

*This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.
This statutory auditors' report includes information required by European regulations and French law, such as the information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

Eutelsat Communications

Year ended June 30, 2022

Statutory auditors' report on the consolidated financial statements

MAZARS
Tour Exaltis
61, rue Henri Regnault
92075 Paris-La Défense cedex
S.A. à directoire et conseil de surveillance
au capital de € 8 320 000
784 824 153 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

ERNST & YOUNG et Autres
Tour First
TSA 14444
92037 Paris-La Défense cedex
S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

Eutelsat Communications

Year ended June 30, 2022

Statutory auditors' report on the consolidated financial statements

To the Annual General Meeting of Eutelsat Communications,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying consolidated financial statements of Eutelsat Communications for the year ended June 30, 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at June 30, 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

■ Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

■ Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for the period from July 1, 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

■ Valuation of fixed assets and useful life of satellites

Risk identified	Our response
<p>As at June 30, 2022, your Company's tangible and intangible assets amounted to € 5.8 billion and investments in equity-accounted companies amounted to € 0.6 billion, compared to a total balance sheet of € 7.6 billion. This fixed asset consists mainly of goodwill and customer contracts and associated relationships accounted for in the context of business combinations, satellites in orbit or under construction, right of use and ground equipment as well as investments of the Group in consolidated companies recognized on an equity basis.</p> <p>Goodwill is monitored at the sole operating segment level of the Company. Cash-generating units correspond to the orbital positions, carrying one or more satellites, as well as customer contracts and associated relationships.</p> <p>Notes 7.1.1, 7.1.2, 7.1.3 and 7.1.4 to the consolidated financial statements describe the methods used to measure goodwill, to amortize customer contracts and associated relationships, the methods used for in-orbit satellites, and used to perform impairment tests of these assets.</p> <p>Note 7.2 to the consolidated financial statement describes the procedures to recognize assets accounted on equity basis.</p>	<p>We considered:</p> <ul style="list-style-type: none">▶ the work performed by your Group to determine the useful life of the satellites and the consistency of the useful life used with the available technical data;▶ the procedures for implementing these impairment tests, in particular the determination of the cash-generating units;▶ the methods used to estimate recoverable values of goodwill and the other assets of cash-generating units. <p>Particular attention was paid to the impairment tests of (i) goodwill and (ii) cash-generating units for which the carrying value is close to the estimated recoverable amount and to those with a limited performance history given the recent launches of satellites.</p> <p>We also assessed the main estimates used by Management to prepare cash flow forecasts based on available information, including market prospects, order books and past performances. We assessed the relevance of the discount rates and long-term growth rates used, with the assistance of our financial valuation experts, and carried out sensitivity tests on the recoverable values determined by Management.</p>

We considered that the valuation of these assets and the determination of the depreciation period of satellites in orbit are the key audit matters due to (i) their significance in the Group's financial statements, (ii) the estimates necessary to determine the expected useful life of the satellites and the operating cash flow horizon based on technical assessments, (iii) the judgment required to determine the cash-generating units, and (iv) the estimates and assumptions used to determine their recoverable value, most often based on discounted cash flow forecasts whose achievement is inherently uncertain.

We also assessed the appropriateness of the information in Notes 7.1.1, 7.1.2, 7.1.3, 7.1.4 and 7.2 to the consolidated financial statements.

■ Revenue recognition and allowance for bad debt

Risk identified	Our response
<p>As at June 30, 2022, your Group's revenue amounted to € 1.2 billion and trade receivables and contract assets recorded in the Group's balance sheet amounted to € 0.3 billion. The Group deals with multiple customers in France and abroad. Revenue mainly derives from contracts with customers for the provision of satellite capacity services. Contracts generally cover periods ranging from several months to several years.</p> <p>We considered that revenue recognition and the determination of allowance for bad debt and assets on customer contracts are the key audit matters due to their significance in your Group's financial statements, the diversity and volume of contracts between the Group and its customers, and the judgment required to assess the recoverability of trade receivables throughout the duration of the contracts.</p>	<p>Notes 6.1 and 7.3 to the consolidated financial statements describe the method for revenue recognition and the valuation method for trade receivable.</p> <p>Our audit approach related to revenue recognition and allowance for bad debt includes both internal control testing and substantive procedures on the accounts themselves.</p> <p>Our work on internal controls focused on contracting, billing, the collection of receivables and revenue recognition. We considered the procedures implemented by your Group and tested identified key controls. In addition, we involved team members specialized in information systems in order to assess certain general IT and application controls over data integrated in the IT system and used for revenue recognition.</p> <p>Our substantive procedures, related to revenue recognition and to allowance for bad debt, notably consisted in:</p> <ul style="list-style-type: none"> ▶ analyzing the contractual clauses on a sample of contracts, in particular the most significant new contracts of the period and the specific transactions, in order to analyze the accounting treatment applicable; ▶ assessing the assumptions used for revenue recognition; ▶ examining, with Management, the reasons for late payment of certain customers and the forecasted collection of receivables in the context of the Ukrainian crisis by considering, in particular, factors such as security deposits, negotiated payment plans, payment history and ongoing business relationships between these customers and your Group ;

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- ▶ verifying the calculation of the allowance for bad debt and its compliance with your Group's methodology.

Finally, we assessed the appropriateness of the information provided in Notes 6.1 and 7.3 to the consolidated financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) is included in the information relating to the Group given in the management report, it being specified that, in accordance with Article L. 823-10 of said Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Report on Other Legal and Regulatory Requirements

■ Format of preparation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the CEO's responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018. Regarding consolidated financial statements, our work includes verifying that the tagging thereof complies with the format defined in the above-mentioned regulation.

On the basis of our work, we conclude that the preparation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF (*Autorité des marchés financiers*) agree with those on which we have performed our work.

■ Appointment of the Statutory Auditors

We were appointed as statutory auditors of Eutelsat Communications by your annual general meetings held on July 20, 2005 for MAZARS and on November 10, 2009 for ERNST & YOUNG et Autres.

As at June 30, 2022, MAZARS and ERNST & YOUNG et Autres were in the seventeenth and thirteenth year of total uninterrupted engagement respectively.

Previously, ERNST & YOUNG Audit has been statutory auditor since 2005.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

■ Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- ▶ Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ▶ Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- ▶ Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.
- ▶ Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- ▶ Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

■ Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, September 29, 2022

The Statutory Auditors
French original signed by

MAZARS

ERNST & YOUNG et Autres

Achour Messas

Nicolas Macé