog, sound financial position and solid cash-flow generation ability put Eutelsat in a strong position to face the challenges of FY 2021-22 which is expected to be the last year of organic revenue decline before a return to growth from FY 2022-23.

- The direction of Broadcast revenues is expected to be broadly similar to FY 2020-21, impacted by the carry forward-effect of the slowdown in new business prevalent during most of the year. The trend is expected to improve thereafter.
- Data & Professional Video will continue to decline, albeit at a modest pace thanks to improving volume trends in the Fixed Data segment.
- Government Services revenues will continue to be driven by the outcome of past and upcoming US DoD renewals but will embark the initial contribution of EUTELSAT QUANTUM expected in the Second Half.
- With the full availability of the EUTLSAT KONNECT satellite, Fixed Broadband is set for substantial growth on the back of the full effect of the abovementioned wholesale agreements, the ramp-up of retail operations in Europe and the acceleration of Konnect Africa.
- Mobility will continue to experience a high degree of uncertainty regarding the recovery of the Aero segment but will benefit from the full-year effect of the Global Eagle contract and continued momentum in Maritime.

Taking these elements into account, we expect to generate revenues from the five Operating Verticals of between €1,110-1,150 million in FY 2021-22[30]. Thanks notably to the firm precommitments secured on EUTELSAT KONNECT VHTS and EUTELSAT 10B and the full-year effect of EUTELSAT QUANTUM, revenues are expected to grow from FY 2022-23 with an acceleration in FY 2023-24.

Cash Capex[31] will continue to be contained, and will not exceed €400 million per annum for each of the next three fiscal years (FY 2021-22 / FY 2022-23 / FY 2023-24).

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

In this context, our objective of Adjusted Discretionary Free Cash Flow for 2021-22 stands at €400-€430 million at a €/$ rate of 1.20, equating to a €30 million uplift at constant currency versus previous guidance of €370-€400 million at the same €/$ rate[32]. Adjusted Discretionary Free Cash Flow is expected to grow in FY 2022-23 and in FY 2023-24.

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

At the same time, we will continue to serve a stable to progressive dividend.

Financial targets are based on the nominal deployment plan outlined on section 5.3.

* * *

These objectives are based inter alia on the following assumptions: (i) launch and successful entry into operation of the satellites in course of construction in accordance with the timetable envisaged by the Group, (ii) maintaining of the existing operating capacity of the Group's fleet, (iii) no incidents to affect any of the satellites in orbit, (iv) continuation of a policy of controlling operating costs and their evolution, (v) maintaining of the general conditions of the space insurance and space industry market.

The forward-looking objectives, statements and information summarised above are based inter alia on the data, assumptions and estimates mentioned earlier and are considered by Eutelsat Communications to be reasonable as of the date of this document.

The reader is cautioned that these forward-looking statements are dependent on circumstances or facts that are to occur in the future. These statements are not historical data and must not be interpreted as guarantees that the facts and data cited will occur or that the objectives will be attained. By their nature, these data, assumptions and estimates, as well as all elements taken into consideration to determine these forward-looking objectives, statements and information, could prove to be wrong or may not materialise and may change or be modified due to uncertainties related to the economic, financial, competitive and regulatory environment in particular.

Additionally, some of these data, assumptions and estimates come from or are based in full or in part on assessments or decisions of the corporate bodies of Eutelsat Communications, which could change or be modified in the future. Furthermore, the

30 Based on a €/$ rate assumption of 1.20 and current perimeter.

31 Including capital expenditure and payments under existing export credit facilities and other bank facilities financing investments as well as payments related to lease liabilities.

32 As a reminder previous objective was €390-€420 million at €/$ rate of 1.14. It equates to €370-400 million at €/$ rate of 1.20 taking account of a -€20 million conversion impact.

materialisation of certain risks described in the chapter “Principal Risks” below could have a negative impact on the Group’s business and on the achievement of the forward-looking objectives, statements and information cited above. In particular, the risks related to the Covid-19 sanitary crisis are described in the section 4.1 of this document.

10 – CORPORATE GOVERNANCE

Preliminary comments:

The corporate governance report, prepared by the Board of Directors, is now presented in a specific section of the Management report. This section presents all of the information required in the corporate governance report.

10.1 COMPOSITION OF THE BOARD OF DIRECTORS

The Company was incorporated on 15 February 2005, as a *société par actions simplifiée* (joint-stock company) and was transformed into a *société anonyme* (limited company) with a Board of Directors on 31 August 2005.

The Board of Directors is composed of ten members. Dominique D'Hinnin has been Chairman of the Board since 8 November 2017.

10.1.1 Gender and diversity policy

The Board of Directors believes that diversity contributes to the Group's innovation and growth. It seeks within its ranks a diversity of gender, nationality, age, qualifications and professional experience. Its composition reflects this commitment with its membership which is 70% independent, 50% women, made up of 4 different nationalities and with a broad range of experience and expertise (see the member bios in section 10.1.2 for more detail). The average Board member age is 57.

This engagement extends beyond the Board of the Directors. The Company seeks a balanced representation of men and women throughout the Group including its leadership. The Board of Directors regularly reviews the Group's non-discrimination and diversity policy applicable to all employees and its governing bodies and discusses the diversity action plan and results annually (see section 3.5.6.1 for more detail). From July 2020 and pursuant to the recruitment policy decided by the Board for Executive Committee member roles, all recruitments for such roles must have at least 30% female candidates, which goes beyond the requirements of the French Commercial Code (see section 10.2.2 for detail on the current composition of the Executive Committee). Additionally, the diversity objectives which have long been included in the CEO's compensation objectives and have been included in the Group's long-term incentive objectives since FY2019 were further strengthened and quantified (see section 10.4.4 for more detail).

10.1.2 Changes in the composition of the Board of Directors

Changes following the Annual General Meeting

The Annual General Meeting ("AGM") of 5 November 2020 renewed the mandates of Rodolphe Belmer and Fonds Stratégique de Participations (FSP) for another four-year term, expiring at the end of the AGM called to approve the financial statements for the financial year ending June 30, 2024.

Accordingly, the composition of the Board of Directors remained unchanged following the 2020 AGM and is detailed below:

Directors	Age[33]	Gender	Nationality	Independent	Board attendance rate	First appointment/ co-optation	Term expires[34]
Dominique D'HINNIN (Chairman)	61	M	French	Yes	100%	AGM 2016	2021
Rodolphe BELMER (CEO)	51	M	French	No	100%	AGM 2016	2024
Bpifrance Participations, represented by Stéphanie	44	F	French	No	100%	AGM 2011[35]	2022

[33] Age as at June 30, 2021.

[34] At the close of the AGM called to approve the financial statements for the financial year.

[35] Fonds Stratégique d'Investissement

FRACHET							
Paul-François FOURNIER	53	M	French	No	85.7%	AGM 2017	2021
Fonds Stratégique de Participations (FSP) represented by Agnès AUDIER	56	F	French	Yes	100%	AGM 2016	2024
Esther GAIDE	59	F	French	Yes	100%	AGM 2017	2021
Ana GARCIA FAU	52	F	Spanish	Yes	100%	AGM 2015	2023
Cynthia GORDON	58	F	British	Yes	100%	AGM 2019	2023
Didier LEROY	63	M	French	Yes	100%	AGM 2017	2021
Ross McINNES	67	M	French & Australian	Yes	100%	AGM 2013	2022

Director information as well as the list of functions and offices held as of 30 June 2021 are shown in the table below:

DOMINIQUE D'HINNIN

Board Member, Chairman of the Board of Directors

Biography

Dominique D'Hinnin was appointed independent Chairman of Eutelsat Communications S.A. on November 8, 2017 and has been a member of the Board since November 4, 2016. He is a graduate of the École normale supérieure and a former Inspecteur des finances. He spent much of his career at the Lagardère group where he joined in 1990 as an advisor to Philippe Camus. He was then appointed Director of Internal Audit and CFO of Hachette Livre in 1993, and in 1994, Executive Vice President of Grolier, Inc. (Connecticut, USA). He was Lagardère CFO from 1998 to 2009, and Lagardère SCA Co-managing Partner from 2009 to 2016. Dominique D'Hinnin is a former Board Member of Airbus and Canal+ and former Advisory Board Member of PricewaterhouseCoopers France. He is currently also a Board Member of the Spanish media company PRISA, of the French Company Edenred, of the French company Technicolor, of the private Belgian distribution company Louis Delhaize SA and of the US Company, Golden Falcon Acquisition Corp.

DoB: 4 August 1959
61 years old
French national

Business address:
Eutelsat Communications
32 Boulevard Gallieni
92130 Issy-les-Moulineaux

First appointment/Co-opting:
4 November 2016

Expiry date of office:
General Meeting to be held to approve the accounts for the financial year ending 30 June 2021

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

Current:

In France:
Chairman of the Board of Directors of Eutelsat S.A. (since 4 October 2017)

Outside France:
N/A

Having expired:

In France:
Permanent representative of FSP (until 8 November 2017)

Outside France:
N/A

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

Current:

In France:
Edenred: Board Member (listed company) (since June 2017)
Technicolor: Board Member (listed company) (since June 2019)

Outside France:
Prisa: Board Member (listed company, Spain) (since May 2016)
Louis Delhaize SA: Board Member (Belgium) (since June 2017)
Golden Falcon Acquisition Corp. (listed company, USA)(since December 2020)

		Having expired: In France: Marie-Claire Album and Holding Evelyne Prouvost: Board Member between 2014 and 2016 Outside France: N/A

RODOLPHE BELMER

Board Member and CEO

Biography

Rodolphe Belmer joined Eutelsat on December 1, 2015 as Deputy CEO. He was appointed CEO on March 1, 2016 and Board Member on November 4, 2016. A graduate of France's HEC business school, he began his career in the marketing department of Procter & Gamble France before joining McKinsey in 1998. In 2001, he joined the Canal+ group and was appointed Head of Marketing and Strategy in 2002. From 2003 he oversaw the editorial division of the group, initially as CEO of Canal+, and from 2006, as Head of all pay-TV channels. He led the group's diversification into free-to-air television in 2011, notably through the acquisition and relaunch of D8 and D17, before being appointed as CEO of the Canal+ group in 2012.

	OTHER OFFICES AND FUNCTIONS HELD WITHIN THE EUTELSAT GROUP OVER THE PAST 5 YEARS	OFFICES AND FUNCTIONS HELD OUTSIDE THE EUTELSAT GROUP OVER THE PAST 5 YEARS
DoB: 21 August 1969 **51 years old** **French national** **Business address:** Eutelsat Communications 32 Boulevard Gallieni 92130 Issy-les-Moulineaux **First appointment/Co-opting:** 1 March 2016 as CEO 4 November 2016 as Board Member **Expiry date of office:** General Meeting to be held to approve the accounts for the financial year ending 30 June 2024	**Current:** In France: CEO of Eutelsat S.A. (since 1 March 2016) Board Member of Eutelsat S.A. (since 4 October 2016) Outside France: Board Member and Chairman of Eutelsat Inc. (USA) (since 1 March 2016) Board Member and Chairman of Eutelsat Americas (ex-Satélites Mexicanos S.A. de C.V.) (Mexico) (since 1 March 2016) Board Member of Broadband for Africa (UK) (since 1 March 2016) **Having expired:** In France: N/A Outside France: Board Member of Eutelsat Networks LLC (Russian Federation) (until 5 June 2020) Manager of Euro Broadband Infrastructure Sàrl (Switzerland) (until 4 October 2018) Manager of Euro Broadband Retail Sàrl (Switzerland) (until 25 September 2018)	**Current:** In France: Chairman of Auteurs Solidaires (since January 2017) Chairman of Séries Mania (since September 2017) Director of Brut (since February 2018) Outside France: Non-executive Director of Netflix (listed company, USA) (since January 2018) **Having expired:** In France: Member of the Supervisory Board of Mediawan (until 2020) Chairman of RBC (until 2020) Outside France: Board Member of Hispasat S.A (Spain) (until 18 April 2018)

BPIFRANCE PARTICIPATIONS REPRESENTED BY STÉPHANIE FRACHET

Board Member

Biography

Bpifrance Participations (since 12 July 2013, formerly Fonds Stratégique d'Investissement – FSI) is currently represented by Stéphanie Frachet, Managing Director and Executive Committee member of Bpifrance Capital Development since 2017. She joined Bpifrance in 2009 and has twenty years of experience in finance and private equity. Stéphanie Frachet is a graduate of ESSEC Business School. From 2001 to 2007, she was in charge of audit missions and Transaction Services, at Ernst & Young and PricewaterhouseCoopers, respectively, working on M&A and LBO transactions. In 2007, she joined Société Générale's Leverage Finance team where she was in charge of the financing for LBO transactions for mid-caps and large groups. Previously, she was a permanent representative of Bpifrance, on the Boards of Sarenza and Cylande, censeur at Verallia and Carso as well as an independent Board Member at Eurosic. Stéphanie Frachet is currently also a Board Member at Valeo, Constellium (NYSE-listed company), Sulo (formerly Plastic Omnium Environnement) and Sabena technics. She sits as a censeur on the Board of Paprec.

DoB: 17 May 1977
43 years old
French national

Business address:
Eutelsat Communications
32 Boulevard Gallieni
92130 Issy-les-Moulineaux

First appointment/Co-opting:
17 February 2011 (Fonds Stratégique d'Investissement)

Expiry date of office:
General Meeting to be held to approve the accounts for the financial year ending 30 June 2022

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

Current:

In France:
Permanent representative of Bpifrance Participations, Board Member of Eutelsat S.A. (since 16 October 2015)

Outside France:
N/A

Having expired:

In France:
N/A

Outside France:
N/A

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

Current:

In France:
Board Member of Valeo
Board Member of Sabena technics
Board Member of Sulo (ex-Plastic Omnium Environment)
Board Member of Constellium SE (French company listed on NYSE)
Censeur at Paprec

Outside France:

N/A

Having expired:

In France:
Permanent representative of Bpifrance Participations, Board Member of (until 2018):
- Sarenza
- Cylande

Censeur of Verallia and Carso (until 2019)
Board Member of Eurosic (until 2018)

Outside France:
N/A

PAUL-FRANÇOIS FOURNIER

Board Member

Biography

Paul-François Fournier, is currently, since April 2013, Director of Innovation and Executive Committee Member of the Banque Publique d'Investissement (Bpifrance). Paul-François Fournier spent nearly 20 years at Group Orange. A graduate of Telecom ParisTech, he began his career at France Télécom Orange group in 1994 as a business engineer in the France Business sector. After seven years working in the development of corporate services, in 2001 he became Broadband Director of Wanadoo, where he ensured the take-off of ADSL offers in France, which rose from a few thousand customers in 2001 to more than 3 million by the end of 2004, then internationally as a member of the Executive Board of the Wanadoo group. He then oversaw strategic projects like the launch of Livebox and Voice Over IP, in partnership with the French start-ups Inventel and Netcentrex.

In addition to his experience in the field of internet services and partnerships (he was, for instance, the architect of the acquisition by Orange of Dailymotion and Cityvox, as well as partnership agreements between Orange and Microsoft, Google and Facebookhe has excellent operational knowledge of marketing innovation. He was, from 2011, Executive Director of Orange's Technocentre, in charge of product innovation (Box, Cloud, etc.), where he radically transformed the organisation with a more regional and decentralised approach (creating the Technocentres in Amman and Abidjan).

DoB:15 March 1968
53 years old
French national

Business address:
Eutelsat Communications
32 Boulevard Gallieni
92130 Issy-les-Moulineaux

First appointment/Co-opting:
8 November 2017

Expiry date of office:
General Meeting to be held to approve the accounts for the financial year ending 30 June 2021

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

Current:

In France:
Board Member of Eutelsat S.A. (since 4 October 2017)

Outside France:
N/A

Having expired:

In France:
N/A

Outside France:
N/A

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

Current:

In France:
Head of Innovation, Executive Committee Member and Board Member of Bpifrance
Supervisory Board Member of Cornovum
Board Member of Parrot
Board Member of Prodways Group
Board Member of Sigfox

Outside France:
N/A

Having expired:

In France:
Board Member of the Wanadoo Group
Supervisory Board Member of Younited (until 2019)

Outside France:
N/A

FONDS STRATEGIQUE D'INVESTISSEMENT (FSP) REPRESENTED BY AGNES AUDIER

Board Member

Biography

The FSP has been a Board Member of Eutelsat Communications since 4 November 2016, its permanent representative is currently Ms Agnès Audier.

Agnès Audier is a former student of École normale supérieure*,* an Engineer *(*Ingénieure en chef du Corps des Mines*),* a scientist by training (with a post-graduate diploma in Material Sciences) and a graduate of SciencesPo. From 1993 to 1995, she was technical advisor to the Minister of Social Affairs of Health and the Urban Policy, Ms Simone Veil. From 1995 to 1997, she was Head of the Private Office for the Minister of Small Businesses and Retail, Mr Jean-Pierre Raffarin, who was subsequently appointed as Prime Minister. From 1997 to 2001, Agnès Audier was Senior Vice President for Strategy and Business Development and Secretary of the Executive Committee of Vivendi group. She was then appointed CEO of VivendiNet, Vivendi Universal's Internet and Technology Division. From 2003 to 2006, she was Executive Vice President and Chief Performance Officer for Havas group, a leading global advertising and communications group. In 2007, she joined BCG (Boston Consulting group) where she was member of the Western Europe and Latin America Management Committee and was elected Partner and Managing Director in 2008. Agnès Audier is currently also, since October 2019, an independent consultant on issues of digital transformation and data and Senior Advisor at BCG.

DoB: 3 November 1964
56 years old
French national

Business address:
Eutelsat Communications
32 Boulevard Gallieni
92130 Issy-les-Moulineaux

First appointment/Co-opting:
4 November 2016

Expiry date of office:
General Meeting to be held to approve the accounts for the financial year ending 30 June 2024

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

Current:

In France:
Board Member of Eutelsat S.A. (since 19 March 2020)

Outside France:
N/A

Having expired:

In France:
N/A

Outside France:
N/A

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

Current:

In France:
Board Member of Worldline (listed company)
Board member of Hime (holding of SAUR)
Board member of Groupe Crédit Agricole (CASA) (listed company)
Chair of the Board of "SOS Seniors", a French NGO dedicated to elderly care

Outside France:
N/A

Having expired:

In France:
Partner and Managing Director of Boston Consulting Group (from 2008 to 2018)
Board member of Ingenico (until 2020)

Outside France:
N/A

ESTHER GAIDE

Board Member

Biography

Esther Gaide is currently, since March 2018, Chief Financial Officer of Elior Group. Esther Gaide, a graduate of ESSEC and a chartered accountant, began her career in 1983 working in the external audit departments of PricewaterhouseCoopers (PwC) in Paris and London and then with Deloitte in Paris and the USA. In 1994, she joined Bolloré group as Group Internal Audit Director where she set up the Internal Audit Department participating in the reorganisation of the maritime department and the takeover of the Rivaud group. Between 1996 and 2006, she successively held the positions of CFO of the Bolloré Logistics Division, CFO of the Bolloré Africa Logistics Division and ultimately Group Director of Controlling, in charge of the accounting, consolidation and control. In 2006, she joined Havas to then become Deputy CFO and HR Director. In 2011, she joined Technicolor (ex-Thomson) as Group Director of Controlling supervising accounting, consolidation and control. In 2012, she was appointed Deputy CFO before becoming, in 2015, CFO and member of the Executive Committee.

DoB: 6 September 1961 **59 years old** **French national** **Business address:** Eutelsat Communications 32 Boulevard Gallieni 92130 Issy-les-Moulineaux **First appointment/Co-opting:** 8 November 2017 **Expiry date of office:** General Meeting to be held to approve the accounts for the financial year ending 30 June 2021	**OTHER OFFICES AND FUNCTIONS HELD WITHIN THE EUTELSAT GROUP OVER THE PAST 5 YEARS** **Current:** In France: Board Member of Eutelsat S.A. (since 19 March 2020) Outside France: N/A **Having Expired:** In France: N/A Outside France: N/A	**OFFICES AND FUNCTIONS HELD OUTSIDE THE EUTELSAT GROUP OVER THE PAST 5 YEARS** **Current:** In France: CFO of Elior Group Permanent representative of ELIOR GROUP on the Board of Directors of: ELIOR RESTAURATION ET SERVICES, SA CEO and Director of ELIOR FINANCEMENT, SA Permanent representative of ELIOR PARTICIPATIONS as: President of ELIOR FA3C SAS President of ELIOR TRÉSORERIE SAS President of ELIOR GESTION SAS President of SACORES SAS President of ÉGÉE VENTURE SAS President of L'ACADEMIE BY ELIOR SAS Director of SC2R SAS President of BERCY SERVICES I – BSI SAS President of BERCY SERVICES XXV – BSXXV SAS President of BERCY SERVICES XXIX – BSXXIX SAS President of ELEAT SOLUTIONS SAS President of ELIOR DATA RC FRANCE SAS Permanent representative of EGEE VENTURE, as President of BERCY SERVICES XXVII – BSXXVII SAS Manager of BERCY SERVICES II – BSII SAS Permanent representative of ELIOR RESTAURATION ET SERVICES on the Board of Directors of: ELRES, SAS ELIOR ENTREPRISES, SAS Permanent representative of Elior Participations, itself Director of C2L Permanent representative on the Board of Directors of DUCASSE DEVELOPPEMENT Permanent representative of ELIOR GESTION on the Board of Directors of RESTAURANTS ET SITES Outside France: Director of ELIOR RISTORAZIONE Director of GEMEAZ ELIOR SpA Director of ELICHEF HOLDING SpA Director of MY CHEF RISTORAZIONE COMMERCIALE Representative of ELIOR RESTAURATION ET SERVICES on the Board of Directors of SERUNION SA Director of Elior UK Holdings limited Director of Elior UK Plc Director of Waterfall Elior limited Director of Edwards and Blake limited **Having expired:** In France: CFO of Technicolor (until 2018) Permanent representative of ELIOR GROUP on the Board of Directors of

		AREAS WORLDWIDE, SA (until 2019) Permanent representative of AREAS WORLDWIDE, member and Chairwoman of the Supervisory Board of ELIOR PARTICIPATIONS, SCA (until 2019) Permanent representative of HOLDING DE RESTAURATION CONCEDEE, itself Director of C2L (until 2019) Outside France: N/A

ANA GARCÍA FAU

Board Member

Biography

Ana García Fau is a graduated of Economics, Business Administration (Finance) and Law from Universidad Pontificia Comillas (ICADE-E3), Madrid and holds an MBA from MIT. She began her career at McKinsey&Co. in Madrid and then at the M&A division of Goldman Sachs in London. She built up her career at the Telefonica group, serving as Chief Corporate Development Officer and Chief Financial Officer at TPI-Paginas Amarillas from 1997 to 2006. She was responsible for the international expansion of the company, business development and strategy, while also holding Board positions at several subsidiaries. From 2006 to 2014, she was CEO of Yell for Spain and Latin America, later expanding her role to the U.S. Hispanic market, based in Houston, Texas. In 2013, she was appointed Chief Global Strategy Officer of Hibu (former Yell group) responsible for partnerships and digital strategy. She is a former Board Member at Paris-based Technicolor, a technology provider to the media industry (2016-2020) and of Renovalia Energy Group, a renewable energy company (2016-2020), a former Professional Advisory Board Member of ESADE Business School in Madrid (2012-2013) and formerly on the Board of Trustees of several foundations in Spain (2010-2016).

Ana García Fau is also currently the Chair of the Board Directors of Finerge, a Portuguese renewable energy company owned by First Sentier (since 2020). She is a Board Member at Merlin Properties, a leading Spanish REIT (since 2014), and member of its Audit Committee and Chair of its ESG Committee, at Gestamp Automoción (since 2017), a listed Spanish car component manufacturer and Chair of its Audit Committee, at Globalvía, a Spanish infrastructure company and member of its Audit & Risk Committee (since 2017) and at Euskaltel, a Spanish telecom company (since 2020), where she chairs the Audit Committee and is a member of the Takeover Bid Monitoring Committee. Furthermore, she serves as an advisor on International Board of DLA Piper, a global law firm, (since 2017) chairing its Audit Committee. She is also on the Advisory Boards of Salesforce.com for the EMEA region, of Mutualidad de la Abogacía in Spain and of Pictet Wealth Management for Iberia.

DoB: 3 November 1968 **52 years old** **Spanish national** **Business address:** Eutelsat Communications 32 Boulevard Gallieni 92130 Issy-les-Moulineaux **First appointment/Co-opting:** 5 November 2015 **Expiry date of office:** General Meeting to be held to approve the accounts for the financial year ending 30 June 2023	**OTHER OFFICES AND FUNCTIONS HELD WITHIN THE EUTELSAT GROUP OVER THE PAST 5 YEARS** **Current:** In France: N/A Outside France: N/A **Having Expired:** In France: N/A Outside France: N/A	**OFFICES AND FUNCTIONS HELD OUTSIDE THE EUTELSAT GROUP OVER THE PAST 5 YEARS** **Current:** In France: N/A Outside France: Board Member of Merlin Properties, SA (listed company, Spain) (since 2014), Member of the Audit Committee & Chair of the ESG Committee Board Member of Gestamp Automoción, SA (listed company, Spain) (since 2017), Chair of the Audit Committee Board Member of Globalvía, SA (private company, Spain) (since

		November 2017), Member of the Audit & Risk Committee Board Member and Chairperson of Finerge, SA (private company, Portugal) (since 2020), Chair of the Nomination & Remunerations Committee Board Member of Euskaltel SA. (listed company, Spain) (since 2020). Chair of the Audit Committee and member of the Takeover Bid Monitoring Committee **Having expired:** In France: Board Member of Technicolor, SA (until 2020), Outside France: Board Member of Cape Harbour Advisors, SL (Spain) (until 2016) Board Member of Renovalia Energy group, SA (Spain) (until 2020),

CYNTHIA GORDON

Board Member

Biography

Cynthia Gordon has more than 30 years of experience in the telecom and digital sector across Europe, MENA, Asia and Russia/CIS.

She is the Chair of Global Fashion Group a listed pure play digital ecommerce business serving a market of more than one billion customers across Latin America, CIS, South East Asia and Australia.

She was Board member of Kinnevik AB one of Europe's largest industry focused investment companies and previously held senior leadership positions at Orange, Millicom and Ooredoo.

DoB: 17 November 1962 **58 years old** **British national** **Business address (following appointment):** Eutelsat Communications 32 Boulevard Gallieni 92130 Issy-les-Moulineaux **First appointment/Co-opting:** 7 November 2019 **Expiry date of office:** General Meeting to be held to approve the accounts for the financial year ending 30 June 2023	**OTHER OFFICES AND FUNCTIONS HELD WITHIN THE EUTELSAT GROUP OVER THE PAST 5 YEARS** **Current:** In France: N/A Outside France: N/A **Having Expired:** In France: N/A Outside France: N/A	**OFFICES AND FUNCTIONS HELD OUTSIDE THE EUTELSAT GROUP OVER THE PAST 5 YEARS** **Current:** In France: N/A Outside France: Chair of Global Fashion Group (Luxembourg company listed on Frankfurt Stock Exchange) (since 2017) Board Member Bayport (Mauritius) (since 2017) **Having expired:** In France: N/A Outside France: Board Member of Kinnevik AB (until 2018) CEO Africa of Millicom, (until 2017)

		Board Member of Tele2 (Sweden)(until 2021) Board Member of BIMA Mobile (Sweden) (until 2021)

DIDIER LEROY

Board Member

Biography

Didier Leroy, an engineering graduate from l'école Supérieure des Sciences et Technologies de l'Ingénieur de Nancy, began his career at Renault in 1982. In 1992, he was appointed General Manager at the Douai plant and in 1996, Deputy Director of the Renault Le Mans plant before leading a cross-functional business reform project team, reporting directly to Carlos Ghosn. In 1998, he joined Toyota to start up the new French plant, Toyota Motor Manufacturing France in Valenciennes, as Vice President. He was appointed President of the plant in 2005 and started leading initiatives at the European level in 2007. In 2010, he became President and CEO of Toyota Motor Europe, Toyota's European headquarters for Sales, After-Sales, R&D, Engineering and Manufacturing. In 2015, he became the first non-Japanese Executive Vice President and Member of the Board of Directors of Toyota Motor Corp., double-capping as President of one of the two operational units of the company at global level, covering all the operations in North America and Europe as well as the Japan sales and after-sales operations. In 2016, he also became the company's global Chief Competitive Officer. In 2017, his role expanded to cover the entire overseas operations, including emerging markets. In July 2020, he retired from this position and became Advisor to the CEO of Toyota Motor Corp. He remains Chairman of the Board of Directors of Toyota Motor Europe and Board Member of Toyota Tsusho Corporation. Didier Leroy is also currently Board Member of Auchan Holding and of Aliaxis (advanced piping systems).

DoB: 26 December 1957 **63 years old** **French national** **Business address:** Eutelsat Communications 32 Boulevard Gallieni 92130 Issy-les-Moulineaux **First appointment/Co-opting:** 8 November 2017 **Expiry date of office:** General Meeting to be held to approve the accounts for the financial year ending 30 June 2021	**OTHER OFFICES AND FUNCTIONS HELD WITHIN THE EUTELSAT GROUP OVER THE PAST 5 YEARS** **Current:** In France: N/A Outside France: N/A **Having expired:** In France: N/A Outside France: N/A	**OFFICES AND FUNCTIONS HELD OUTSIDE THE EUTELSAT GROUP OVER THE PAST 5 YEARS** **Current:** In France: Non-executive Board Member of Auchan Holding (France) Outside France: Non-executive Chairman of Toyota Motor Europe (Belgium) Non-executive Board Member of Toyota Tsusho Corporation (listed company, Japan) Non-executive Board Member of ALIAXIS (Belgium) **Having expired:** In France: N/A Outside France: Executive Vice President, Chief Competitive Officer and Board Member of Toyota Motor Corporation (listed company, Japan) (until July 2020)

ROSS MCINNES

Board Member

Biography

Ross McInnes is a graduate of Oxford University. He started his career in 1977 with Kleinwort Benson first in London and then in Rio de Janeiro. In 1980, he joined Continental Bank (now Bank of America), in which he held several positions in the Corporate Finance arm, in Chicago and then in Paris. In 1989, he joined Eridania Beghin-Say, where he was appointed CFO in 1991 and then became a member of the Board of Directors in 1999. The following year, he joined Thomson-CSF (now Thales) as Executive Vice President and CFO and assisted in the group's transformation, until 2005. He then moved to PPR (now Kering) as Senior Vice President for Finance and Strategy, before joining the Supervisory Board of Générale de Santé in 2006. He served as acting Chairman of the Management Board of Générale de Santé from March to June 2007. He also held the position of Vice Chairman of Macquarie Capital Europe where he primarily specialised in infrastructure investments. In March 2009, Ross McInnes joined Safran and became Executive Vice President Economic and Financial Affairs in June of that year. He was a member of the Executive Board of Safran between July 2009 and April 2011 and then served as Deputy Chief Executive Officer until April 2015. He became Chairman of Safran's Board of Directors on April 23, 2015. Since February 2015, Ross McInnes has also acted as Special Representative for economic relations with Australia having been appointed to this diplomatic role by the French Minister of Foreign Affairs and International Development. From November 2016 to November 2019, he was a member of the French High Committee for Corporate Governance. In February 2017, he joined SICOM, the general partner of Vivescia Industries as a "qualified person". In October 2017, Ross McInnes was appointed by the French Prime Minister as Co-Chairman of the "Action Publique 2022" Committee, which was tasked with making recommendations on reforming French public policies, a mission he has since completed. Since January 2018, he has been a Trustee and a Director of the IFRS Foundation. In October 2018, the French Prime Minister tasked him with lobbying for France with both British and non-British companies operating in the non-financial sector and based in the United Kingdom.

DoB: 8 March 1954
67 years old
Dual French-Australian nationality

Business address:
Eutelsat Communications
32 Boulevard Gallieni
92130 Issy-les-Moulineaux

First appointment/Co-opting:
7 February 2013

Expiry date of office:
General Meeting to be held to approve the accounts for the financial year ending 30 June 2022

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

Current:

In France:
N/A

Outside France:
N/A

Having expired:

In France:
N/A

Outside France:
N/A

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

Current:

In France:
Chairman of the Board of Safran (listed company)
Board Member at Engie (listed company)
Chairman of the Ethics, Environment and Sustainable Development Committee, member of the Audit Committee and member of the Strategy, Investment and Technology Committee

Outside France:
Trustee and Director of the IFRS Foundation (USA, UK)

Having expired:

In France:
Board Member and Chairman of the Audit Committee of Faurecia (until May 2017)
Board Member of Lectra (until April 2020)

Outside France:
Board Member and Chairman of the Audit Committee of IMI, Plc (UK) (until October 2017)

Changes proposed at the upcoming Annual General Meeting

The terms of office Dominique D'Hinnin, Paul-François Fournier, Esther Gaide and Didier Leroy will expire at the AGM called to approve the accounts for the financial year ending 30 June 2021. The renewal of the mandates of Esther Gaide, Dominique D'Hinnin, Didier Leroy and the appointment of BPIFrance Investissement as a Board member will be proposed at the 4 November 2021 AGM. BPIFrance Investissement will be represented by Paul François Fournier.

10.2 TOP MANAGEMENT

10.2.1 Top management personnel

The top management personnel is made up of Rodolphe Belmer, Chief Executive Officer, and Michel Azibert, Deputy Chief Executive Officer.[36]

Their information as well as the list of functions and offices held as of 30 June 2021 are shown in the table below:

Full name, business address	Office	Date of first appointment/co-opting and expiry date of office	Other offices and functions held within the Eutelsat Group over the past 5 years	Offices and functions held outside the Eutelsat Group over the past 5 years
RODOLPHE BELMER Eutelsat Communications 32 Boulevard Gallieni 92130 Issy-les-Moulineaux	Board Member, Chief Executive Officer	**FIRST APPOINTMENT/CO-OPTING:** 1 March 2016 as CEO 4 November 2016 as Board Member **EXPIRY DATE OF OFFICE:** **As Board Member:** General Meeting to be held to approve the accounts for the financial year ending 30 June 2024	**CURRENT OFFICES AND FUNCTIONS:** **In France:** CEO of Eutelsat S.A. (since 1 March 2016) Board Member of Eutelsat S.A. (since 4 October 2016) **Outside France:** Board Member and Chairman of Eutelsat Inc. (U.S.A.) (since 1 March 2016) Board Member and Chairman of Eutelsat Americas (ex-Satélites Mexicanos S.A. de C.V.) (Mexico) (since 1 March 2016) Board Member of Broadband for Africa (United Kingdom) (since 1 March 2016) **OFFICES AND FUNCTIONS HAVING EXPIRED:** **In France:** Deputy CEO of Eutelsat S.A. (until 29 February 2016) Deputy CEO of Eutelsat Communications (until 29 February 2016) **Outside France:** Board Member and Chairman of Eutelsat Networks LLC (Federation of Russia) (until 5 June 2020) Manager of Eurobroadband Infrastructure Sàrl (Switzerland) (until 4 October 2018) Manager of Eurobroadband Retail Sàrl (Switzerland) (until 25 September 2018)	**CURRENT OFFICES AND FUNCTIONS:** **In France:** Chairman of Auteurs Solidaires (since January 2017) Chairman and Vice Chairman of Séries Mania (since September 2017) Director of Brut (since 15 February 2018) **Outside France:** Non-executive Director of Netflix (listed company, U.S.A.) (since January 2018) **OFFICES AND FUNCTIONS HAVING EXPIRED:** **In France:** Member of the Supervisory Board of Mediawan (listed company) (until 2020) Chairman of RBC (until 2020) **Outside France:** Board Member of Hispasat S.A. (Spain) (until 18 April 2018)

[36] Yohann Leroy resigned from his position as Deputy Chief Executive Officer effective as of 15 September 2020.

Full name, business address	Office	Date of first appointment/co-opting and expiry date of office	Other offices and functions held within the Eutelsat Group over the past 5 years	Offices and functions held outside the Eutelsat Group over the past 5 years
MICHEL AZIBERT Eutelsat Communications 32 Boulevard Gallieni 92130 Issy-les-Moulineaux	Deputy CEO	**FIRST APPOINTMENT:** 28 July 2011 (effective 1 September 2011)	**CURRENT OFFICES AND FUNCTIONS:** **In France:** Deputy CEO of Eutelsat S.A. (since 28 July 2011) **Outside France:** Board Member of Eutelsat Inc. (U.S.A.) (since 27 January 2012) Board Member of Eutelsat America Corp (U.S.A.) (since 8 July 2014) Board Member of Eutelsat Americas (ex-Satélites Mexicanos S.A. de C.V.) (Mexico) (since 1 January 2014) Board Member and President of Eutelsat Madeira (Portugal) (since 18 July 2014) Board Member of Eutelsat Networks LLC (Federation of Russia) (since 30 September 2016) Board Member of Broadband for Africa (United Kingdom) (since 3 July 2015) Manager of Euro Broadband Infrastructure Sàrl (Switzerland) (since 3 March 2017) **OFFICES AND FUNCTIONS HAVING EXPIRED:** **In France:** N/A **Outside France:** Member of the Advisory Board of Eutelsat Services & Beteiligungen GmbH (Germany) (as of 1 July 2015) Board Member of Eutelsat UK Ltd (U.K.) (as of 30 March 2015) Manager of Euro Broadband Retail Sàrl (Switzerland) (until 23 November 2018) Board Member of Eutelsat MENA FZ-LLC (United Arab Emirates) (until 10 September 2019)	**CURRENT OFFICES AND FUNCTIONS:** **In France:** N/A **Outside France:** N/A **OFFICES AND FUNCTIONS HAVING EXPIRED:** **In France:** N/A **Outside France:** Board Member of Hispasat (Spain) (as of 18 April 2018)

10.2.2 Executive Committee

At Eutelsat S.A., the Group's principal operating company, top management is assisted by an Executive Committee composed of eight members who implement the Group's strategy the major directions which are established by the Board of Directors.

Rodolphe Belmer

Chief Executive Officer, Executive Committee Chairman

Michel Azibert

Deputy CEO, Executive Committee Deputy Chairman

Julie Burguburu

Company Secretary and Executive Committee Secretary

Anne Carron

Chief Human Resources Officer

Pascal Homsy

Chief Technical Officer

Jean-Hubert Lenotte

Director Strategy and Resources Officer

Philippe Oliva

Chief Commercial Officer

Sandrine Téran

Chief Financial Officer

The Executive Committee is composed of 38% women and reflects the Group's strong commitment to diversity in its governing bodies (see section 10.1.1 for more detail on the Gender and Diversity Policy).

10.3 CORPORATE GOVERNANCE

10.3.1 Reference Code used to establish a Corporate Governance Policy

The Company complies with the guidelines in the Afep-Medef Corporate Governance Code of Listed Companies of January 2020 (hereinafter the "Reference Code").

Any inconsistencies between the practices of the Company and recommendations of the Reference Code are indicated in the table below:

Article of the Afep-MEDEF Code	Afep-MEDEF recommendations	Company practice	Explanations
24.3	When the non-competition agreement is being concluded the Board should include a provision authorising it to waive this agreement upon the departure of the executive manager	The non-competition undertaking agreed with Mr Rodolphe Belmer does not provide the option for the Board of Directors to waive it at the time of the executive manager's departure.	The Board of Directors, on the recommendation of the Compensation Committee, took the view that, given the very competitive context for satellite operators, it was very important for the company to require a non-competition undertaking from Mr Rodolphe. The non-competition undertaking is limited both in terms of its duration (18 months) and its amount (50% of fixed remuneration), which is significantly below the ceiling set by the Reference Code.

10.3.2 Separation of the functions of Chairman and Chief Executive Officer

In accordance with the legal and regulatory provisions (Articles L. 225-51-1, R. 225-26 and R. 225-27 of the French Commercial Code), the roles of Chairman of the Board and Chief Executive Officer are separate within the Company.

Limitations of the powers of the Chief Executive Officer by the Board of Directors

The Internal Rules of the Board of Directors set out the respective powers of the Board of Directors, the Chairman of the Board and the Chief Executive Officer while providing for the limits on the powers of the latter (see section 10.3.6 below and Annex A of the Board of Directors Internal Rules[37] for more detail).

10.3.3 Organisation of the Board

Internal rules

37 Available on the Company website.

The Board of Directors Internal Rules set out the principles, the composition, the responsibilities and the procedures governing the functioning of the Board and its Committees. The Internal Rules have been updated on several occasions; the most recent update occurred on 14 January 2021.

Directors' term of office

Pursuant to Article 14 of the Company's Articles of Association, the Directors' term of office is four years.

Rules applicable to the appointment and to the replacement of Board members

In accordance with the Article 13 of the Company's Articles of Association, the Board members are appointed by the ordinary AGM. The duties of a Director ceases at the end of the AGM called upon to approve the financial statements of the previous financial year and held in the year during which that Director's term of office expires.

Directors may be reelected. They may be removed at any time by decision of the ordinary AGM.

In accordance with the Article 14 of the Company's Articles of Association, if a Director's seat becomes vacant between two AGMs, the Board of Directors may make temporary appointments. Such appointments are subject to ratification by the next ordinary AGM.

A Director appointed in replacement of another Director shall remain in office only for his/her predecessor's remaining term of office.

Board Member succession planning and candidate selection process

The Board member rotation and succession planning is regularly discussed by the Nomination and Governance Committee and the Board. As the tenure of a Director nears its 12-year term (at which point the member loses his/her independence), discussions on the process to fill the role begins by the Nomination and Governance Committee in consultation with the Board and management. This includes defining a profile for each vacancy considering the needs of the Group in relation to its strategy and the composition of the existing Board in order to ensure diversity in terms of gender, nationality, experience and expertise. With the assistance of an executive search firm, a candidate list is defined. Candidates meet with the Board Chair, the Nomination and Governance Committee Chair, other Board members, the CEO and potentially other members of the Executive Committee. Selected candidates are then presented to the Board for approval prior to being proposed to the AGM.

Board Member share ownership requirement

In accordance with the Reference Code and with Article 10.1 of the Board of Directors Internal Rules, in order to promote the alignment of interests between shareholders and Board members, all Board members must personally hold 2,000 shares of the Company. Directors may use the proceeds of the Director Compensation to acquire such shares.

10.3.4 Independence of the Board of Directors

During its 17 June 2021 meeting, the Board of Directors assessed the independence of each of its members. As at 30 June 2021, among its ten members, seven Directors (70%) were qualified as independent according to the independence criteria of the Reference Code.

The review pursuant to the criteria outlined in the Reference Code is shown in the table below:

	Dominique D'Hinnin (Chairman)	Rodolphe Belmer	Bpifrance Participations (represented by Stéphanie Frachet)	Paul-François Fournier	FSP (represented by Agnès Audier)	Esther Gaide	Ana Garcia Fau	Cynthia Gordon	Didier Leroy	Ross McInnes
Criterion 1 Not an employee / Executive Officer during the past 5 years	•	X	•	•	•	•	•	•	•	•
Criterion 2 No Cross-boarding	•	•	•	•	•	•	•	•	•	•
Criterion 3 No significant business relationship	•	•	•	•	•	•	•	•	•	•
Criterion 4 No family ties	•	•	•	•	•	•	•	•	•	•
Criterion 5 Not an auditor of Company	•	•	•	•	•	•	•	•	•	•

during the past 5 years										
Criterion 6 Term of office less than 12 years	•	•	•	•	•	•	•	•	•	•
Criterion 7 No compensation related to Group performance	•	X	•	•	•	•	•	•	•	•
Criterion 8 Not represent a major shareholder (>10%)	•	•	X	X	•	•	•	•	•	•
Independent	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes

On the basis of the work of the Nomination and Governance Committee, the Board assessed whether there was a significant business relationship between the Company and each Director. The Board had to rule on the situation of Ross McInnes.

Ross McInnes is the non-executive Chairman of the Board of Safran which holds 50% of Arianegroup, a joint company with Airbus. He does not intervene in Safran's operational and commercial decisions nor in Safran's participations such as Arianegroup, which launches satellites. However, in order to avoid any potential conflict of interest, Ross McInnes does not participate in discussions nor votes in relation to the choice of launchers or to the launcher policy that may be submitted to the Board of Directors of Eutelsat Communications.

Conflicts of interest

Conflicts of interests shall be avoided and, where unavoidable, shall be disclosed to the Company and managed transparently. In accordance with Article 2.4 of the Board of Directors Internal Rules, each Director must immediately disclose any potential conflict of interest to the Board. A Director may not participate in discussions or vote on the subject in relation to which the conflict exists.

10.3.5 Representation on the Board

Employee representation on the Board of Directors

As part of a policy aimed at improving communication between the Group's management and employees, the Company entered into an agreement on 8 November 2007, modified on 9 July 2018, with its operating subsidiary Eutelsat SA and the Eutelsat SA Social and Economic Committee (Comité social et économique – "CSE"). This agreement is designed to give Eutelsat SA's Social and Economic Committee greater visibility regarding the Company's operations and decisions.

Also, in addition to the establishment of a procedure of information of the Eutelsat S.A. Social and Economic Committee in case of operations conducted by the Company which may affect the operations or scope of Eutelsat S.A., the two representatives of the Eutelsat S.A. Social and Economic Committee before the Board of Directors of Eutelsat S.A., attend meetings of the Board of Directors of Eutelsat Communications and have the same information for the preparation of Board meetings as the Directors.

Censeur

The role of the *Censeur* was implemented pursuant an agreement between Eutelsat IGO (Intergovernmental European Telecommunications Satellite Organization) and the Company when the latter went public. Pursuant to the provisions of (i) the Letter of Agreement signed on September 2, 2005 between the Company and Eutelsat IGO and (ii) the Company's Articles of Association, the Executive Secretary of Eutelsat IGO sits as a *Censeur* on the Board of Directors. This role is currently held by Piotr Dmochowski-Lipski (see the Company's website for more detail). The Company and its Board of Directors do not in any way intervene in the appointment of the *Censeur*, the appointment and the role being imposed and binding on the Company. The role of the *Censeur* is to ensure that the Company, largely through its operational subsidiary Eutelsat SA, respects the Basic Principles of the international treaty establishing EUTELSAT IGO which was founded by certain Western European countries in order to develop and to operate a satellite telecommunications system within a trans-European telecommunications framework. In particular, providing pan-European satellite coverage according to the principles of non-discrimination and fair competition as well as the respect of certain financial commitments (e.g. debt and EBITDA management). The *Censeur* may attend Board meetings and express the IGO's point of view on any issue on the agenda but may not take part in the vote. The *Censeur* has the same information for the preparation of Board meetings as the Directors. The conflicts of interest provisions of the Board's internal rules also apply to the *Censeur*. In addition, no person having any direct or indirect relationship in any respect whatsoever with any direct or indirect competitor of any entity within the Eutelsat Group may hold the position of *Censeur*.

The *Censeur* does not receive any remuneration or indemnities from the Company.

10.3.6 Mission of the Board of Directors

The Board of Directors is responsible, in particular pursuant to the provisions of Article L. 225.35 of the French Commercial Code, for determining the orientations of the Company and ensuring their implementation. Subject to the powers expressly reserved for AGMs, the Board of Directors can address any matter that affects the Company or the functioning of the Eutelsat Group.

Pursuant to the Board's Internal Rules, certain decisions taken by the Chief Executive Officer require prior approval from the Board of Directors. These decisions can be broken down as follows:

- Medium-term plan: The medium-term plan aims to establish the Group's objectives and define the resources required to achieve these objectives, together with the Group's financial and business activity forecasts;
- The Group's five-year plan, as well as any operation that has a significant impact on the Company's structure or strategy, is subject to prior approval from the Board of Directors;
- Budget: The Group's consolidated annual budget, which establishes the financial and budgetary objectives for the coming year and which is included in the medium-term plan, is subject to prior approval from the Board of Directors at the beginning of each financial year;
- Investments: Any capital expenditure or transaction involving the purchase of or investment in the share capital of another company for an amount (i) exceeding 50 million euros, if the relevant operation is included in the Group's Annual Budget or in its Strategic Plan, or (ii) exceeding 25 million euros, if not included in the Group's annual budget;
- Financial commitments: (i) Any loan, credit facility, financing or refinancing agreement that is not expressly included in the Group's annual budget. This authorisation is not required for any transaction or group of transactions for an amount less than 100 million euros in any given financial year and for up to two transactions and/or groups of transactions in any given fiscal year and (ii) any loan or disposal of company assets, or for any other form of transfer of assets in excess of 50 million euros that is not expressly included in the Group's annual budget;
- Interim and annual financial statements: The interim and annual financial statements and the consolidated financial statements are settled by the Board of Directors;
- Group Senior Management: Prior approval from the Board of Directors is required before an executive manager who would be among the six highest paid in the Group can be recruited or dismissed;
- Monitoring the Group's activity: Management submits to the Board a monthly report on the Group's operations, which includes its results and financial indicators (turnover by business sector, summary income statement, debt position, cash flow and costs, etc.) to give the Board a clear understanding of how the business has evolved, particularly on a technical, commercial and financial level, the social and environmental aspects of its activities and on the monitoring of the budget.

During the financial year, the main subjects discussed, reviewed and/or approved by the Board:

- Interim and annual financial statements;
- Dividend distribution and policy;
- Annual budget and the 5Y business plan;
- The Group's financing strategy;
- The Company's activities and strategy;
- Approval of transactions (e.g. OneWeb, Bigblu Broadband Europe, Euro Broadband Infrastructure (EBI));
- Discussions related to Covid-19 pandemic and the resilience of the Group;
- Compliance measures including as relates to Sapin II anti-corruption law (the update to numerous policies and procedures to identify and prevent corruption);
- Risk management, internal controls and internal audit;
- Share buyback program;
- Discussion with statutory auditors (including audit fees);
- Related party agreements and Internal procedure on ordinary agreements;
- Annual independence analysis of each Director;
- Annual review of the Board's succession planning;
- Annual discussion on Executive Officer succession planning;
- Annual discussion on the Group's non-discrimination and diversity policy;
- Renewal of the mandates of Dominique D'Hinnin, Paul-François Fournier, Esther Gaide and Didier Leroy as Directors;
- Composition of the committees (appointment of Dominique D'Hinnin as Chair of the Compensation Committee, of Ana Garcia Fau to the Audit, Risk and Compliance Committee, of Cynthia Gordon to the Nomination and Governance Committee and of the members of the Ad Hoc Committee)
- Annual self-assessment of the Board of Directors;

- Revision of the Board of Director’s internal rules;
- AGM materials (agenda, resolutions, etc.);
- Universal Registration Document (management report, governance report, compensation policy/report, etc.);
- Compensation policy for Executive Officers;
- Annual evaluation of the performance of the Executive Officers;
- Total Executive Officer compensation payout (including the fixed, annual variable and long-term components);
- Setting the annual performance objectives of the Executive Officers for the following financial year;
- Structure of the annual variable and long-term compensation for Executive Officers.

Assessment of the Board of Directors

For the 2020-21 financial year, the Board was assisted by an external consultant, Russell Reynolds, for its formal assessment conducted every 3 years. The process was conducted in 3 steps: in the form of a questionnaire completed by each member, one-to-one interviews and followed by a discussion at the Nomination and Governance Committee meeting and then at the Board of Directors meeting held on 17 June 2021.

In general as compared to similar boards, Eutelsat has a mature Board governance structure in terms of independence, transparency and the quality of the documentation and discussions.

The positive points that emerge from the assessment are outlined as follows:

- A good governance structure;
- Quality and transparency of information from Management;
- A well-structured and meaningful strategic seminar;
- Effective coordination between the Chairman of the Board, the Chief Executive Officer and Committee chairs;
- Significant progress made on ethics and compliance.

The areas for improvement identified include:

- Continue to reinforce the Board member expertise in the Company’s main activities;
- Continue focus on technology and evolutions;
- Reinforce the ESG strategy.

Based on this assessment, the Nomination and Governance Committee and the Board will work on the recommendations to enhance the Board's effectiveness.

10.3.7 Attendance of the Board Meetings

The Board of Directors met seven times during the financial year (same as in the previous financial year). The Board can meet without the Executive Officers when it deems necessary (non-executive session). Five non-executive sessions were held during the financial year.

The average annual attendance rate of Directors was 98.6% (compared to 93.1% in the previous fiscal year). The attendance rate for each director is shown in the table below:

Directors	Attendance rate
Dominique D’hinnin (Chairman)	100%
Rodolphe Belmer	100%
Bpifrance Participations (represented By Stéphanie Frachet)	100%
Paul-François Fournier	85.7%
Fsp (represented By Agnès Audier)	100%
Esther Gaide	100%

Ana Garcia Fau	100%
Cynthia Gordon	100%
Didier Leroy	100%
Ross McInnes	100%

10.3.8 Committees of the Board of directors

The Board is assisted in its work by three committees: the Audit, Risk and Compliance Committee, the Nomination and Governance Committee and the Compensation Committee.

Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee's task is to (i) assist the Board of Directors by reviewing the Company's draft interim and annual financial statements (individual and consolidated financial statements), (ii) make recommendations on the draft consolidated Annual Budget proposed by Management, prior to it being examined by the Board, (iii) make recommendations to the Company's Senior Management and the Board of Directors regarding the principles and methods for ensuring the accounting, financial and extra-financial information produced is reliable and accurate, (iv) ensure that the internal controls applied within the Group are properly implemented (though such internal controls cannot provide an absolute guarantee that the objectives of the Company will be achieved), (v) make recommendations to the Board and Company's Senior Management regarding the appropriate method for handling any risk likely to affect the Group's operations (financial, legal, operational, social and environmental, etc.), (vi) oversee the appointment/reappointment of statutory auditors, and (vii) to supervise the implementation of all compliance control and risk prevention procedures.

As of 30 June 2021, the Audit, Risk and Compliance Committee consisted of five independent directors: Dominique D'Hinnin (Chairman of the Board), FSP (represented by Agnès Audier), Ana Garcia Fau, Ross McInnes and chaired by Esther Gaide. All members meet the criteria of financial competence set out in the French Commercial Code.

The Group's Financial Director attended all meetings of the Audit, Risk and Compliance Committee.

The Committee met four times (seven times in the previous financial year). The average annual attendance rate of its members was 100%.

The attendance rate for each Committee member is shown in the table below:

Name	Attendance rate
Esther Gaide (Chair)	100%
Dominique D'Hinnin	100%
FSP (represented by Agnès Audier)	100%
Ana Garcia Fau (member since 5 November 2020)	100%
Ross McInnes	100%

As part of its mission, the Audit, Risk and Compliance Committee regularly communicates with the Company's statutory auditors and the latter attend Audit, Risk and Compliance Committee meetings when the interim and annual financial statements are being examined before being reveiwed by the Board of Directors as well as a separate meeting to present their audit plan for the closing of the accounts.

Exposure to risks and off-balance sheet commitments are presented by the Group's Financial Director. The identification and control of off-balance sheet commitments result from the implementation of internal procedures at Group level.

Compliance being an integral part of the Audit, Risk and Compliance Committee's responsibilities and to ensure a strong tone at the top, the topic is discussed at each committee meeting and reported to the Board at each meeting thereafter.

The Audit, Risk and Compliance Committee is part of the process in the internal procedure on ordinary agreements approved by the Board of Directors on April 9, 2020, pursuant to the PACTE law of May 22, 2019. The purpose of this procedure is to define the criteria used by the Company to classify an agreement as an Ordinary Agreement, as defined by the Law PACTE, and the method for regularly reviewing and assessing these criteria. Accordingly, the Legal Affairs Department (DAJ) and the Financial and Administrative Department (DFA) are informed prior to the conclusion of an agreement which could be qualified as an Ordinary Agreement for prior review. At least once a year, the DAJ and the DFA report to the Audit, Risks and Compliance Committee on the Ordinary Agreements concluded during the past financial year as well as the Ordinary Agreement qualification criteria, which subsequently reports the same to the Board of Directors along with any recommendations. The Board of Directors decides on the relevance of the criteria used to qualify an agreement as Ordinary Agreement and whether to change these criteria, as needed.

During the financial year, the main subjects discussed, reviewed and/or recommended for Board approval by the Audit, Risk and Compliance Committee included:

- Interim and annual financial statements;
- Dividend distribution and policy;
- Annual budget and the 5Y business plan;
- The Group's financing strategy;
- Discussions related to Covid-19 pandemic and the resilience of the Group;
- Compliance measures including as relates to Sapin II anti-corruption law (including the update to numerous policies and procedures to identify and prevent corruption);
- Risk management, internal controls and internal audit plans and the objectives achieved during the financial year;
- Share buyback program;
- Statutory auditors audit approach and audit fees;
- Internal procedure on ordinary agreements;
- Attainment of the financial objectives of the annual variable compensation and long-term incentive plan.

The Nomination and Governance Committee

The work of this Committee is to study and make recommendations to the Board of Directors for all that concerns (i) the selection or, in case of vacancy, the co-optation of new Directors, and (ii) the recruitment or dismissal of any member of the Executive Committee, (iii) assessment of the independence of Directors pursuant to the independence criteria of the Reference Code, (iv) assessment of the gender balance within the Board of Directors and within the Group and assessment of the functioning of the Board.

As of June 30, 2021, the Committee was composed of a majority of independent members in accordance with the Reference Code and made up of the following members: Bpifrance Participations (represented by Stéphanie Frachet), Dominique D'Hinnin (Chairman of the Board), Cynthia Gordon and Ross McInnes who chairs the Committee.

The Committee met four times with a 100% attendance rate.

The attendance rate for each Committee member is shown in the table below:

Name	Attendance rate
Ross McInnes (Chair)	100%
Dominique D'Hinnin	100%
Cynthia Gordon (member since 5 November 2020)	100%
Bpifrance Participations (represented by Stéphanie Frachet)	100%

During the financial year, the main subjects discussed, reviewed and/or recommended for Board approval by the Nomination and Governance Committee included:

- Annual independence analysis of each Director;
- Annual review of the Board's succession planning;
- Annual discussion on Executive Officer succession planning;
- Renewal of the mandates of Dominique D'Hinnin, Paul-François Fournier, Esther Gaide and Didier Leroy as Director;
- Composition of the committees (appointment of Dominique D'Hinnin as Chair of the Compensation Committee, of Ana Garcia Fau to the Audit, Risk and Compliance Committee, of Cynthia Gordon to the Nomination and Governance Committee and of the members of the Ad Hoc Committee)
- Annual self-assessment of the Board of Directors;
- Compliance with the Afep-Medef Code;
- Revision of the Board of Director's internal rules.

Compensation Committee

The Compensation Committee is responsible for matters relating to (i) the long-term remuneration policy, (ii) the remuneration of the CEO and the Deputy CEO(s), (iii) the introduction of performance-based share plans within the Group, and (iv) the allocation of Board attendance fees.

As of June 30, 2021, the Committee was composed of a majority of independent members in accordance with the Reference Code made up of the following members: Paul-François Fournier, FSP (represented by Agnès Audier), Didier Leroy and Dominique D'Hinnin who chairs the Committee.

The Committee met six times with a 91.7% attendance rate and held an additional working session. The attendance rate for each Committee member is shown in the table below:

Name	Attendance rate
Dominique D'Hinnin (Chair)	100%
Paul-François Fournier	83.3%
FSP (represented by Agnès Audier)	100%
Didier Leroy	83.3%
Ana Garcìa Fau (member until 5 November 2020)	100%

During the financial year, the main subjects discussed, reviewed and/or recommended for Board approval by the Compensation Committee included:

- Compensation policy for Executive Officers;
- Annual evaluation of the performance of the Executive Officers;
- Total Executive Officer compensation payout (including the fixed, annual variable and long-term components);
- Setting the annual performance objectives of the Executive Officers for the following financial year;
- The structure of the annual variable and long-term compensation for Executive Officers.

Ad Hoc Committee

An Ad Hoc Committee may be constituted, of a majority of independent directors, when needed for matters relating to acquisition, disposal and long-term investment policy. During the 2020-21 financial year the Ad Hoc Committee was constituted to discuss the Group's acquisition policy.

The Committee met four times with a 100% attendance rate and held an additional working session. The attendance rate for each Committee member is shown in the table below:

Name	Attendance rate
Dominique D'Hinnin (Chair)	100%
Bpifrance Participations (represented Par Stéphanie Frachet)	100%
FSP (represented by Agnès Audier)	100%
Esther Gaide	100%
Ross McInnes	100%

10.3.9 Other Legal Information

10.3.9.1 Absence of control of the Company

To the Company's knowledge, as of 30 June 2021, no shareholder of Eutelsat Communications, either directly or indirectly, by themselves or with others, exercises control within the meaning of Articles L. 233-3 et seq. of the French Commercial Code.

10.3.9.2 Factors likely to have an impact in the event of a Public Offer

The Company’s Articles of Association impose no restrictions on voting rights and on share transfers. To the best of the Company's knowledge, there is no agreement between shareholders limiting share transfers and the exercise of voting rights.

At the date of this Report the Company has no knowledge of any agreement between the Company's shareholders or any convention providing for preferential conditions for the disposal or the acquisition of shares in the Company and involving at least 0.5% of the capital or voting rights in the Company.

Please also see sections 11.5 and 11.7.

10.3.9.3 Conditions for admission to and participation in the Annual General Meetings

The conditions for taking part in AGMs are set out in Article 21 of the Company’s Articles of Association.

In accordance with the recommendations set forth in the Reference Code, Board members participate in AGMs.

As of June 30, 2021, there are no preferred shares or shares with double voting rights in the Group; during the 7 November 2014 Meeting, the shareholders decided not to amend the Articles of Association to introduce the double voting right provided for in Article L. 225-123 of the French Code de Commerce. The General Meeting resolutions are approved according to the majority and quorum conditions specified in the applicable legislation.

10.3.9.4 Amendment to the Company’s Articles of Association

The Shareholders’ collective decisions related to the amendment of the Company’s Articles of Association are made at AGMs, as provided by law.

10.4 INFORMATION ON COMPENSATION PAID TO COMPANY DIRECTORS AND CORPORATE OFFICERS

10.4.1 Compensation policy (ex-Ante vote)

The compensation policy drawn up in accordance with Article L. 22-10-8 of the French Commercial Code and presented in the following section will be submitted to the Annual General Meeting for approval on 4 November 2021.

10.4.1.1 General compensation principles

The Board of Directors ensures that the compensation policy for Directors and Corporate Officers proposed by the Compensation Committee is consistent with the Company's interests, in line with its commercial strategy and able to promote its performance and its competitiveness over the medium to long term in order to ensure its continuity.

The general principles behind the compensation policy are to attract, retain and motivate top-ranking executives and to align their interests with value creation for the Group, taking into account the Group's capital intensity, its high-technology environment, its long-term investment horizon and the challenges in terms of growth in a very competitive environment as well as the highly international dimension of the Group and its vision.

The Board of Directors, on recommendation by the Compensation Committee, determines the general principles and characteristics governing the compensation policy for Directors and Corporate Officers. It ensures the implementation of this policy by assessing the level at which the various criteria have been met. Resolutions by the Board of Directors are therefore passed after seeking the opinion and recommendations of the Compensation Committee.

Directors and Corporate Officers take no part in the vote on their compensation. See Section 10.3.4 for further information on conflicts of interests.

In exceptional circumstances, the Board of Directors may, in accordance with Article L. 22-10-8 (III) of the French Commercial Code, deviate from the application of the compensation policy provided this is on a temporary basis, consistent with the Company's interests and necessary to ensure the Company's continuity or viability. In particular, the Board of Directors may, on recommendation by the Compensation Committee, change the performance criteria for annual variable compensation, pluri-annual compensation, where relevant, and/or long-term compensation. For the avoidance of doubt, it is specified that, if applicable, any deviations from the compensation policy will be strictly limited to one or more of the items mentioned hereabove. Furthermore, the existing caps on the foregoing elements will remain unchanged.

Any such derogation must be rigorously applied and justified, notably as regards their alignment with the shareholder interests. In accordance with the provisions of Articles L22-10-8 (II) and L. 22-10-34 (III) of the French Commercial Code, the annual variable compensation will continue to be subject to approval by the Annual General Meeting and may only be paid if that meeting votes in favor thereof.

10.4.1.2 Chairman of the Board of Directors

The compensation structure for the non-executive Chair of the Board of Directors comprises exclusively of Board compensation (previously referred to as attendance fees).

In line with his non-executive role and consistent with market practices in France, the Chair of the Board of Directors does not receive any annual variable compensation, pluri-annual compensation or short-term cash compensation, nor the benefit of any long-term incentive scheme.

The Board compensation paid to the Chair of the Board of Directors is allocated in accordance with the rules determined by the Board of Directors and set out in the Board's Internal Rules. These allocation rules, which apply to all the Directors, include variable portion for each meeting of the Board of Directors, as well as a specific fixed annual portion for the Chair of the Board. These rules are set out below.

If a new Chairman of the Board of Directors is appointed, the principles, criteria and elements of the compensation set out in the policy on compensation for the Chair of the Board of Directors will apply.

For details on the Chair of the Board and his/her mandate, see Section 10.1.2.

10.4.1.3 Board members

The maximum annual sum allocated to Board members compensation, €985,000, was approved by the General Meeting of shareholders on 8 November 2017. The criteria for the apportioning of this sum are set out below.

No change to the compensation amount to be paid to Board members is foreseen in the resolutions approved by the Company's Board of Directors to be submitted for approval to the Annual General Meeting on 4 November 2021.

The rules for the award of Board members' Compensation, as laid down in the Board's Internal Rules, primarily take into account the actual attendance of the members at meetings of the Board and of its Committees, in accordance with Article 21 of the AFEP-MEDEF Code.

Board of Directors:

- Fixed annual part of €15,000 per Board Member (increased to €30,000 for the Vice Chair and €175,000 for the Chair);
- an annual supplement of €10,000 for each director residing outside France;
- variable part of €4,000 per Board Member for each Board meeting attended.

Audit, Risk and Compliance Committee:

- Fixed annual part of €4,000 per Committee member (increased to €14,000 for the Committee Chair);
- variable part of €3,000 per Committee member for each committee meeting attended.

Governance and Nominations Committee

- Fixed annual part of €3,000 per Committee member (increased to €8,000 for the Committee Chair);
- variable part of €2,000 per Committee member for each committee meeting attended.

Compensation Committee

- Fixed annual part of €3,000 per Committee member (increased to €8,000 for the Committee Chair);
- variable part of €2,000 per Committee member for each committee meeting attended.

Directors may receive a reasonable additional Board compensation for taking part in specialised Committees, chairing such committees or performing special duties, such as acting as vice chairman or lead Director, as decided by the Board and in line with the rules on the award of Board compensation set out above.

The performance of a special duty entrusted to a Director may give rise to reasonable compensation, depending on the decision of the Board and subject to the related party agreements regime.

The Board compensation (attendance fees) is paid once a year after the close of the financial year. Pursuant to Article L. 22-10-34 (III) of the French Commercial Code, the payment of Board compensation for that financial year is subject to approval by the Annual General Meeting of the compensation policy.

The fixed annual part (applicable to Board and Committee members) is prorated based on the duration of the mandate during the fiscal year considered. In addition, in the event that the number of meetings held mechanically leads to exceeding the €985,000 fee envelope decided by the Annual General Meeting, the variable part would proportionally be reduced in order to stay within the ceiling set for this envelope.

If a new Director is appointed or a Director's term of office is renewed, the principles, criteria and elements of the compensation set out in the compensation policy for Directors will apply. For details on the Directors and their mandates, see Section 10.1.2.

10.4.1.4 Chief Executive Officer and Deputy Chief Executive Officer

For details on the Chief Executive Officer (CEO) and Deputy Chief Executive Officer and their mandates, see Section 10.1.2 and 10.2.1.

On the basis of the objectives previously mentioned, the Group has implemented a global compensation policy for the Executive Corporate Officers, structured as follows (see also the "Market Positioning Policy" section):

	Objective	Key features
Annual fixed salary	Recognise the level of responsibility in a competitive talent market.	See "Market Positioning Policy" section.
Annual variable compensation	Ensure financial targets published are met and encourage the exceeding of the internal targets for the financial year.	Two sets of targets: – Quantitative targets: "Operating Verticals" revenue; discretionary free cash flow (1); total operating expenses (2); – Qualitative targets: specific objectives related to the strategic roadmap.

		See "Variable compensation policy" Section.
Pluri-annual variable compensation	N/A	None.
Long-term compensation (Long Term Incentive Plan)	– Maximise mid-term value creation – Align the interest of Executive Corporate Officers with shareholders and other stakeholders; – Retain key senior executives.	Grant of phantom shares or performance shares linked to 3-year value creation objectives: revenue linked to the new verticals; discretionary free cash flow; relative TSR [3]; criterion linked to corporate social responsibility. See "Variable compensation policy" Section.
Compensation, indemnities or benefits due or likely to be due on termination or change of office	N/A	None.
Exceptional compensation	N/A	See the "Exceptional compensation" Section.
Benefits in kind	N/A	– Car with chauffeur for the CEO; – Company car for the Deputy CEO.
Board compensation (attendance fees)	Compensation for the Board members.	Not applicable to Deputy Chief Executive Officer. The rules on the allocation of Board compensation (attendance fees) are set out in section 10.4.1.3 of this document.
Non-compete undertakings	Take into account the highly competitive environment for satellite operators.	Non-compete clause: an allowance equivalent to 50% of the base salary during the 18-month period following termination of duties in return for an undertaking to refrain from working for any satellite operator, directly or indirectly.
Supplementary pension scheme	N/A	None.
Group benefit and supplementary health plan	N/A	Executive Corporate Officers benefit from the supplementary health plans currently in force within the Group, on the same terms as those applying to the employee group to which they are assimilated for the calculation of their employee benefits.

[1] This indicator is described in section 1.5 "Alternative Performance Indicators" of this document.
[2] Excluding bad debt
[3] TSR is Total Shareholder Return over a given period, including the dividends received and the capital gain earned (i.e. variation in the share price).

Note:

i. The criteria used to determine the compensation of the Executive Corporate Officers include, inter alia: market positioning (see dedicated section), track record, office held and seniority;
ii. the precise weighting given to the different targets for annual variable compensation is determined by the Board of Directors, on recommendation by the Compensation Committee, on a case-by-case basis depending on the duties performed by each of the Executive Corporate Officers.

Market Positioning Policy

The competitiveness of the compensation policy is measured primarily by reference to French companies of comparable size (in terms of market capitalisation and revenue), and, when relevant, by reference to comparable global companies.

Market Positioning

A set of guidelines have been adopted for assessing the competitiveness of the overall compensation policy for the Executive Corporate Officers as compared with the market, allowance being made for features specific to Eutelsat:

- the scale of the compensation in the long term is aligned with that of comparable businesses to ensure that the emphasis is placed on long-term objectives and to ensure that compensation is more closely aligned to shareholder interests;
- relative positioning for the purposes of the cash compensation target: both base salary and total cash compensation around the median.

Annual fixed compensation

The annual fixed compensation of the Executive Corporate Officers is awarded in consideration of their corporate functions, taking account of their individual merits in combination with market benchmarks.

Accordingly, it is determined on the basis of the following:

- the level and complexity of the duties and responsibilities attached to the corporate office held, each Executive Corporate Officer being vested with the broadest powers to act in the name of the Company, in all circumstances, and to represent it in its relationships with third parties;
- the track record, skills, experience, expertise, seniority and past functions of each Executive Corporate Officer;
- analyses and market studies relating to compensation for comparable functions and companies.

In accordance with the Company's reference Code of Governance, the Board of Directors has decided that the annual fixed compensation of the Chief Executive Officer could only be reviewed at relatively long intervals.

A review could, however, be undertaken in the event of a material change to the scope of responsibility of the office concerned, such as that which may arise from changes to the Company itself or from a significant disparity as compared with the market positioning. In these specific circumstances, the adjustment of the fixed remuneration, as well as the reasons for the adjustment, must be made public.

For other Corporate Officers, whether their fixed remuneration should be reviewed will be considered on an annual basis by the Board of Directors.

The annual fixed remuneration is used as the basis for the calculation of the maximum percentage of variable annual compensation and valuation of the long-term incentives.

For the avoidance of doubt, it is hereby clarified that the annual fixed remunerations indicated below do apply to the 2021-22 fiscal year.

- €650,000 for the Chief Executive Officer;
- €363,384 for the Deputy Chief Executive Officer.

It should be noted that these amounts are unchanged compared to the compensation policy approved by the Annual General Meeting on 5 November 2020 and 7 November 2019.

Variable Compensation Policy

Annual variable compensation

Determination method

The potential amount of variable compensation is determined on the basis of, inter alia, observed market practices, and the achievement of performance levels in relation to key parameters and certain economic and personal, quantitative and qualitative performance targets, in line with the implementation of the Company's strategy.

During the first quarter of each financial year, the Board of Directors, on recommendation by the Compensation Committee, confirms or determines these targets, as well as their weighting and the associated performance levels:

- threshold below which no compensation is paid;
- target level when the target is met; and,
- maximum level evidencing outperformance of the target level set for the target.

Precise quantitative economic performance targets, based on financial indicators, are set based on the budget or disclosed financial objectives pre-approved by the Board of Directors and are subject to performance thresholds.

The achievement level of the targets is disclosed once the performance has been assessed by the Board of Directors.

Detailed presentation of the characteristics for each Executive Corporate Officer

The parameters are determined by the Board of Directors during the first quarter of the relevant year. They are subject to change from one year to the next. The weighting given to each criterion for the Chief Executive Officer and the Deputy Chief Executive Officer is given in the following summary table.

(As a percentage of the fixed remuneration)	Rodolphe Belmer	Michel Azibert
QUANTITATIVE OBJECTIVES AT GROUP LEVEL	70%	70%
"Operating Verticals" revenues (1)	24.5%	24.5%
Discretionary free cash flow	28%	28%
Total operating expenses (2)	17.5%	17.5%
QUALITATIVE OBJECTIVES	30%	35%
Of which Corporate Social Responsibility (CSR)	*10%*	*10%*
Of which Other qualitative objectives	*20%*	*25%*
Total	100%	105%

(1) Operating Verticals revenues is equal to Total Group revenues minus "Other Revenues" as disclosed in the section 3 of this document. The variation is computed at constant currency and perimeter.
(2) Excluding bad debt

There are no changes, in terms of indicators or weight, compared to the policy approved by the Annual General Meeting on 5 November 2020.

Method for calculating the quantitative objectives (minimum and maximum levels)

The annual variable part is paid up to a ceiling of:

- 140% if the target level is exceeded (the high range of the disclosed financial objectives for the "Operating Verticals" revenues);
- 100% if the target level - which is defined as follows – is reached:
  - The median point between the low and high range of the disclosed financial objectives for the "Operating Verticals" revenues growth;
  - Budget for discretionary free cash flow and total operating expenses;
- If the performance is below the target level, a threshold is defined as follows for each indicator:
  - For the "Operating Verticals" revenues growth, the low point of the range of the disclosed financial objectives. In this case the payout for this criterion would be 80%;
  - For the Discretionary free cash flow and total operating expenses, a level defined in relation to the budget. In this case the payout for this criterion would be 50%;
- 0% of the level achieved is lower than this threshold.

The elasticity of each element is determined separately for each objective. The calculation is made at constant exchange rate and perimeter, with a nominal deployment plan and on straight-line basis between each threshold.

There are no changes in terms of method compared to the policy approved by the Annual General Meeting on 5 November 2020.

Qualitative targets

These parameters are determined by the Board of Directors during the first quarter of the relevant financial year and are subject to change from one year to the next to reflect the strategic, business and managerial issues for the upcoming financial year, for each office concerned. They may relate to, inter alia, implementation of the strategic guidelines approved by the Board of Directors, important industrial and commercial developments and programmes, and organisational and management actions. They do not relate to day-to-day tasks, but rather to specific actions in respect of which the Board of Directors expects specific performance further to the determination of targets that are as measurable as possible and assessed globally. The qualitative objectives include at least one criterion linked to the Company's CSR (Corporate Social Responsibility). It should be noted that for fiscal year 2021-22, the weight of the CSR criterion has been increased and now represents one third of the weight of the qualitative objectives for the Chief Executive Officer and 29% for the Deputy Chief Executive Officer (compared to 20% for fiscal year 2020-21 for the Chief Executive Officer and 0% for the Deputy Chief Executive Officer), in order to take into account the growing importance of responsible development for the expectations of all stakeholders and to strengthen this dimension in the compensation policy. It is also specified that for fiscal year 2021-22 these CSR objectives relate to gender equality, the reduction of the digital divide and anti-corruption program.

Cap

It is specified that in view of the foregoing, the amount of annual variable compensation may not exceed 132% of the fixed compensation for Rodolphe Belmer (taking into account the possibility of payment of up to 140% in the event of outperformance on the 70% corresponding to quantitative objectives and on the 10% of qualitative objectives related to CSR, the other qualitative objectives being capped at 100%) and 137% for Michel Azibert (taking into account the possibility of payment of up to 140% in the event of outperformance on the 70% corresponding to quantitative objectives and on the 10% of qualitative objectives related to CSR, the other qualitative objectives being capped at 100%).

Payment conditions

In accordance with Article L. 22-10-34 (II) of the French Commercial Code, the payment of the annual variable remuneration for the 2020-21 financial year to be paid in the 2021-22 financial year (within one month of its approval), is subject to approval by the Annual General Meeting on 4 November 2021.

Appointment or the expiry of a term of office

In the event of an appointment or the expiry of a term of office in the course of the year, the foregoing principles apply for the period of time during which the duties were discharged (*prorata temporis*). However, with respect of any appointment made during the second half of the relevant financial year, performance is assessed on a discretionary basis by the Board of Directors on proposal by the Compensation Committee.

Long-term incentives

Target set

The Board of Directors considers that this mechanism, which also applies to certain other key offices within the Company, is well-suited to the duties of the Executive Corporate Officers given the expected level of their direct contribution to the long-term performance of the Company. This mechanism, which is based on the achievement of certain performance criteria over several years and on the change in value of the Eutelsat share price, makes it possible to strengthen the motivation and loyalty of these key functions while fostering the alignment of their interests with the interests of the Company and of its shareholders.

Detailed presentation of the characteristics of the long-term incentive plan

Vehicle

The long-term incentive plan is based on the allocation of phantom shares or performance shares of Eutelsat Communications. After a period of at least three years, the degree to which the performance criteria presented below are achieved will determine the number of shares vested. Once the vesting period is over, there are two options: a payment in cash based on the value of a Eutelsat Communications share on that date, or the delivery of shares, depending on the elected vehicle.

Obligation to Retain Shares

In the event of an attribution of performance shares, the Executive Corporate Officers must retain, as a personal investment, 20% of the performance shares vested (after expiry of any holding period, where applicable) until the end of their last mandate as an Executive Corporate Officer; this retention obligation applies up to a value equivalent to 200% of their fixed annual remuneration.

Performance criteria

The percentage of shares varies depending on the internal and external criteria performance level, which is measured over three years.

The internal criteria account for 80% and relate to:

- a revenue objective linked to the new verticals for 40%. Revenues linked to the new verticals notably include revenues from the Connectivity business, in line with the second axis of the Group's strategic plan, whose timeline is drawing closer, and which calls for a return to growth on the back of capturing opportunities notably in the Mobility and Fixed Broadband segments;
- discretionary free cash flow (DFCF) for 20%;
- a criterion linked to CSR (Corporate Social Responsibility), based on a quantified target, for 20%. It should be noted for information purposes that the CSR criterion was for the first time introduced in the policy approved by the Annual General Meeting of 7 November 2019 in order to account for the interests of a wider base of the Company's stakeholders and as part of a responsible development approach.

The revenues and DFCF objectives are confidential and based on the Group's strategic plan. For confidentiality reasons, the details of these targets are only made public ex-post and after their review by the Board of Directors.

The external criterion has a weighting of 20% and is based on a relative Total Shareholder Return (TSR)[38] target for the period set (three years from the grant date).

The index used for the relative TSR is calculated on the basis of the median of a panel of comparable companies, composed of key players in the Group's sector of activity.

The panel of comparable companies was selected based on the following rationale:

- Satellite operators, which are the closest peers. In view of the limited number of quoted satellite operators, only SES and ViaSat have been used. Intelsat has not been included since it is currently in the Chapter 11 process.
- Pay-TV operators. Note that Boradcast, the business in which Pay-TV operators are the Group's main customers, represents more than 60% of the Group's sales. To this end, RTL, TF1, Pro Sieben Sat, Mediaset and ITV are used as peers.
- European Telecom operators. The Group's non-broadcasting activities notably consist of supplying connectivity and Internet access to individuals, companies and governments. The Telecom operators used are major customers for the Group (either in terms of interconnecting their mobile networks or the distribution of Fixed Broadband, Mobile Connectivity and Fixed Data services): Iliad, BT, KPN, United Internet, Proximus and Telecom Italia.
- Telecom infrastructure companies in view of the nature of the infrastructure of the Group's activity which is notably characterised by a high level of investment, long cycles and visibility: Cellnex and Inwitt.

For this criterion, the percentage of effective vesting of shares is as follows:

- 0% if performance is below the benchmark median;
- 100% if performance is equal to the benchmark median;
- 115% if the benchmark median is exceeded by 10 points;
- 130% if the benchmark median is exceeded by 15 points.

There are no changes compared to the policy approved by the Annual General Meeting on 5 November 2020.

Condition of presence

The definitive vesting of shares is also subject to the presence of the beneficiary within the Company at the end of the vesting period. If the beneficiary leaves before the end of the vesting period, the basic principle is the loss of rights to shares. However, the Board of Directors may decide to maintain all or part of the benefit of the shares provided, subject to the justification and the explanation of the specific circumstances underlying its decision. Should this be the case, the Board of Directors must ensure that waiver of the criterion relating to presence is *prorata temporis* and is dependent on the achievement of performance criteria to ensure that payment can only take place at the end of the period set for the plan.

Grant cap

On the grant date, the value of the shares granted to the Executive Corporate Officers may not exceed a set percentage of their fixed annual remuneration. This percentage is:

- 162.5 % for the Chief Executive Officer (target equal to 125% of the fixed annual salary with a potential vesting percentage of 130% in case of over-performance);
- 208 % for the Deputy Chief Executive Officer (target equal to 160% of the fixed annual salary with a potential vesting percentage of 130% in case of over-performance).

There are no changes compared to the policy approved by the Annual General Meeting on 5 November 2020.

Exceptional compensation

The Board of Directors has adopted the principle whereby the Executive Corporate Officers may receive exceptional compensation in very specific circumstances only, such as for example a significant transaction for the Group. In any event, should any such decision be taken by the Board of Directors:

- the amount of any such exceptional compensation may not exceed 100% of the target annual bonus of the Executive Corporate Officers for the financial year;
- it may not be paid before its approval by an Annual General Meeting;

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[38] The panel of comparable companies for the TSR objective is composed as follows: satellite competitors (SES and Viasat), Pay-TV operators (RTL, TF1, ProSieben Sat, Mediaset and ITV), Telecom operators (Iliad, BT, KPN, United Internet, Proximus and Telecom Italia) and Telecom infrastructure (Cellnex and Inwitt).

- any such decision shall be made public immediately after the Board of Directors' meeting during which the decision was taken;
- the decision must be justified and must contain details of the event leading to it.

Any such exceptional compensation may also be justified in the event and context of the arrival of a new Executive Corporate Officer in order to indemnify the new Executive Corporate Officer for the loss of variable compensation as a result of leaving the previous employer.

Non-compete undertaking

Executive Corporate Officers may benefit from an allowance equivalent to 50% of their base salary for 18 months after their term of office ceases in return for an undertaking not to work directly or indirectly for any satellite operator.

This allowance will not be paid if the person concerned exercises his/her right to retire. In any event, no allowance may be paid after the age of 65.

Compensation and other benefits payable or likely to be payable as a result of or following the termination of office of the Group's Corporate Officers

Executive Corporate Officers do not receive any supplementary pension or end-of-service allowance from the Company.

Employment contract and pension scheme (Table 10 – AMF Recommendation)

	Employment contract		Supplementary pension scheme		Payments or other benefits due or likely to be due as a result of termination or change of office		Payments pursuant to a non-compete clause	
Corporate Officers	Yes	No	Yes	No	Yes	No	Yes	No
Dominique D'Hinnin **Chairman of the Board of Directors** Appointed on 8 November 2017, Term of office expiring on: Annual General Meeting called to approve the accounts for the financial year ending 30 June 2021		X (1)		X		X		X
Rodolphe Belmer **Chief Executive Officer** (since 1 March 2016) Deputy CEO (from 1 December 2015 to 1 March 2016)		X (2)		X		X	X (3)	
Michel Azibert Deputy CEO Appointed on: 5 September 2011,		X (4)		X		X		X (3)

(1) Dominique D'Hinnin has no employment contract with any company of Eutelsat Group.
(2) Rodolphe Belmer has no employment contract with any company of Eutelsat Group.
(3) In case of termination of office, a non-compete clause provides for payment of 50% of the fixed compensation over an 18-month period. This clause does not apply to Michel Azibert whose term of office began prior to the implementation of this policy.
(4) Michel Azibert has no employment contract with any Company of Eutelsat Group.

10.4.2 Information concerning remuneration in compliance with the Article L. 22-10-34 (II) of the French Code de Commerce (ex-post vote)

Pursuant to Article L. 22-10-34 (II) of the Commercial Code, the information mentioned in I of Article L. 22-10-8 (II) of the Commercial Code including the fixed, variable and exceptional elements making up the total compensation and benefits of any kind paid during the past financial year or granted for the same financial year to the Chairman of the Board of Directors, Chief Executive Officer and Deputy Chief Executive Officers will also be submitted to the vote of the same Annual General Meeting.

10.4.2.1 Total compensation of the Corporate Officers

It should be noted that:

- The compensation policy is set out in the previous section;
- The compensation paid or allocated to the Corporate Officers for the past financial year is detailed in section 10.4.3.

Summary of compensation and benefits paid to the Corporate Officers (Table 1 – AMF recommendation)

The following table summarises the compensation and stock/purchase options or free shares granted to the Corporate Officers for the financial years ended on 30 June 2020 and 2021:

(In Euros)	2019-20 financial year	2020-21 financial year
Dominique D'Hinnin Chairman of the Board of Directors (since 8 November 2017)		
Compensation (see Table 2 for details) including Board compensation (attendance fees)	225,000	240,667
Value of options awarded during the financial year	--	-
Value of performance-related shares awarded during the financial year	--	-
Long-term benefits	--	-
TOTAL	**225,000**	**240,667**
Rodolphe Belmer CEO (since 1 March 2016), Deputy CEO (from 1 December 2015 to 1 March 2016)		
Compensation (see Table 2 for details)	1,231,562	1,489,775
Value of options awarded during the financial year	--	--
Value of performance-related shares awarded during the financial year	--	812,500**
Long-term benefits	254,357*	--
TOTAL	**1,485,919**	**2,302,275**
Michel Azibert Deputy CEO (since 5 September 2011)		
Compensation (see Table 2 for details)	688,961	850,613
Value of options awarded during the financial year	--	--
Value of performance-related shares awarded during the financial year	--	581,414**
Long-term benefits	188,800*	--
TOTAL	**877,761**	**1,432,027**
Yohann Leroy Deputy CEO (from 25 April 2017 to 15 September 2020)		
Compensation (see Table 2 for details)	405,375	60,625***
Value of options awarded during the financial year	--	--
Value of performance-related shares awarded during the financial year	--	--

Long-term benefits	41,098	--
TOTAL	**446,473**	**60,625**

(*) These amounts correspond to those presented in the same table in the 2019-20 Universal Registration Document. They are presented on the basis of a valuation under IFRS standards as of 30 June 2020 of the phantom shares granted under the 7 November 2019 plan. If they were presented on the basis of the average of the 20 stock market prices preceding their grant date, they would amount to 812,500 euros and 581,414 euros respectively. As a reminder, the amounts of long-term benefits granted to Rodolphe Belmer and Michel Azibert for FY 2018-19 as presented in the same table of the 2018-19 Universal Registration Document (based on the average of the 20 stock market prices preceding their grant date) were 812,500 euros and 581,414 euros respectively.

(**) Please refer to section 10.4.3.4 " performance share plan of 5 November 2020 " for further details. As a reminder, these amounts are in line with the policy approved by the Annual General Meeting of 5 November 2020 and correspond respectively to 125% of the Fixed Compensation for Rodolphe Belmer and 160% of the Fixed Compensation for Michel Azibert.

(***) The amount was calculated prorata temporis until the end of the mandate of Yohann Leroy on 15 September 2020.

Summary of compensation paid to the Corporate Officers (Table 2 – AMF recommendation)

The following table summarises the compensation paid to the Corporate Officers during the financial years ended on 30 June 2020 and 2021 respectively.

	2019-2020 financial year		2020-2021 financial year	
(In Euros)	Amounts payable	Amounts paid	Amounts payable	Amounts paid
Dominique D'Hinnin Chairman of the Board of Directors (since 8 November 2017)				
Fixed compensation	--	--	--	--
Variable compensation	--	--	--	--
Board compensation (attendance fees)	225,000	228,286	240,667	225,000
Benefits in kind	--	--	--	--
Exceptional compensation	--	--	--	--
TOTAL	**225,000**	**228,286**	**240,667**	**225,000**
Rodolphe Belmer CEO (since 1 March 2016), Deputy CEO (from 1 December 2015 to 1 March 2016)				
Fixed compensation	650,000	650,000	650,000	650,000
Variable compensation (1)	533,488	441,870	791,700	533,488
Board compensation (attendance fees)	43,000	43,000	43,000	43,000
Benefits in kind	5,075	5,075	5,075	5,075
Exceptional compensation	--	--	--	--
TOTAL	**1,231,562**	**1,139,945**	**1,489,775**	**1,231,562**
Michel Azibert				

Deputy CEO (since 5 September 2011)				
Fixed compensation	363,384	363,384	363,384	363,384
Variable compensation (1)	321,141	283,047	482,792	321,141
Board compensation (attendance fees)	--	--	--	--
Benefits in kind	4,437	4,437	4,437	4,437
Exceptional compensation	--	--	--	--
TOTAL	**688,961**	**650,868**	**850,613**	**688,961**
Yohann Leroy Deputy CEO (from 25 April 2017 to 15 September 2020)				
Fixed compensation(2)	277,580	277,580	60,625	60,625
Variable compensation(1)	124,584	100,504	--	124,584
Board compensation (attendance fees)	--	--	--	--
Benefits in kind	3,210	3,297	--	--
Exceptional compensation	--	--	--	--
TOTAL	**405,375**	**381,381**	**60,625**	**185,209**

(1) It should be noted that the variable compensation paid to Rodolphe Belmer, Michel Azibert and Yohann Leroy during the 2020-21 financial year corresponds to the variable portions allocated for the 2019-20 financial year and was approved by the Annual General Meeting of 5 November 2020.

(2) The amounts payable for the 2020-21 financial year were calculated prorata temporis until the end of the mandate of Yohann LEROY on 15 September 2020

Compensation paid to the Board Directors (Table 3 – AMF recommendation)

The following table shows the gross amount of Board compensation (attendance fees) and other forms of compensation corresponding to the amounts payable to Company Board members during the financial years ended 30 June 2020 and 30 June 2021 by the Company and by the companies it controls. It is specified that the Board compensation (attendance fees) payable in respect of financial year N are paid at the beginning of financial year N+1.

Chair of the Board of Directors (In euros)	2019-20 financial year	2020-21 financial year
D. D'HINNIN **Chair of the Board of Directors**		
Board compensation	225,000	240,667
Other compensation	0	0
TOTAL COMPENSATION PAID TO THE CHAIR OF THE BOARD OF DIRECTORS	**225,000**	**240,667**

Member of the Board of Directors (In euros)	2019-20 financial year	2020-21 financial year

R. BELMER **DIRECTOR**		
Board compensation	43,000	43,000
Other compensation	See Tables 1 & 2	See Tables 1 & 2
BPIFRANCE PARTICIPATIONS **DIRECTOR, REPRESENTED BY STÉPHANIE FRACHET**		
Board compensation	45,000	58,000
Other compensation	0	0
P. F. FOURNIER **DIRECTOR**		
Board compensation	54,000	0[39]
Other compensation	0	0
FSP **DIRECTOR, REPRESENTED BY AGNÈS AUDIER**		
Board compensation	74,000	78,000
Other compensation	0	0
E. GAIDE **DIRECTOR**		
Board compensation	61,000	73,000
Other compensation	0	0
A. GARCIA FAU **DIRECTOR**		
Board compensation	73,000	64,333
Other compensation	0	0
C. GORDON **DIRECTOR** (since 7 November 2019)		

[39] At the request of Mr. Fournier, the Board of Directors acknowledged that Mr. Fournier did not receive any Board compensation for his directorship for the financial year.

Board compensation	37,857	48,500
Other compensation	0	0
D. LEROY **DIRECTOR**		
Board compensation	68,000	56,000
Other compensation	0	0
R. MCINNES **DIRECTOR**		
Board compensation	70,000	79,000
Other compensation	0	0
FORMER MEMBERS		
J. D'ARTHUYS **DIRECTOR** (until 7 November 2019)		
Board compensation	16,286	N/A
Other compensation	0	0
LORD J. BIRT **DEPUTY CHAIR OF THE BOARD OF DIRECTORS** (until 7 November 2019)		
Board compensation	23,429	N/A
Other compensation	0	0
Other compensation	0	0
C. PIWNICA **DIRECTOR** (until 7 November 2019)		
Board compensation	9,714	N/A
Other compensation	0	0
TOTAL BOARD COMPENSATION (EXLUDING THE CHAIR OF THE BOARD OF DIRECTORS)	**575,286**	**499,833**

10.4.2.2 Relative proportion of fixed and variable compensation

The breakdown of compensation for the Corporate Officers between fixed remuneration, variable remuneration, long-term remuneration and other compensation (benefits in kind, Board compensation) is as follows.

As a % of total compensation payable for the 2020-21 financial year	Dominique D'Hinnin	Rodolphe Belmer	Michel Azibert	Yohann Leroy
Fixed compensation	--	28%	25%	100%
Annual Variable compensation	--	34%	34%	-
Long-term Compensation	--	35%	41%	-
Other (1)	100%	2%	0%	-

(1) Amount including Board compensation and benefits in kind

10.4.2.3 Use of the possibility of requesting the return of variable compensation

None.

10.4.2.4 Commitments relating to the arrival or departure of Executive Corporate Officers

There are no commitments relating to the arrival or departure of Executive Corporate Officers, with the exception of those that may be linked to non-compete clauses.

For Rodolphe Belmer there is an allowance equivalent to 50% of the fixed remuneration over an 18-month period following the termination of his offices, in return for a commitment not to work directly or indirectly for any satellite operator. See also the paragraph "Exceptional compensation" in section 10.4.1.4 for more information.

Yohann Leroy resigned from his mandate as Deputy CEO on 15 September 2020. No such payment was made.

10.4.2.5 Compensation paid or granted by a company included in the scope of consolidation within the meaning of Article L.233-16

None.

10.4.2.6 Ratios on compensation multiples

The ratios on compensation multiples, calculated on the basis of the compensation paid to the Corporate Officers during the 2020-21 financial year in relation to the average and median compensation paid to full-time equivalent employees of Eutelsat S.A. (corresponding to 52% of the Group's employees and to all of the Group's employees in France) are shown below. Please note that the holding company Eutelsat Communications has not been retained as a relevant perimeter for this analysis since it has no employees.

More details on the calculation methodology and the amounts used for the compensation of the Corporate Officers are given in the next section.

Pay ratio to average compensation	Chair of the Board of Directors	2.2
	CEO	13.4
	Deputy CEO	7.6
	Deputy CEO and Chief Technical Officer (1)	4.2

Pay ratio to median compensation	Chair of the Board of Directors	2.6
	CEO	16.2
	Deputy CEO	9.2
	Deputy CEO and Chief Technical Officer (1)	5.1

(1) annualized compensation

10.4.2.7 Trends in the compensation, company performance and average compensation over the last five years

Methodological remarks

The compensation of the Corporate Officers shown for a financial year corresponds to the compensation paid during that financial year. To facilitate comparisons, certain data points are annualized or restated as follows:

For the Chair of the Board of Directors:

- The offices of Chair of the Board of Directors and Chief Executive Officer have been separated since 1 March 2016.
- The compensation shown for the 2016-17 and 2017-18 financial years corresponds to the compensation paid to Michel de Rosen as Chair of the Board of Directors until 7 November 2017. It should be noted that Dominique D'Hinnin, Chair of the Board since 7 November 2017, is remunerated exclusively through Board compensation (attendance fees), which are paid at the beginning of the financial year following that in respect of which they were awarded. No compensation was therefore paid to him during the 2017-18 financial year for his office as Chair of the Board of Directors.
- The compensation shown for the 2018-19 financial year corresponds to the compensation paid to Dominique D'Hinnin, whose fixed portion (paid in respect of his duties as Chair of the Board since 7 November 2017) has been annualized.
- The compensation shown for the 2019-20 and 2020-21 financial years corresponds to the compensation paid to Dominique D'Hinnin in respect to his duties as Chair of the Board.

For the Chief Executive Officer

- The offices of Chair of the Board of Directors and Chief Executive Officer have been separated since 1 March 2016.
- The compensation shown for the 2016-17 financial year corresponds to the compensation paid to Rodolphe Belmer as Chief Executive Officer for which the variable annual compensation (corresponding to the bonus awarded for the 2015-16 financial year over the 7 months during which Rodolphe Belmer was a Corporate Officer which was paid in 2016-17) was annualized.
- The compensation shown for the 2017-18, 2018-19, 2019-20 and 2020-21 financial years corresponds to the compensation paid to Rodolphe Belmer as Chief Executive Officer. It should be noted that 2019-20 financial year is the first in which Rodolphe Belmer received a payment related to long-term incentives.

For the Deputy CEO

- The compensation shown for the 2016-17 to 2020-21 financial years corresponds to the compensation paid to Michel Azibert as Deputy Chief Executive Officer and Chief Commercial Officer and then as Deputy Chief Executive Officer (as of 1 July 2019).

For the Deputy CEO and Chief Technical Officer:

- The Deputy CEO and Chief Technical Officer was appointed on 25 April 2017.
- The compensation shown for the 2016-17 financial year corresponds to the compensation paid to Yohann Leroy as Deputy CEO and Chief Technical Officer (a position he has held since 25 April 2017) on an annualised basis. It should be noted that since the variable annual compensation allocated for a given year is paid the following year, no annual variable compensation was paid to Yohann Leroy during the 2016-17 fiscal year in respect of his term of office as Deputy CEO and Chief Technical Officer.
- The compensation shown for the 2017-18 financial year corresponds to the compensation paid to Yohann Leroy as Deputy CEO and Chief Technical Officer, of which the annual variable portion (corresponding to the bonus awarded for the fiscal year 2016-17 as a Corporate Officer since 25 April 2017 and paid in 2017-18) has been annualized.
- The compensation shown for the 2018-19 and 2019-20 financial years corresponds to the compensation paid to Yohann Leroy as Deputy CEO and Chief Technical Officer.
- The compensation shown for the 2020-21 financial year includes the annualized fixed compensation of Yohann Leroy who resigned from his mandate on 15 September 2020 as well as his annual variable compensation for the 2019-20 financial year which was fully paid in 2020-21 financial year.

Remuneration paid to the Corporate Officers (in thousand Euros)

	Financial year ended 30 June				
	2017	2018	2019	2020	2021
Chair of the Board of Directors	232	292	229	228	225
Change		*26%*	*-22%*	*=*	*-1%*

CEO	1,057	1,279	1,312	1,452	1,399
Change		*21%*	*3%*	*11%*	*-4%*
Deputy CEO	639	778	710	818	794
Change		*22%*	*-9%*	*15%*	*-3%*
Deputy CEO and Chief Technical Officer	232	352	358	417	443
Change		*51%*	*2%*	*16%*	*6%*

Average compensation

The scope is that of Eutelsat S.A., which represents 52% of the Group's employees worldwide and all employees in France. Average compensation is calculated on a full-time equivalent basis for employees present throughout the financial year. It takes into account all the gross remuneration elements (base salary, annual bonus, phantom shares when applicable, profit-sharing).

	Financial year ended 30 June				
	2017	2018	2019	2020	2021
Average compensation paid (in thousand Euros)	109	111	114	122	105
Change		*1%*	*3%*	*7%*	*-15%*

Company performance

Two indicators are shown in the table below:

- Net income, Group share, as published in the consolidated financial statements
- Discretionary Free Cash-Flow in line with the Group's strategy, which notably includes maximizing cash generation. It is an alternative performance indicator, the definition and calculation of which is provided in the section 1.5 of this document.

	Financial year ended 30 June				
	2017	2018	2019	2020	2021
Reported Discretionary Free Cash-Flow (in €M)	408	415	408	474	467
Change as defined by the financial objectives[1]		*12%*	*10%*	*6%*	*0%*
Group share of Net Income (in €M)	352	292	340	298	214
Change		*-17%*	*17%*	*13%*	*-28%*

[1] Change at constant currency and perimeter since the 2017-18 financial year

Pay ratio

On the basis of average compensation

	Financial year ended 30 June				
	2017	2018	2019	2020	2021
Chair of the Board of Directors	2.1	2.6	2.0	1.9	2.2
Variation		*24%*	*-24%*	*-7%*	*15%*
CEO	9,7	11.5	11.5	11.9	13.4
Variation		*19%*	*0%*	*3%*	*13%*

Deputy CEO	5,9	7.0	6.2	6.7	7.6
Variation		*20%*	*-11%*	*7%*	*14%*
Deputy CEO and Chief Technical Officer (1)	2,1	3.2	3.1	3.4	4.2
Variation		*49%*	*-1%*	*9%*	*24%*

(1) Annualized compensation

On the basis of median compensation

	Financial year ended 30 June				
	2017	2018	2019	2020	2021
Chair of the Board of Directors	2.5	3.1	2.3	2.3	2.6
Variation		*25%*	*-24%*	*-4%*	*15%*
CEO	11.3	13.5	13.4	14.4	16.2
Variation		*20%*	*-1%*	*7%*	*13%*
Deputy CEO	6.8	8.2	7.3	8.1	9.2
Variation		21%	-12%	11%	13%
Deputy CEO and Chief Technical Officer (1)	2.5	3.7	3.7	4.1	5.1
Variation	*-*	*51%*	*-1%*	*13%*	*24%*

(1) Annualized compensation

10.4.2.8 Compliance with the compensation policy

The total compensation was established in accordance with the compensation policy voted by the Annual General Meeting of 5 November 2020. In particular, on recommendation by the Compensation Committee, the level of achievement of the various performance criteria was assessed and approved by the Board of Directors.

10.4.2.9 Taking into account the vote of the last General Assembly

The last Annual General Meeting held on 5 November 2020 largely approved all the resolutions relating to the compensation of the Corporate Officers with percentages strictly above 89%.

Resolution no.	Title	Vote in favour (rounded to the nearest whole number)
9	Mr D'Hinnin's compensation due in respect of the 2019-20 financial year	99.92%
10	Mr Belmer's compensation due in respect of the 2019-20 financial year	98.90%
11	Mr Azibert's compensation due in respect of the 2019-20 financial year	98.90%
12	Mr Leroy's compensation due in respect of the 2019-20 financial year	98.70%
13	Principles and criteria of the Chairman of the Board of Directors' compensation	99.87%
14	Principles and criteria of the CEO's compensation	89.32%
15	Principles and criteria of the Deputy CEO's compensation	89.33%

The principles used to establish the compensations for the 2020-21 financial year are consistent with those of previous financial years.

10.4.2.10 Deviation from compensation policy

None.

10.4.2.11 The suspension of Board of Directors' remuneration in the event of non-application of the law on gender balance

None.

10.4.3 Compensation of the Executive Corporate Officers paid during the 2020-21 fiscal year or granted for the same fiscal year

Section 10.4.3 presents the items submitted for approval to the Annual General Meeting of 4 November 2021 pursuant to Article L-22-10-34 (II), namely the fixed, variable and exceptional items making up the total individual compensation and benefits of any kind paid during the 2020-21 financial year or granted for the same financial year to the Chair of the Board of Directors, the Chief Executive Officer and the Deputy CEO's.

10.4.3.1 Covid impact

Preliminary remark regarding Covid-19 impact

It is reminded that:

- the Group did not request any support measures implemented by governments following the Covid-19 crisis, notably for partial unemployment;
- for the calculation of annual variable compensation of Executive Corporate Officers for fiscal year 2020-21, the targets have not been restated from the negative impact of Covid-19. The same applies to the long-term incentive plans in force at the date of the document or having vested during the 2020-2021 financial year (November 2017, November 2018 and November 2019 phantom share plans and November 2020 performance share plan);
- the Group participated to national solidarity actions related to Covid-19.

10.4.3.2 Criteria to define the annual variable portion of compensation

In accordance with the AFEP-MEDEF recommendation, the variable part of the Executive Corporate Officers' compensation is based on predetermined qualitative and quantitative targets.

In respect of the 2020-21 financial year, the annual variable portion of compensation paid to the Executive Corporate Officers ranged from 0 to 100% of the fixed portion for Rodolphe Belmer, 0 to 105% of the fixed portion for Michel Azibert.

Yohann Leroy resigned from his mandate as Deputy CEO from 15 September 2020. He was not eligible for any annual variable compensation for 2020-21 financial year

Annual Variable compensation is determined entirely on the basis of performance criteria that include:

For Rodolphe Belmer

- quantitative targets at Group level (accounting for 70% of fixed salary), linked to revenue (accounting for 24.5%), discretionary free cash flow (accounting for 28%), and total operating expenses (accounting for 17.5%);
- qualitative objectives (accounting for 30%).

For Michel Azibert

- quantitative targets at Group level (accounting for 70% of fixed salary), linked to revenue (accounting for 24.5%), discretionary free cash flow (accounting for 28%), and the total operating expenses (accounting for 17.5%);
- qualitative objectives (accounting for 35 %).

The weighting given to each criterion is given in the following summary table.

(As a percentage of the fixed remuneration)	Rodolphe Belmer	Michel Azibert
Quantitative targets at Group level	70%	70%
Operating Verticals Revenues growth	24.5%	24.5%
Discretionary free cash flow	28%	28%
Total operating expenses (*)	17.5%	17.5%
Qualitative targets	30%	35%
Total	100%	105%

(*) excluding bad debt

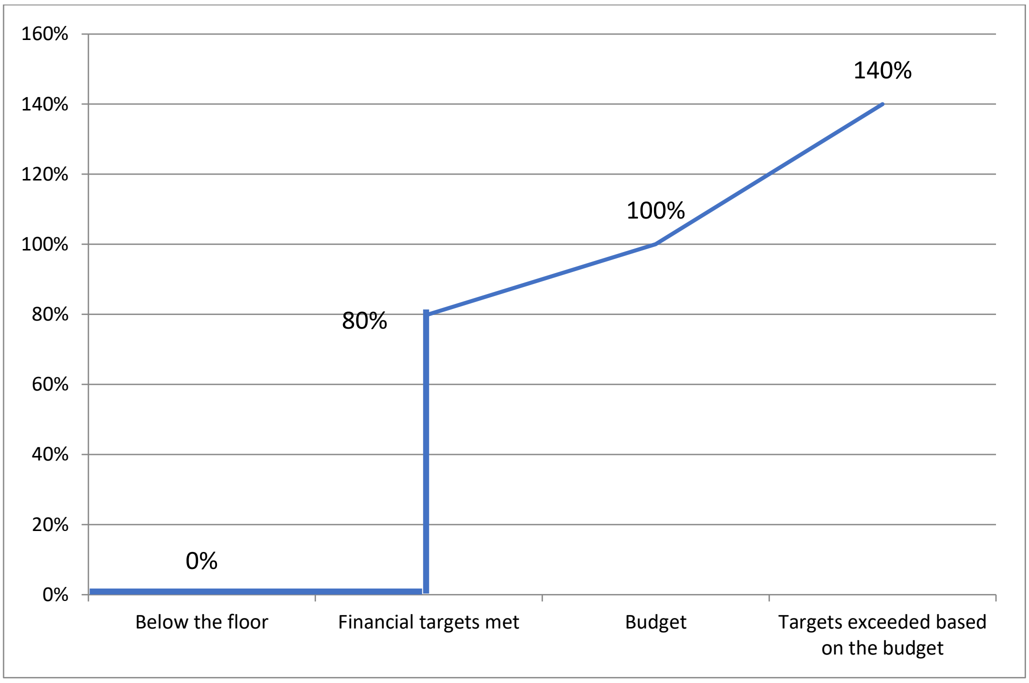
Quantitative targets at Group level

With regard to quantitative objectives at Group level, the amount allocated for each criterion stands as follows:

- 140% if the target level compared with the budget is exceeded;
- 100% if the budget is met;
- 80% if the financial objectives set are met; and
- 0% if the level of achievement is lower than this threshold/floor.

The overall ceiling for the annual variable remuneration in the event of outperformance is 140%.

The relevant amounts are calculated using constant exchange rates and constant perimeter and on a linear basis from one threshold to the next. The amounts allocated as a function of the level achieved can be represented as below:



Qualitative targets

Qualitative objectives relate to priority projects at strategic or operational level for the financial year. The criteria used to determine the compensation in respect of the 2021-22 financial year are not made public for confidentiality reasons.

For Rodolphe Belmer

The **qualitative targets** that were set to determine the variable compensation to be paid to Rodolphe Belmer in respect of the 2020-21 financial year were as follows:

- Continue to improve the efficiency of our operations and of our organization to maintain the financial performance of the Group despite the economic situation. Notably throughout a continued focus on cash generation and the move to new headquarters (for 15%);
- Prepare the company for Broadband notably via the structuring of the European Broadband strategy across two axes (wholesale and retail), the integration of Bigblu Broadband and the optimization of African Broadband capabilities (for 25%);
- Maximize the resilience of our Broadcast vertical notably ensuring successful outcome of key contract renegotiations (for 15%);
- Pursue the implementation of a value creating strategy which could include non-organic routes (for 25%);
- Enhance Eutelsat social and environmental stance (for 20%) by positioning Eutelsat as a key enabler of the digital divide reduction, enhancing Eutelsat openness for Women's careers and enhancing Group Teleports environmental certification.

For Michel Azibert

The **qualitative targets** that were set to determine variable compensation to be paid to Michel Azibert in respect of the 2020-21 financial year were as follows:

- Support the CEO on strategic projects for the Group (for 30%);
- Coordinate the development of Broadband initiatives in Africa addressing government backed digital inclusion programs (for 12%);
- Promote wholesale capacity offers to Telecom operators on Konnect and/or Konnect VHTS satellites (for 12%);
- Facilitate the transition of top management at the helm of Eutelsat Americas (for 12%);
- Strengthen the cooperation with specific categories of customers to support the commercial development of certain verticals notably by interacting directly at executive level with a leading group of end customers (for 22%);
- Support the Russian operations and notably the new CEO for the Russian Broadband activity (for 12%);

10.4.3.3 Mechanisms and criteria for assessing long-term incentives

To facilitate the reading of this document, these mechanisms are described in section 10.4.4.

10.4.3.4 Details of the compensation paid due for the Financial Year 2020-21 or allocated for the same financial year of each Corporate Officer

Payment of the Annual and Pluri-annual variable compensations is subject to the vote of the Annual General Meeting to be held on 4 November 2021. It is recalled that the compensation policy is set out in section 10.4.1.

Dominique D'Hinnin's compensation

The remuneration of Dominique D'Hinnin as non-executive Chair of the Board of Directors of Eutelsat Communications comprises exclusively Board compensation (attendance fees).

Compensation items allocated for the 2020-21 financial year	Amount or book value (In euros)
Fixed compensation	--
Annual variable compensation	--
Exceptional compensation	--
Stock options	--
Performance-related shares	--

Pluri-annual variable compensation plan	--
Indemnities linked to the assumption of duties	--
Non-compete indemnity	--
Benefits of any kind	--
Board compensation (attendance fees)	240,667
Supplementary pension scheme	--

Fixed compensation as non-executive Chair of the Board of Directors of Eutelsat Communications

None.

Board compensation (attendance fees)

The Board compensation (attendance fees) allocated to Dominique D'Hinnin for the 2020-21 financial year in his capacity as non-executive Chair of the Board of Directors of Eutelsat Communications stood at €240,667.

It is reminded that the Board compensation (attendance fees) allocated for the 2019-20 financial year stood at €225,000 and was paid during the 2020-21 financial year.

Variable compensation

None.

Other

None.

Rodolphe Belmer's compensation

Compensation items allocated for the 2020-21 financial year	Amount or book value (In Euros)	Presentation
Fixed compensation	650,000	See below.
Annual variable compensation	791,700	See below.
Exceptional compensation		Not applicable No decision to award such compensation
Stock options		Not applicable Not provided for in the compensation policy
Performance-related shares	812,500	See below.
Pluri-annual variable compensation plan		Not applicable Not provided for in the compensation policy
Long-term benefits		Not applicable Not provided for in the compensation policy
Indemnities linked to the assumption of duties		Not applicable Not provided for in the compensation policy
Non-compete indemnity		Not applicable See below.
Benefits of any kind	5,075	See below.
Board compensation (attendance fees)	43,000	See below.
Supplementary pension scheme		Not applicable Not provided for in the compensation policy

Fixed compensation

The annual fixed compensation of Rodolphe Belmer in his capacity as Chief Executive Officer of Eutelsat Communications for the financial year ended on 30 June 2021 stands at €650,000. This compensation is unchanged from the previous financial year and was paid to him by Eutelsat Communications.

Annual variable compensation

The amount of variable compensation paid to Rodolphe Belmer for the financial year ended on 30 June 2020 stood at €533,488; it was approved by the Annual General Meeting held on 5 November 2020 (10th resolution) and was paid during the first half of the financial year ended on 30 June 2021.

The criteria for the annual variable portion allocated for the 2020-21 financial year are recalled in section 10.4.3.2 of this document. A review of Rodolphe Belmer's level of achievement of the targets was performed and found that the variable component of Rodolphe Belmer's compensation as Chief Executive Officer in respect of the 2020-21 financial year stands at 121.8% of his gross fixed annual compensation (82.1% in respect of the 2019-20 financial year). The level of achievement of his quantitative targets stood at 139.8% and of his qualitative targets at 79.8%. Accordingly, the variable portion due to Rodolphe Belmer in respect of the 2020-21 financial year amounts to €791,700.

The calculation details are set out in the table below: payment of the variable portion will be made during the first half of the financial year ending on 30 June 2022, subject to the vote of the Annual General Meeting:

(As a percentage of the fixed remuneration)	Weighting	% achievement	Weighted % achievement	Achievement (in thousands of euros)
Quantitative targets at Group level	70%	139.8%	97.9%	636
Operating Verticals Revenues	24.5%	139.3%	34.1%	222
Discretionary free cash flow	28%	140.0%	39.2%	255
Total operating expenses *	17.5%	140.0%	24.5%	159
Qualitative targets	30%	79.8%	23.9%	156
Total	**100%**	**121.8%**	**121.8%**	**792**

** Excluding Bad Debt*

With regard to the qualitative targets, while the level of achievement for each target has been precisely determined, for confidentiality reasons disclosure is limited to the aggregate achievement level. The main achievements in the past financial year include for example:

- Continued efforts to optimize cash generation with notably a substantial improvement in change in working capital requirement allowing to deliver a discretionary free cash flow of €467m;
- Substantial progress for our Fixed Broadband strategy in Europe:
  - A major wholesale agreement with Telecom Italia covering the Italian capacity on KONNECT and KONNECT VHTS satellites;
  - The successful integration of Bigblu Broadband Europe, the leading distributor for satellite Broadband in Europe, which enabled the launch of retail operations in Europe;
  - The disposal of our stake in Euro Broadband Infrastructure enabling the simplification and the rationalization of operations.
- A strengthened distribution network in Africa:
  - New distribution agreements notably with Vox and Paratus in South-Africa and Telone in Zimbabwe;
  - Testing of wholesale distribution with Orange in DRC;
  - Partnership with Facebook to roll out Express Wi-Fi hotspots across our African footprint.
- The renewal with Sky Italia, securing broadly stable revenues for Eutelsat in the medium term and representing an aggregated contract value of almost €450m.
- The investment in OneWeb which represents a compelling entry point to considerable LEO constellation opportunity with similar governance rights to the other main shareholders while remaining consistent with our financial objectives and dividend policy
- A strong improvement in the score to the gender equality index

Performance-related shares

For the past financial year and as part of the performance share plan approved by the Board of Directors on 5 November 2020, 131,129 performance shares were granted to Rodolphe Belmer, corresponding to a valuation of €812,500 at the date of the plan.

It should also be noted that an amount of €167,533 corresponding to 18,080 phantom shares was paid to Mr. Belmer during the financial year just ended under the phantom share grant plan of 8 November 2017.

The performance criteria associated with these plans are described in Section 10.4.4.

Board compensation (attendance fees)

The amount of the Board compensation (attendance fees) allocated to Rodolphe Belmer for the 2020-21 financial year in his capacity as Board Member of Eutelsat Communications stands at €43,000.

It should be remembered that the Board compensation (attendance fees) allocated for the 2019-20 financial year stood at €43,000 and was paid during the 2020-21 financial year.

Benefits in kind

The amount of Rodolphe Belmer's benefits in kind in respect to the financial year ended on 30 June 2021 corresponds to the provision of a Company car.

Non-compete undertaking

In the event of termination of office, a non-compete clause provides for payment of 50% of the fixed compensation over an 18-month period. This clause requires Rodolphe Belmer to refrain from working for any satellite operator during that period, whether directly or indirectly. No amount has been allocated for the past year.

Michel Azibert's compensation

Compensation items allocated for the 2020-21 financial year	Amount or book value (In Euros)	Presentation
Fixed remuneration	363,384	See below.
Annual variable compensation	482,792	See below.
Exceptional compensation		Not applicable No decision to award such compensation
Stock options		Not applicable Not provided for in the compensation policy
Performance-related shares	581,414	See below.
Pluri-annual variable compensation plan		Not applicable Not provided for in the compensation policy
Long-term benefits		Not applicable Not provided for in the compensation policy
Indemnities linked to the assumption of duties		Not applicable Not provided for in the compensation policy
Non-compete indemnity		Not applicable
Benefits of any kind	4,437	See below.
Board compensation (attendance fees)		Not applicable

Supplementary pension scheme		Not applicable Not provided for in the compensation policy

Fixed remuneration

Michel Azibert's fixed compensation for the 2020-21 financial year in respect of his office as Deputy Chief Executive Officer of Eutelsat Communications stood at €363,384 and is unchanged from the previous financial year.

Annual variable compensation

Michel Azibert's variable compensation stood at €321,141 for the financial year ended 30 June 2020; it was approved by the Annual General Meeting held on 5 November 2020 (11th resolution) and was paid in the first half of the financial year ended 30 June 2021.

A review of Michel Azibert's level of achievement of the targets was performed and it was found that the variable component of Michel Azibert's compensation in respect of the 2020-21 financial year stands at 132.9% of his fixed annual compensation (88.4% in respect of the 2019-20 financial year), or €482,792. The level of achievement of his quantitative targets at Group level stood at 139.8% and of his qualitative targets at 100%.

The calculation details are set out in the table below: payment of the variable portion will be made during the first half of the financial year ending on 30 June 2022, subject to the vote of the Annual General Meeting:

(As a percentage of the fixed remuneration)	Weighting	% achievement	Weighted % achievement	Achievement (in thousands of euros)
Quantitative targets at Group level	70%	139.8%	97.9%	356
Operating Verticals Revenue growth	24.5%	139.3%	34.1%	124
Discretionary free cash flow	28%	140.0%	39.2%	142
Total operating expenses(*)	17.5%	140.0%	24.5%	89
Qualitative targets	35%	100%	35.0%	127
Total	**105%**	**126.5%**	**132.9%**	**483**

(*) excluding bad debt

With regard to the qualitative targets, while the level of achievement for each target has been precisely determined, for confidentiality reasons disclosure is limited to the aggregate achievement level. The main achievements in the past financial year include – in addition to certain items already mentioned for Rodolphe Belmer:

- the contribution to the Group's strategic projects in particular with regards to the investment in OneWeb
- the contribution to the selection and the integration of new leading executives for Eutelsat Americas and for the Fixed Broadband activity in Russia
- A framework agreement to provide connectivity services on the KONNECT satellite to the Post Office in Ivory Coast, highlighting progress made in discussions with governments for digital inclusion programs

Performance-related shares

For the past financial year and as part of the performance share plan approved by the Board of Directors on 5 November 2020, 93,834 performance shares were granted to Michel Azibert, corresponding to a valuation of €581,414 at the date of the plan.

It should also be noted that an amount of €104,903 corresponding to 11,321 phantom shares was paid to Michel Azibert during the financial year just ended under the phantom share grant plan of 8 November 2017.

The performance criteria associated with these plans are described in Section 10.4.4.

Benefits in kind

The amount of Michel Azibert's benefits in kind in respect to the financial year ended on 30 June 2021 corresponds to the provision of a company car.

Yohann Leroy's compensation

Compensation items allocated for the 2020-21 financial year	Amount or book value (In Euros)	Presentation
Fixed remuneration	60,625	See below.
Annual variable compensation		See below.
Exceptional compensation		Not applicable No decision to award such compensation
Stock options		Not applicable Not provided for in the compensation policy
Performance-related shares		See below. Not applicable Not provided for in the compensation policy
Pluri-annual variable compensation plan		Not applicable Not provided for in the compensation policy
Long-term benefits		Not applicable Not provided for in the compensation policy
Indemnities linked to the assumption of duties		Not applicable Not provided for in the compensation policy
Non-compete indemnity		Not applicable See below.
Benefits of any kind		See below.
Board compensation (attendance fees)		Not applicable
Supplementary pension scheme		Not applicable Not provided for in the compensation policy

Fixed remuneration

Yohann Leroy's fixed remuneration for the 2020-21 financial year in respect of his office as Deputy Chief Executive Officer of Eutelsat Communications and Chief Technical Officer stood at €60,625. The amount paid in respect of 2020-21 financial year is computed prorata temporis (based on an annual compensation of €291,000) as Yohann Leroy terminated his mandate as Deputy CEO on 15 September 2020.

Annual variable compensation

The amount of variable compensation allocated to Yohann Leroy was €124,584 for the financial year ended 30 June 2020; it was approved by the Annual General Meeting held on 5 November 2020 (12th resolution) and was paid during the first half of the financial year ended 30 June 2021.

Yohann Leroy resigned from his mandate as Deputy CEO from 15 September 2020. He was not eligible for any annual variable compensation for 2020-21 financial year.

Performance-related shares

Yohann Leroy was not eligible for any long-term incentive plan during 2020-21 financial year.

It should also be noted that an amount of €23,712 corresponding 2,559 phantom shares was paid to Yohann Leroy during the financial year just ended under the phantom share grant plan of 8 November 2017.

Non-compete undertaking

In the event of termination of office, a non-compete clause was foreseen for payment of 50% of the fixed compensation over an 18-month period. This clause required Yohann Leroy to refrain from working for any satellite operator during that period, whether directly or indirectly.

Yohann Leroy resigned from his mandate as Deputy CEO on 15 September 2020. No such amount was allocated for the past year.

10.4.4 Mechanisms and criteria for assessing long-term incentives

Stock options or stock purchase options

No share subscription or purchase option plan was put in place by the Company in the four last financial years. No performance shares became available for the Executive Corporate Officers during the financial year just ended.

During earlier financial years however, stock options and stock purchase plans were set up by the operating subsidiary Eutelsat S.A. As of the filing date of this Document, none of the Corporate Officers or their related parties held any Eutelsat S.A. stock options or stock purchase plans.

Phantom share or performance share grant

Phantom share grant - plan of 8 November 2017

Upon the recommendation of the Compensation Committee, the Board of Directors, on 8 November 2017, approved a phantom share plan for the Executive Corporate Officers of the Group.

This program is in conformity with the Group's remuneration policy and in continuity with the previous program. The grant of phantom shares translates, at the end of the program, into the payment of a cash bonus determined by the number of phantom shares, itself subject to the attainment of performance conditions as well as a condition of presence during the three financial years concerned (2017-18, 2018-19 and 2019-20).

The number of phantom shares granted to each Executive Corporate Officer is equal to:

- for Rodolphe Belmer: 125% of basic annual salary divided by the average Eutelsat Communications share price during the 20 working days preceding the date of the start of the program, i.e. 36,305 phantom shares;
- for Michel Azibert: 140% of basic annual salary divided by the average Eutelsat Communications share price during the 20 working days preceding the date of the start of the program, i.e. 22,732 phantom shares;
- for Yohann Leroy: 50% of basic annual salary divided by the average Eutelsat Communications share price during the 20 working days preceding the date of the start of the program, i.e. 5,139 phantom shares.

The performance objectives set by the Board of Directors over the period of the three defined financial years are split as follows:

- 25% for the relative TSR;
- 25% for revenues;
- 25% for the LEAP 1 cost-savings plan;
- 25% for discretionary free cash flow as defined by the Group.

For each of the three internal measures (Revenues, LEAP 1 and discretionary free cash flow), in the case of underperformance relative to communicated financial objectives, the rate of realisation would be 0%.

Concerning the relative TSR criterion, the actual vesting percentage varies as follows:

- 0% in case of performance lower than that of the composite index defined above;
- 80% in case of performance equal to that of the composite index defined above;
- 100% in case of over-performance by 10% compared to the composite index defined above;
- 115% in case of over-performance by 15% compared to the composite index defined above.

The Board of Directors at its meeting of 30 July 2020 decided to deliver 18,080 shares (representing €167,533) to Rodolphe Belmer, 11,321 shares (representing €104,903) to Michel Azibert and 2,559 shares (representing €23,712) to Yohann Leroy, representing a vesting rate of 49.8%.

The table below shows the vesting rate in respect of each criterion:

Criteria	Weight	Achievement %	Weighted achievement %
Revenue	25%	0.0%	0.0%
"LEAP 1" cost-saving plan	25%	84.1%	21.0%
Relative TSR	25%	0.0%	0.0%
Discretionary free cash flow	25%	115.0%	28.8%
Total vesting rate		49.8%	49.8%

The cash payment related to these phantom shares occurred in the course of financial year 2020-21 following the vote of the Annual General Meeting of 5 November 2020.

Phantom share grant - plan of 8 November 2018

Upon the recommendation of the Compensation Committee, the Board of Directors, on 8 November 2018, approved a phantom share program for the Executive Corporate Officers of the Group. This program is in conformity with the Group's remuneration policy and in continuity with the previous program.

The attribution of phantom shares translates, at the end of the program, into the payment of a cash bonus determined by the number of phantom shares, itself subject to the attainment of performance conditions as well as a condition of presence during the three financial years concerned (2018-19, 2019-20 and 2020-21).

The number of phantom shares granted to each Executive Corporate Officer is equal to:

- for Rodolphe Belmer: 125% (unchanged from previous plan) of basic annual salary divided by the average Eutelsat Communications share price during the 20 working days preceding the date of the start of the program, i.e. 39,270 phantom shares;
- for Michel Azibert: 160% (140% for the previous plan) of basic annual salary divided by the average Eutelsat Communications share price during the 20 working days preceding the date of the start of the program, i.e 28,101 phantom shares;
- for Yohann Leroy: 50% (unchanged from previous plan) of basic annual salary divided by the average Eutelsat Communications share price during the 20 working days preceding the date of the start of the program, i.e 6,114 phantom shares.

The performance objectives set by the Board of Directors over the period of the three defined financial years are split as follows:

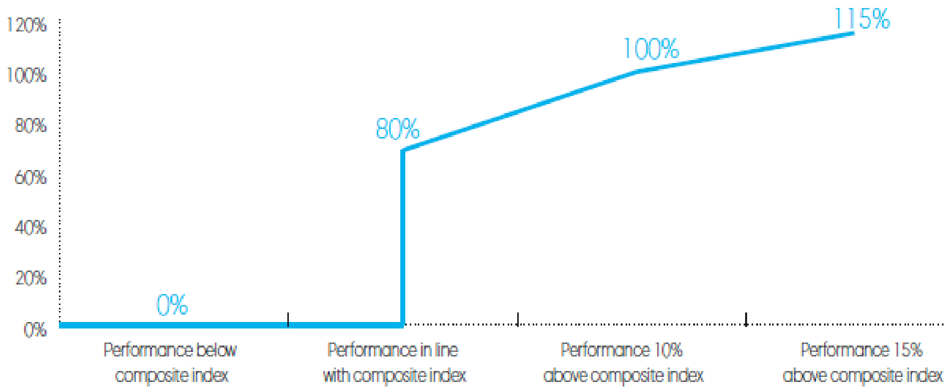
- 25% for the relative TSR;
- 50% for revenues linked to the new verticals, and notably revenues from the Connectivity business, in line with Step Two of the Group's strategic plan, whose timeline is drawing closer;
- 25% for discretionary free cash flow as defined by the Group.

For each of the two internal measures (Revenues linked to new verticals and discretionary free cash flow), the objectives are confidential and are based on the Group's strategic plan. For reasons of confidentiality, details of the rate of achievement of these objectives may only be made public ex-post and after having been assessed by the Board of Directors. Below a certain performance for these two criteria, the rate of realisation would be 0%.

Concerning the relative TSR criterion, the actual vesting percentage varies as follows:

- 0% in case of performance lower than that of the composite index defined above;
- 80% in case of performance equal to that of the composite index defined above;
- 100% in case of over-performance by 10% compared to the composite index defined above;
- 115% in case of over-performance by 15% compared to the composite index defined above.

For the TSR criteria, the actual vesting as a function of the performance achieved can be represented as below:



The Board of Directors at its meeting of 29 July 2021 decided to deliver 10,603 shares (representing €107,831) to Rodolphe Belmer and 7,587 shares (representing €77,163) to Michel Azibert, representing a vesting rate of 27%. The value in euro of the final grant represents 13% of the initial theoretical grant.

The table below shows the vesting rate in respect of each criterion:

Criteria	Weight	Achievement %	Weighted achievement %
New verticals revenues	50%	0%	0%
Discretionary free cash flow	25%	109%	27%
Relative TSR	25%	0%	0%
Total vesting rate			**27%**

The cash payment of these phantom shares will occur at the latest on 1 December 2021, subject to the vote of the Annual General Meeting of 4 November 2021 and to a condition of presence.

Phantom share grant - plan of 7 November 2019

Upon the recommendation of the Compensation Committee, the Board of Directors, on 7 November 2019, approved a phantom share program for the Executive Corporate Officers of the Group. This program is in conformity with the Group's remuneration policy and in continuity with the previous program.

The grant of phantom shares translates, at the end of the program, into the payment of a cash bonus determined by the number of phantom shares, itself subject to the attainment of performance conditions as well as a condition of presence during the three financial years concerned (2019-20, 2020-21 and 2021-22).

The number of phantom shares granted to each Executive Corporate Officer is equal to:

- for Rodolphe Belmer: 125% (unchanged from previous plan) of basic annual salary divided by the average Eutelsat Communications share price during the 20 working days preceding the date of the start of the program, i.e 44,468 phantom shares;
- for Michel Azibert: 160% (unchanged from the previous plan) of basic annual salary divided by the average Eutelsat Communications share price during the 20 working days preceding the date of the start of the program, i.e 33,007 phantom shares;
- for Yohann Leroy: 50% (unchanged from previous plan) of basic annual salary divided by the average Eutelsat Communications share price during the 20 working days preceding the date of the start of the program, i.e 7,185 phantom shares.

The performance objectives set by the Board of Directors over the period of the three defined financial years are split as follows:

- 20% for the relative TSR;

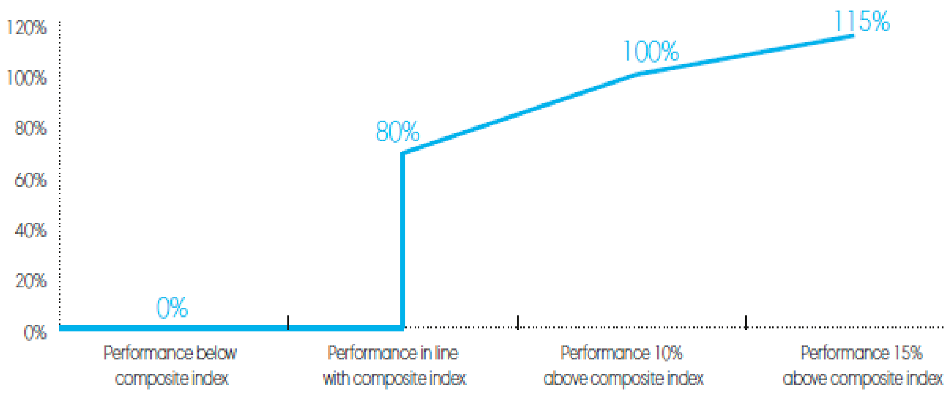
- 40% for revenues linked to the new verticals, and notably revenues from the Connectivity business, in line with Step Two of the Group's strategic plan, whose timeline is drawing closer, and which calls for a return to growth on the back of building out services in Video and capturing opportunities including in the Mobility and Fixed Broadband segments;
- 20% for discretionary free cash flow (DFCF);
- 20% for a CSR (Corporate Social Responsibility) criterion based on a quantitative objective. For this plan, the objective is an increase in Group diversity which translates as an increase in the proportion of women within the Group of three points over the period. This objective will be assessed by the Board in order to ensure a balanced progression within different departments.

For each of the two internal measures (Revenues linked to new verticals and discretionary free cash flow), the objectives are confidential and are based on the Group's strategic plan. For reasons of confidentiality, details of the rate of achievement of these objectives may only be made public ex-post and after having been assessed by the Board of Directors. Below a certain performance for these two criteria, the rate of realisation would be 0%.

Concerning the relative TSR criterion, the actual vesting percentage varies as follows:

- 0% in case of performance lower than that of the composite index defined above;
- 80% in case of performance equal to that of the composite index defined above;
- 100% in case of over-performance by 10% compared to the composite index defined above;
- 115% in case of over-performance by 15% compared to the composite index defined above.

For the TSR criteria, the actual vesting as a function of the performance achieved can be represented as below:



The cash payment of these phantom shares will occur at the latest on 1 December 2022, subject to the attainment of the performance conditions mentioned above as well as the condition of presence.

Performance share plan of 5 November 2020

Upon the recommendation of the Compensation Committee, the Board of Directors of Eutelsat Communications S.A. approved on 5 November 2020 a performance share grant for the Executive Corporate Officers, consistent with the Group compensation policy approved by the Shareholders' Meeting of 5 November 2020. It marks a change in the vehicle for long-term incentives, since the previous plans were phantom share plans.

The number of performance share granted stood at:

- for Rodolphe Belmer: 125% of the gross annual salary divided by the IFRS value of the Eutelsat Communications share computed on the basis of the average share price for the 20 trading days preceding the opening date of the plan, i.e. a total of 131,129 shares;
- for Michel Azibert: 160% of the gross annual salary divided by the IFRS value of the Eutelsat Communications share computed on the basis the average share price for the 20 trading days preceding the opening date of the plan, i.e. a total of 93,834 shares.

It should be noted that, in accordance with the compensation policy, the final grant percentage could reach a maximum of 130% of the amounts indicated above in the event of outperformance.

It should also be noted that the changeover to a performance share plan instead of a phantom share plan:

- is accompanied by an obligation to retain 20% of the performance shares vested until the end of the last term of office of the corporate officer concerned, an obligation that was not present in the context of the phantom share plans;
- reflects a stronger alignment with market practice;
- reinforces the alignment of the interests of executives with the interests of shareholders;

- is accompanied by a change in the method of calculating the number of shares theoretically allocated, which is now calculated, in line with market practice, on the basis of the IFRS valuation of the Eutelsat Communications share computed on the basis the average share price for the 20 trading days preceding the opening date of the plan and no longer directly on the basis of the average price of the 20 trading days preceding the date of opening of the plan.

Finally, it is specified that the increase in the number of instruments granted compared to the Plan of November 2019 (44,468 for Mr. Belmer and 33,007 for Mr. Azibert respectively) mainly reflects the change in the stock market price between the two plans (a 46% drop in the stock market price between the Plan of November 2019 and the Plan of November 2020) and, to a lesser extent, the use of a valuation according to IFRS standards rather than an average price to determine the number of shares granted.

The performance objectives set by the Board of Directors over the period of the three defined financial years are split as follows:

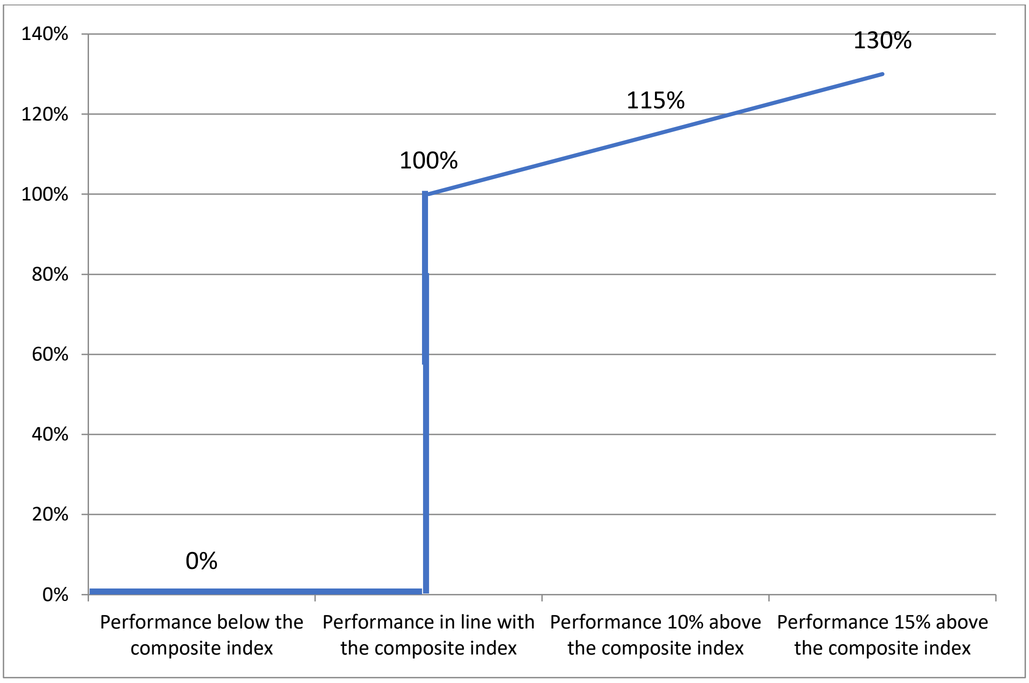
- 40% for revenues linked to the new verticals, and notably revenues from the Connectivity business, in line with Step Two of the Group's strategic plan, whose timeline is drawing closer, and which calls for a return to growth on the back of building out services in Video and capturing opportunities including in the Mobility and Fixed Broadband segments;
- 20% for discretionary free cash flow (DFCF);
- 20% for a CSR (Corporate Social Responsibility) criterion based on a quantitative objective. For this plan, the objective is an increase in Group diversity which translates as an increase in the proportion of women within the Group of 0.5 point over the period. This objective will be assessed by the Board which will also take into consideration of women among top managers.
- 20% for the relative TSR;

For each of the two internal measures (Revenue linked to new verticals and discretionary free cash flow), the objectives are confidential and are based on the Group's strategic plan. For reasons of confidentiality, details of the rate of achievement of these objectives may only be made public ex-post and after having been assessed by the Board of Directors. Below a certain performance for these two criteria, the rate of realisation would be 0%.

Concerning the relative TSR criterion, the actual vesting percentage varies as follows as per the compensation policy approved by the Annual General Meeting of 5 November 2020:

- 0% in case of performance lower than that of the composite index defined above;
- 100% in case of performance equal to that of the composite index defined above;
- 115% in case of over-performance by 10% compared to the composite index defined above;
- 130% in case of over-performance by 15% compared to the composite index defined above.

For the TSR criteria, the actual vesting as a function of the performance achieved can be represented as below:



At the date of present document, no other performance share plan neither phantom share plan other than the ones mentioned above where in force.

Performance shares granted to the Executive Corporate Officers during the financial years ended on 30 June 2020 and 30 June 2021 (Table 6 – AMF Recommendation)

Phantom or Performance shares granted by the Board of Directors under delegated powers from the Annual General Meeting to each Corporate Officer by the issuer and all companies in the Group	Date and duration of plan	Number of performance shares granted in the financial year ended 30 June 2021	Valuation (in euros)	Final vesting date	Holding period	Performance-related conditions under the plan
Rodolphe Belmer Chief Executive Officer	5 November 2020 for Financial Years 2020-21, 2021-22 and 2022-23	131,129	812,500	at the latest on 6 November 2023		40% of grant based on revenue linked to new verticals 20% of grant based on Discretionary free cash flow 20% of grant based on relative TSR 20% of grant based on CSR objective
Michel Azibert Deputy CEO	5 November 2020 for Financial Years 2020-21, 2020-21 and 2022-23	93,834	581,414	at the latest on 6 November 2023		
TOTAL	-	**224,963**	**1,393,914**			

Note: In the table above, the long-term incentive plan is valued at the date of the plan and based on IFRS standards.

History of phantom shares or performance shares granted to the Executive Corporate Officers (Table 9 – AFEP-MEDEF Recommendation)

	Plan No. 1 (*) (Phantom shares)	Plan No. 2 (Phantom shares)	Plan No. 3 (Phantom shares)	Plan No. 4 (Phantom shares)	Plan No 5 (Performance shares)
Date of Board of Directors meeting	25 April 2017	8 November 2017	8 November 2018	7 November 2019	5 November 2020
Total number of shares granted including					
– Executive Corporate Officers	63,325	64,176	73,485	84,660	224,963
Rodolphe Belmer	38,380	36,305	39,270	44,468	131,129
Michel Azibert	20,599	22,732	28,101	33,007	93,834
Yohann Leroy	4,346	5,139	6,114	7,185	N/A
Date of the Board of Directors' meeting delivering the shares subject to the vote of the Shareholders' Meeting	30 July 2019(1)	30 July 2020 (2)	29 July 2021 (3)	-	

End of holding period	Not applicable (shares theoretically allocated)				
Performance-related conditions (for Directors and Corporate Officers)	— 25% of grant based on revenue objective — 25% of grant based discretionary free cash-flow objective — 25% of grant based on the LEAP 1 cost-savings plan — 25% of grant based on relative TSR objective	— 25% of grant based on revenue objective — 25% of grant based discretionary free cash-flow objective — 25% of grant based on the LEAP 1 cost-savings plan — 25% of grant based on relative TSR objective	— 50% of grant based on revenues linked to new verticals — 25% of grant based discretionary free cash-flow objective — 25% of grant based on relative TSR objective	— 40% of grant based on revenues linked to new verticals — 20% of grant based discretionary free cash-flow objective —20% of grant based on CSR objective — 20% of grant based on relative TSR objective	— 40% of grant based on revenues linked to new verticals — 20% of grant based discretionary free cash-flow objective —20% of grant based on CSR objective — 20% of grant based on relative TSR objective
Number of instruments acquired at 30 June 2021 for Corporate Officers	31,663	31,960	18,190	-	
Rodolphe Belmer	19,190	18,080	10,603	-	
Michel Azibert	10,300	11,321	7,587	-	
Yohann Leroy	2,173	2,559	-	-	

(1) Approved by the Annual General Meeting on 7 November 2019
(2) Approved by the Annual General Meeting on 5 November 2020
(3) Subject to the approval of Annual General Meeting on 5 November 2021

11 – OTHER INFORMATION PRESENTED

11.1 RESEARCH AND DEVELOPMENT

The Group spent a non-significant amount on research and development during the financial period ended 30 June 2021.

11.2 TABLE OF RESULTS FOR THE LAST FIVE FINANCIAL PERIODS

As required by article R. 225-102 of the Code de commerce, a table showing the Company's results over each of the last five financial periods (see appendix 3) has been attached to this report.

11.3 NON-DEDUCTIBLE CHARGES AND EXPENDITURES LAID DOWN IN ARTICLE 39.4 OF THE GENERAL TAX CODE FOR THE YEAR ENDED 20 JUNE 2021

Non-deductible charges and expenditures of 23.9 thousand euros were reported by the Company for the year ended 30 June 2021 and the associated income tax expense (and additional contributions) was 7.7 thousand euros.

11.4 AGREEMENTS COVERED BY ARTICLE L.225-38 OF THE CODE DE COMMERCE

Pursuant to Article 225-38 of the French Commercial Code, the following agreements, authorized by the Board of Directors, continued during the year:

- Tax consolidation agreement dated 2 July 2007.
- Agreement entered into on 20 October 2015, between Eutelsat Communications and Mr Rodolphe Belmer, his compensation's component as a corporate officer.
- Agreement entered into on 25 April 2017, between Eutelsat Communications and Mr Yohann Leroy setting the terms of his non-competition covenant. On 15 September 2015, Mr Yohann Leroy has resigned from his office of Deputy Chief executive Officer of Eutelsat Communications and Deputy Chief executive Officer of Eutelsat SA, ending his non-competition covenant.

In accordance with article L22-10-12 of the French Commercial Code, the agreement concluded in 2010 between Eutelsat Communications and several of its subsidiaries, including Eutelsat SA, in order to allow Eutelsat Communications to charge back to the subsidiaries the shares acquired on the market of Euronext Paris in connection with the implementation of plans for the Free Grant of Shares in Eutelsat Communications to the benefit of employees and management of the Eutelsat Group, is now considered as an ordinary agreement concluded under normal conditions and as such is no longer approved by the Board of Directors but is subject to an annual review carried out by the Audit Committee. Indeed, such agreement does not contain any particular stipulation for the benefit of either party.

Finally, the Internal Regulations of the Board of Directors require each Director to declare situations of conflict of interest: in cases where they cannot be avoided, they must be managed transparently. A director in a conflict of interest situation may not participate in the discussion and voting of the relevant deliberation.

In the event of a permanent conflict of interest, the Internal Regulations require the director concerned to resign.

As of June 30, 2021, there is no employment contract or service contract binding the Directors of the Company with the Company or any of its subsidiaries and providing for the granting of benefits of any kind.

In accordance with the provisions of article L. 225-38 of the French Commercial Code, the statutory auditors are informed of regulated agreements.

11.5 INFORMATION ABOUT THE COMPANY'S SHARE CAPITAL

11.5.1 Shareholding in the Company capital by administrative and management members

Number of Eutelsat Communications S.A. shares held	30 June 2020	30 June 2021
Dominique D'Hinnin Board Member; Chairman of the Board of Directors	3,000	3,000
Rodolphe Belmer Board Member; Chief Executive Officer	2,000	2,000
Bpifrance Participations Board Member, represented by Mrs Stéphanie Frachet	46,062,251	46,062,251
Paul-François Fournier Board Member	2,000	2,000
FSP Board Member, represented by Mrs Agnès Audier	17,464,145	17,464,145
Esther Gaide Board Member	2,000	2,000
Ana García Fau Board Member	2,000	2,000
Cynthia Gordon Board Member	2,000	2,000
Didier Leroy Board Member	2,000	2,000
Ross McInnes Board Member	2,000	2,000
Michel Azibert Deputy Chief Executive Officer	28,115	28,115

11.5.2 Information on the composition of the share capital

	At 30 June 2021		At 30 June 2020		At 30 June 2019	
Shareholder	Number of shares and voting rights held	%	Number of shares and voting rights held	%	Number of shares and voting rights held	%

Bpifrance Participations (since 12 July 2013)	46,062,251	19.98%	46,062,251	19.98%	46,062,251	19.79%
Fonds Stratégique de Participations (FSP)	17,464,145	7.58%	17,464,145	7.50%	17,464,145	7,50%
China Investment Corporation (CIC)	13,800,721	5.99%	15,520,501	6.73%	15,520,501	6.67%
Other minority shareholders (1)	2,006,296	0.87%	2,006,296	0.87%	2,741,296	1.18%
Employees, senior managers and others	618,236	0.27%	622,053	0.27%	1,395,390	0.60%
Free float(2)	150,593,346	65.32%	148,869,749	64.57%	149,591,052	64.26%
Total	230,544,995	100.0%	230,544,995	100.0%	232,774,635	100.0%

(1) This category includes a number of Eutelsat Communications minority shareholders including Turksat Satellite Communications and the national telecommunication companies of Bosnia-Herzegovina and Albania.

(2) Of which 353,359 treasury shares as of 30 June 2021 via the liquidity contract

List of holders of any securities with special control rights

Not applicable.

11.5.3 Information concerning thresholds crossed or changes in the control of the Company

Notification Date	Shareholder	Crossing		After threshold crossing			
		Type	Date	Number of shares	% of share capital	Number of voting rights	% of voting rights
23 September 2020	Millennium International Management	Increase	18 September 2020	4,778,997	2.073%	4,778,997	2.073%
14 October 2020	Schroders	Decrease	13 October 2020	2,270,223	0.985%	2,270,223	0.985%
16 October 2020	BlackRock	Decrease	15 October 2020	6,892,500	2.99%	6,892,500	2.99%
20 October 2020	Credit Suisse	Decrease	20 October 2020	1,940,971	0.84%	1,940,971	0.84%
20 October 2020	Citi	Decrease	19 October 2020	2,260,776	0.98%	2,260,776	0.98%
20 October 2020	BlackRock	Increase	19 October 2020	6,986,689	3.03%	6,986,689	3.03%
21 October 2020	BlackRock	Decrease	20 October 2020	6,776,657	2.97%	6,776,657	2.97%
23 October 2020	BlackRock	Increase	22 October 2020	7,332,260	3.18%	6,986,689	3.03%
23 October 2020	Citi	Increase	22 October 2020	4,523,170	1.96%	4,523,170	1.96%
26 October 2020	BlackRock	Decrease	23 October 2020	6,662,327	2.89%	6,662,327	2.89%
27 October 2020	BlackRock	Increase	26 October 2020	7,070,599	3.07%	7,070,599	3.07%
28 October 2020	BlackRock	Decrease	27 October 2020	6,848,871	2.97%	6,848,871	2.97%
2 November 2020	Citi	Increase	30 October 2020	5,520,179	2.39%	5,520,179	2.39%
4 November 2020	Citi	Decrease	3 November 2020	4,219,477	1.83%	4,219,477	1.83%
9 November 2020	Citi	Increase	6 November 2020	4,834,449	2.10%	4,834,449	2.10%
10 November	Citi	Decrease	9 November 2020	4,466,559	1.94%	4,466,559	1.94%

2020							
11 November 2020	Citi	Increase	10 November 2020	5,160,033	2.24%	5,160,033	2.24%
12 November 2020	AQR Capital Management	Decrease	10 November 2020	4,597,585	1.99%	4,597,585	1.99%
13 November 2020	BlackRock	Increase	12 November 2020	7,238,688	3.14%	7,238,688	3.14%
16 November 2020	BlackRock	Decrease	13 November 2020	6,893,597	2.99%	6,893,597	2.99%
26 November 2020	Millennium International Management	Decrease	25 November 2020	4,481,760	1.94%	4,481,760	1.94%
26 November 2020	Citi	Decrease	25 November 2020	4, 186,829	1.82%	4, 186,829	1.82%
16 December 2020	Citi	Decrease	15 December 2020	404,831	0.18%	404,831	0.18%
16 December 2020	Norges	Increase	15 December 2020	6,947,937	3.01%	6,947,937	3.01%
25 January 2021	BlackRock	Increase	22 January 2021	7,082,789	3.07%	7,082,789	3.07%
26 January 2021	BlackRock	Decrease	25 January 2021	6,824,512	2.96%	6,824,512	2.96%
5 February 2021	CIC	Decrease	3 February 2021	13,800,721	5.99%	13,800,721	5.99%
12 February 2021	Norges	Decrease	10 February 2021	6,847,825	2.97%	6,847,825	2.97%
29 April 2021	Millennium International Management	Decrease	15 April 2021	2,297,149	0.996%	2,297,149	0.996%
15 June 2021	Perpetual	Increase	14 June 2021	2,541,540	1.10%	2,541,540	1.10%

Factors likely to have an impact in the event of a public offering

The loans referred to in paragraph 7.4.2 provide for the possibility:

- For each lender party to credit agreements to request, in the event of a downgrade in the ratings of Eutelsat S.A. or a change in control of Eutelsat Communications (excluding the takeover by the Group's reference shareholders) the early redemption of all credit agreements. This provision does not apply to reorganizations within the Group;
- For each lender party to bonds issued to request, in the event of a change in control of Eutelsat S.A. or a change in control of Eutelsat Communications followed by a downgrade in the ratings of the bonds the early redemption of all bonds issued by Eutelsat S.A.

11.5.4 Restrictions on the transfer of shares or securities giving access to the Company's capital

As of 30 June 2021, there is no restriction on the transfer of shares or securities giving access to the Company's capital, with the exception of the restrictions or bans on acquiring/transferring our securities, as specified in the Share Dealing Code relating to insider information.

This Share Dealing Code is applicable to members of the Management bodies or committees of companies within the Group and to certain employees of divisions and departments deemed to be "sensitive" and liable to obtain or have access to confidential information during the exercise of their functions or responsibilities whether on a permanent or ad hoc basis. It can therefore be applicable to all employees.

The Share Dealing Code also defines closed periods, during which transactions in the Company's shares are prohibited (except in a limited number of specific cases) even in the absence of confidential information. The duration of closed periods is 30 days before the publication of annual and half-year results and 15 days before the quarterly releases in line with the AMF recommendation No. 2010-07 relating to the prevention of insider trading.

On 22 June 2011, the Board of Directors also decided to establish a Compliance Committee with three members: the Chief Financial Officers, the Legal Counsel and the Director of Human Resources in line with the aforementioned AMF guideline. The Board expressly provided that the consultation of this Committee would be discretionary, reiterating that the decision whether or not to trade in the Company's shares would remain in any event the responsibility of the relevant individual.

11.5.5 Operations affecting the share capital during the year

Capital increase as a result of the free allocation of shares

No capital increases following the granting of free shares took place during the financial year.

A free share plan has been put in place in the course of FY 2020-21 which is detailed in section 10.4.

Capital decrease

There was no capital decrease in the course of last fiscal year;

Concerning stock options or stock-purchase plans

The Company did not offer any stock option or stock purchase plans during the financial year ended 30 June 2021.

Concerning other securities granting access to the share capital

There are no other securities granting access to the share capital at the date of this report.

Concerning the additional acquisition of Eutelsat S.A. shares

The Company gave an undertaking to employees who are shareholders in Eutelsat S.A. or who hold Eutelsat S.A. stock subscription or stock purchase options, apart from Corporate Officers and Directors and executives who made commitments to sell their shares to put in place a liquidity mechanism for their Eutelsat S.A. shares should Eutelsat Communications be floated on the stock market.

The Group consequently provides a liquidity "window".

Eutelsat Communications made a proposal to all the beneficiaries of the stock subscription options granted under the Partners, Managers I, II, III and IV plans and to beneficiaries of the stock purchase plans of March and April 2004 to purchase the shares they acquired under such plans. This liquidity closed on 23 November 2020. In respect of this transaction, 1,266 shares were repurchased at a unit price of 2.14 euros per Eutelsat S.A. share. In addition, an exceptional purchase of 1,000 shares was made in the course of FY 2020-21.

11.5.6 Acquisition of shares by the Company

The Company entered into a liquidity agreement with Exane BNP PARIBAS which, as of 30 June 2021, owned a total of 353,359 shares in the name of and on behalf of the Company, amounting to a total of 3.6 million euros.

The Company owned none of its own shares at 30 June 2021, excluding liquidity contract.

11.5.7 Employee participation in the share capital of the Company

Senior managers and employees held 0.27% of the Company's capital. The shares they hold result from i) the stock warrants subscribed for by certain managers and corporate officers (mandataires sociaux) during the financial years 2005-2006, ii) a capital increase reserved for employees at the time of the Company's IPO, iii) the offer to exchange shares in October 2007, iv) the Board's policy in the past to allocate free shares; v) the acquisition of shares by Senior managers on the market.

11.5.8 Shares owned by Company Management ("Mandataires sociaux")

Please refer to the section 11.15.1 of this document.

11.6 DIVIDEND POLICY AND ALLOCATION OF RESULTS

As for the last three financial years, Eutelsat Communications undertook the distribution of:

- an amount of 1.27 euro per share substracted from the distributable profit in respect of the financial year ended 30 June 2018.

- an amount of 1.27 euro per share substracted from the distributable profit in respect of the financial year ended 30 June 2019.
- an amount of 0.89 euro per share substracted from the distributable profit in respect of the financial year ended 30 June 2020.

	Income eligible for tax reduction (in euros)		Income not eligible for the 40% tax reduction[(1)] (in euros)
	Dividend	Other distributable income	
2017-18	295,623,786.45 (i.e. 1.27 per share)	-	-
2018-19	295,623,786.45 (i.e. 1.27 per share)	-	-
2019-20	205,185,045.55 (i.e. 0.89 per share)		

[(1)] *Reduction provided by Article 158-3-2° of the French General Tax Code.*

On 29 July 2021, the Board of Directors will submit for approval at the 4 November 2021 Annual Meeting of Shareholders a dividend of €[0.93] per share for the financial year ended 30 June 2021.

The Group has a stable to progressive dividend policy.

11.7 DELEGATIONS OF AUTHORITY AND FINANCIAL AUTHORISATIONS GRANTED TO THE BOARD OF DIRECTORS BY GENERAL MEETINGS OF SHAREHOLDERS

The table below summarises the delegations of authority and authorisations granted by the Shareholders' Meetings of November 8, 2018, November 7, 2019 and November 5, 2020 remaining in force at the date of this document:

Resolutions N°	Authorizations granted to the Board	Duration / delegation expiry date	Maximum nominal amount/Applicable cap for each resolution	Aggregate cap common to several resolutions	Common sub-cap for several resolutions
17 * GM of 05/11/20	Purchase by the Company of its own shares	18 months maximum as from the GM of 05/11/20/ 05 May 22	10% of the share capital or 5% of the share capital in the event of shares being purchased with a view to their retention and subsequent delivery and payment		
18 * GM of 05/11/20	Reduction of share capital by cancelling shares acquired by the Company under its share buyback program		10% of the share capital per 24-month period		
16 * GM of 08/11/18	Free allocation of ordinary shares to eligible employees and corporate officers of the Company or its subsidiaries, without preferential subscription rights (« PSR »)	38 months maximum as from the GM of 08 Nov 18/ 8 Jan 22	0.5% maximum of the share capital		

20 * GM of 07/11/19	Setting the issue price within the limit of 10% of the capital per year	26 months maximum as from the GM of 07 Nov 19/ 07 Jan 22	10% of the share capital per 12-month period		
21 * GM of 07/11/19	Increase in the number of shares to be issued in the event of a share capital increase with or without pre-emptive subscription rights	26 months maximum as from the GM of 07 Nov 19/ 07 Jan 22			

Resolutions N°	Delegations of authority granted to the Board relating to the issue of ordinary shares	Duration and expiry/termination of the delegation	Maximum nominal amount/Applicable cap for each resolution		Aggregate cap common to several resolution	Common sub-cap for several resolutions
16 * GM of 07/11/19	Increase in share capital by capitalization of reserves, profits, premiums or others			44 million € (independent cap)		
17 * GM of 07/11/19	Issuance of ordinary shares of the Company with PSR to shareholders					
18 * GM of 07/11/19	Issuance of ordinary shares of the Company with cancellation of PSR in the context of a public offering	26 months maximum as from the GM of 07 Nov 19 / 07 Jan 22		22 million € (independent cap)		
19 * GM of 05/11/20	Issuance of ordinary shares of the Company with cancellation of the PSR as part of a public offer intended exclusively for qualified investors (article L. 411-2 of the French Monetary and Financial Code)	14 months maximum as from the GM of 05 Nov 20 05 Janv. 22	1Bd € (ceiling for securities)		44 million € for shares	22 million € (10%)
22 * GM of 07/11/19	Issuance of ordinary shares of the Company with cancellation of the PSR in the event of a public exchange offer initiated by the Company	26 months maximum as from the GM of 07 Nov 19 / 07 Jan 22		44 million € (independent cap)		
23 * GM of 07/11/19	Issuance of ordinary shares of the Company, without PSR, in consideration for contributions in kind up to a maximum of 10% of the Company's share capital, except in the case of a public exchange offer initiated by the Company.				44 million € for shares	22 million €
24 *	Issuance of ordinary shares of the Company with cancellation of the PSR, as a result of the					22 million €

GM of 07/11/19	issue by the Company's subsidiaries of securities giving access to ordinary shares of the Company					
20 * GM of 05/11/20	Issuance of ordinary shares of the Company reserved for members of a company savings plan of the Company or of its Group, with cancellation of the PSR	14 months maximum as from the GM of 05 Nov 20 05 Jan. 22		2 million € (independent cap)		22 million €

11.8 MAIN CUSTOMERS

As of 30 June 2021, the Group's top 10 customers accounted for 35% of its revenues (34% as of 30 June 2020). The top five customers represented 24% (23% as of 30 June 2020) and the top three 16% (16% as of 30 June 2020).

11.9 PAYMENT SCHEDULE TO SUPPLIERS

The table below shows information on payment terms to suppliers and from customers in accordance with article L441.6-1 of French "Code de Commerce".

Overdue invoices received and issued, unsettled at Balance Sheet date												
	Art D441-I.-1°: Invoices **received** and overdue at balance sheet date						Art D441-I.-1°: Invoices **issued** and overdue at balance sheet date					
	0 day	1-30 days	31-60 days	61-90 days	91 days and over	Total (1 day and over)	0 day	1-30 days	31-60 days	61-90 days	91 days and over	Total (1 day and over)
(A) Payment delay ranges												
Number of invoices concerned	6	2	2	0	18	22.00						
Aggregate amount of invoices concerned (incl. taxes)	-277 057.33	8 394.97	-8 063.46	0.00	-74 865.91	-74 534.40	0	0	0	0	0	0
Percentage of total amount of purchases during the financial period (incl. taxes)	-4.09%	1.15%	-2.62%	0.00%	-2.61%	-4.09%						
Percentage of revenue entered during the financial year (incl. taxes)												
(B) Invoices excluded from (A) relating to accounts payables and accounts receivables that are disputed or unrecognised												
Number of invoices excluded	0											
Aggregate amount of invoices excluded (incl. taxes)	0.00											
(C) Reference payment term used (contractual or statutory)												
Payment terms used to calculate payment delays	Contractual											

11.10 FRENCH BRANCHES

Pursuant to article L.232-1 of French Code de Commerce, the existing French branches of Eutelsat S.A. are as follows:

- Rambouillet: N° SIRET 422 551 176 00049
- Ponant: N° SIRET 422 551 176 00064

11.11 POST CLOSING EVENTS

None.

*   *   *   *

APPENDIX 1 – CONSOLIDATED FINANCIAL STATEMENTS OF EUTELSAT COMMUNICATIONS AT 30 JUNE 2021

Eutelsat Communications Group

"*Société anonyme*" with a capital of 230,544,995 euros
Registered office: 32, boulevard Gallieni, 92130 Issy-les-Moulineaux
481,043,040 R.C.S. Nanterre

CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2021

CONSOLIDATED INCOME STATEMENT

(in millions of euros, except per-share data)	Note	30 June 2020	30 June 2021
Revenues from operations	6.1	**1,278.3**	**1,233.9**
Operating costs	6.2	(89.7)	(94.7)
Selling, general and administrative expenses [(1)]	6.2	(203.6)	(217.3)
Depreciation expense	7.1.1, 7.1.2, 7.1.3	(530.9)	(507.7)
Other operating income and expenses	6.3	36.1	(67.0)
Operating income		**490.2**	**347.2**
Cost of net debt		(71.8)	(72.8)
Other financial income and expenses		(8.7)	(22.2)
Financial result	**6.4**	**(80.5)**	**(95.0)**
Net income before tax		**409.7**	**252.3**
Income tax [(1)]	6.5	(97.5)	(24.2)
Net income		**312.2**	**228.1**
Attributable to the Group		297.6	214.1
Attributable to non-controlling interests		14.6	14.0
Basic and diluted earnings per share attributable to Eutelsat Communications shareholders	6.6	1.283	0.930

[(1)]The comparable financial statements as of 30 June 2020 have been the subject of a restatement concerning the CAVE (Contribution on Added Value of Enterprises/Cotisation sur la Valeur Ajoutée des Entreprises – CVAE), which has been reclassified from the line Selling, general and administrative expenses to the line Income tax, in the amount of 3.1 million euros, so as to align the presentation on the consolidated financial statements as of 30 June 2021 (see Note 6.5 "Income tax").

COMPREHENSIVE INCOME STATEMENT

(in millions of euros)	Note	30 June 2020	30 June 2021
Net income		**312.2**	**228.1**
Other recyclable items of gain or loss on comprehensive income			
Translation adjustment	7.5.4	(41.4)	(16.5)
Tax effect	7.5.4	11.9	(9.3)
Changes in fair value of hedging instruments [(1)]	7.5.3	9.9	1.6
Tax effect	7.5.3	(0.4)	15.0
Other non-recyclable items of gain or loss on comprehensive income			
Changes in post-employment benefits	7.6	14.4	20.1
Tax effect		(3.8)	(5.2)
Total of other items of gain or loss on comprehensive income		**(9.3)**	**5.8**
Total comprehensive income		**302.9**	**233.9**
Attributable to the Group		288.6	219.7
Attributable to non-controlling interests [(2)]		14.3	14.2

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

[(2)] The portion attributable to non-controlling interests breaks down as follows:
- A net result of 14.6 million euros as of 30 June 2020 and 14.0 million euros as of 30 June 2021.
- Other recyclable items of gain or loss on comprehensive income of (0.7) million euros as of 30 June 2020 and (0.3) million euros as of 30 June 2021; and
- Other non-recyclable items of gain or loss on comprehensive income of 0.4 million euros as of 30 June 2020 and 0.5 million euros as of 30 June 2021.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in millions of euros)	Note	30 June 2020	30 June 2021
Assets			
Goodwill	7.1.1	1,209.2	1,246.5
Intangible assets	7.1.1	514.8	440.3
Tangible assets and construction in progress	7.1.2	3,856.7	3,730.4
Rights of use in respect of leases	7.1.3	556.3	517.5
Non-current financial assets	7.3.3	32.8	71.5
Non-current assets associated with customer contracts and costs to obtain and fulfil contracts	7.2	74.9	37.7
Deferred tax assets	7.7	36.3	7.6
Total non-current assets		**6,280.9**	**6,051.5**
Inventories		6.7	8.1
Accounts receivable	7.2.1	334.8	244.5
Current assets associated with customer contracts and costs to obtain and fulfil contracts	7.2	17.1	17.4
Other current assets		43.5	42.8
Current tax receivable		42.5	26.6
Current financial assets	7.3.3	23.6	27.0
Cash and cash equivalents	7.3.1	832.0	861.1
Total current assets		**1,300.2**	**1,227.5**
Total assets		**7,581.1**	**7,279.0**

(in millions of euros)	Note	30 June 2020	30 June 2021
Liabilities			
Share capital	7.5.1	230.5	230.5
Additional paid-in capital		718.1	718.0
Reserves and retained earnings		1,711.1	1,666.0
Non-controlling interests		144.8	76.2
Total shareholders' equity		**2,804.6**	**2,690.7**
Non-current financial debt	7.3.2	2,505.8	3 097.4
Non-current lease liabilities	7.3.3	418.7	411.6
Other non-current financial liabilities	7.3.3	85.6	89.0
Non-current payables to fixed asset suppliers	7.3.3	5.9	188.7
Non-current liabilities associated with customer contracts	7.2.3	120.6	117.5
Non-current provisions	7.6	106.6	83.0
Deferred tax liabilities	7.7	264.2	197.9
Total non-current liabilities		**3,507.5**	**4,185.0**
Current financial debt	7.3.2	858.1	45.5
Current lease liabilities	7.3.3	74.7	24.1
Other current payables and financial liabilities	7.3.3	111.9	121.4
Accounts payable		73.3	84.9
Current payables to fixed asset suppliers	7.3.3	45.0	25.0
Tax payable		22.8	20.8
Current liabilities associated with customer contracts	7.2.3	66.9	69.0
Current provisions	7.6	16.5	12.6
Total current liabilities		**1,269.0**	**403.3**
Total liabilities and shareholders' equity		**7,581.1**	**7,279.0**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)	Note	30 June 2020	30 June 2021
Cash flow from operating activities			
Net income		312.2	228.1
Tax and interest expenses, other operating items		63.3	140.4
Depreciation, amortisation and provisions		573.4	502.7
Deferred taxes	7.7	8.0	(32.0)
Changes in accounts receivable		(72.4)	79.9
Changes in assets held under customer contracts and other assets		(17.5)	1.2
Changes in accounts payable		10.7	(7.3)
Changes in liabilities associated with customer contracts and other liabilities [(1)]		(2.5)	18.9
Taxes paid [(1)]		(96.2)	(42.8)
Net cash flows from operating activities		**779.0**	**889.0**
Cash flow from investing activities			
Acquisitions of satellites, other property and equipment, and intangible assets	7.1.1, 7.1.2	(220.3)	(183.4)
Insurance repayments		85.6	6.6
Sales [(2)]		67.5	41.5
Acquisition of equity investments and other movements [(3)]		(12.5)	(48.0)
Net cash flows from investing activities		**(79.7)**	**(183.3)**
Cash flow from financing activities			
Distributions		(315.7)	(204.9)
Increase in borrowings	7.3.2	300.0	1,200.0
Repayment of borrowings	7.3.2	(953.7)	(1,473.8)
Repayment of lease liabilities	7.3.3	(63.0)	(91.5)
Loan set-up fees		(1.2)	(5.2)
Interest and other fees paid		(83.2)	(80.0)
Purchase of own shares		(20.0)	-
Transactions relating to non-controlling interests [(4)]		(35.0)	(8.8)
Premiums and termination indemnities on derivatives settled		(151.3)	(6.0)
Other changes		-	-
Net cash flow from financing activities		**(1,323.1)**	**(670.1)**
Impact of exchange rate on cash and cash equivalents		0.6	(6.5)
Increase/(Decrease) in cash and cash equivalents		**(623.4)**	**29.1**
Cash and cash equivalents, beginning of period		**1,455.4**	**832.0**
Cash and cash equivalents, end of period		**832.0**	**861.1**
Including Cash and cash equivalents, end of period	*7.3.1*	*832.0*	*861.1*
Including Overdrafts included under debt, end of period		-	

[(1)] The comparable financial statements as of 30 June 2020 have been subject to a restatement concerning the CAVE (Contribution on Added Value of Enterprises/Cotisation sur la Valeur Ajoutée des Entreprises – CVAE), which has been reclassified from the line Changes in liabilities associated with customer contracts and other liabilities to the line Taxes paid, in the amount of 10.3 million euros, so as to align the presentation on the consolidated financial statements as of 30 June 2021 (see Note 6.5 "Income taxes").

[(2)] As of 30 June 2020, sales include the payment of 67.5 million euros made in August 2019 following the divestment of the E25B satellite to its co-owner Es'Hailsat for 135 million euros. As of 30 June 2021, sales include the payment of 41.5 million euros linked to the divestment of Eurobroadband Infrastructure and its subsidiaries (see Note 3.2 "Main changes in the scope of consolidation").

[(3)] As of 30 June 2020, acquisitions of equity investments include the payment of 10 million euros linked to the acquisition of an equity interest in Broadpeak. As of 30 June 2021, this line includes the payment of 48.2 million in respect of the acquisition of Big Blue Europe, of which 6.8 million euros into an escrow account (see Note 3.2 "Main changes in the scope of consolidation")

[(4)] As of 30 June 2020, transactions relating to non-controlling interests include the payment of 35 million euros linked to the acquisition of the 49% minority interests in Eutelsat International and Eutelsat Networks. As of 30 June 2021, this line includes the additional payment linked to the acquisition of the minority interests in Eutelsat International taking place during the financial year ended 30 June 2020.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in millions of euros, except share data)	Share capital			Reserves and retained earnings	Shareholders' equity Group share	Non-controlling interests	Total
	Number	Amount	Additional paid in capital				
As of 30 June 2019	**232,774,635**	**232.8**	**738.1**	**1,709.9**	**2,680.7**	**186.7**	**2,867.4**
Net income for the period	-	-	-	297.6	297.6	14.6	312.2
Other items of gain or loss In comprehensive income [1]	-	-	-	(9.0)	(9.0)	(0.3)	(9.3)
Total comprehensive income	-	-	-	**288.6**	**288.6**	**14.3**	**302.9**
Transactions impacting the share capital	(2,229,640)	(2.2)	(20.1)	0.6	(21.7)	-	(21.7)
Dividend distributions	-	-	-	(295.2)	(295.2)	(20.6)	(315.8)
Transactions with non-controlling interests and others	-	-	-	7.0	7.1	(35.4)	(28.2)
As of 30 June 2020	**230,544,995**	**230.5**	**718.0**	**1,711.1**	**2,659.8**	**144.8**	**2,804.6**
Net income for the period	-	-	-	214.1	214.1	14.0	228.1
Other items of gain or loss In comprehensive income [1]	-	-	-	5.6	5.6	0 .2	5.8
Total comprehensive income	-	-	-	**219.7**	**219.7**	**14.2**	**233.9**
Dividend distributions	-	-	-	(204.9)	(204.9)	-	(204.9)
Benefits for employees upon exercising options and free shares granted	-	-	-	0.5	0.5	-	0.5
Transactions with non-controlling interests and others [2]	-	-	-	(60.3)	(60.3)	(82.8)	(143.1)
As of 30 June 2021	**230,544,995**	**230.5**	**718.0**	**1,666.0**	**2,614.5**	**76.2**	**2,690.7**

[1] The changes in other items of gain or loss on comprehensive income include actuarial gains and losses recognised on post-employment benefits and changes in the revaluation surplus of derivative instruments (see Note 7.5.3) and the translation reserve (see Note 7.5.4), net of the associated tax effects.
[2] The transactions relating to non-controlling interests and others mainly relate to the disposal of EBI (see Note 2.2).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. GENERAL OVERVIEW

1.1 Business

With capacity operated on 38 satellites, the Group is an industry leader in fixed satellite services. It mainly operates and provides capacity for Video Services, Fixed Data and Government Services, and capacity in Connectivity applications (Fixed Broadband and Mobile Connectivity). Through its satellite fleet, the Group is able to serve the entire European continent, the Middle East and North Africa, as well as sub-Saharan Africa, a significant proportion of the Asian continents and the Americas.

1.2 Financial Year

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

1.3 Approval of the Financial Statements

The consolidated financial statements as of 30 June 2021 have been established under the responsibility of the Board of Directors, which adopted them at its meeting of 29 July 2021. They will be submitted for approval to the Ordinary General Meeting of Shareholders taking place on 4 November 2021.

Note 2. KEY EVENTS DURING THE FINANCIAL PERIOD

2.1 Acquisition of Bigblu Europe's Broadband Activities

On 30 September 2020, the Group acquired Bigblu Broadband's European satellite broadband activities. Bigblu Broadband is the largest distributor of satellite broadband packages in Europe, having developed a well-established satellite broadband platform based on a unique network of installers and resellers. The European activities of Bigblu Broadband currently number several tens of thousands of subscribers across Europe, notably in the United Kingdom, Ireland, France, Germany, Italy, Spain, Portugal, Poland, Hungary and Greece.

The impacts of this acquisition are outlined in Note 3.2 "Main changes in the scope of consolidation".

2.2 Disposal of Euro Broadband Infrastructure

On 18 November 2020, Eutelsat signed an agreement to dispose of its 51% equity interest in Euro Broadband Infrastructure Sàrl (EBI), the company operating the KA SAT satellite, and its European broadband business to Viasat Inc, which is already a 49% shareholder in EBI. The disposal took place on 30 April 2021, after fulfilment of the usual conditions precedent.

The stake was sold for an initial consideration of 143 million euros. At the end of a two-year period following completion of the transaction, the sale price may be adjusted up or down by a maximum of 20 million euros, depending on the level of certain revenues generated by EBI's activities over this period. The impacts of this acquisition are presented in Note 3.2 "Main changes in the scope of consolidation".

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

2.3 Agreement for the Acquisition of an Equity Interest in Oneweb

On 27 April 2021, the Group entered into an agreement with OneWeb for the acquisition of a c.19% equity interest (after taking into account the increase in the Bharti Global shareholding), thereby becoming one of this company's main shareholders alongside the UK government and Bharti Global. Eutelsat will invest 550 million dollards and the transaction is expected to close during the 2021 second half, subject to regulatory approval. The OneWeb constellation enjoys significant priority spectrum rights, backed by the International Telecommunication Union, and will operate 648 satellites in low orbit (LEO) offering low latency.

The Group plans to finance the totality of this investment from its liquidity position, and from the proceeds linked to the release of a portion of the C-Band spectrum in the United States. In that the Group expects to have a significant interest in the structure, this equity interest will be accounted for under the equity method. As of 30 June 2021, this agreement has no material impact on the Group's financial statements.

2.4 C-Band

Following the federal decision published by the Federal Communications Commission (FCC - US communications regulator) on 3 March 2020, within the framework of the release of spectrum in the 3.7-4 GHz range (C-band) across the US territory, the Group has implemented a transition plan composed of two phases, each corresponding to the vacation of certain frequencies and resulting in the payment of financial incentives amounting to 125 million dollars for the first phase and 382 million dollars for the second phase. In view of the progress on its transition operations, the Group plans to finalise the two phases and obtain all the payments relating to this process, amounting to 507 million dollars (before tax), during the 2021-22 financial year.

In that, as this stage, the transaction has yet to be finalised, no assets have been recognised in this regard in the Group's consolidated financial statements as of 30 June 2021. Furthermore, since the transition costs already incurred should be reimbursed by the FCC, there is no impact on the annual consolidated financial statements as of 30 June 2021.

2.5 Financing Transactions

On 13 October 2020, on the regulated market of the Luxembourg Stock Exchange, the Group launched an issue of 8-year senior unsecured bonds maturing in 2028, raising a total of 600 million euros. This bond issue was realised by the Eutelsat S.A. subsidiary. These bonds bear a coupon of 1.500% per annum. This bond issue enabled Eutelsat to redeem the 500 million euros principal amount on the bonds issued on 23 June 2016, bearing a coupon of 1.125% and maturing in June 2021.

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

On 25 June 2021, the Group refinanced the Eutelsat Communications five-year term loan in the amount of 400 million euros, maturing in June 2026. This variable-rate loan includes two one-year extension options subject to the lenders' approval. This transaction enabled the Group to redeem, as of 25 June 2021, the previous term loan maturing in March 2022.

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

2.6 Launch of the Konnect Service

On 23 November 2020, following the entry into service of the Eutelsat Konnect satellite, the Group launched the Konnect retail distribution service This next-generation of satellite broadband services across Europe and Africa is currently being rolled out across both continents, with broadband packages designed to address the needs of individuals, small & medium businesses and institutions currently operating beyond the fibre footprint. Two main contracts have notably been signed with European telecommunications operators concerning the capacity available in France and Italy.

2.7 Repercussions of Covid

While relatively resilient compared with other sectors, the Group's revenues have been adversely affected by the Covid-19 crisis since mid-March 2020, most notably:

- Mobile Connectivity (representing 5.5% of the Group's revenues in the financial year ended 30 June 2021) which continues to be affected by the effect of the crisis on maritime traffic and particularly on airline traffic.

- The crisis has seen a slowdown in the pace of new business, particularly in Broadcast.

The public health crisis has also been reflected in additional provisions for write-offs on accounts receivable to cover, in particular, the Group's exposure to third parties operating in the Mobility segment.

The assumptions used for the impairment tests performed on long-term assets, whose results are described in Note 7.1.4, as well as for the valuation of provisions for accounts receivable (see Note 7.2.1) have been updated on the basis of the information available as of the date of the accounting year end.

As of 30 June 2021, the Group has cash and cash equivalents and undrawn credit lines totalling more than 1.9 billion euros. Lastly, the net debt to EBITDA ratio - as defined in the covenants of the term loan and the structured debt agreements - is respected as of 30 June 2021 (see Note 7.3.2).

Note 3. SCOPE OF CONSOLIDATION

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

ACCOUNTING PRINCIPLES

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

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

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

3.1 Scope of Consolidation

As of 30 June 2021, the list of companies in the scope of consolidation is as follows:

Company	Country	Consolidation method	% control as of 30 June 2021	% interest as of 30 June 2021
Eutelsat Communications S.A (parent company).	France	FC	100.00%	100.00%
Eutelsat S.A.	France	FC	100.00%	96.38%
Eutelsat S.A. Sub-Group				
Eutelsat Konnect Services	France	FC	100.00%	96.38%
Fransat S.A.S.	France	FC	100.00%	96.38%
Eutelsat do Brasil LTDA (1)	Brazil	FC	100.00%	96.38%
Eutelsat Participaçoes LTDA (1)	Brazil	FC	100.00%	96.38%
Satmex International BV (1)	Netherlands	FC	100.00%	96.38%
Satelites Mexicanos S.A. of C.V. (1)	Mexico	FC	100.00%	96.38%
EAS Delaware Corp.	USA	FC	100.00%	96.38%
SMVS Administracion (1)	Mexico	FC	100.00%	96.38%
SMVS Servicios Tecnicos SMVS (1)	Mexico	FC	100.00%	96.38%
Satmex USA LLC (1)	USA	FC	100.00%	96.38%
Eutelsat Servicos de Telecom. do Brasil Ltda (1)	Brazil	FC	100.00%	96.38%
Eutelsat Latam Corp.	USA	FC	100.00%	96.38%
Skylogic S.p.A	Italy	FC	100.00%	96.38%
Eutelsat Russia (1)	Russia	FC	100.00%	96.38%
Eutelsat Services & Beteiligungen GmbH	Germany	FC	100.00%	96.38%
Eutelsat Inc.	USA	FC	100.00%	96.38%
Eutelsat America Corp.	USA	FC	100.00%	96.38%

Company	Country	Consolidation method	% control as of 30 June 2021	% interest as of 30 June 2021
Eutelsat UK Limited	United Kingdom	FC	100.00%	96.38%
Eutelsat Polska spZoo	Poland	FC	100.00%	96.38%
Skylogic Mediterraneo S.r.l.	Italy	FC	100.00%	96.38%
Eutelsat Madeira Unipessoal Lda	Madeira	FC	100.00%	96.38%
Eutelsat Asia Pte.Ltd	Singapore	FC	100.00%	96.38%
ES 172 LLC	USA	FC	100.00%	96.38%
EA 172 UK	United Kingdom	FC	100.00%	96.38%
ES 174E LTD	Cyprus	FC	100.00%	96.38%
Eutelsat Australia Pty Ltd	Australia	FC	100.00%	96.38%
Eutelsat International Ltd	Cyprus	FC	100.00%	96,38%
Eutelsat Networks LLC (1)	Russia	FC	100.00%	96,38%
Taurus Satellite Holding Limited	United Kingdom	FC	100.00%	96.38%
Broadband4Africa Limited	United Kingdom	FC	100.00%	96.38%
Konnect Africa France	France	FC	100.00%	96.38%
BB4A Israel Ltd	Israel	FC	100.00%	96.38%
Konnect Africa Côte d'Ivoire	Ivory Coast	FC	100.00%	96.38%
Konnect South Africa Ltd	South Africa	FC	100.00%	96.38%
Konnect Africa RDC (1)	Democratic Republic of Congo	FC	100.00%	96.38%
Konnect Broadband Tanzania Limited	Tanzania	FC	100.00%	96.38%
Eutelsat BH D.O.O. SARAJEVO (1)	Bosnia	FC	100.00%	96.38%
Eutelsat Bulgaria (1)	Bulgaria	FC	100.00%	96.38%
Eutelsat MENA FZ-LLC	Dubai	FC	100.00%	96.38%
Noorsat Media City Ltd	Cyprus	FC	100.00%	96.38%
Noor Al Sharq Satellite	Jordan	FC	100.00%	96.38%
Eutelsat Cyprus Ltd	Cyprus	FC	100.00%	96.38%
Sat Internet Services Gmbh (1)	Germany	FC	100.00%	96.38%
Getinternet GmbH (1)	Germany	FC	100.00%	96.38%
Orbitcom GmbH (1)	Germany	FC	100.00%	96.38%
Europasat Iberica s.l (2)	Spain	FC	100.00%	96.38%
Europasat France	France	FC	100.00%	96.38%
Bigblu Operations Limited (2)	United Kingdom	FC	100.00%	96.38%
Bigblu Services Holding Limited (2)	United Kingdom	FC	100.00%	96.38%
Bigblu Services Limited (2)	United Kingdom	FC	100.00%	96.38%
BBE Bigblu Broadband Ellada (2)	Greece	FC	100.00%	96.38%
Bigblu Broadband Ireland Limited (2)	Ireland	FC	100.00%	96.38%
Open Sky S.p.A	Italy	FC	100.00%	96.38%
Europasat SP .Zo.o (1)	Poland	FC	100.00%	96.38%
Satelite de Sabedoria – Servicios de Internet Unipessoal LDA (2)	Portugal	FC	100.00%	96.38%

FC: Full consolidation method

(1) Companies with financial years ending on 31 December for legal or historical reasons.

(2) Companies with financial years ending on 30 November for historical reasons.

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

3.2 Main Changes in the Scope of Consolidation

3.2.1 Financial year ended 30 June 2021

Acquisition of BigBlu Operations Ltd

On 30 September 2020, the Group finalized the acquisition of 100% of BigBlu Operations Ltd for a consideration of 38 million pounds sterling (41.5 million euros), settled in cash. 6.2 million pounds sterling (6.8 million euros) was also paid into an escrow account. Pursuant to the contract, the final acquisition price will be determined after agreement between the parties on the price adjustment clauses. The company and its subsidiaries operated the Bigblu Broadband Group's European satellite broadband activities. This acquisition is in line with the Group's strategy consisting of developing its business in European satellite broadband.

The assessment of the goodwill as of 30 June 2021 is provisional and may change during the finalisation of the price adjustment phase still underway with the seller. The value of the customer relationships acquired in this transaction has been assessed separately and constitutes an intangible asset.

As of 1 October 2020, the provisional allocation of the acquisition price (based on the 38 million pounds sterling payment made to the benefit of the seller) is as follows:

	(in millions of pounds sterling)	(in millions of euros)
Customer relationships	4.7	5.2
Intangible assets	1.0	1.1
Tangible assets	4.0	4.5
Rights of use	0.8	0.8
Inventories	0.3	0.3
Accounts receivable	7.3	8.1
Assets associated with customer contracts	11.0	12.3
Cash and cash equivalents	0.2	0.2
Other assets	7.4	8.1
Total Assets	**36.7**	**40.6**
Lease liabilities	0.8	0.8
Accounts payable	22.9	25.1
Liabilities associated with customer contracts	12.2	13.5
Other debt	10.5	12.1
Deferred tax liabilities	0.9	1.0
Total liabilities	**47.2**	**52.6**
Provisional residual goodwill	48.3	53.2
Transferred counterparty	**37.7**	**41.1**
Acquisition consideration	**37.7**	**41.1**

Disposal of Euro Broadband Infrastructure

On 30 April 2021, the Group finalised the sale of its equity interest in Euro Broadband Infrastructure Sàrl (EBI).

This disposal was settled in cash for an initial consideration of 143 million euros. The net impact of this disposal in the Group's statement of cash flows stood at 41.5 million euros after, notably, taking into account the cash held by EBI as of the disposal date (which represented an amount of 100.9 million euros). Furthermore, tangible assets totalling an amount of 131.7 million euros, mainly composed of the KA SAT satellite operated by EBI, were withdrawn from the scope of consolidation following this disposal. The impacts of this transaction on the Group's results for the financial year ended 30 June 2021 are presented in Note 6.3 "Other operating income and expenses".

3.2.2 Financial year ended 30 June 2020

There were no significant changes to the Group's scope of consolidation during the financial year.

Note 4. ACCOUNTING PRINCIPLES AND VALUATION METHODS

4.1 Basis of Preparation of Financial Information

The consolidated financial statements as of 30 June 2021 have been established in accordance with IFRS as adopted by the European Union and in force as of that date. The relevant texts are available for consultation on the following website: *http://ec.europa.eu/commission/index_fr*

Since 1 July 2020, the Group has applied the following standards and interpretations which have been adopted by the European Union:

- Amendments to references to the conceptual framework in IFRS standards;

- Amendments to IAS 1 and IAS 8 regarding the changed definition of material;

- Amendment to IFRS 3 regarding the definition of a business;

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, linked to the reform of interbank offered rates;

These new texts had no significant impact on the Group's financial statements.

4.2 Financial Reporting Rules

4.2.1 Conversion of financial statements and transactions in foreign currencies

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

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

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

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

The main foreign currency used is the US dollar. The closing exchange rate used is 1.189 US dollars for 1 euro and the average exchange rate for the period is 1.187 US dollars for 1 euro.

4.2.2 Reporting of current and non-current assets and liabilities

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

4.3 Significant Accounting Judgements and Estimates

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

In preparing the financial statements for the period ended 30 June 2021, the management has exercised judgement, particularly with regard to the recoverable amounts of assets, the recognition of revenues, the estimation of provisions and contingent liabilities assessment, the recognition of tax assets and liabilities and the assessment of customer risk.

Note 5. SEGMENT INFORMATION

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

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

- Revenues;
- EBITDA, defined as the operating result before amortisation and depreciation, impairment of assets and other operating income and expense, and the EBITDA profit margin on turnover;
- Cash CAPEX, covering the acquisition of satellites and other tangible or intangible assets, as well as payments in respect of export credit facilities and related to lease liabilities, cash investments are understood to be net of the related insurance income, when applicable.
- Discretionary cash flow, defined as the cash flow from operating activities less cash CAPEX, as well as interest and other financial costs, net of interest income.
- Net debt to EBITDA ratio (see Note 7.3.4 “Net Debt”).

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

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

Note 6. NOTES TO THE INCOME STATEMENT

6.1 Revenues

ACCOUNTING PRINCIPLES

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

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

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

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

As part of its Fixed Broadband business, the Group sells terminals to its customers in addition to the provision of satellite capacity. Depending on the type of terminal and the contractual framework which can vary according to the geographical region addressed and the type of customer (distributor or end user), the Group determines whether the sale of the terminal constitutes a performance obligation that is separate from the supply of capacity or whether the sale of the terminal and the capacity service form a single performance obligation. When the terminal constitutes a separate performance obligation, as distinct from the capacity service, the revenue and costs of purchasing the equipment are recognised in full on transfer of control of the terminal to the customer. When the sale of the terminal and capacity constitute a same performance obligation, the revenue from the capacity service is recognised over the average duration of the customer relationship and the revenue from terminal services over the average duration of the equipment's use. The costs of purchasing the terminal are spread over the same period as the sale, as part of the cost of fulfilling the contract. The assets and liabilities relating to the spreading of the purchase and sale of the terminal are presented separately under other assets and liabilities associated with customer contracts.

6.1.1 Revenues by application

Revenues by application break down as follows:

(in millions of euros)	30 June 2020	30 June 2021
Broadcast	784.6	741.0
Data & Professional Video	175.3	161.4
Government Services	161.1	151.4
Fixed Broadband	76.7	80.2
Mobile Connectivity	78.7	67.2
Total operating activities	**1,276.3**	**1,201.2**
Other Revenues	1.9	32.7
Total	**1,278.3**	**1,233.9**
EUR/USD exchange rate	*1.105*	*1.188*

Other revenues include the impact of EUR/USD currency hedging, fees for the provision of various consulting/engineering services to third parties and termination fees at the end of contracts.

6.1.2 Revenues by geographical region

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

(in millions of euros and as a percentage)	30 June 2020		30 June 2021	
Region	Amount	%	Amount	%
France	77.9	6.1	78.1	6.3
Italy	141.6	11.1	146.0	11.8
United Kingdom	70.1	5.5	66.2	5.4
Europe (others)	337.0	26.4	325.7	26.4
Americas	273.1	21.4	231.0	18.7
Middle East	251.9	19.7	241.3	19.6
Africa	98.2	7.7	94.1	7.6
Asia	38.2	3.0	35.2	2.9
Others [(1)]	(9.7)	(0.8)	16.4	1.3
Total	**1,278.3**	**100.0**	**1,233.9**	**100.0**

[(1)] Other revenues include mainly the impact of EUR/USD currency hedging amounting to 15.6 million euros for the financial year ended 30 June 2021 against (10.6) million euros for the financial year ended 30 June 2020.

6.1.3 Backlog

The backlog represents future revenues from capacity allocation or service delivery contracts (including contracts for satellites currently under construction). As of 30 June 2021, the backlog stands at 4.4 billion euros. The secured backlog, corresponding to the IFRS 15 requirements and excluding revenues subject to early termination clauses, stands at 3.4 billion euros. The amount of secured backlog within a five-year time horizon stands at 2.7 billion euros, of which 1.6 billion euros in less than two years.

6.2 Operating Expenses

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

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

The operating expenses relating to impairment losses on trade receivables and assets associated with customer contracts amount to 32.8 million euros as of 30 June 2021 (versus 22.6 million euros for the financial year ended 30 June 2020).

6.2.1 Staff costs

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

(in millions of euros)	30 June 2020	30 June 2021
Operating costs	56.7	58.6
Selling, general and administrative expenses	91.1	95.2
Total	**147.9**	**153.8**

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

6.2.2 Employee headcount

The Group has 1,132 full time equivalent employees at the balance sheet date of 30 June 2021 compared to 1,014 at the balance sheet date of 30 June 2020.

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

	30 June 2020	30 June 2021
Operations	499	511
Selling, general and administrative	514	598
Total	**1,013**	**1,109**

6.2.3 Share-based and similar compensation

ACCOUNTING PRINCIPLES

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

The Group granted free shares to the directors in November 2020 and phantom shares to some employees and directors in November 2018, November 2019 and November 2020. Generally, the allocation of these free shares and phantom shares is contingent on an attendance requirement and the achievement of performance conditions.

The recognised expense for these plans (excluding employer contributions) stands at 2.4 million euros for the financial year ended 30 June 2021 versus 0.7 million euros for the financial year ended 30 June 2020.

The key features of the plans are as follows:

Key features of the plans	November 2018 plan	November 2019 plan	November 2020 plan
Vesting period	July 2018 - June 2021	July 2019 - June 2022	July 2020 - June 2023
Payment method	Cash	Cash	Shares and cash
Maximum number of attributable shares at inception	323,221	328,804	512,560
Number of beneficiaries	254	255	30
Number of shares and performance conditions for the free share plans			
Total number of outstanding shares	-	-	224.963
Performance conditions	-	-	Revenue, Discretionary Free Cash-Flow, Relative TSR[(1)] and CSR
Number of shares and performance conditions for the phantom share plans			
Total number of outstanding shares	261,389	159,072	249,084
Performance targets	Revenue, Discretionary Free-Cash-Flow and Relative TSR[(1)]	Revenue, Discretionary Free-Cash-Flow, Relative TSR[(1)] and CSR	Revenue, Discretionary Free Cash-Flow and CSR
Fair value of shares at 30 June 2021			
Fair value excluding TSR [(1)]	€10.28	€9.39	€6.63-€8.54
Fair value after TSR [(1)]	€0.00	€0.54	€4.97
Aggregate valuation of plan as of 30 June 2021 (in millions of euros) [(2)]	2.4	1.1	3.3
Expense for the financial year			
Expense for the financial year ended 30 June 2021 (in millions of euros) [(2)]	**1.0**	**0.3**	**1.1**

[(1)] *The relative TSR (Total Shareholder Return) measures the Eutelsat share rate of return compared with that of other benchmarks or indexes. This performance requirement only applies to company directors.*
[(2)] *Excluding social security charges.*

6.3 Other Operating Income and Expenses

ACCOUNTING PRINCIPLES

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

(in millions of euros)	30 June 2020	30 June 2021
Other operating income	100.2	1.3
Other operating expenses	(64.1)	(68.3)
Total	**36.1**	**(67.0)**

As of 30 June 2021, other operating expenses mainly include impairments on satellites amounting to 27.9 million euros (see Note 7.1) and costs relating to non-commercial litigation amounting to 13.9 million euros, the impact of the sale of EBI for 8.8 million euros and the restructuring of non-significant activities amounting to 6 million euros.

As of 30 June 2020, other operating income mainly included the 92.2 million euro insurance repayment in respect of the malfunction on the EUTELSAT 5 West B satellite. The other operating expenses related to the impairment of assets for 42.2 million euros (see Note 7.1) and the costs incurred on the malfunction of the EUTELSAT 5 West B satellite for 6.5 million euros.

6.4 Financial Result

(in millions of euros)	30 June 2020	30 June 2021
Interest expense after hedging	(69.5)	(68.1)
Interest on lease liabilities	(15.8)	(14.3)
Loan set-up fees and commissions	(7.3)	(7.7)
Capitalised interest	19.9	17.1
Cost of gross debt	**(72.8)**	**(73.0)**
Financial income	0.9	0.2
Cost of net debt	**(71.8)**	**(72.8)**
Changes in derivative financial instruments	(0.3)	-
Foreign-exchange impact	(4.0)	(16.1)
Others	(4.4)	(6.1)
Financial result	**(80.5)**	**(95.0)**

The interest expense as of 30 June 2020 and 30 June 2021 includes, respectively, 8.4 million euros and 9.2 million euros of expenses related to the exercise and termination of pre-hedging instruments used to secure the interest rate on the October 2018, June 2019 and October 2020 bond issues.

The amount of capitalised interest depends on the state of progress and number of satellite construction programmes recorded during the relevant financial year. The interest rate used to determine the amount of interest expense eligible for capitalisation is 2.38% as of 30 June 2021 versus 2.42% as of 30 June 2020.

Changes in the fair value of derivatives as of 30 June 2021 and 2020 mainly include changes in the fair value of derivatives that are not qualified or no longer qualify for hedge accounting, as well as the ineffective portion of the time value of derivatives that are qualified in a hedging relationship.

6.5 Income Tax

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

(in millions of euros)	30 June 2020	30 June 2021
Current tax expense	(89.5)	(56.2)
Deferred tax income (expense)	(8.0)	32.0
Total income tax expense	**(97.5)**	**(24.2)**

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

(in millions of euros)	30 June 2020	30 June 2021
Net income before tax	409.7	252.3
Standard French corporate tax rate	**34.4%**	**32.0%**
Theoretical income-tax expense	**(141.0)**	**(80.8)**
Non-taxable profit	78.5	72.5
Differences in corporation tax rates	3.2	3.1
Use of tax losses	1.0	-
CAVE (Contribution on Added Value of Enterprises)	(2.2)	(2.8)
Deferred tax generated during the previous period and recognised for the period	-	-
Other permanent differences	(37.0)	(16.2)
Tax expense	**(97.5)**	**(24.2)**
Effective tax rate	**23.8%**	**9.6%**

As of 30 June 2021, the other permanent differences mainly include the impact of exchange rate differences and inflation effects recorded by Satellites Mexicanos on the subsidiary's deferred tax positions for 15.2 million euros.

As of 30 June 2020, the other permanent differences mainly include the impact of exchange rate differences and inflation effects recorded by Satellites Mexicanos on the subsidiary's deferred tax positions for (18.2) million euros.

As of the financial year ended 30 June 2021, the Group has opted to allocate the CAVE (Contribution on Added Value of Enterprises/*Cotisation sur la Valeur Ajoutée des Entreprises – CVAE*) to income taxes to reflect the fact that this tax meets the definition of the tax basis and territoriality rules linked to those for corporation tax. As a result, this tax is presented as a component of the tax expense. The comparable financial year ended 30 June 2020 has consequently been restated. The CAVE included in the tax expense in respect of the financial year ended 30 June 2021 amounts to 4.1 million euros (3.1 million euros for the financial year ended 30 June 2020).

6.6 Earnings Per Share

ACCOUNTING PRINCIPLES

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

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

(in millions of euros)	30 June 2020	30 June 2021
Net income	**312.2**	**228.1**
Income from subsidiaries attributable to non-controlling interests	(14.6)	(14.0)
Net earnings used to compute earnings per share	**297.6**	**214.1**
Average number of shares	**231,999,682**	**230,196,636**

Note 7. NOTES TO THE BALANCE SHEET

7.1 Fixed Assets

7.1.1 Goodwill and other intangibles

ACCOUNTING PRINCIPLES

Goodwill

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

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

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

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

Customer contracts and relationships

Customer contracts and relationships acquired in a business combination are recorded at fair value on the acquisition date. The fair value is set by referring to the generally accepted methods such as those based on revenues or market value. These assets are amortised on a straight-line basis over their economic life, which is estimated on the basis of the average duration of the contractual relationships existing at the date of acquisition of Eutelsat and the expected contract renewal rates. The main customer relationship recognised in the Group’s financial statements is that of Eutelsat S.A, amortised over a 20 years period.

Other intangibles

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

Development costs are capitalized and amortized over a period of 3 to 7 years if the Group can demonstrate:

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

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

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

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

(in millions of euros)	Goodwill	Customer contracts and relationships	Eutelsat brand	Other intangibles	Total
Gross assets					
Gross value as of 30 June 2019	**1,206.1**	**1,122.7**	**40.8**	**311.9**	**2 681.6**
Acquisitions	-	-	-	20.6	20.6
Transfers	-	-	-	14.9	14.9
Foreign-exchange variation	3.1	2.0	-	0.6	5.6
Disposals and scrapping of assets	-	-	-	(15.0)	(15.0)
Gross value as of 30 June 2020	**1,209.2**	**1,124.7**	**40.8**	**333.0**	**2,707.6**
Acquisitions	-	-	-	21.2	21.2
Transfers	-	-	-	30.0	30.0
Foreign-exchange variation	(15.9)	(11.6)	-	(3.4)	(30.9)
Disposals and scrapping of assets	-	-	-	(5.3)	(5.3)
Entries into the scope	53.2	5.2	-	1.1	59.5
Exits from the scope	-	-	-	(6.3)	(6.3)
Gross value as of 30 June 2021	**1,246.5**	**1,118.3**	**40.8**	**370.3**	**2,775.9**
Depreciation and impairment					
Accumulated amortization as of 30 June 2019	**-**	**(708.9)**	**-**	**(191.0)**	**(899.9)**
Depreciation expense	-	(65.1)	-	(33.1)	(98.2)
Reversals (disposals)	-	-	-	14.8	14.8
Foreign-exchange variation	-	(0.2)	-	(0.1)	(0.3)
Accumulated amortization as of 30 June 2020		**(774.2)**		**(209.4)**	**(983.6)**
Depreciation expense	-	(64.6)	-	(38.8)	(103.4)
Transfers and others	-	-	-	(17.0)	(17.0)
Foreign-exchange variation	-	4.8	-	1.2	6.0
Reversals (disposals and scrapping of assets)	-	-	-	2.8	2.8
Exits from the scope	-	-	-	6.2	6.2
Accumulated amortization as of 30 June 2021	-	**(833.9)**	**-**	**(255.1)**	**(1,089.0)**
Net value as of 30 June 2019	1,206.1	413.8	40.8	120.8	1 781.7
Net value as of 30 June 2020	1,209.2	350.4	40.8	123.6	1 724.0
Net value as of 30 June 2021	**1,246.5**	**284.3**	**40.8**	**115.2**	**1 686.9**

The Eutelsat brand was recognised when Eutelsat S.A. was acquired by Eutelsat Communications in 2005.

7.1.2 Tangible assets and construction in progress

ACCOUNTING PRINCIPLES

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

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

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

The useful lives adopted by the Group are as follows:

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

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

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

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

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

(in millions of euros)	Satellites	Other tangibles	Assets under construction	Total
Gross assets				
Gross value as of 30 June 2019	**5,703.7**	**426.7**	**1,028.6**	**7,159.1**
Acquisitions	25.1	5.1	345.3	375.5
Disposals	-	(0.3)	-	(0.3)
Scrapping of assets	-	(7.7)	-	(7.7)
Foreign-exchange variation	12.9	0.4	-	13.3
Transfers and others	285.4	13.4	(312.7)	(13.8)
Gross value as of 30 June 2020	**6,027.1**	**437.7**	**1,061.2**	**7,526.0**
Acquisitions	1.8	27.8	379.5	409.0
Disposals	-	(5.1)	-	(5.1)
Scrapping of assets	(119.6)	(14.6)	-	(134.2)
Foreign-exchange variation	(63.0)	(1.8)	(0.4)	(65.1)
Entries into the scope	-	4.5	-	4.5
Exits from the scope	(296.0)	(68.4)	-	(364.4)
Transfers and others	182.5	75.2	(226.0)	31.7
Gross value as of 30 June 2021	**5,732.8**	**455.4**	**1,214.4**	**7,402.5**
Depreciation and impairment				
Accumulated amortization as of 30 June 2019	**(2,947.0)**	**(329.6)**	**(1.2)**	**(3,277.9)**
Depreciation expense	(337.4)	(26.6)	-	(364.0)
Impairment	(32.6)	-	-	(32.6)
Reversals (disposals)	-	0.1	-	0.1
Reversals (scrapping of assets)	-	7.4	-	7.4
Foreign-exchange variation	(0.5)	(0.1)	-	(0.6)
Transfers and others	-	(2.0)	-	(2.0)
Accumulated amortization as of 30 June 2020	**(3,317.5)**	**(350.7)**	**(1.2)**	**(3,669.4)**
Depreciation expense	(312.4)	(27.0)	-	(339.4)
Impairment	(16.2)	-	-	(16.2)
Reversals (disposals)	-	5.0	-	5.0
Reversals (scrapping of assets)	119.6	13.3	-	132.9
Foreign-exchange variation	27.0	1.1	-	28.1
Exits from the scope	175.3	57.4	-	232.7
Transfers and others	(1.6)	(45.5)	1,2	(45.8)
Accumulated amortization as of 30 June 2021	**(3,325.8)**	**(346.4)**	**-**	**(3,672.1)**
Net value as of 30 June 2019	2,756.7	95.3	1,029.3	3,881.4
Net value as of 30 June 2020	2,709.7	87.0	1,060.0	3,856.7
Net value as of 30 June 2021	**2,407.0**	**109.0**	**1,214.4**	**3,730.4**

Transfers relating to satellites arising during the financial year ended 30 June 2021 correspond to the entry into commercial service of the Konnect satellite launched during the financial year ended 30 June 2020.

During the financial years ended 30 June 2021 and 30 June 2020, the Group recognised respective impairment losses of 16.2 million euros and 32.6 million euros on a satellite.

The expected launch dates for satellites under construction at the balance sheet date are as follows:

Projects	Years
Quantum	Calendar year 2021
Konnect VHTS, EUTELSAT 10B, Hotbird 13F and Hotbird 13G	Calendar year 2022
EUTELSAT 36D	Calendar year 2024

7.1.3 Rights of use in respect of leases

ACCOUNTING PRINCIPLES

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

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

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

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

During the financial year ended 30 June 2021, the rights of use saw the following changes:

(in millions of euros)	Satellites	Other tangible assets	Total
Gross assets			
Gross value as of 30 June 2019	**878.6**	**44.2**	**922.8**
New contracts	-	4.7	4.7
Modifications and early termination of contracts	(23.4)	(13.5)	(36.9)
Scrapping of assets	(4.4)	(0.5)	(4.9)
Gross value as of 30 June 2020	**850.9**	**34.8**	**885.7**
New contracts	-	40.1	40.1
Modifications and early terminations of contracts	(3.2)	(12.7)	(15.9)
Scrapping of assets	-	(0.7)	(0.7)
Foreign-exchange variation	-	(0.4)	(0.4)
Entries into the scope	-	0.8	0.8
Gross value as of 30 June 2021	**847.7**	**61.9**	**909.6**
Depreciation and impairment			
Accumulated depreciation and impairment as of 30 June 2019	**(255.8)**	**(9.1)**	**(264.9)**
Depreciation expense	(59.6)	(9.4)	(68.9)
Impairment	(9.6)	-	(9.6)
Reversals (modifications and early terminations of contracts)	9.2	-	9.2
Reversals (scrapping of assets)	4.4	0.5	4.9
Accumulated depreciation and impairment as of 30 June 2020	**(311.4)**	**(18.0)**	**(329.4)**
Depreciation expense	(54.4)	(10.5)	(64.9)
Impairment	(11.7)	-	(11.7)
Reversals (modifications and early terminations of contracts)	1.6	11.5	13.1
Reversals (scrapping of assets)	-	0.7	0.7
Foreign-exchange variation	-	0.1	0.1
Accumulated depreciation and impairment as of 30 June 2021	**(375.9)**	**(16.1)**	**(392.1)**
Net value as of 30 June 2019	622.8	35.1	657.9
Net value as of 30 June 2020	539.5	16.8	556.3
Net value as of 30 June 2021	**471.8**	**45.8**	**517.5**

Satellite rights of use mainly relate to the Express AT1, Express AT2, Express AM6, Express 36C and Astra 2G leases. The durations of these leases cover the expected life spans of this type of satellite and, as such, none of these contracts include purchase options upon termination of the contract.

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

During the financial years ended 30 June 2021 and 30 June 2020, the Group recognised respective impairment losses of 11.7 million euros and 9.6 million euros on its right to use certain satellite transponders,

7.1.4 Fixed asset value tests

ACCOUNTING PRINCIPLES

Goodwill and unamortized intangible assets

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

Amortizable assets

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

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

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

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

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

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

Goodwill

The Group's goodwill is monitored only at Eutelsat's operating segment level.

As of 30 June 2021, since Eutelsat Communications' market capitalisation amounts to less than the book value of the Group's shareholders' equity, the recoverable amount of goodwill has been estimated on the basis of the value in use determined from a valuation of the Group based on future cash flows. This analysis incorporates a significant degree of judgement on the part of the Group's Management.

The cash flows used are based on the Group's five-year business plan approved by the Board of Directors in January 2021, including the impacts of the Covid crisis, covering periods up to the financial year 2024-25, on the long-term plan defined on a constant basis for periods up to the financial year 2032-33, and on a terminal value. The Group considers that it is appropriate to use projections beyond 5 years, given the long-term visibility it has for a significant portion of its business and its expected growth profile, which the long term plan makes it easier to evaluate.

With respect to financial metrics such as the WACC (7.8% used as of 30 June 2021 versus 7.5% as of 30 june 2020) and the long-term growth rate used to calculate the terminal value, the sensitivity analyses show that an increase in the WACC of less than 114bp or a decline in the long-term growth rate of less than 303bp, or a nil growth rate to infinity, would not lead to a lower value in use than the Group's net present value as of 30 June 2021.

Furthermore, the main operational assumptions potentially impacting the recoverable amount of assets are the level of EBITDA and the amount of capex. The operational assumptions of the long-term plan are based on internal market models of the growth trend of each of the Group's business segments and on external strategic reviews. Sensitivity analyses show that a 5% decline in EBITDA would not lead to the recognition of an impairment loss on goodwill.

The impairment tests performed as of 30 June 2021 and 2020 on the basis of discounted cash flow forecasts did not lead to the recognition of any impairment charges. This is further evidenced by the external information available on estimated data provided by the financial analysts who monitor the Group.

Depreciable assets

Concerning the impairment tests carried out in respect of the satellites as of 30 June 2021, the cash flows used are based on a five-year business plan period approved by the Board of Directors in January 2021, then on the cash flows extended until the end of life of each satellite based on a normative growth rate. These tests resulted in the recognition of an impairment loss relating to a satellite under ownership amounting to respectively 16.5 million euros and 32.6 million euros at 30 June 2021 and 30 June 2020 (see Note 7.1.2 "Tangible assets and construction in progress") and 11.7 million euros and 9.6 million euros at 30 June 2021 and 30 June 2020 (see Note 7.1.3 "Rights of use in respect of leases").

7.1.5 Purchase commitments

In addition to the items recognised on the balance sheet, the Company has entered into commitments with suppliers for the acquisition of assets (satellites and other assets) and the provision of services amounting to a total of 595 million euros as of 30 June 2020 and 840 million euros as of 30 June 2021.

The following table lists the future payments in respect of these commitments as of 30 June 2020 and 30 June 2021:

(in millions of euros)	As of 30 June 2020	As of 30 June 2021
Maturity within 1 year	307	395
From 1 to 2 years	177	291
From 2 to 3 years	52	21
From 3 to 4 years	40	122
Maturity exceeding 4 years	19	11
Total	**595**	**840**

The Group has also granted a guarantee covering the payment of the amounts due in respect of the granting of orbital rights. The amount of this guarantee is unlimited and applies to the whole duration of the licence.

7.2 Receivables, Assets and Liabilities on Customer Contracts and Costs to Obtain and Fulfil Contracts

ACCOUNTING PRINCIPLES

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

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

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

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

(in millions of euros)	30 June 2020	30 June 2021
Assets		
Accounts receivable	334.8	244.5
Assets associated with customer contracts	42.8	40.3
Costs to fulfil contracts	26.9	5.4
Costs to obtain contracts	22.3	9.3
Total current and non-current assets	**426.8**	**299.5**
Including non-current portion	*74.9*	*37.7*
Including current portion	*351.9*	*261.9*
Liabilities		
Financial liabilities - Guarantees and commitments received	56.2	53.5
Liabilities associated with customer contracts	187.5	186.5
Total current and non-current liabilities	**243.7**	**240.0**
Of which non-current portion	*152.8*	*153.0*
Of which current portion	*90.9*	*87.0*

7.2.1 Accounts receivable

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

(in millions of euros)	30 June 2020	30 June 2021
Non-matured receivables	145.1	111.7
Matured receivables between 0 and 90 days	58.1	42.6
Matured receivables between 90 and 365 days	97.5	58.7
Matured due for more than 365 days	153.3	128.0
Depreciation	(119.2)	(96.5)
Total	**334.8**	**244.5**

Receivables due for more than 365 days as of 30 June 2021 include receivables amounting to 15.5 million euros covered by collateral deposits (and 12.4 million euros at 30 June 2020). These do not involve any risk of depreciation in the income statement. The provision for impairment of 96.5 million euros as of 30 June 2021 represents 86% of the amount of receivables except collateral deposits due for more than 365 days and 41% of all matured receivables.

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

Due to their short-term maturity, non-matured accounts receivable do not bear interest.

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

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

(in millions of euros)	30 June 2020		30 June 2021	
	Value of accounts receivable	Value of guarantee	Value of accounts receivable	Value of guarantee
Guarantee deposits	120.0	18.1	82.4	20.8
Bank or insurance guarantees	49.1	31.9	15.0	25.1
Guarantees from the parent company	4.9	4.9	5.2	5.2
Total	**174.0**	**54.9**	**102.6**	**51.0**

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

The Group's ten largest clients accounted for 35% of revenues as of 30 June 2021 (34% as of 30 June 2020). The top five account for 24% of revenues (23% at June 30, 2020).

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

(in millions of euros	Total
Value as of 30 June 2019	**104.4**
Net allowance (reversal)	22.1
Reversals (used)	(7.2)
Foreign-exchange variations	(0.1)
Value as of 30 June 2020	**119.2**
Net allowance (reversal)	25.6
Reversals (used)	(44.9)
Foreign exchange variations	(1.5)
Exits from the scope	(1.9)
Value as of 30 June 2021	**96.5**

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

(in millions of euros)	Total
Assets associated with customer contracts as of 30 June 2019	**38.0**
Use of assets associated with customer contracts during the period	(10.0)
New assets associated with customer contracts recorded during the period	15.7
Net depreciations (reversals)	(0.5)
Translation adjustment	(0.3)
Assets associated with customer contracts as of 30 June 2020	**42.8**
Use of assets associated with customer contracts during the period	(12.5)
New assets associated with customer contracts recorded during the period	9.3
Net reversals (depreciations)	1.6
Translation adjustment	(0.9)
Assets associated with customer contracts as of 30 June 2021	**40.3**

The costs to obtain and fulfil contracts are shown below:

(in millions of euros)	Total
Costs to obtain and fulfil customer contracts as of 30 June 2019	**41.1**
Use of costs to obtain and fulfil customer contracts during the period	(16.2)
New costs to obtain and fulfil customer contracts during the period	24.0
Costs to obtain and fulfil customer contracts as of 30 June 2020	**49.2**
Use of costs to obtain and fulfil customer contracts during the period	(14.6)
New costs to obtain and fulfil customer contracts during the period	8.2
Entries into the scope	12.3
Exits from the scope	(40.6)
Translation adjustment	0.2
Costs to obtain and fulfil customer contracts as of 30 June 2021	**14.7**

7.2.3 Liabilities associated with customer contracts

The liabilities associated with customer contracts break down as follows:

(in millions of euros)	Total
Liabilities associated with customer contracts as of 30 June 2019	**188.5**
Revenue recognition during the period	(73.9)
New liabilities associated with customer contracts recorded during the period	72.7
Translation adjustment	1.1
Reclassification	(0.9)
Liabilities associated with customer contracts as of 30 June 2020	**187.5**
Revenue recognition during the period	(42.5)
New liabilities associated with customer contracts recorded during the period	56.4
Translation adjustment	(4.1)
Entries into the scope	13.5
Exits from the scope	(24.5)
Liabilities associated with customer contracts as of 30 June 2021	**186.4**

7.3 Financial Assets and Liabilities

ACCOUNTING PRINCIPLES

Cash and cash equivalents

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

Financial debt

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

Financial assets

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

Financial liabilities

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

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

Derivative financial instruments

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

Hedging transactions are carried out using derivative financial instruments, the fair value changes of which are intended to offset the exposure of the hedged items to these same changes. Changes in fair value are recognised in shareholders' equity, within other recyclable gains and losses in comprehensive income, for the effective portion of the hedging relationship, while changes in fair value for the ineffective portion are recognised in financial result. The Group uses derivative financial instruments to hedge cash flows (forwards and forwards KI) and the net investment of its subsidiaries in Mexico, Singapore and Dubai (cross currency swap). Forwards, forwards KI, and the interest rate component of the cross-currency swap are recorded as financial assets or liabilities depending on the position while the exchange component is included in the Group's net debt.

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

7.3.1 Cash and cash equivalents

Cash and cash equivalents are detailed as follows:

(in millions of euros)	30 June 2020	30 June 2021
Cash at bank and in hand	485.4	529.0
Cash equivalents	346.6	332.1
Total	**832.0**	**861.1**

7.3.2 Financial debt

The financial debt breaks down as follows:

(in millions of euros)	Rate	30 June 2020	30 June 2021	Maturity
Term loan 2022	Variable	600.0	-	March 2022
Term loan 2026	Variable	-	400.0	June 2026
Term loan EIB	Fixed	-	200.0	December 2028
Bond 2022	3.125%	300.0	300.0	October 2022
Bond 2025	2.000%	800.0	800.0	October 2025
Bond 2027	2.250%	600.0	600.0	July 2027
Bond 2028	1.500%	-	600.0	October 2028
Structured debts				
	Variable	71.2	14.2	May 2024
	Variable	61.3	67.0	July 2022
	Variable	77.8	80.0	July 2023
	Variable	12.0	53.0	July 2024
Sub-total of debt (non-current portion)		**2,522.3**	**3,114.1**	
Loan set-up fees and premiums		(16.5)	(16.7)	
Total of debt (non-current portion)		**2,505.8**	**3,097.4**	
Bond 2021	1.125%	500.0	-	June 2021
Structured debts	Variable	23.7	7.1	
RCF drawdown	Variable	300.0	-	September 2020
Accrued interest not yet due		34.3	38.4	
Total debt (current portion)		**858.1**	**45.5**	
Total		**3,363.9**	**3,142.9**	

The totality of the debt is denominated in euros.

The term loans and structured debts are subject to a financial covenant that provides for a total net debt to EBITDA ratio equal to or less than 4.0/1. Under the term loan covenants, each lender may also request early repayment of all sums due in case of a change of control of Eutelsat S.A. or Eutelsat Communications. The obligations are also backed by a banking covenant which provides for each lender to request early repayment of all amounts due in the event of a change of control of Eutelsat S.A. or Eutelsat Communications and a rating downgrade on Eutelsat S.A. As of 30 June 2021, the Group was in compliance with all the banking covenants under its credit facilities.

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

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

In addition, as of 30 June 2021, the Group has active credit lines for an aggregate undrawn amount of 1,050.0 million euros (398.8 million euros as of 30 June 2020). These lines are backed by banking covenants similar to those in place for the term loans and the structured debts.

The schedule of debt maturities, excluding issue costs and premiums and accrued interest not yet due, as of 30 June 2021 is as follows:

(in millions of euros)	Amount	Maturity within 1 year	Maturity between 1 and 5 years	Maturity exceeding 5 years
Term loan	400.0	-	400.0	-
Term loan BEI	200.0	-	-	200.0
Structured debts	221.2	7.1	214.1	-
Bond 2022	300.0	-	300.0	-
Bond 2025	800.0	-	800.0	-
Bond 2027	600.0	-	-	600.0
Bond 2028	600.0	-	-	600.0
Total	**3,121.2**	**7.1**	**1,714.1**	**1,400.0**

7.3.3 Financial assets and liabilities

The detailed breakdown of financial assets is as follows:

(in millions of euros)	30 June 2020	30 June 2021
Non-consolidated equity investments	14.7	14.7
Derivative financial instruments [1]	10.3	39.0
Other financial assets	31.4	44.8
Total	**56.4**	**98.5**
Of which current portion	*23.6*	27.0
Of which non-current portion	*32.8*	71.5

[1] *See Note 7.3.5 "Derivative financial instruments".*

The other debts and financial liabilities break down as follows:

(in millions of euros)	30 June 2020	30 June 2021
Lease liabilities	493.4	435.6
Other liabilities	86.6	103.4
Payables to fixed asset suppliers	50.9	213.7
Derivative financial instruments [1]	43.0	29.1
Liabilities for social contributions	52.3	55.2
Tax liabilities	15.6	22.7
Total	**741.8**	**859.8**
Of which current portion	*231.6*	*170.5*
Of which non-current portion	*510.2*	*689.3*

[1] *See Note 7.3.5 "Derivative financial instruments".*

As the construction of certain satellites progresses, the acceptance of milestone payments leads to the recognition of an asset under construction and an account payable. The non-current payables to fixed asset suppliers represent an amount of 188.7 million euros as of 30 June 2021 and include acceptances of milestone payments and payments by means of commercial paper maturing on delivery of the satellites amounting, respectively, to 154.4 million euros and 29.6 million euros.

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

(in millions of euros)	30 June 2020	New contracts	Cash flow	Early termination	Currency effects	Change in accrued interests	30 June 2021
Satellites	474.4	-	(84.4)	(3.9)	-	(2.2)	384.0
Real estate	11.4	41.0	(4.0)	(1.3)	0.1	-	47.1
Others	7.6	-	(3.1)	-	-	-	4.5
Total	**493.4**	**41.0**	**(91.5)**	**(5.2)**	**0.1**	**(2.2)**	**435.6**

The amounts shown for lease liabilities include accrued interest totalling 3.8 million euros as of 30 June 2020 and 2.2 million euros as of 30 June 2021.

7.3.4 Net debt

The net debt breaks down as follows:

(in millions of euros)	30 June 2020	30 June 2021
Term loan	600.0	400.0
Term loan EIB	-	200.0
Bonds	2,200.0	2,300.0
RCF drawdown	300.0	-
Structured debts	246.1	221.2
"Change" portion of cross-currency swap	(4.3)	(38.7)
Lease liabilities	489.6	434.0
Gross debt	**3,831.4**	**3,516.5**
Cash and cash equivalents	(832.0)	(861.1)
Net debt	**2,999.4**	**2,655.5**

The changes in the debt position between 30 June 2019 and 30 June 2020 are presented below:

(in millions of euros)	30 June 2019	Cash flow	Non-cash flow	Currency effects	Fair value change and others	30 June 2020
Term loan	600.0	-	-	-	-	600.0
Bonds	3,130.0	(930.0)	-	-	-	2,200.0
RCF drawdown	-	300.0	-	-	-	300.0
Structured debts	118.6	(23.7)	151.2	-	-	246.1
"Change" portion of cross-currency swap	99.8	(112.2)	-	-	8.1	(4.3)
Lease debt	579.8	(63.0)	(26.6)	(0.6)	-	489.6
Total	**4,528.1**	**(828.9)**	**124.6**	**(0.6)**	**8.1**	**3,831.4**

The net cash flow of 930 million euros on the bonds reflects the repayment of the bond loan maturing during the 2020 financial year.

The changes in the debt position between 30 June 2020 and 30 June 2021 are presented below:

(in millions of euros)	30 June 2020	Cash flow	Non-cash flow	Currency effects	Fair value change and others	30 June 2021
Term loans	600.0	(200.0)	-	-	-	400.0
Term loan EIB	-	200.0	-	-	-	200.0
Bonds	2,200.0	100.0	-	-	-	2,300.0
RCF drawdown	300.0	(300.0)	-	-	-	-
Structured debts	246.1	(73.7)	48.8	-	-	221.2
"Change" portion of cross-currency swap	(4.3)	-	-	-	(34.4)	(38.7)
Lease debt	489.6	(91.5)	34.9	0.1	0.8	434.0
Total	**3,831.4**	**(365.2)**	**83.7**	**0.1**	**(33.6)**	**3,516.5**

The net cash flow of 100 million euros from the bond loans reflects, firstly, the repayment of (500) million euros in respect of the bond loan maturing during the 2021 financial year and, secondly, a new bond issue in the amount of 600 million euros maturing in October 2028. The net cash flow of 200 million euros on the term loan corresponds, firstly, to the early repayment of the loan maturing in March 2022 amounting to (600.0) million euros and, secondly, to the implementation of another term loan in the amount of 400.0 million euros maturing in June 2026 (see Note 2.5).

7.3.5 Derivative financial instruments

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

(in millions of euros)	Notional		Fair value		Change in fair value over the period	Impact on income (excl. coupons)	Impact on equity (excl. coupons)
	30 June 2020	30 June 2021	30 June 2020	30 June 2021			
Synthetic forward transaction with knock-in option (Eutelsat S.A.)	244.7	235.5	5.8	(0.4)	(6.3)	-	(6.3)
Cross currency swap	612.0	572.0	(33.9)	10.3	44.2	-	44.2
Total forex derivatives	**856.7**	**807.5**	**(28.1)**	**9.9**	**37.9**	**-**	**37.9**
Pre-hedging swap [1]	300.0	-	(4.7)	-	4.7	-	(1.3)
Total interest rate derivatives	**300.0**	**-**	**(4.7)**	**-**	**4.7**	**-**	**(1.3)**
Total derivative instruments			**(32.7)**	**9.9**	**42.7**	**-**	**36.6**

[1] The pre-hedge Swap in a notional amount of 300 million euros was terminated in October 2020 and resulted in a cash payment of 6.0 million euros by Eutelsat S.A.

As of 30 June 2021, the cumulative fair value of the derivative financial instruments was positive at 39.0 million euros and negative at 29.1 million euros (see Note 7.3.3 "Financial assets and liabilities").

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

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

(in millions of euros)	Fair value recognised in equity and to be reclassified to income as of 30 June 2020						
	Total	1 year at most	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Foreign exchange risk hedges	(28.0)	5.9	-	-	-	(33.9)	-
Interest rate risk hedges	(4.7)	(4.7)	-	-	-	-	-
Net total at 30 June 2020	**(32.7)**	**1.2**	**-**	**-**	**-**	**(33.9)**	**-**

(in millions of euros)	Fair value recognised in equity and to be reclassified to income as of 30 June 2021						
	Total	1 year at most	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Foreign exchange risk hedges	9.9	(0.4)	-	-	10.3	-	-
Net total at 30 June 2021	9.9	(0.4)	-	-	10.3	-	-

7.3.6 Risk management

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

Foreign exchange risk

Through the sale of its satellite capacity, the Group is a net receiver of currencies, mainly the US dollar. Consequently, the Group is primarily exposed to the US dollar/euro foreign exchange risk.

In order to hedge foreign exchange risks, the Group may be compelled to use forward sales or synthetic forward transactions with knock-in option of US dollars against the euro, which can be exercised or not depending on the exchange rate at their expiry date. However, the Group cannot guarantee that it will be able to systematically hedge all of its US dollar-denominated contracts. Additionally, to hedge the translation risk, the Group may also create liabilities denominated in the currency of the cash flows generated by these assets. The hedging instruments used by the Group may include currency derivatives (cross-currency swaps) documented as net foreign investment hedges. The Group has thus developed a euro-US dollar currency swap for a notional amount of 680 million dollars to hedge its net investment in the subsidiaries based in Mexico, Singapore and Dubai.

Given its exposure to foreign currency risk, the Group estimates that a 10% increase in the US dollar/euro exchange rate (excluding foreign exchange derivatives) would generate a 34 million euro decline in the Group's revenue and a 5 million euro decline in operating expenses. It would also result in a 94 million euros negative variation in the Group's translation reserve and a 59 million euro increase in the foreign exchange portion of the cross-currency swap recorded under financial liabilities.

Interest rate risk

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

Considering the full range of financial instruments available to the Group as of 30 June 2021, an increase of ten basis points (+0.1%) over the EURIBOR interest rate would have no impact on the interest expense.

Financial counterparty risk

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

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

As of 30 June 2021, the counterpart risk associated with these operations is not deemed to be significant.

Liquidity risk

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

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

The Group's debt maturity profile is shown below:

			Timelines as of 30 June 2020					
As of 30 June 2020 (in millions of euros)	**Balance-sheet value**	**Total contractual cash flows**	***Jun-20***	***Jun-21***	***Jun-22***	***Jun-23***	***Jun-24***	***More than 5 years***
Term loan	(599.2)	(613.8)	(6.9)	(606.9)	-	-	-	-
Bonds	(2,194.4)	(2,438.9)	(545.6)	(38.9)	(338.9)	(29.5)	(29.5)	(1,456.5)
RCF drawdown	(300.0)	(300.7)	(300.7)	-	-	-	-	-
Structured debt	(242.7)	(253.7)	(26.4)	(87.5)	(103.3)	(36.5)	-	-
Lease debt	(493.4)	(493.4)	(73.8)	(47.2)	(44.6)	(44.6)	(45.9)	(237.3)
Qualified derivatives [(1)]	(43.0)	(43.0)	(4.7)	-	-	-	(38.3)	-
Total financial debt	**(3,872.7)**	**(4,143.5)**	**(958.1)**	**(780.5)**	**(486.8)**	**(110.6)**	**(113.7)**	**(1,693.8)**
Other financial liabilities	(154.5)	(154.5)	(107.1)	(47.4)	-	-	-	-
Total financial liabilities	**(4,027.2)**	**(4,298.0)**	**(1,065.2)**	**(827.9)**	**(486.8)**	**(110.6)**	**(113.7)**	**(1,693.8)**
Qualified derivatives [(1)]	10.3	10.3	5.9	-	-	-	4.3	-
Financial assets	46.2	46.2	17.7	28.5	-	-	-	-
Cash	485.4	485.4	485.4	-	-	-	-	-
Cash equivalents	346.6	346.6	346.6	-	-	-	-	-
Total financial assets	**888.4**	**888.4**	**855.6**	**28.5**	**-**	**-**	**4.3**	**-**
Net position	**(3,138.8)**	**(3,409.6)**	**(209.6)**	**(799.4)**	**(486.8)**	**(110.6)**	**(109.4)**	**(1,693.8)**

[(1)] *The amounts broken down under derivative instruments are recognised at fair value (not as contractual cash flows).*

As of 30 June 2021 (in millions of euros)	Balance-sheet value	Total contractual cash flows	Timelines as of 30 June 2021					
			Jun-22	*Jun-23*	*Jun-24*	*Jun-25*	*Jun-26*	*More than 5 years*
Term loan	(399.9)	(422.0)	(4.4)	(4.4)	(4.4)	(4.4)	(404.4)	-
Term loan EIB	(199.8)	(207.4)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(202.4)
Bonds	(2,286.8)	(2,555.9)	(47.9)	(338.5)	(38.5)	(38.5)	(838.5)	(1,254.0)
Structured debt	(218.1)	(227.3)	(9.9)	(76.3)	(88.1)	(53.0)	-	-
Lease debt	(434.0)	(434.0)	(0.3)	(22.2)	(46.5)	(50.4)	(51.8)	(262.8)
Qualified derivatives [(1)]	(28.8)	(28.8)	(0.4)	-	-	(28.4)	-	-
Total financial debt	**(3,567.4)**	**(3,875.4)**	**(63.9)**	**(442.4)**	**(178.5)**	**(175.7)**	**(1,295.7)**	**(1,719.2)**
Other financial liabilities	(181.3)	(181.3)	(120.7)	(60.6)	-	-	-	-
Total financial liabilities	**(3,748.7)**	**(4,056.7)**	**(184.6)**	**(503.0)**	**(178.5)**	**(175.7)**	**(1,295.7)**	**(1,719.2)**
Qualified derivatives [(1)]	38.7	38.7	-	-	-	38.7	-	-
Financial assets	59.5	59.5	26.7	32.8	-	-	-	-
Cash	529.0	529.0	529.0	-	-	-	-	-
Cash equivalents	332.1	332.1	332.1	-	-	-	-	-
Total financial assets	**959.3**	**959.3**	**887.8**	**32.8**	**-**	**38.7**	**-**	**-**
Net position	**(2,789.4)**	**(3,097.4)**	**(703.2)**	**(470.2)**	**(178.5)**	**(137.0)**	**(1,295.7)**	**(1,719.2)**

[(1)] *The amounts broken down under derivative instruments are recognised at fair value (not as contractual cash flows).*

7.4 Fair Value of Financial Instruments

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

7.4.1 Fair value of financial assets

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

(in millions of euros)	Total	Net carrying amount as of 30 June 2020			
		Amortised cost	Fair value through other items of income	Fair value through the income	Fair value as of 30 June 2020
Non-current assets					
Long-term loans and advances	28.5	15.0	-	13.5	28.5
Non-current assets on customer contracts	35.6	35.6	-	-	35.6
Current assets					
Accounts receivable	334.8	334.8	-	-	334.8
Current assets on customer contracts	7.2	7.2	-	-	7.2
Other receivables	43.6	43.6	-	-	43.6
Derivative financial instruments (1)					
Qualified as hedges	10.3	-	10.3	-	10.3
Cash and cash equivalents (2)					
Cash	485.4	-	-	485.4	485.4
Cash equivalent (2)	346.6	-	-	346.6	346.6

(1) Fair value hierarchy: level 2 (observable inputs other than quoted prices in active markets).
(2) Fair value hierarchy: level 1 (reflecting quoted prices).

(in millions of euros)	Total	Net carrying amount as of 30 June 2021			
		Amortised cost	Fair value through other items of income	Fair value through the income	Fair value as of 30 June 2021
Non-current assets					
Long-term loans and advances	32.8	18.1	-	14.7	32.8
Non-current assets on customer contracts	30.4	30.4	-	-	30.4
Current assets					
Accounts receivable	244.5	244.5	-	-	244.5
Current assets on customer contracts	9.8	9.8	-	-	9.8
Other receivables	42.8	42.8	-	-	42.8
Derivative financial instruments (1)					
Qualified as hedges	39.0	-	39.0	-	39.0
Cash and cash equivalents					
Cash	529.0	529.0	-	529.0	529.0
Cash equivalent (2)	332.1	332.1	-	332.1	332.1

(1) Fair value hierarchy: level 2 (observable inputs other than quoted prices in active markets).
(2) Fair value hierarchy: level 1 (reflecting quoted prices).

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

7.4.2 Fair value of financial liabilities

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

(in millions of euros)	Total	Net carrying amount as of 30 June 2020			Fair value as of 30 June 2020
		Instruments measured at amortised cost	Derivative instruments qualified as hedges	Instruments measured at fair value through the income statement	
Financial debt					
Floating rate loans	1,169.5	1,169.5	-	-	1,169.5
Bond loans [(1)]	2,194.4	2,194.4	-	-	2,242.4
Fixed rate loans	-	-	-	-	-
Bank overdrafts	-	-	-	-	-
Other financial liabilities					
Non-current	466.0	466.0	-	-	466.0
Current	181.9	181.9	-	-	181.9
Derivative financial instruments [(2)]					
Qualified as hedges	43.0	43.0	-	-	43.0
Accounts payable	73.1	73.1	-	-	73.1
Fixed assets payable	50.9	50.9	-	-	50.9

[(1)] *Fair value hierarchy: level 1 (reflecting quoted prices).*
[(2)] *Fair value hierarchy: level 2 (observable inputs other than quoted prices in active markets).*

(in millions of euros)	Total	Net carrying amount as of 30 June 2021			Fair value as of 30 June 2021
		Instruments measured at amortised cost	Derivative instruments qualified as hedges	Instruments measured at fair value through the income statement	
Financial debt					
Floating rate loans	618.0	618.0	-	-	618.0
Bond loans [(1)]	2,286.8	2,286.8	-	-	2,453.4
Fixed rate loans	199.8	199.8	-	-	199.8
Bank overdrafts	-	-	-	-	-
Other financial liabilities					
Non-current	472.1	472.1	-	-	472.1
Current	146.0	146.0	-	-	146.0
Derivative financial instruments [(2)]					
Qualified as hedges	29.1	29.1	-	-	29.1
Accounts payable	84.9	84.9	-	-	84.9
Fixed assets payable	213.7	213.7	-	-	213.7

[(1)] *Fair value hierarchy: level 1 (reflecting quoted prices).*
[(2)] *Fair value hierarchy: level 2 (observable inputs other than quoted prices in active markets).*

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

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

(in millions of euros)	30 June 2020	30 June 2021
Bond 2021	501.5	-
Bond 2022	314.1	312.1
Bond 2025	817.7	856.9
Bond 2027	609.1	657.1
Bond 2028	-	627.3
Total	**2,242.4**	**2,453.4**

7.5 Shareholders' Equity

ACCOUNTING PRINCIPLES

Costs for capital increases

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

Treasury stock

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

7.5.1 Share capital

As of 30 June 2021, the share capital of Eutelsat Communications S.A. comprised 230,544,995 ordinary shares with a nominal value of 1 euro per share.

As of this same date, the Group holds 353,359 equity shares in the amount of 3.6 million euros acquired under a liquidity contract (394,290 equity shares in the amount of 3.8 million euros as of 30 June 2020). The aggregate amount of treasury stock is deducted from shareholders' equity.

7.5.2 Dividends

On 5 November 2020, the Ordinary and Extraordinary General Meeting of Shareholders decided to distribute a gross amount of 0.89 euros per share, i.e. a total of 204.9 million euros, taken in full from the income for the financial year ended 30 June 2020.

The amount of the distribution proposed to the General Meeting of Shareholders of 4 November 2021 in respect of the financial year ended 30 June 2021 is 214.1 million euros, i.e. 0.93 euro per share.

7.5.3 Change in the revaluation surplus for derivative instruments

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

(in millions of euros)	Total
Balance as of 30 June 2020	**(52.4)**
Changes in fair value within equity that can be reclassified to income	16.6
Balance as of 30 June 2021	**(35.8)**

7.5.4 Translation reserves

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

(in millions of euros)	Total
Balance as of 30 June 2020	**128.4**
Net change over the period	(25.8)
Balance as of 30 June 2021	**102.6**

The main currency generating translation differences is the US dollar.

As of 30 June 2021, the translation reserve includes 10.3 million euros in respect of the Cross-Currency Swap used to hedge the currency exposure of net investments in foreign operations and (112.2) million euros relating to the expired Cross Currency Swap.

7.6 Provisions

ACCOUNTING PRINCIPLES

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

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

The changes in provisions between 30 June 2020 and 30 June 2021 are as follows:

(in millions of euros)	30 June 2020	Allowance	Reversal		Reclassified	Change in scope	Recognised in equity	Currency variation	30 June 2021
			Utilised	Unused					
Financial guarantee granted to a pension fund	83.7	1.2	(4.1)	-	-	-	(21.0)	-	59.8
Retirement benefits	14.6	1.2	(2.0)	-	-	-	0.9	-	14.6
Other post-employment benefits [(1)]	6.2	0.3	(0.8)	-	-	(0.2)	-	-	5.5
Total post-employment benefits	**104.4**	2.7	(6.9)	-	-	(0.2)	(20.1)	-	**80.0**
Commercial, employee-related and tax litigation	18.6	4.9	(2.5)	(7.2)	-	2.0	-	(0.2)	15.6
Others	-	-	-	-	-	-	-	-	-
Total provisions	**123.1**	7.6	(9.4)	(7.2)	-	1.8	(20.1)	(0.2)	**95.6**
Of which non-current portion	106.6	-	-	-	-	-	-	-	83.0
Of which current portion	16.5	-	-	-	-	-	-	-	12.6

[(1)] The other post-employment benefits mainly relate to end-of-contract indemnity payments in various subsidiaries.

7.6.1 Financial guarantee granted to a pension fund

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

In 2017, the financial guarantee was called for the sum of 35.9 million euros based on the projected deficits of the scheme and an agreement was reached with the pension fund for nine payments of 4 million euros spread out from 30 June 2017 to 30 June 2025.

In 2021, a new agreement replacing the previous version was entered into with the pension fund, increasing the total payment due to the fund to 38 million euros as of 30 June 2021, with a schedule through to 30 June 2029.

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

The changes in the plan's obligations and assets between 30 June 2020 and 30 June 2021 are as follows:

(in millions of euros)	30 June 2020	30 June 2021
Present value of the obligations at beginning of period	**238.7**	**207.5**
Service cost for the period	-	-
Financial cost	2.8	3.1
Actuarial differences related to financial assumptions: (gains)/losses	(26.9)	(4.6)
Benefits paid	(7.1)	(6.9)
Present value of the obligations at end of period	**207.5**	**199.1**

(in millions of euros)	30 June 2020	30 June 2021
Fair value of plan assets at beginning of period	**134.6**	**123.9**
Expected return on plan assets	1.6	1.8
Actuarial differences related to financial assumptions: gains/(losses)	(13.3)	16.4
Contributions paid	8.0	4.1
Benefits paid	(7.1)	(6.9)
Fair value of plan assets at end of period	**123.9**	**139.3**

The weighted average period of the obligation is 17 years.

The amounts included in the fair value of the plan assets do not include any financial instruments issued by Eutelsat S.A. or any property or movable assets owned or used by Eutelsat S.A. The actual return on the plan's assets amounts to (11.6) million euros and 18.2 million euros as of 30 June 2020 and 30 June 2021 respectively.

The actuarial valuations were realised based on the following assumptions:

	30 June 2020	30 June 2021
Discount rate	1.50%	1.50%
Rate for pension increases	1.75%	1.75%

A 50-basis point decrease in discount rates would result in a 17 million euro increase to the provision.

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

(in millions of euros)	30 June 2020	30 June 2021
Provision at beginning of period	**100.1**	**83.7**
Net expense on income statement	1.2	1.2
Actuarial (gains)/losses	(13.6)	(21.0)
Contributions paid	(4.0)	(4.1)
Provision at end of period	**83.7**	**59.8**

7.6.2 Retirement and related benefits

ACCOUNTING PRINCIPLES

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

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

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

Defined-benefit pension schemes

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

As of 30 June 2020, and 30 June 2021, the position was as follows:

(in millions of euros)	30 June 2020	30 June 2021
Present value of the obligations at beginning of period	**15.3**	**14.6**
Service cost for the period	1.1	1.0
Financial cost	0.2	0.2
Actuarial differences	(0.8)	0.9
Termination indemnities paid	(1.2)	(2.0)
Present value of the obligations at end of period	**14.6**	**14.6**

The weighted average period of the obligation is 13 years.

The actuarial valuations were realised based on the following assumptions:

	30 June 2020	30 June 2021
Discount rate	1.25%	1.25%
Rate for salary growth	0% for 2 years then 2%	0% for 1 year then 2%

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

Defined-contribution pension schemes

Employer contributions made under the mandatory pension scheme in France during the financial year amounted to a respective 6.6 million euros and 6.3 million euros as of 30 June 2020 and 30 June 2021.

The Group also has a supplementary defined-contribution funded plan for its employees (excluding directors and corporate officers who are employees), which is financed by employee and employer contributions representing 6% of gross annual salary, limited to eight times the French Social Security threshold. The employer contributions paid under these schemes amounted to a respective 1.9 million euros and 2.0 million euros as of 30 June 2020 and 30 June 2021.

7.6.3 Litigation and contingent liabilities

ACCOUNTING PRINCIPLES

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

7.7 Tax Assets and Liabilities

7.7.1 Deferred tax assets and liabilities

ACCOUNTING PRINCIPLES

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

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

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

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

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

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

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

The changes in the breakdown of the deferred tax balances between 30 June 2020 and 30 June 2021 were as follows:

(in millions of euros)	30 June 2020	Foreign exchange impact and reclassification	Entries to scope	Exits from scope	Net income for the period	Recognised in equity	30 June 2021
Deferred tax assets							
Derivative instruments	28.9	2.2	-	-	8.9	6.3	46.3
Loss carry-forwards	12.4	3.1	-	-	(0.1)	-	15.4
Bad-debt provisions	16.7	(1.1)	-	-	6.8	-	22.3
Financial guarantee granted to the pension fund	16.3	-	-	-	(5.3)	(5.4)	5.6
Provisions for risks and expenses	4.0	3.6	-	-	(1.6)	-	6.0
Tangible and intangible assets	23.2	8.4	-	(0.6)	(2.5)	-	28.5
Others	25.5	(14.7)	-	(0.2)	(0.5)	-	10.1
Total deferred tax assets	**127.0**	**1.4**	-	**(0.8)**	**(5.7)**	**0.9**	**134.2**
Deferred tax liabilities							
Derivative financial instruments	-	(2.2)	-	-	(0.9)	(2.7)	(5.8)
Intangible assets	(68.2)	(0.7)	-	-	13.1	-	(55.9)
Tangible assets	(241.0)	2.4	(1.0)	0.5	14.9	-	(224.3)
Others	(45.7)	3.2	-	2.4	1.7	-	(38.4)
Total deferred tax liabilities	**(355.0)**	**2.6**	**(1.0)**	**2.9**	**28.8**	**(2.7)**	**(324.4)**
Net asset/(liability) position	**(228.0)**	**4.1**	**(1.0)**	**2.1**	**34.4**	**(1.8)**	**(190.3)**
Reflected as follows in the financial statements:							
Deferred tax assets	36.3						7.6
Deferred tax liabilities	(264.2)						(197.9)
Total	**(228.0)**						**(190.3)**

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

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

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

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

(in millions of euros)	Amount	Maturity within 1 year	Maturity between 1 and 5 years	Maturity exceeding 5 years	Undefined
Timelines of activated tax loss carry-forwards	63.1	-	-	0.1	63.0
Total	**63.1**	**-**	**-**	**0.1**	**63.0**

Furthermore, the Group has a stock of unrecognised tax loss carry-forwards amounting to 131.6 million euros as of 30 June 2021 (141.5 million euros as of 30 June 2020) with the following maturity dates:

(in millions of euros)	Amount	Maturity within 1 year	Maturity between 1 and 5 years	Maturity exceeding 5 years	Undefined
Maturities of unrecognised tax loss carry-forwards	131.6	-	0.8	-	130.8
Total	**131.6**	**-**	**0.8**	**-**	**130.8**

7.7.2 Tax audit procedure

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

The company Eutelsat S.A. has also been the subject of a tax audit in respect of the financial years ended 30 June 2016 and 30 June 2017. In December 2019, it received an upwards tax adjustment notification relating to these two financial years. The company has responded to this proposal.

Note 8. RELATED-PARTY TRANSACTIONS

Related parties consist of:

- direct and indirect shareholders, and their subsidiaries, who have exclusive control or significant influence, which is presumed where more than 20% of the shares are held or where the investor is a member of the Board of Directors of an entity of the Group;
- minority shareholders of entities which the Group consolidates under the full consolidation method; and
- key management personnel.

8.1. Key Management Personnel

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

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

(in millions of euros)	30 June 2020	30 June 2021
Compensation (1)	9.2	7.7
Total short-term benefits	**9.2**	**7.7**
Post-employment benefits (2)	0.05	0.06
Share-based payments (3)	0.9	0.4
Total long-term benefits	**0.95**	**0.46**

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

(2) *Corresponding to the past service costs of defined benefit pension plans.*

(3) *Corresponding to the expense recorded in the income statement for share-based compensation.*

In the event of termination of office for the CEO or the Deputy-CEO, a non-compete clause provides for payment of 50% of their fixed compensation over an 18 month period. Under this clause, the CEO and the Deputy-CEO are required to refrain from working directly or indirectly for any satellite operator.

The fees paid to the members of the Board of Directors in respect of the financial year ended 30 June 2021 amount to 0.8 million euros (1.0 million euros in respect of the financial year ended 30 June 2020).

8.2 Other Related Parties

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

(in millions of euros)	30 June 2020	30 June 2021
Revenues	22.1	22.0
Financial result	25.7	11.8
Gross receivables (including unbilled revenues)	9.9	10.5
Debt (including deferred payments)	509.1	346.2

Revenues relate to the provision of services related to satellite monitoring and control.

Debts include the leases for the Express AT1, Express AT2, Express AM6 and Eutelsat 36C satellites.

Note 9. SUBSEQUENT EVENTS

None.

Note 10. STATUTORY AUDITORS' FEES

(in thousands of euros)	EY				Mazars			
	Amount N	%	Amount N-1	%	Amount N	%	Amount N-1	%
Statutory audit, certification, review of separate and consolidated financial statements								
Eutelsat Communications	149	28%	219	31%	149	22%	219	30%
Subsidiaries	351	66%	463	66%	482	72%	464	65%
Sub-total	**500**	**94%**	**682**	**97%**	**631**	**94%**	**683**	**95%**
Services other than certification of the financial statements								
Eutelsat Communications	30	6%	10	1%	30	5%	10	1%
Subsidiaries	3	0%	13	2%	7	1%	24	3%
Sub-total	**33**	**6%**	**23**	**3%**	**37**	**6%**	**34**	**5%**
Total	**533**	**100%**	**705**	**100%**	**668**	**100%**	**717**	**100%**

Services other than the certification of financial statements correspond essentially to the services linked with financing transactions (comfort letters).

APPENDIX 2 – COMPANY FINANCIAL STATEMENTS OF EUTELSAT COMMUNICATIONS AT 30 JUNE 2021

Eutelsat Communications

A public limited company (French “*société anonyme*”) with a capital of 230,544,995 euros
Registered office: 32, boulevard Gallieni, 92130 Issy-les-Moulineaux
481,043,040 R.C.S. Paris

ANNUAL FINANCIAL STATEMENTS AS OF 30 JUNE 2021

INCOME STATEMENT

(in millions of euros)	Note	30 June 2020	30 June 2021
Revenue		3.3	2.7
Other operating income		0.0	0.2
Total operating income	**3.1**	**3.3**	**2.9**
Staff costs		(3.2)	(3.0)
Other operating expenses		(8.9)	(9.5)
Total operating expenses	**3.2**	**(12.1)**	**(12.5)**
Operating income		**(8.8)**	**(9.6)**
Financial income		547.5	1.6
Financial expenses		(7.5)	(5.9)
Financial income	**3.3**	**540.0**	**(4.3)**
Current income before taxes		**531.2**	**(13.9)**
Exceptional income	**3.4**	**(1.0)**	**0.3**
Company tax	3.5	4.8	4.3
INCOME FOR THE YEAR	**3.5.2**	**535.0**	**(9.4)**

BALANCE SHEET

(in millions of euros)	Note	30 June 2020 Net Amounts	30 June 202 Net Amounts
Assets			
Financial assets	**4.1**	**2,947.0**	**2,947.7**
Equity investments		2,943.4	2,943.4
Other financial assets		3.6	4.3
Fixed assets		**512.3**	**93.4**
Other receivables	4.2	25.1	18.2
Group current accounts	4.2	483.1	69.1
Marketable securities	4.3	1.0	1.0
Cash	4.3	2.9	5.1
Prepaid expenses		0.1	0.1
Other assets		**0.8**	**0.1**
Debt issuance costs	4.4	0.8	0.1
TOTAL ASSETS		**3,460.1**	**3,041.1**

(in millions of euros)	Note	30 June 2020	30 June 2021
Liabilities			
Share capital		230.5	230.5
Issue, merger and acquisition premiums		1,217.5	1,217.5
Other reserves			0.2
Legal reserves		23.3	23.1
Retained earnings		824.8	1,154.9
Income for the year		535.0	(9.4)
Tax related provisions		0.5	0.5
Equity Capital	**4.5**	**2,831.7**	**2,617.3**
Provisions		**0.0**	**0.1**
Financial debts	4.6	600.4	400.1
Other liabilities	4.7	28.0	23.7
Financial, operating and other liabilities		**628.4**	**423.7**
TOTAL LIABILITIES		**3,460.1**	**3,041.1**

NOTES TO THE FINANCIAL STATEMENTS

The information contained in these notes is an integral part of the annual financial statements. It is expressed in millions of euros, unless otherwise stated.

The Company's fiscal year runs for twelve months from 1 July to 30 June.

NOTE 1. COMPANY'S ACTIVITY AND KEY EVENTS OF THE FINANCIAL YEAR

1.1. COMPANY'S ACTIVITY

Eutelsat Communications S.A. ("the Company" or "Eutelsat") is the parent company of the Eutelsat Communications Group ("the Group"). Its purpose is to hold shares and provide services for its equity interests.

The Company, whose registered office is located at 32 boulevard Gallieni 92130 Issy-les-Moulineaux, is registered with the Register of Trade and Companies under number 481,043,040.

1.2. KEY EVENTS OF THE FINANCIAL YEAR

1.2.1. Refinancing transaction

On 25 June 2021, the Company refinanced the five-year term loan in the amount of 400 million euros, maturing in June 2026. This variable-rate loan includes two one-year extension options at the initiative of the lenders. This refinancing transaction enabled the Group to redeem the previous term loan maturing in March 2022.

1.2.2. Repercussions of Covid

The revenues of the Company's subsidiaries have been adversely affected by the Covid-19 crisis, notably in the Professional Video vertical (especially in Mobile Connectivity which is being affected by the Covid-related shrinkage in airline and maritime traffic).

More generally, there has been a more global slowdown in the pace of new business.

As the Company is a holding company whose revenues are made up of re-invoiced services, the Company's revenues have not been impacted.

The assumptions used for the impairment tests performed on equity investments in Eutelsat SA (see Note 4.1) have been updated on the basis of the information available to date.

As of 30 June 2021, the Company and its subsidiaries had cash and cash equivalents and undrawn credit lines totalling more than 1.9 billion euros.

NOTE 2. ACCOUNTING PRINCIPLES

2.1. BASIS OF PRESENTATION OF FINANCIAL INFORMATION

The annual financial statements are prepared in accordance with the provisions of Regulation 2018-01 of the French Accounting Standards Authority (ANC) as well as any subsequent opinions and recommendations of the French Accounting Standards Authority. The Company's reporting currency is the euro.

The following conventions have been applied in compliance with the principle of prudence and in accordance with the following basic rules:

- going concern,
- separation of financial periods,
- consistent accounting methods from one financial year to the next,

and in accordance with the general guidelines for preparing and presenting the annual financial statements.

The basic method used for evaluating the items recorded in the accounts is the historical cost method.

No changes were made to the accounting methods during the financial period.

2.2. SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of annual financial statements requires the use of judgements and estimates likely to affect some of the items in the income statement, the balance sheet and the accompanying notes. The Management constantly updates these estimates and assessments by using past experience and other relevant factors related to the economic environment. The outcome of the transactions underlying 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 financial statements as of 30 June 2021, the Management made judgements, particularly with regard to the value of equity investments and share-based compensation.

2.3. FINANCIAL ASSETS

Financial assets consist of equity securities and other financial assets including treasury shares acquired under a liquidity contract.

Equity investments are recorded in the balance sheet at their acquisition value, including acquisition costs. They are subject to impairment when the acquisition value is greater than the value in use, assessed on the basis of various criteria such as the market value, expected growth and profitability and shareholders' equity.

Other financial assets are recorded in the balance sheet at their acquisition value excluding acquisition costs. They are subject to impairment when their acquisition cost is greater than their net asset value.

2.4. RECEIVABLES AND PAYABLES

Receivables and payables are evaluated at their face value.

2.5. CASH AND MARKETABLE SECURITIES

This item consists of treasury shares acquired under share buyback programmes, mutual fund investments, cash at bank and deposit warrants with original maturities of three months or less.

Treasury shares repurchased not allocated to share plans are impaired when the share price is lower than the purchase price.

Treasury shares repurchased for the purpose of serving share incentive plans are recorded at their initial cost until they are delivered to their recipients or reclassified if not attributed. They are not subject to any impairment.

2.6. DEBT ISSUANCE COSTS

Debt issuance costs are amortised over the duration of the loan.

2.7. SHAREHOLDERS' EQUITY

External costs directly related to capital increases or reductions are charged against the issue and acquisition premium, net of tax when tax savings are generated.

2.8. PROVISIONS

A provision is recorded when there is a company obligation towards an unrelated party that is probable or certain to lead to an outflow of resources to the benefit of such party, with nothing at least equivalent expected of the unrelated party in return and for which the term or the amount is not precisely determined.

NOTE 3. NOTE ON THE INCOME STATEMENT

3.1. REVENUE

The Company's revenue includes the re-invoicing of services provided, for its holdings, particularly with regard to strategy development, implementation of the industrial and commercial policy, and financial and corporate communications.

Revenue, which is generated exclusively in France, amounted to 2.7 million euros as of 30 June 2021 and 3.3 million euros as of 30 June 2020.

3.2. OPERATING EXPENSES

Operating expenses break down as follows:

(in millions of euros)	**30 June 2020**	**30 June 2021**
Staff costs	(3.2)	(3.0)
Other purchases and external expenses	(7.0)	(7.6)
Other operating expenses	(1.9)	(1.9)
Total	**(12.1)**	**(12.5)**

3.2.1. Staff costs

The Company has no employees.

Staff costs correspond to compensation for Board members, including share-based compensation, and amounted to 3 million euros (3.2 million euros as of 30 June 2020).

Compensation and benefits granted to members of administrative and management bodies are presented in Note 5.1. “Executive management compensation”.

3.2.2. Other purchases and external expenses

Other purchases and external expenses consist mainly of sub-contracting and consultancy costs for 3.3 million euros (3.2 million euros as of 30 June 2020), fees for 1.9 million euros (1.8 million euros as of 30 June 2020) and commissions and bank fees for 0.7 million euros (0.8 million euros as of 30 June 2020).

3.2.3. Other operating expenses

Other operating expenses consist mainly of attendance fees for 0.8 million euros (1 million euros as of 30 June 2020), taxes and duties for 0.3 million euros (0.5 million euros as of 30 June 2020) and amortised loan costs for 0.8 million euros (0.5 million euros as of 30 June 2020).

3.3. FINANCIAL INCOME

Financial income breaks down as follows:

(in millions of euros)	30 June 2020	30 June 2021
Income from holdings	546.8	0.0
Interest expenses	(7.5)	(5.9)
Other	0.7	1.6
Total	**540.0**	**(4.3)**

Interest expenses correspond to interest on the loan set up in 2015. Participation income corresponds to dividend payments by Eutelsat S.A.

3.4. EXCEPTIONAL INCOME

Exceptional income represents income of 0.3 million euros (1 million euro expense as of 30 June 2020). It consists mainly of treasury share buyback surpluses and losses related to the liquidity contract.

3.5. COMPANY TAX

3.5.1. Tax consolidation

The scope of the tax consolidation group includes the entities Eutelsat S.A., Eutelsat Konnect Services S.A.S, Fransat S.A and Konnect Africa France S.A.S.

The tax consolidation agreement provides that the subsidiaries bear a tax burden equal to the amount that they would have borne in the absence of the Group regime. Additional tax charges or savings resulting from the Group regime are borne by or granted to the Group's parent company in full.

As of 30 June 2021, the income tax expense payable by the tax consolidation group amounts to 47.3 million euros (70.2 million euros as of 30 June 2020), while the amount due by the sub-subsidiaries under the tax consolidation agreement amounts to 51.9 million euros (75 million euros as of 30 June 2020, releasing a profit of 4.7 million euros (4.8 million euros as of 30 June 2020).

Eutelsat Communications' losses prior to tax consolidation amount to 43.3 million euros.

3.5.2. Common law provisions

As of 30 June 2021, the Company's tax liability breaks down between current income and exceptional income as follows:

(In millions of euros)	Income before tax	Tax due	Net income
Current	(13.9)	0.0	(13.9)
Exceptional	0.3	0.0	0.3
Total	**(13.6)**		**(13.6)**

The Company's tax is calculated on the basis of the corporate income tax rate estimated at 28.9% up to 0.5 million euros and 32.02% for amounts exceeding this amount, in accordance with the provisions of the French general tax law.

3.5.3. Increases and reductions in future tax liability

(in millions of euros)	30 June 2020	30 June 2021
Reductions in future tax liability:		
Losses carried forward	11.2	11.2
Total	**11.2**	**11.2**

NOTE 4. NOTES ON THE BALANCE SHEET

4.1. FINANCIAL ASSETS

The changes to financial assets over the financial year are as follows:

(in millions of euros)	30 June 2020	Acquisition / subscription	Assignment/ reduction	30 June 2021
Equity investments (including merger losses)	2,943.4	-	-	2,943.4
Other financial assets	4.2	85.9	(85.6)	4.5
Total of the gross values	**2,947.6**	**85.9**	**(85.6)**	**2,947.9**
Provision for depreciation	(0.5)	0.5	(0.1)	(0.1)
Total net values	**2,947.0**	**86.4**	**(85.7)**	**2,947.7**

Equity investments consist of:

- shares in Eutelsat S.A. numbering 976,475,432 for an amount of 2,558.5 million euros as of 30 June 2021 and numbering 976,473,166 for an amount of 2,558.5 million euros as of 30 June 2020, i.e. an increase of 2,266 shares linked to the share buyback offers under the cashback offers of 27 November 2020 and 24 March 2021;
- a merger loss allocated to Eutelsat S.A. shares for an amount of 384.9 million euros.

The value in use of the Eutelsat S.A. shares was determined on the basis of a valuation of the Eutelsat Group based on future cash flows. These cash flows were updated as of 30 June 2021 to incorporate recent available information. The value in use as determined is greater than the net carrying amount of the investments held. Consequently, no impairment loss was recognised as of 30 June 2021.

Other financial assets consist of items relating to the liquidity contract, including:

- treasury shares for an amount of 3,559 million euros corresponding to 348,359 shares as of 30 June 2021 and for an amount of 3.7 million euros corresponding to 394,290 shares as of 30 June 2020.
- SICAV money market funds for an amount of 1 million euros as of 30 June 2021 and for an amount of 0.5 million euros as of 30 June 2020.

4.2. RECEIVABLES

Receivables amount to 87.3 million euros (508.2 million euros as of 30 June 2020). They mainly consist of loans granted by the Company to its subsidiary Eutelsat S.A. for 69.1 million euros (483.1 million euros as of 30 June 2020).

The other receivables are composed of 21.9 million euros of company tax receivables as of 30 June 2021.

All receivables are due within one year.

4.3. CASH AND MARKETABLE SECURITIES

Cash and marketable securities break down as follows:

(in millions of euros)	30 June 2020	30 June 2021
Treasury shares	0.0	
Cash	2.9	5.1
Deposit warrants	1.0	1.0
Total	**3.9**	**6.1**

4.4. DEBT ISSUANCE COSTS

Debt issuance costs, relating to the loan taken out in March 2015, for an initial amount of 3.1 million euros, are spread over the income for six years for an amount of 0.5 million euros per year. Debt issuance costs remaining depreciable amount to 0.1 million euros as of 30 June 2021 (0.8 million euros as of 30 June 2020).

4.5. SHAREHOLDERS' EQUITY

As of 30 June 2021, the share capital is composed of 230,544,995 ordinary shares with a nominal value of 1 euro per share.

On 5 November 2020, the Ordinary and Extraordinary Annual General Meeting of Shareholders convened to approve the annual financial statements for the period ended 30 June 2020 having recognised a 535 million euro profit, the shareholders decided to distribute a dividend of 0.89 euro per share for a total amount of 204.9 million euros, charged against the net income for the financial year, the remaining balance of 330.1 million euros being allocated to retained earnings.

(in millions of euros)	30 June 2020	Profit allocation	Distribution of dividends	Other movements	30 June 2021
Share capital	230.5				230.5
Issue, merger and acquisition premiums	1,217.5				1,217.5
Legal reserve	23.3			(0.2)	23.1
Statutory reserve				0.2	0.2
Retained earnings	824.8		330.1		1,154.9
Income as of 30/06/2020	535.0		(535.0)		0.0
Tax related provisions	0.5				0.5
Total	**2,831.6**		**(204.9)**	**0.0**	**2,626.7**
		Shareholders' equity before result			2,626.7
		Income for the year			(9.4)
		Total shareholders' equity			**2,617.3**

Tax-related provisions correspond to the accelerated depreciation of share acquisition costs.

4.6. FINANCIAL DEBT

Bank loans, denominated in euros, were contracted in June 2021 with a five-year maturity period and two one-year extension options, subject to the lenders' approval. In December 2020, the Company proceeded with the early repayment of an amount of 200 million euros. In June, the Company proceeded with the early repayment of 400 million euros. On 25 June 2021, the Company refinanced the five-year term loan in the amount of 400 million euros.

The bank loans are as follows:

(in thousands of euros)	30 June 2020	30 June 2021
Bank borrowings	600.0	400.0
Accrued interest	0.4	0.1
Total	**600.4**	**400.1**

Eutelsat Communications also has a 200 million euro revolving credit line (undrawn as of 30 June 2021) entered into in June 2021 with a five-year maturity, with two one-year extension options subject to the lenders' approval.

The credit agreements do not carry any guarantee from the Group nor pledging of assets in favour of the lenders but contain restrictive clauses (subject to the usual exceptions provided for in this type of loan agreement) limiting the ability of Eutelsat Communications and its subsidiaries, in particular to grant security interests, incur additional indebtedness, dispose of assets, engage in mergers and acquisitions, sales of assets and leasing operations (with the exception of those carried out within the Group and expressly provided for in the loan agreement) and change the nature of the activity of the Company and its subsidiaries.

The credit agreements allow each lender to request early repayment of all sums due if there is a change of control of the Company and of its subsidiary Eutelsat S.A. or in the event of concerted action. Furthermore, the Company must hold, directly or indirectly, 95% of the capital and voting rights of Eutelsat S.A. for the entire duration of the loan.

The credit agreements provide for a commitment to maintain '*Launch-plus-one-year'* insurance policies for any satellite located at 13° East and, for any other satellite, a commitment not to have more than one satellite not covered by a launch insurance policy.

In addition, these credit agreements are backed by a financial covenant which provides for a total net debt to annualised EBITDA ratio less than or equal to 4.0 to 1, determined on the basis of the Group's consolidated financial statements. As of 30 June 2021, the Company complied with this banking covenant.

4.7. OTHER DEBTS

Operating debts break down as follows:

(in thousands of euros)	30 June 2020	30 June 2021
Accounts payable	3.5	4.1
State liabilities	0.6	0.5
Staff liabilities	2.8	2.5
Tax consolidation current accounts	21.2	16.6
Total	**28.0**	**23.7**

All debts are due within one year.

NOTE 5. OTHER INFORMATION

5.1. RELATED PARTY TRANSACTIONS

5.1.1. Executive Management compensation

Gross compensation (including employer's contributions) paid by the Company to members of the administrative and management bodies is as follows:

(in millions of euros)	30 June 2020	30 June 2021
Short-term benefits	3.2	2.9
Attendance fees paid	1.0	0.8

Seventy-three per cent of these expenses are charged back to Eutelsat S.A. for the activities described in Note 1.1 "Company's activity".

Share-based compensation

The expense (excluding social security contributions) recorded for the three other plans whose features are presented below amounts to 0 million euros (0.4 million euros as of 30 June 2020).

The free phantom share allocation plan, granted in November 2017, matured in June 2020. In respect of this plan, the Company granted 0.3 million euros.

Under the plans listed below, phantom shares were granted to the directors and corporate officers in November 2018 and November 2019, and free shares were granted to the directors and corporate officers in November 2020.

Their allocation is contingent on an attendance requirement and the achievement of performance conditions.

Features of the plans	November 2018 plan	November 2019 plan	November 2020 plan
Vesting period	July 2018 - June 2021	July 2019 - June 2022	July 2020 - June 2023
Maximum number of shares attributable to directors and corporate officers at inception	73,485	84,660	224,963
Number of recipients	3	3	2
Number of shares and performance requirements for phantom share plans			
Number of outstanding shares	65,704	84,046	
Number of shares and performance requirements for free share plans			
Number of outstanding shares	-	-	224,963
Performance objectives	Revenue, Discretionary Free-Cash-Flow, Relative TSR(1)	Revenue, Discretionary Free-Cash-Flow, Relative TSR(1)	Revenue, Discretionary Free-Cash-Flow, Relative TSR(1)
	-	CSR	CSR
Expense for the financial year (in millions of euros)	(0.1)	(0.2)	0

(1) The relative TSR (total shareholder return) measures the shareholder return for Eutelsat shares compared to that of other benchmarks or indices. This performance condition is only applicable to directors and corporate officers for the plans granted in 2018 and 2019.

Non-compete clauses

In the event of termination of office of the CEO and the Deputy CEO, a non-compete clause provides for payment of 50% of the fixed compensation over an 18-month period. Under such a clause, the CEO and the Deputy CEO are required during this period to refrain from working directly or indirectly for any satellite operator.

5.1.2. Related parties other than executive managers

Related parties are those direct or indirect shareholders who exercise significant influence, which is presumed when the investor holds more than 20% or when the investor holds a position on the Board of Directors of a subsidiary of the Company, or of companies other than subsidiaries in which Eutelsat has an interest and "key managers".

During the 2021 financial year, Eutelsat Communications S.A. and its related parties did not enter into any material transactions under unusual market conditions.

5.2. 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 an accounting 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 years 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 adjustments, for which Eutelsat believes that it has solid defences.

An accounting audit was also performed on the Company Eutelsat S.A accounts in respect of the financial years ended 30 June 2016 and 2017 and, in December 2019, the Company received a tax adjustment notification relating to these two financial years. The Company replied to this tax adjustment notification, contesting nearly all of the reassessment charges. The Tax Audit Department has yet to respond to the comments submitted by the Company.

5.3. OFF-BALANCE SHEET COMMITMENTS

Off-balance sheet purchase commitments amount to 0.5 million euros as of 30 June 2021.

5.4. INFORMATION ABOUT SUBSIDIARIES AND EQUITY INTERESTS

The table below contains the list of investments held by Eutelsat Communications in subsidiaries and other companies as of 30 June 2021:

(in millions of euros)	Capital	Shareholders' equity other than capital as of 30 June (local accounts)	Share of capital held (in %)	Last financial year		Gross book value of investments held	Provision for impairment of investments	Loans and advances granted	Pledges and guarantees granted	Dividends received
				Revenue (local accounts)	Net income (local accounts)					
Eutelsat SA RCS Nanterre 422,551,176 Registered office located at Issy-les-Moulineaux (financial year ended 30 June 2021)	658.6	-	96.38%	1,035.2	284.2	2,558.5*	-	69.0	-	-

* Excluding merger loss on securities

5.5. SUBSEQUENT EVENTS

None

APPENDIX 3 – TABLE OF RESULTS FOR THE LAST FIVE FINANCIAL PERIODS

(art. R225-102 of Code de Commerce)

In €

Balance sheet date Financial year duration (months)	30/06/21 12	30/06/20 12	30/06/2019 12	30/06/2018 12	30/06/2017 12
CAPITAL AT YEAR END					
Share capital	230 544 995	230 544 995	232 774 635	232 774 635	232 774 635
Number of shares					
- ordinary	230 544 995	230 544 995	232 774 635	232 774 635	232 774 635
- preferred dividend					
Maximum number of shares to be issued					
- by converting bonds					
- for each subscription right					
OPERATIONS AND RESULTS					
Revenues excl. Taxes	2 727 269	3 334 171	4 084 367	3 393 669	1 790 031
Earning before taxes, employees' profit-sharing, depreciation, and amortisation	(13 135 297)	530 599 759	299 183 868	292 367 455	245 785 618
Income tax	(4 282 588)	(4 793 779)	(5 608 343)	(21 025 626)	305 759
Mandatory employee profit-sharing scheme					
Depreciation and amortisation	533 194	348 589	996 923	437 657	480 400
Net income	(9 385 904)	535 044 950	303 795 288	312 955 424	244 999 460
Amount distributed	214 406 845	205 185 046	295 623 786	295 623 786	281 657 308
EARNINGS PER SHARE					
Earning after taxes, employees' profit-sharing, depreciation, and amortisation	(0.04)	2.32	1.31	1.35	1.05
Earning before taxes, employees' profit-sharing, depreciation, and amortisation	(0.04)	2.32	1.31	1.34	1.05
Dividend distributed	0.93	0.89	1.27	1.27	1.21
STAFF					
Average headcount	2	3	3	3	3
Total payroll	2 176 910	2 402 385	2 461 718	2 671 723	2 200 764
Amounts paid in employee benefits (Social security, corporate social fund, etc.)	863 624	800 885	901 038	909 276	758 157

APPENDIX 4 – TABLE OF STATUTORY AUDITORS' FEES

For the table of statutory auditor's fees, please refer to note 10 of Eutelsat Communications consolidated annual statements.

APPENDIX 5 - VERIFICATION REPORT FOR SOCIAL AND ENVIRONMENTAL INFORMATION

Report by one of the statutory auditors, appointed as an independent third party, on the consolidated non-financial statement included in the group management report

Eutelsat Communications S.A.

For the year ended June 30, 2021

To the shareholders,

In our capacity as Eutelsat Communications' Statutory Auditors, appointed as an independent third party and accredited by COFRAC under number 3-1080[40], we hereby present our report on the consolidated statement of non-financial performance for the year ended June 30, 2021 (hereinafter the "Statement"), included in the Group management report pursuant to the requirements of articles L. 225 102-1, R. 225-105 and R. 225- 105-1 of the French Commercial Code (Code de commerce).

The entity's responsibility

The Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement.

Independence and quality control

[40] Whose scope of accreditation is available at www.cofrac.fr.

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

Responsibility of the Statutory Auditor, appointed as an independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements;
- the fairness of the information provided in accordance with article R. 225 105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of vigilance law and anti-corruption and tax avoidance legislation;
- the compliance of products and services with the applicable regulations.

Nature and scope of our work

The work described below was performed in accordance with the provisions of articles A. 225 1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements, and in accordance with ISAE 3000[41].

Our procedures allowed us to assess the compliance of the Statement with regulatory requirements and the fairness of the Information:

- we obtained an understanding of all the consolidated entities' activities, the description of the social and environmental risks associated with their activities;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and

[41] *Assurance engagements other than audits or reviews of historical financial information*

includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;

- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to:
  - assess the process of selecting and validating the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important[42];
- we verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code;
- we obtained an understanding of the internal control and risk management procedures implemented by the entity and assessed its data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important[43], we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities[44] and covers 100% of the consolidated data selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is enough to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

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[42] **Qualitative information relating to the following sections**: "Circular economy"; "Protection of biodiversity"; "Organisation of work"; "Development of skills"; "Facilitating access to knowledge, a major development issue"

[43] **Quantitative social information: "**Total workforce and breakdown by gender,"; "Hirings and departures on permanent contracts"; "Work-related frequency rate"; "Work-related severity rate"; "Absenteeism rate"; "Number of training hours"; "Number of employees trained".

Quantitative environmental information: "Quantity of waste coleected"; "Water consumption"; "Electricity and fuel oil consumption"; "Greenhouse gas emissions (scope 1, 2, 3)".

Quantitative societal information: "Number of World-Check audits";"Number of internal surveys".

[44] Social and societal information: Eutelsat S.A (France)

Environmental information: Head Office Eutelsat S.A, Teleport Rambouillet, Teleport Cagliari, Teleport Torino.

Means and resources

Our work was carried out by a team of three people between April and July 2021.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted interviews with the people responsible for preparing the Statement.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respect.

Neuilly-sur-Seine, 28th of July 2021

One of the Statutory Auditors

Grant Thornton
French member of Grant Thornton International

Vincent Frambourt	Tristan Mourre
Partner	Director