

Eutelsat Communications Group

“Société anonyme” with a capital of 475,178,378 euros

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

481,043,040 R.C.S. Nanterre

CONSOLIDATED FINANCIAL STATEMENTS

AS OF 30 JUNE 2024

CONSOLIDATED INCOME STATEMENT

(in millions of euros, except per-share data)	Note	30 June 2023	30 June 2024
Revenues from operations	6.1	1,131.3	1,213.0
Operating costs	6.2	(103.3)	(205.3)
Selling, general and administrative expenses	6.2	(202.7)	(288.8)
Depreciation expense	7.1.1. 7.1.2. 7.1.3	(455.5)	(702.1)
Other operating income and expenses	6.3	203.5	(208.2)
Operating result		573.5	(191.3)
Cost of net debt		(68.5)	(126.6)
Other financial income and expenses		(22.8)	2.7
Financial result	6.4	(91.3)	(123.9)
Current result before tax		482.2	(315.2)
Income tax	6.5	(66.5)	28.3
Share of result of associates	7.2	(87.3)	(22.8)
Net result		328.3	(309.7)
Attributable to the Group		314.9	(309.9)
Attributable to non-controlling interests		13.4	0.2
Basic earnings per share attributable to Eutelsat Communications shareholders	6.6	1.267	(0.741)
Diluted earnings per share attributable to Eutelsat Communications shareholders	6.6	1.267	(0.741)

COMPREHENSIVE INCOME STATEMENT

(in millions of euros)	Note	30 June 2023	30 June 2024
Net result		328.3	(309.7)
Other recyclable items of gain or loss on comprehensive income			
Translation adjustment	7.6.4	(46.3)	(4.3)
Tax effect	7.6.4	(2.9)	5.5
Changes in fair value of hedging instruments ⁽¹⁾	7.6.3	33.2	8.5
Tax effect	7.6.3	(8.5)	(2.2)
Recycling of OneWeb comprehensive result			(45.1)
Other non-recyclable items of gain or loss on comprehensive income			
Changes in post-employment benefits	7.7	(17.5)	(6.9)
Tax effect		4.5	1.8
Total of other items of gain or loss on comprehensive income		(37.5)	(42.6)
Total comprehensive income		290.9	(352.2)
Attributable to the Group		278.9	(351.4)
Attributable to non-controlling interests ⁽²⁾		12.0	(0.8)

⁽¹⁾ Changes in the fair value of hedging instruments relate to cash flow hedges, foreign net investment hedges and the effect of the unwinding of documented forwards and the amortization of payouts.

⁽²⁾ The portion attributable to non-controlling interests breaks down as follows:

- A net result of 13.4 million euros as of 30 June 2023 and 0.1 million euros as of 30 June 2024.
- Other recyclable items of gain or loss on comprehensive income of (1.0) million euros as of 30 June 2023 and (0.8) million euros as of 30 June 2024.
- Other non-recyclable items of gain or loss on comprehensive income of (0.5) million euros as of 30 June 2023 and (0.2) million euros as of 30 June 2024.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in millions of euros)	Note	30 June 2023	30 June 2024
Assets			
Goodwill	7.1.1	1,280.1	1,303.3
Intangible assets	7.1.1	302.2	472.9
Tangible assets and construction in progress	7.1.2	3,587.0	4,821.3
Rights of use in respect of leases	7.1.3	345.1	429.1
Investments in associates	7.2	501.2	12.1
Non-current financial assets	7.4.3	163.9	95.6
Non-current assets associated with customer contracts and costs to obtain and fulfil contracts	7.3	31.8	37.4
Deferred tax assets	7.8	15.3	30.3
Total non-current assets		6,226.5	7,202.0
Inventories		13.0	39.4
Accounts receivable	7.3.1	207.5	273.7
Current assets associated with customer contracts and costs to obtain and fulfil contracts	7.3	13.3	12.0
Other current assets		39.0	127.2
Current tax receivables		40.6	20.0
Current financial assets	7.4.3	388.8	6.5
Cash and cash equivalents	7.4.1	482.2	837.4
Total current assets		1,184.3	1,316.4
Total assets		7,410.8	8,518.4

(in millions of euros)	Note	30 June 2023	30 June 2024
Liabilities			
Share capital	7.6.1	248.9	475.2
Additional paid-in capital		831.3	3,111.8
Reserves and retained earnings		1,895.1	264.4
Non-controlling interests		96.8	95.8
Total shareholders' equity		3,072.1	3,947.2
Non-current financial debt	7.4.2	2,841.8	2,822.0
Non-current lease liabilities	7.4.3	272.5	343.2
Other non-current financial liabilities	7.4.3	54.7	46.8
Non-current payables to fixed asset suppliers	7.4.3	1.2	-
Non-current liabilities associated with customer contracts	7.3.3	269.0	431.5
Non-current provisions	7.7	29.2	32.5
Deferred tax liabilities	7.8	157.9	133.6
Total non-current liabilities		3,626.2	3,809.6
Current financial debt	7.4.2	97.6	141.7
Current lease liabilities	7.4.3	47.0	69.1
Other current payables and financial liabilities	7.4.3	113.0	160.0
Accounts payable		93.5	170.7
Current payables to fixed asset suppliers	7.4.3	188.5	52.5
Tax payable		99.5	25.0
Current liabilities associated with customer contracts	7.3.3	68.5	131.7
Current provisions	7.7	5.1	10.6
Total current liabilities		712.5	761.3
Total liabilities and shareholders' equity		7,410.8	8,518.4

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)	Note	30 June 2023	30 June 2024
Cash flow from operating activities			
Net result		328.4	(309.7)
Income from associates		87.3	22.8
Tax and interest expenses, other operating items		163.8	194.2
Depreciation, amortisation and provisions		535.3	790.0
Deferred taxes	7.8	(48.5)	(45.2)
Changes in accounts receivable		6.3	(49.4)
Changes in assets held under customer contracts and other assets		(357.4)	(13.6)
Changes in accounts payable		(74.3)	(18.0)
Changes in liabilities associated with customer contracts and other liabilities		121.4	3.9
Taxes paid ⁽¹⁾		(27.3)	(69.2)
Net cash flows from operating activities		734.9	505.6
Cash flow from investing activities			
Acquisitions of satellites, other property and equipment, and intangible assets ⁽²⁾	7.1.1. 7.1.2	(201.0)	(463.2)
Insurance repayments		-	-
Income/expenses linked to the C-Band release ⁽¹⁾	2.2	(9.8)	355.2
Acquisition of equity investments and other movements ⁽³⁾		(122.1)	198.4
Net cash flows from investing activities		(332.9)	90.4
Cash flow from financing activities			
Distributions		(80.6)	(1)
Treasury stocks		-	-
Increase/reduction in capital		-	-
Increase in borrowings and others	7.4.2	-	870.9
Repayment of borrowings ⁽⁴⁾	7.4.2	(314.9)	(909.0)
Repayment of lease liabilities	7.4.3	(54.6)	(53.9)
Loan set-up fees		-	(15.4)
Interest and other fees paid		(95.3)	(136.1)
Transactions relating to non-controlling interests ⁽⁵⁾		(15.5)	(6.0)
Premiums and termination indemnities on derivatives settled		(36.9)	8.5
Other changes		(0.2)	-
Net cash flow from financing activities		(598.0)	(242.2)
Impact of exchange rate on cash and cash equivalents		(0.3)	1.5
Impact of changes in scope		(2.0)	-
Increase/(Decrease) in cash and cash equivalents		(198.3)	355.2
Cash and cash equivalents, beginning of period		680.5	482.2
Cash and cash equivalents, end of period		482.2	837.4
<i>Including Cash and cash equivalents, end of period</i>	7.4.1	482.2	837.4
<i>Including Overdrafts included under debt, end of period</i>		-	-

(1) As of 30 June 2024, taxes paid include 82 million euros of taxes paid in respect of the proceeds on the C-Band release. The proceeds on the C-Band release net of taxes amounted to 273.2 million euros.

(2) Excluding the fixed assets financed by structured debt.

(3) As of 30 June 2024, acquisitions of equity investments and other movements include the cash acquired with OneWeb as of 28 September 2023 in the amount of 143.0 million euros, the sale of the Airbus OneWeb Satellites shares for 69 million euros and an earn-out payment linked to the divestment of Euro Broadband Infrastructure amounting to (20) million euros. As of 30 June 2023, acquisitions of equity investments and other movements include the payment of 127.9 million euros linked to the acquisition of equity interests in OneWeb Holdings Limited and the reimbursement of 5.2 million euros on Broadpeak convertible bonds.

(4) As of 30 June 2024, the repayment of borrowings includes the reimbursement of the Eutelsat S.A. credit facilities in July 2023 in the amount of 193.1 million euros and the early reimbursement of bonds in the amount of 623 million euros.

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

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in millions of euros, except share data)	Share capital			Reserves and retained earnings	Shareholder s' equity Group share	Non- controlli ng interest s	Total
	Number	Amount	Additi onal paid in capital				
As of 30 June 2022	230,544,995	230.5	718.0	1,828.0	2,777.3	83.5	2,860.9
Net result for the period	-	-	-	314.9	314.9	13.4	328.3
Other items of gain or loss in comprehensive income ⁽¹⁾	-	-	-	(36.0)	(36.0)	(1.4)	(37.5)
Total comprehensive income	-	-	-	278.9	278.9	12.0	290.9
Treasury stocks	-	-	-	(1.0)	(1.0)	(0.0)	(1.0)
Dividend distributions	-	-	-	(80.6)	(80.6)	-	(80.6)
Capital increase	18,381,330	18.4	113.3	(131.6)	-	-	-
Benefits for employees upon exercising options and free shares granted	-	-	-	0.6	0.6	--	0.6
Transactions with non- controlling interests and others	-	-	-	-0.2	0.2	1.2	1.4
As of 30 June 2023	248,926,325	248.9	831.3	1,895.2	2,975.4	96.7	3,072.1
Net result for the period	-	-	-	(309.9)	(309.9)	0.2	(309.7)
Other items of gain or loss in comprehensive income ⁽¹⁾	-	-	-	(41.6)	(41.6)	(1.0)	(42.6)
Total comprehensive income	-	-	-	(351.4)	(351.4)	(0.8)	(352.2)
Capital increase	226,252,053	226.3	-	-	226.3	-	226.3
Share premium	-	-	2,280.6	(1,278.9)	1,001.7	-	1,001.7
Dividend distributions	-	-	-	-	-	-	-
Treasury stocks	-	-	-	(0.6)	(0.6)	-	(0.6)
Benefits for employees upon exercising options and free shares granted	-	-	-	0.6	0.6	-	0.6
Transactions with non- controlling interests and others	-	-	-	(0.5)	(0.5)	0.1	(0.5)
As of 30 June 2024	475,178,378	475.2	3,111.8	264.4	3,851.4	95.8	3,947.2

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

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Note 1. GENERAL OVERVIEW

1.1 Business

Eutelsat Communications S.A. is one of the world's leading satellite operators, specialised in the global supply of connectivity and broadcasting services. Resulting from the acquisition of OneWeb by Eutelsat in 2023, effective since 28 September 2023, the Group is the first operator of fully integrated GEO-LEO satellites, with a fleet of 35 geostationary satellites and a low-earth orbit constellation (LEO) composed of 634 satellites. The Group meets the needs of its customers who are present in four key market segments: Video, where it broadcasts more than 6,500 television channels, and the fast-growing markets of Fixed Connectivity, Mobile Connectivity and Government Services.

The Group is committed to providing secure and resilient connectivity services that respect the environment, aimed at contributing to closing the digital divide. The Company is listed for trading on the Paris (Euronext Paris) and London (London Stock Exchange) stock exchanges under the ticker ETL

1.2 Duration of the fiscal year

The fiscal year runs for a period of 12 months from 1 July to 30 June. The OneWeb entities acquired as of 28 September 2023 have been integrated in the consolidated financial statements as of their acquisition date.

1.3 Approval of the financial statements

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

Note 2. KEY EVENTS DURING THE FINANCIAL PERIOD

2.1 Acquisition of OneWeb

On 28 September 2023, Eutelsat Communications S.A. announced that its business combination with OneWeb, the global low-Earth orbit (LEO) satellite communications network, had become effective following approval at the Combined Ordinary and Extraordinary General Meeting of Eutelsat shareholders held that same day. The registered office of the Group's Company is located at Issy-Les-Moulineaux in France. Eutelsat Communications S.A. employs more than 1,500 people of 50 different nationalities.

The OneWeb shareholders received around 226 million newly-issued Eutelsat shares. The transaction was structured as an exchange of OneWeb shares by its shareholders (other than Eutelsat) for new shares issued by Eutelsat (see Note 3.2.1).

2.2 Entry into revenue service of the Eutelsat Konnect VHTS and Eutelsat 10B satellites, and decommissioning of the E10A

On 30 March 2024, the Eutelsat 36D satellite was successfully launched as the successor to the Eutelsat 36B satellite.

The Konnect VHTS and Eutelsat 10B satellites were successfully launched during the 2022 second quarter and their entry into service took place on 1 September 2023 for Konnect VHTS and 19 July 2023 for E10B. The E113WB satellite has been lost.

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

The second satellite is equipped with two new multi-beam HTS (High-Throughput Satellite) Ku-band payloads: a high-capacity payload, covering the North Atlantic corridor, Europe, the Mediterranean basin and the Middle East, offering significant throughput in the busiest air and sea traffic zones; and a second payload to extend coverage across the Atlantic Ocean, Africa and the Indian Ocean.

The Eutelsat 10A satellite was decommissioned and deorbited on 30 November 2023 after 14 years of service. It has been replaced by the Eutelsat 10B.

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

2.3 Impacts of the Russo-Ukrainian war and sanctions linked to the situation in the Middle East

Within the context of the Russo-Ukrainian crisis, the Eutelsat Group generated 6.0% of its revenues in Russia during the fiscal year ended 30 June 2024 and 6.8% during the fiscal year ended 30 June 2023. OneWeb's activity is not affected.

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

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

free cash flow.

2.4 C-band release process

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

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

On 15 May 2023, the FCC published its procedures opening the window for the C-band Phase II certifications. The Group filed its transition plan and certification on 1 June 2023. At the end of the 30-day period for public commentary, the FCC approved the certification of the Phase II transition plan on 30 June 2023. Proceeds of 382 million U.S. dollars were booked in Other operating income in respect of the 2022-23 fiscal year. The corresponding funds amounting to 355 million euros were received in August 2023.

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 "Eutelsat Group" or the "Group").

ACCOUNTING PRINCIPLES

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

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

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

3.1 Scope of consolidation

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

Company	Country	Consolidation method	% control as of 30 June 2024	% interest as of 30 June 2024
Eutelsat Communications S.A (parent company).	France	FC	100.00%	100.00%
Eutelsat S.A.	France	FC	100.00%	96.38%
OneWeb Communications Ltd	United Kingdom	FC	100.00%	99.17%
OneWeb - Network Access Assoc Ltd	United Kingdom	FC	100.00%	99.17%
OneWeb - WorldVu Satellites Limited ⁽²⁾	Jersey	FC	100.00%	99.17%
OneWeb Communications S.a.r.L ⁽²⁾	Luxembourg	FC	100.00%	99.17%
OneWeb - WorldVu Development LLC ⁽²⁾	USA	FC	100.00%	99.17%
OneWeb Technologies ⁽²⁾	USA	FC	100.00%	96.38%
OneWeb Angola – Servicos de Telecomunicacoes (SU) LDA ⁽¹⁾	Angola	FC	100.00%	99.17%
OneWeb SA ⁽¹⁾	Argentina	FC	100.00%	99.17%
OneWeb - WorldVu Australia Pty Ltd ⁽²⁾	Australia	FC	100.00%	99.17%

OneWeb EOOD ⁽¹⁾	Bulgaria	FC	100.00%	99.17%
OneWeb Capacidade Satelital Ltda ⁽¹⁾	Brazil	FC	100.00%	99.17%
OneWeb Canada Communications Ltd ⁽²⁾	Canada	FC	100.00%	99.17%
OneWeb Chile SpA ⁽¹⁾	Chili	FC	100.00%	99.17%
OneWeb Costa Rica Limitada ⁽¹⁾	Costa Rica	FC	100.00%	99.17%
OneWeb France SAS ⁽²⁾	France	FC	100.00%	99.17%
OneWeb Holdings Ltd	United Kingdom	FC	100.00%	99.17%
OneWeb Network Access Holdings Ltd	United Kingdom	FC	100.00%	99.17%
OneWeb Ghana Ltd ⁽²⁾	Ghana	FC	100.00%	99.17%
OneWeb ApS ⁽²⁾	Greenland	FC	100.00%	99.17%
PT OneWeb Communications Indonesia ⁽²⁾	Indonesia	FC	100.00%	99.17%
OneWeb Srl ⁽²⁾	Italy	FC	100.00%	99.17%
OneWeb Ltd ⁽²⁾	Jersey	FC	100.00%	99.17%
OneWeb G.K. ⁽²⁾	Japan	FC	100.00%	99.17%
OneWeb Kazakhstan Ltd ⁽¹⁾	Kazakhstan	FC	100.00%	99.17%
OneWeb Ltd ⁽²⁾	Malta	FC	100.00%	99.17%
OneWeb Mauritius Ltd ⁽²⁾	Mauritius	FC	100.00%	99.17%
OneWeb - WorldVu Mexico S.DE R.L DE C.V. ⁽¹⁾	Mexico	FC	100.00%	99.17%
OneWeb Norway AS ⁽²⁾	Norway	FC	100.00%	99.17%
OneWeb - WorldVu Unipessoal Lda ⁽²⁾	Portugal	FC	100.00%	99.17%
OneWeb - First Tech Web Company Limited ⁽¹⁾	Saudi Arabia	EM	49.59%	49.59%
OneWeb Sweden AB ⁽²⁾	Sweden	FC	100.00%	99.17%
OneWeb Asia PTE Limited ⁽²⁾	Singapore	FC	100.00%	99.17%
OneWeb Senegal SARL ⁽¹⁾	Senegal	FC	100.00%	99.17%
OneWeb Turkey İletişim Hizmetleri AŞ ⁽¹⁾	Turkey	FC	100.00%	99.17%
OneWeb - WorldVu JV Holdings LLC ⁽²⁾	USA	FC	100.00%	99.17%
OneWeb Holdings LLC ⁽²⁾	USA	FC	100.00%	99.17%
OneWeb - WorldVu South Africa (Pty) Ltd ⁽²⁾	South Africa	FC	100.00%	99.17%
OneWeb Colombia Limited ⁽¹⁾	Colombia	FC	100.00%	99.17%

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 do Brasil Participações LTDA ⁽¹⁾	Brazil	FC	100.00%	96.38%
Satmex International BV ⁽¹⁾	Netherlands	FC	100.00%	96.38%
Satelites Mexicanos S.A. de C.V. ⁽¹⁾	Mexico	FC	100.00%	96.38%
EAS Delaware Corp.	USA	FC	100.00%	96.38%
SMVS Administracion S de R.L de C.V. ⁽¹⁾	Mexico	FC	100.00%	96.38%
SMVS Servicios Tecnicos S de R.L de C.V. ⁽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. ⁽³⁾	USA	FC	0.00%	0.00%
Skylogic S.p.A.	Italy	FC	100.00%	96.38%
Eutelsat Russia ⁽¹⁾	Russia	FC	100.00%	96.38%
Eutelsat Services & Beteteiligungen GmbH	Germany	FC	100.00%	96.38%
Eutelsat Inc.	USA	FC	100.00%	96.38%
Eutelsat America Corp.	USA	FC	100.00%	96.38%
ES 172 LLC	USA	FC	100.00%	96.38%
ES 172 UK	UK	FC	100.00%	96.38%
ES 174E LTD	Cyprus	FC	100.00%	96.38%

Company	Country	Consolidation method	% control as of 30 June 2024	% interest as of 30 June 2024
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%
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 ⁽¹⁾	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%	91.56%
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%
Eutelsat Canada Inc	Canada	FC	100.00%	96.38%
Eutelsat Greece	Greece	FC	100.00%	96.38%

FC: Full consolidation method

EM: Equity method

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

⁽²⁾ Companies whose fiscal year ends on 31 March for legal or historical reasons.

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

⁽³⁾ Company liquidated on 3 June 2024. The result of the entity was included in the Group's result until this date in line with the 96.38% equity interest.

3.2 Main changes in the scope of consolidation

3.2.1 Fiscal year ended 30 June 2024

Period ended 30 June 2024

On 26 July 2022, Eutelsat Communications S.A. and the key OneWeb shareholders signed a Memorandum of Understanding with a view to a business combination between the two companies via a share exchange transaction. On 28 September 2023, Eutelsat Communications S.A. announced that its business combination with OneWeb had become effective following approval by the Combined Ordinary and Extraordinary Meeting of Eutelsat shareholders held that same day.

Prior to the transaction, the Eutelsat Group held a 22.91% equity interest in OneWeb (through its subsidiary Eutelsat S.A.) which was consolidated using the equity method. After the transaction, the Eutelsat Group holds 100% of the Class A shares in OneWeb (directly and indirectly via its subsidiary Eutelsat S.A.).

In terms of OneWeb Holding's share capital, by way of exemption, there is however still one B "special share" held by the Secretary of State for Science, Innovation and Technology. The rights attached to the B share have been analysed as protective rights.

As required by IFRS 3 "Business Combinations", the management of Eutelsat Communications S.A. has determined that Eutelsat is the acquirer for accounting purposes based on:

- i. The estimated relative voting rights of the Eutelsat and OneWeb shareholders within the Combined Group: after the transaction, the historical shareholders of Eutelsat Communications S.A. are in the majority with no one shareholder in OneWeb representing more than 30% of the voting rights that would give it a significant power within the Combined Group.
- ii. The composition of the governance and management bodies of the Combined Group agreed between the parties: the Chair of the Board of Directors and the Chief Executive Officer of Eutelsat have retained their mandates after the transaction and the Board directors proposed by Eutelsat and its reference shareholders and those proposed by OneWeb and its main shareholders hold a respective eight and seven votes, with a casting vote for the Chair of the Board of Directors of Eutelsat.
- iii. The relative sizes of the Eutelsat Group and the OneWeb Group.
- iv. The equity interest progressively built up by Eutelsat in OneWeb since 2021.
- v. The fact that the assets, revenues and net result of Eutelsat are larger than those of OneWeb in the last fiscal year for the two groups.
- vi. The fact that the registered office remains based in France at Issy-Les-Moulineaux.

In accordance with the principles of IFRS 3 on business combinations achieved in stages, the following two transactions were reflected in the financial statements at the Completion Date:

First operation: remeasurement at fair value of the OneWeb shares previously accounted for by the equity method, resulting in a loss of 77.6 million euros recognized in Other exceptional income and expenses.

Second operation: registration of the takeover of all of the OneWeb shares

These two operations are reflected in the financial statements of Eutelsat Communications S.A. as of 30 June 2024.

As a result, OneWeb has been fully consolidated since 28 September 2023. The capital increase carried out to compensate the contributions from OneWeb shareholders represents a value of 2,506.8 million euros, including 226.3 million euros in capital (capital increase as shown in the individual financial statements). Between 1 July 2023 and 28 September 2023, OneWeb's investment was accounted for using the equity method, and the Group's share of earnings was a net loss of 28 million euros. The acquisition price amounts to 1,695 million euros. This price was determined notably on the basis of Eutelsat Communications S.A.'s share price on the day of the takeover, and the fair value of the equity interest already held in OneWeb:

- 1,227 million euros for the 77.09% acquired within the framework of this transaction [226,252,053 new shares issued at a price corresponding to the 28 September market price of 5.425 euros/share]
- 365 million euros for the 22.91% at fair value [$1,227 \times 22.91/77.09$] : this corresponds to the fair value of the OneWeb shares already held by Eutelsat Communications S.A.
- 12 million euros corresponding to the fair value of the stock options already vested as of the closing date.
- 91 million euros corresponding to the pre-existing contractual relationship between OneWeb and the Eutelsat Group.

The allocation of the acquisition price was carried out in the second half of our fiscal year. The allocation of the acquisition price results in the recognition of goodwill of 15 million euros, determined as follows:

OneWeb balance sheet at 100%	(in millions of euros)
Non-current assets	2,032
Current assets	268
Non-current liabilities	(440)
Current liabilities	(283)
Pre-existing contractual relationship between OneWeb and Eutelsat	91
Fair value of the stock options	12
Net assets acquired	1,680
Acquisition price	1,695
Goodwill	15

The main assets acquired relate to a Constellation composed of 620 satellites.

If Eutelsat Communications S.A. had acquired OneWeb as of 1 July 2023, the Group's revenues would have been 1,221 million euros instead of 1,213 million euros, EBITDA 671.1 million euros instead of 718.9 million euros and the net result would have been reduced by -124.4 million euros to (434.1) million euros instead of (309.7) million euros.

In the tables in the Notes to the Balance sheet (Note 7), the item Entries into the scope corresponds to the impact of the acquisition of OneWeb in September 2023.

In January 2024, the Group sold its 50% equity interest in the Airbus OneWeb Satellites Group to the Airbus US Space & Defense Group. The equity interest in the Airbus OneWeb Satellites (AOS) Group was measured at fair value as part of the takeover of the OneWeb Group and consequently the disposal of AOS for 75 million U.S. dollars did not result in a capital gain for the Group in the financial statements as of 30 June 2024.

The other changes in the consolidation scope concern the liquidation of the company Latam Corp. on 30 May 2024. This liquidation did not result in a gain or loss for the Eutelsat Group.

3.2.2 Fiscal year ended 30 June 2023

Divestment of BigBlu Operations Ltd

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

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

Note 4. ACCOUNTING PRINCIPLES AND VALUATION METHODS

4.1 Basis of preparation of financial information

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

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

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

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

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

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

4.2 Financial reporting rules

4.2.1 Conversion of financial statements and transactions in foreign currencies

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

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

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

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

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

4.2.2 Reporting of current and non-current assets and liabilities

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

4.3 Significant accounting judgements and estimates

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

In preparing the financial statements for the period ended 30 June 2024, the management has exercised judgement, particularly with regard to the recoverable amounts of assets, the recognition of revenues, the estimation of provisions and contingent liabilities assessment, the recognition of tax assets and liabilities, the assessment of customer risk and the determination of the fair value of assets and liabilities within the framework of the preliminary allocation of the acquisition price of OneWeb.

Note 5. SEGMENT INFORMATION

Prior to the takeover of OneWeb, the Group considered that it operated 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 was 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 takeover of OneWeb on 28 September 2023 represents a strategic shift for the Group, whose ambition is to be a world leader in space-based telecommunications, offering customers fully integrated connectivity services worldwide. The network density and high data throughputs of Eutelsat's low-latency GEO satellites, combined with the broad coverage of OneWeb's LEO constellation, will open up new markets and applications for customers.

The integration of OneWeb is under way and has been reflected, and will continue to be reflected, in a number of changes over the coming months, impacting the Group's internal organization and ultimately the performance indicators tracked by the Chief Executive Officer and Chief Financial Officer, who together make up the Group's main operational decision-making body. The integrated customer offerings will increasingly include synergies between the two businesses for the technological, commercial and financial offerings. The Group's support functions have been shared since February 2024. An integrated reporting process has been in place since April 2024. The Group thus continues to operate in a single operational sector.

At this stage, the performance indicators tracked by the Chief Executive Officer and the Chief Financial Officer are as follows:

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

Fiscal year ended 30 June 2024 (in millions of euros)	2023	2024
<i>Income from ordinary activities</i>	1,131.3	1,213.0
<i>Operating expenses</i>	(305.9)	(494.1)
Adjusted EBITDA	825.5	718.9
<i>Impairment and amortisation</i>	(455.5)	(702.1)
<i>Other operating income and expenses</i>	203.5	(208.2)
Operating result	573.5	(191.3)
<i>Financial result</i>	(91.3)	(123.9)
<i>Income taxes</i>	(66.5)	28.3
<i>Share of result of associates</i>	(87.3)	(22.8)
<i>Attributable to non-controlling interests</i>	13.4	0.2
Attributable to the Group	314.9	(309.9)

Fiscal year ended 30 June 2024 (in millions of euros)	2023	2024
Net debt at the balance sheet date	2,765.6	2,544.4

Fiscal year ended 30 June 2024 (in millions of euros)	2023	2024
Acquisitions of satellites, other property and equipment, and intangible assets	(401,0)	(463,2)
Drawings of ECA loans and other bank credit facilities	200.0	247.0
Repayment of ECA loans and other bank credit facilities	(14.9)	(193.1)
Lease debt	(54.6)	(53.9)
Cash capex	(270.5)	(463,2)

Note 6. NOTES TO THE INCOME STATEMENT

6.1 Revenues

ACCOUNTING PRINCIPLES

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

Some contracts include variable consideration, such as variable prices or free periods. For such contracts, the Group estimates the value of the consideration to which it will be entitled in return for providing the promised services to the customer, and recognises this under revenues to the extent that it is considered highly probable that a significant reversal of the cumulative revenue recognised will not occur.

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 delivered and the consideration payable to the customer is recognised as a reduction in transaction price. 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 concerns services covered by the existing contract, the services in the amended contract form only a single performance obligation with the services partially performed at the date of amendment. These penalties are then spread over the duration of the amended contract.

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

6.1.1 Revenues by application

Revenues by application break down as follows:

(in millions of euros)	30 June 2023	30 June 2024
Video	704.8	650.6
Government services	143.4	165.3
Fixed connectivity	177.8	234.1
Mobile connectivity	110.1	159.3
Total operating verticals	1,136.1	1,209.4
Other Revenues ⁽¹⁾	(4.8)	3.7
Total	1,131.3	1,213.0
<i>EUR/USD exchange rate</i>	<i>1.042</i>	<i>1.081</i>

⁽¹⁾ Other revenues include the impact of EUR/USD currency hedging amounting to (3.0) million euros for the fiscal year ended 30 June 2024 against (15.2) million euros for the fiscal year ended 30 June 2023.

The 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, determined based on the customer billing address are as follows:

(in millions of euros and as a percentage)	30 June 2023		30 June 2024	
Region	Amount	%	Amount	%
France	64.2	5.7	77.4	6.4
Italy	122.8	10.9	120.0	9.9
United Kingdom	64.5	5.7	95.8	7.9
Europe (others)	339.5	30.0	318.6	26.3
Americas	224.5	19.8	288.3	23.8
Middle East	191.2	16.9	175.7	14.5
Africa	109.5	9.7	109.5	9.0
Asia	29.0	2.6	29.6	2.4
Others ⁽¹⁾	(13.9)	(1.2)	(1.9)	(0.2)
Total	1,131.3	100.0	1,213.0	100.0

⁽¹⁾ Other revenues include mainly the impact of EUR/USD currency hedging amounting to (3.0) million euros for the fiscal year ended 30 June 2023 against (15.2) million euros for the fiscal year ended 30 June 2023.

6.1.3 Backlog

The backlog represents future revenues from capacity allocation or service delivery contracts (including contracts for satellites currently under construction). As of 30 June 2024, the backlog stands at 3.9 billion euros. The secured backlog, corresponding to the IFRS 15 requirements and excluding revenues subject to early termination clauses, stands at 3.3 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 expenses 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 15.7 million euros as of 30 June 2024 (20.1 million euros for the fiscal year ended 30 June 2023).

6.2.1 Staff costs

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

(in millions of euros)	30 June 2023	30 June 2024
Operating costs	62.4	103.4
Selling, general and administrative expenses	87.8	117.2
Total	150.2	220.6

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 1,514 full-time equivalent employees as of 30 June 2024 (including 494 OneWeb employees) compared to 1,067 as of 30 June 2023.

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

	30 June 2023	30 June 2024
Operations	516	822
Selling, general and administrative	551	692
Total	1,067	1,514

6.2.3 Share-based and similar compensation

ACCOUNTING PRINCIPLES

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

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

The expense recognized in respect of these plans (excluding employer contributions) stood at 1.1 million euros for the fiscal year ended 30 June 2024 against 0.3 million euros for the fiscal year ended 30 June 2023.

The key features of the plans are as follows:

Key features of the plans	November 2021 plan	January 2022 plan	November 2022 plan	November 2023 plan
Vesting period	July 2021 - June 2024	January 2022 - December 2024	July 2022 – June 2025	July 2023 – June 2026
Payment method	Cash and shares	Shares	Cash and shares	Cash and shares
Maximum number of attributable shares at inception	264,675	75,736	308,020	1,370,787
Number of beneficiaries	18	1	21	55
Number of shares and performance conditions for the free shares plan				
Total number of shares in circulation	25,386	75,736	98,010	465,940 ⁽³⁾
Performance conditions	New Business Revenue, Discretionary Free-Cash-Flow, Relative TSR ⁽¹⁾ and CSR	New Business Revenue, Discretionary Free-Cash-Flow, Relative TSR ⁽¹⁾ and CSR	New Business Revenue, Discretionary Free-Cash-Flow, Relative TSR ⁽¹⁾ and CSR	New Business Revenue, Discretionary Free-Cash-Flow, Relative TSR ⁽¹⁾ and CSR
Number of shares and performance conditions for the phantom share plans				
Total number of shares in circulation	79,302	-	169,722	904,847
Performance targets	New Business Revenue, Discretionary Free-Cash-Flow and CSR	-	New Business Revenue, Discretionary Free-Cash-Flow and CSR	New Business Revenue, Discretionary Free-Cash-Flow and CSR
Fair value of the shares as of 30 June 2024				
Fair value excl. TSR ⁽¹⁾ (shares)	€9.98	€8.87	€8.76	€3.97
Fair value excl. TSR ⁽¹⁾ (cash)	€3.97	-	€3.97	€3.97
Fair value after TSR ⁽¹⁾	€9.71	€9.21	€6.39	€2.47
Aggregate valuation of plan as of 30 June 2024 (in millions of euros) ⁽²⁾	0.4	0.4	0.7	1.0
Expense for the fiscal year				
Expense for the fiscal year ended 30 June 2024 (in millions of euros) ⁽²⁾	(0.2)	0.1	0.2	1.0

⁽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.

⁽³⁾ Including exceptional AGA plan.

6.3 Other operating income and expenses

ACCOUNTING PRINCIPLES

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

(in millions of euros)	30 June 2023	30 June 2024
Other operating income	365.0	10.4
Other operating expenses	(161.6)	(218.6)
Total	203.5	(208.2)

As of 30 June 2024, other operating income mainly includes 7.6 million euros in impairment reversals on the value of the AT1, AT2, 53A and 65WA satellites. Other operating expenses mainly include costs relating to the business combination and integration with OneWeb amounting to 38.7 million euros (see Note 2.1), the fair value adjustment of the 22.91% equity interest in OneWeb held by Eutelsat S.A. amounting to 77 million euros. This item also includes impairments on satellites amounting to 25.7 million euros and impairments on customer relationships amounting to 58.8 million euros.

As of 30 June 2023, other operating income mainly included the proceeds of 352 million euros on phase 2 of the C-Band release. The other operating expenses mainly included 42.0 million euros of transformation and restructuring costs notably linked to the business combination with the OneWeb Group, and asset impairments amounting to 115.0 million euros (including 80 million euros of impairments on fixed assets and 35 million on financial assets).

6.4 Financial result

(in millions of euros)	30 June 2023	30 June 2024
Interest expense after hedging	(67.9)	(105.3)
Interest on lease liabilities	(12.7)	(22.5)
Loan set-up fees and commissions	(7.3)	(16.3)
Capitalised interest	17.7	5.2
Cost of gross debt	(70.1)	(138.9)
Financial income	1.6	12.2
Cost of net debt	(68.5)	(126.6)
Changes in derivative financial instruments	-	(2.3)
Foreign-exchange impact	(13.8)	11.1
Others	(9.0)	(6.0)
Financial result	(91.3)	(123.9)

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

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

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

6.5 Income tax

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

(in millions of euros)	30 June 2023	30 June 2024
Current tax expense	(111.6)	(16.9)
Deferred tax income (expense)	45.1	45.2
Total income tax expense	(66.5)	28.3

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

(in millions of euros)	30 June 2023	30 June 2024
Current income before tax	482.2	(315.2)
Standard French corporate tax rate	25.83%	25.83%
Theoretical income-tax expense	(124.6)	81.4
Non-taxable profit	58.7	63.7
Differences in corporation tax rates	(14.2)	3.9
Use of tax losses	(0.1)	-
CVAE (Contribution on Added Value of Enterprises)	(1.7)	(1.1)
Deferred tax generated during the previous period and recognised for the period	0.6	0.5
Non-activated tax losses for the period ⁽¹⁾	-	(57.4)
Impairment of deferred tax assets on temporary differences ⁽¹⁾	-	(25.4)
Other permanent differences	14.7	(37.4)
Tax expense	(66.5)	28.3
Effective tax rate	13.8%	9.0%

⁽¹⁾ Reconciling items concerning OneWeb entities

As of 30 June 2024, other permanent differences mainly include tax expenses relating to the impacts of the fair value adjustment on OneWeb shares held by Eutelsat S.A. for 19.9 million euros, other non-activated tax losses for 3.2 million euros, the impact of exchange rate differences on the deferred tax positions of the Satellites Mexicanos and Eutelsat Do Brasil subsidiaries for 2.9 million euros, tax disputes for 3.7 million euros and other permanent differences for 7.7 million euros.

As of 30 June 2023, other permanent differences mainly included the impact of exchange rate differences and inflation effects recorded by Satellites Mexicanos on this subsidiary's deferred tax positions for respectively 5.3 million euros and 18.3 million euros as of 30 June 2022 and 30 June 2023. They also included the impact of the additional tax depreciation granted to the Eutelsat Asia subsidiary amounting to 11.7 million euros as of 30 June 2023, offset by the non-activation of tax losses for 4.1 million euros and other permanent differences for 7.6 million euros.

6.6 Earnings per share

ACCOUNTING PRINCIPLES

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

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

(in millions of euros)	30 June 2023	30 June 2024
Net result	328.3	(309.7)
Income from subsidiaries attributable to non-controlling interests	(13.2)	(0.2)
Net earnings used to compute earnings per share	315.1	(309.9)
Average number of shares	248,570,264	418,174,999

Note 7. NOTES TO THE BALANCE SHEET

7.1 Fixed assets

7.1.1 Goodwill and other intangibles

ACCOUNTING PRINCIPLES

Goodwill

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

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

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

Goodwill is measured in the functional currency of the acquired entity at the date of the combination at an amount equal to the difference between the aggregate fair value of the consideration paid and the fair value of the identifiable assets acquired, and the liabilities assumed. They are tested for impairment as detailed in Note 7.1.4.

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-year period.

Eutelsat brand

The Eutelsat brand was recognised when Eutelsat S.A. was acquired by Eutelsat Communications in 2005.

Other intangibles

Other intangibles are composed of the cost of capitalised development, licences, priority rights with the International Telecoms Union (ITU) and orbital rights.

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

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

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

Spectrum, orbital rights and licenses are amortised over their useful lives which are as follows:

- For spectrum and orbital rights, between 13 and 23 years;
- For licences, between 1 and 13 years;
- For Ku and Ka band spectrum rights and licenses for its low-Earth orbit constellation, over an indefinite useful life.

The changes in goodwill and intangible assets over the past two fiscal 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 2022	1,295.2	1,147.2	40.8	398.9	2,882.1
Acquisitions	-	-	-	15.9	15.9
Transfers	-	-	-	11.8	11.8
Foreign-exchange variation	(15.1)	(9.7)	-	(2.8)	(27.5)
Disposals and scrapping of assets	-	-	-	(1.3)	(1.3)
Entries into the scope	-	-	-	-	-
Exits from the scope	-	(5.4)	-	(1.9)	(7.4)
Gross value as of 30 June 2023	1,280.1	1,132.0	40.8	420.6	2,873.6
Acquisitions	-	-	-	18.9	18.9
Transfers	-	-	-	58.7	58.7
Foreign-exchange variation	8.1	5.2	-	(0.2)	13.1
Disposals and scrapping of assets	-	-	-	(2.0)	(2.0)
Entries into the scope at net value ⁽¹⁾	15.1	-	-	276.0	291.1
Exits from the scope	-	-	-	-	-
Gross value as of 30 June 2024	1,303.3	1,137.3	40.8	772.0	3,253.4
Depreciation and impairment					
Accumulated amortization as of 30 June 2022	-	(917.0)	-	(292.5)	(1,209.5)
Depreciation expense	-	(64.1)	-	(33.5)	(97.7)
Transfers and others	-	-	-	1.4	1.4
Foreign-exchange variation	-	6.5	-	1.3	7.7
Reversals (disposals and scrapping of assets)	-	-	-	-	-
Impairment	-	-	-	-	-
Exits from the scope	-	5.4	-	1.4	6.8
Accumulated amortization as of 30 June 2023	-	(969.6)	-	(321.8)	(1,291.3)
Depreciation expense	-	(56.1)	-	(67.9)	(124.1)
Transfers and others	-	-	-	-	-
Foreign-exchange variation	-	(4.1)	-	(0.9)	(4.9)
Reversals (disposals and scrapping of assets)	-	13.1	-	2.1	15.1
Impairment ⁽²⁾	-	(71.9)	-	-	(71.9)
Exits from the scope	-	-	-	-	-
Accumulated amortization as of 30 June 2024	-	(1,088.6)	-	(388.6)	(1,477.2)
Net value as of 30 June 2022	1,295.2	230.0	40.8	106.6	1,672.6
Net value as of 30 June 2023	1,280.1	162.5	40.8	98.9	1,582.3
Net value as of 30 June 2024	1,303.3	48.7	40.8	383.4	1,776.2

(1) Entries into the scope relate to software, rights of use, concessions and patents contributed by OneWeb.

(2) Impairment of contracts is mainly recorded under other operating expenses (Note 6.3).

7.1.2 Tangible assets and construction in progress

ACCOUNTING PRINCIPLES

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

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

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

The useful lives adopted by the Group are as follows:

- 12 to 24 years for the geostationary satellites,
- 7 years for the low-Earth orbit satellites,
- 5 to 10 years for traffic monitoring and other equipment,
- 2 to 5 years for computer equipment,
- 3 to 10 years for leasehold arrangements and improvements, including related to satellite network portals.

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 and, in the case of low-earth orbit satellites, the configuration of the constellation. Low-earth orbit satellites operate as part of a constellation which requires a minimum number of satellites to provide a viable commercial service and, as a result, the useful lives of individual low-earth orbit satellites are limited to the point that the constellation is no longer capable of delivering a viable commercial service.

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, in addition to ground network assets that are under construction.

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

(in millions of euros)	Satellites	Other tangibles	Assets under construction	Total
Gross assets				
Gross value as of 30 June 2022	5,976.4	493.8	1,208.1	7,678.2
Acquisitions	51.9	20.9	246.9	319.8
Disposals	-	(1.3)	-	(1.3)
Scrapping of assets	(285.1)	(1.9)	(0.5)	(287.6)
Foreign-exchange variation	(51.7)	(1.8)	(0.5)	(54.0)
Entries into the scope	-	-	-	-
Exits from the scope	-	(4.6)	-	(4.6)
Transfers and others	327.0	12.4	(347.9)	(8.5)
Gross value as of 30 June 2023	6,018.5	517.6	1,106.1	7,642.1
Acquisitions	21.2	23.9	258.0	303.1
Disposals	-	(4.8)	-	(4.8)
Scrapping of assets ⁽¹⁾	(426.3)	(0.1)	(0.9)	(427.3)
Foreign-exchange variation	30.0	0.7	(20.2)	10.5
Entries into the scope at net value ⁽²⁾	280.2	174.2	1,079.8	1,534.2
Exits from the scope	-	-	-	-
Transfers and others ⁽³⁾	1,409.2	115.0	(1,589.3)	(65.1)
Gross value as of 30 June 2024	7,332.7	826.4	833.4	8,992.6
Depreciation and impairment				
Accumulated amortization as of 30 June 2022	(3,623.9)	(376.9)	-	(4,000.8)
Depreciation expense	(274.5)	(28.2)	-	(302.7)
Impairment	(66.6)	(2.6)	(6.5)	(75.7)
Reversals (disposals)	285.1	2.2	-	287.4
Reversals (scrapping of assets)	-	0.7	-	0.7
Foreign-exchange variation	31.2	1.2	-	32.4
Exits from the scope	-	3.5	-	3.5
Transfers and others	-	-	-	-
Accumulated amortization as of 30 June 2023	(3,649.6)	(400.0)	(6.5)	(4,055.2)
Depreciation expense	(442.5)	(66.3)	-	(508.8)
Impairment	(20.7)	4.2	-	(16.5)
Reversals (disposals)	-	-	-	-
Reversals (scrapping of assets) ⁽¹⁾	426.1	0.2	-	426.3
Foreign-exchange variation	(29.0)	12.2	-	(16.8)
Exits from the scope	-	-	-	-
Transfers and others	6.9	(13.7)	6.5	(0.3)
Accumulated amortization as of 30 June 2024	(3,708.4)	(463.2)	-	(4,171.3)
Net value as of 30 June 2022	2,352.6	116.9	1,208.1	3,677.5
Net value as of 30 June 2023	2,369.8	117.6	1,099.6	3,586.9
Net value as of 30 June 2024	3,624.5	363.3	833.5	4,821.3

(1) The scrapping and associated reversal of impairment is mainly due to the shutdown of the E10A satellite (see Note 2.2) and the loss of the 113WA satellite.

(2) The entry into the scope of consolidation relates to OneWeb and the amounts correspond mainly to the net book value of the assets as of 28 September 2023, i.e. the satellites, the ground antenna assets and the associated property, plant and equipment.

(3) Transfers relating to satellites arising during the period ended 30 June 2024 correspond to the entry into commercial service of the KVHTS, E10B, HOTBIRD 13G and HOTBIRD 13F satellites launched during the period, as outlined in Note 2.2.

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

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

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

7.1.3 Rights of use in respect of leases

ACCOUNTING PRINCIPLES

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

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

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

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

During the last two fiscal years, 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 2022	847.7	63.4	911.0
New contracts	-	1.3	1.3
Modifications and early terminations of contracts	(98.6)	(5.4)	(104.0)
Scrapping of assets	-	-	-
Foreign-exchange variation	-	(0.3)	(0.3)
Entries into the scope	-	-	-
Exits from the scope	-	(0.9)	(0.9)
Gross value as of 30 June 2023	749.1	58.1	807.0
New contracts	-	25.5	25.5
Modifications and early terminations of contracts	-	(5.1)	(5.1)
Scrapping of assets	-	-	-
Foreign-exchange variation	-	(0.7)	(0.7)
Entries into the scope ⁽¹⁾	-	122.3	122.3
Exits from the scope	-	-	-
Gross value as of 30 June 2024	749.1	210.3	959.3
Depreciation and impairment			
Accumulated depreciation and impairment as of 30 June 2022	(432.8)	(25.3)	(458.1)
Depreciation expense	(48.8)	(6.3)	(55.1)
Impairment	(4.2)	-	(4.2)
Reversals (modifications and early terminations of contracts)	52.6	2.3	54.9
Reversals (scrapping of assets)	-	-	-
Foreign-exchange variation	-	0.2	0.2
Exits from the scope	-	0.4	0.4
Accumulated depreciation and impairment as of 30 June 2023	(433.2)	(28.8)	(462.0)
Depreciation expense	(45.5)	(22.7)	(68.1)
Impairment	-	-	-
Reversals (modifications and early terminations of contracts)	-	-	-
Reversals (scrapping of assets)	-	-	-
Foreign-exchange variation	-	(0.2)	(0.2)
Exits from the scope	-	-	-
Accumulated depreciation and impairment as of 30 June 2024	(478.6)	(51.6)	(530.2)
Net value as of 30 June 2022	414.9	38.1	452.9
Net value as of 30 June 2023	315.9	29.3	345.1
Net value as of 30 June 2024	270.4	158.7	429.1

(1) The entries into the consolidation scope result from the integration of OneWeb.

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

ACCOUNTING PRINCIPLES

Goodwill and non-amortizable intangible assets

Goodwill and other intangible assets with an indefinite useful life, such as the brand name and the low-earth orbit priority rights with the International Telecoms Union (ITU) and orbital rights are tested for impairment annually, or whenever an event occurs which suggests that they may be impaired.

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 low-earth orbit constellation, including the ground network assets and the associated International Telecoms Union (ITU) priority rights, represents a single CGU as none of the individual assets generate cash inflows independent of the other assets as all these assets are required to deliver connectivity services to customers.

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 CGU, market studies, and the deployment plan for existing and future satellites. Costs included in the plan that are used for the impairment test include in-orbit insurance costs, technical and commercial costs directly attributable to the CGU 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 for the activity related to geostationary satellites and specific rates for the activity related to satellites in low Earth orbit due to the investment phases prior to this activity in development.

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 reversals of impairment losses are recognized under the items other operating income and other operating expenses.

Goodwill

The Group's historical goodwill, i.e. before the takeover of OneWeb, is the result of acquisitions related to the geostationary satellite operations. This goodwill is therefore tracked on the basis of the cashflows arising from the activity linked to the geostationary satellites.

The acquisition of OneWeb has resulted in the recognition of additional goodwill amounting to 15 million euros. An impairment test was carried out on the basis of cash flows from the low-Earth orbit satellite activities with infinite use.

The Group thus carried out two tests of recoverable amounts of its goodwills:

- A first test considering the assets and the value in use on the Group's geostationary satellite activities,
- A second test considering the assets and value in use of the Group's low-Earth orbit satellite activities.

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

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

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

For the goodwill test for low-orbit satellite activities, the test is particularly sensitive to WACC (12.9%). The sensitivity analyses to this parameter on the impairment of the assets of this CGU are as follows:

WACC rate	12.0%	12.5%	12.9%	13.0%	13.1%	13.5%	14.0%
Marge de manœuvre en millions de dollars (« Headroom »)	509.3	266.5	91.2	49.7	-	(145.0)	(320.6)
Marge de manœuvre en millions de dollars (« Headroom ») hors écart d'acquisition	524.3	281.5	106.2	45.7	15.0	(130.0)	(305.6)

The 50bp downward change in the growth rate could lead to a lower value in use than the net book value of the tested assets as of June 30, 2024.

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

Depreciable assets

- Geostationary orbital positions:

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

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

- Low-Earth orbit constellation:

The Group's low-Earth orbit constellation does not have an assumed end of life as the constellation is comprised of a group of individual assets, including satellites, that will be replaced on an ongoing basis (according to the assumptions used by the Group) to use priority rights with the International Telecoms Union (ITU), which have been assessed to have an indefinite useful life. As a result, the low-Earth orbit constellation impairment test includes an infinitely discounted terminal value.

The impairment test of the constellation did not lead to the impairment of the assets. The sensitivity of the test to the WACC excluding OneWeb's goodwill of €15 million is presented in the last line of the table above.

7.1.5 Purchase commitments

In addition to the items recognised on the balance sheet, the Company had entered into commitments with suppliers for the acquisition of assets (satellites and other assets) and the provision of services amounting to a total of 405 million euros as of 30 June 2024 and 628 million euros as of 30 June 2023.

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

(in millions of euros)	As of 30 June 2023	As of 30 June 2024
Maturity within 1 year	230	121
From 1 to 2 years	113	74
From 2 to 3 years	40	76
From 3 to 4 years	55	16
Maturity exceeding 4 years	190	119
Total	628	405

On 31 March 2023, 100 million U.S. dollars had been paid to OneWeb within the framework of the advance payment instalments for the constellation capacity negotiated during the implementation of the exclusive distribution agreement signed between the Group and OneWeb concomitantly with the final business combination agreement. The outstanding total commitment stands at 175 million U.S. dollars, of which 100 million U.S. dollars to be paid in March 2024, followed by 75 million U.S. dollars in March 2025. With the OneWeb Group joining the Eutelsat Communications Group this year, purchase commitments between OneWeb and Eutelsat Communications entities no longer appear, but have become intra-group.

7.2 Investments in associates

ACCOUNTING PRINCIPLES

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

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

From 1 July 2023 to 28 September 2023, investments in associates represented only the equity value of the company OneWeb Holdings Ltd. This equity-accounted company has been fully consolidated since 28 September 2023 following the acquisition of the remaining 77.09%. As of 28 September 2023, the result from associates corresponds to the Group's share in the companies First Tech Web and Airbus OneWeb Satellite (AOS) which are 50% owned by OneWeb. The latter was divested on 30 April 2024.

(in millions of euros)	30 June 2023	30 June 2024
Equity interests at the opening date	605.7	501.2
Change in scope	-	(487.0)
Purchases of shares	-	0.0
Sale of shares	-	(69.0)
Entry into the scope	-	78.1
Share of result of associates	(87.3)	(22.5)
Translation adjustment	(17.3)	11.4
Equity interests at the closing date	501.2	12.1

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

ACCOUNTING PRINCIPLES

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

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

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

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

(in millions of euros)	30 June 2023	30 June 2024
Assets		
Accounts receivable	207.5	273.7
Assets associated with customer contracts	40.1	44.6
Costs to fulfil contracts	-	0.0
Costs to obtain contracts	4.9	4.9
Total current and non-current assets	252.5	323.2
<i>Including non-current portion</i>	31.7	37.4
<i>Including current portion</i>	220.8	285.7
Liabilities		
Financial liabilities - Guarantees and commitments received	31.2	17.9
Liabilities associated with customer contracts	337.5	563.3
Total current and non-current liabilities	368.7	581.2
<i>Of which non-current portion</i>	289.7	452.6
<i>Of which current portion</i>	78.9	128.6

7.3.1 Accounts receivable

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

(in millions of euros)	30 June 2023	30 June 2024
Non-matured receivables	120.1	134.5
Matured receivables between 0 and 90 days	25.6	55.9
Matured receivables between 90 and 365 days	26.0	53.8
Matured due for more than 365 days	136.8	143.5
Impairment	(101.0)	(114.0)
Total	207.5	273.7

Receivables due for more than 365 days as of 30 June 2024 include invoices for security deposits amounting to 7.2 million euros (versus 3.9 million euros as of 30 June 2023). These do not involve any risk of impairment in the income statement. The provision for impairment of 114.0 million euros as of 30 June 2024 covers 84% of the receivables due for more than 365 days excluding invoiced deposits and 45% of all overdue receivables.

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

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

The credit risk is mitigated by the following guarantees and commitments received:

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

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

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

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

(in millions of euros)	Total
Value as of 30 June 2022	91.3
Net allowance (reversal)	21.0
Reversals (used)	(10.4)
Foreign exchange variations	(0.9)
Value as of 30 June 2023	101.0
Entries into the scope	0.2
Net allowance (reversal)	15.3
Reversals (used)	(2.9)
Foreign exchange variations	0.4
Value as of 30 June 2024	114.0

7.3.2 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 2022	41.7
Use of assets associated with customer contracts during the period	(3.1)
New assets associated with customer contracts recorded during the period	1.8
Net reversals (depreciations)	-
Translation adjustment	(0.2)
Assets associated with customer contracts as of 30 June 2023	40.2
Use of assets associated with customer contracts during the period	(10.0)
New assets associated with customer contracts recorded during the period	14.3
Net reversals (depreciations)	-
Translation adjustment	0.1
Assets associated with customer contracts as of 30 June 2024	44.6

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 2022	11.1
Use of costs to obtain and fulfil customer contracts during the period	(3.5)
New costs to obtain and fulfil customer contracts recorded during the period	-
Changes in the scope	(2.8)
Costs to obtain and fulfil customer contracts as of 30 June 2023	4.9
Use of costs to obtain and fulfil customer contracts during the period	-
New costs to obtain and fulfil customer contracts recorded during the period	-
Changes in the scope	-
Costs to obtain and fulfil customer contracts as of 30 June 2024	4.9

7.3.3 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 2022	224.4
Revenue recognition during the period	(49.0)
New liabilities associated with customer contracts recorded during the period	166.4
Translation adjustment	(2.0)
Changes in the scope	(2.4)
Liabilities associated with customer contracts as of 30 June 2023	337.4
Revenue recognition during the period	(65.8)
New liabilities associated with customer contracts recorded during the period	91.2
Translation adjustment	(1.9)
Changes in the scope	198.5
Liabilities associated with customer contracts as of 30 June 2024	563.2

7.4 Financial assets and liabilities

ACCOUNTING PRINCIPLES

Cash and cash equivalents

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

Financial debt

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

Financial assets

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

Financial liabilities

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

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

Derivative financial instruments

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

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

Hedging transactions are carried out using derivative financial instruments, the fair value changes of which are intended to offset the exposure of the hedged items to these same changes. Changes in fair value are recognised in shareholders' equity, within other recyclable gains and losses in comprehensive income, for the effective portion of the hedging relationship, while changes in fair value for the ineffective portion are recognised in the financial result.

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

7.4.1 Cash and cash equivalents

Cash and cash equivalents are detailed as follows:

(in millions of euros)	30 June 2023	30 June 2024
Cash at bank and in hand	468.6	417.3
Cash equivalents	13.6	420.1
Total	482.2	837.4

7.4.2 Financial debt

The financial debt breaks down as follows:

(in millions of euros)	Rate	30 June 2023	30 June 2024	Maturity
EIB term loan	0.49%	200.0	200.0	December 2028
Term loan 2027	Variable	400.0	400.0	June 2027
Bond 2025	2.00%	800.0	177.0	October 2025
Bond 2027	2.25%	600.0	600.0	July 2027
Bond 2028	1.50%	600.0	600.0	October 2028
Bond 2029	9.75%		600.0	April 2029
EXIM India amortisable loan	Variable		88.0	November 2029
Capex credit facility				
	0.90%	53.0	-	June 2024
	1.87%	75.0	-	June 2024
	2.15%	50.0	-	June 2025
	2.56%	75.0	75.0	June 2026
	Variable		53.0	June 2026
	Variable		53.0	June 2027
Sub-total of debt (non-current portion)		2,853.0	2,845.7	
Loan set-up fees and premiums		(11.2)	(23.7)	
Total of debt (non-current portion)		2,841.8	2,822.0	
Structured debt	0.75%	65.0	-	July 2023
	2.15 %	-	50	June 2025
	Variable		53	June 2025
Accrued interest not yet due		32.5	38.7	
Total debt (current portion)		97.5	141.7	
Total		2,939.3	2,963.7	

With the exception of the 94.4 million U.S. dollar credit line granted by Exim India to Network Access Associates Ltd., part of the OneWeb group, all the financial debt is denominated in euros. The term loan and structured debt (intended to finance Capex) are subject to a financial covenant which initially stipulated a ratio of total net debt to EBITDA of less than or equal to 4.0:1. During the first half of the 2022-23 fiscal year, the Group obtained from its lenders that the calculation of the ratio of total net debt to EBITDA should take into account in advance the receipt of after-tax proceeds from the C-Band release for the test periods up to 30 June 2024 (see Note 2.3). The Group has also obtained from its lenders an increase in the net debt to EBITDA ratio from 4 to 4.75 for the test periods from 30 June 2023 to 31 December, 2024, and then to 4.50 for the test periods from 30 June 2025 to 31 December 2025 in the event of completion of the merger with OneWeb before the test date.

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

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

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

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

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

In addition, as of 30 June 2024, the Group has active credit facilities for an aggregate undrawn amount of 550.0 million euros (1,009.0 million euros

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

The schedule of debt maturities, excluding issue costs and premiums and accrued interest not yet due as of 30 June 2024, is as follows:

(in millions of euros)	Amount	Maturity within 1 year	Maturity between 1 and 5 years	Maturity exceeding 5 years
EIB term loan	200.0	-	200.0	-
Term loan 2027	400.0	-	400.0	-
Exim India loan	88.0	-	88.0	-
Structured debt	284.0	103.0	181.0	-
Bond 2025	176.6	-	176.6	-
Bond 2027	600.0	-	600.0	-
Bond 2028	600.0	-	600.0	-
Bond 2029	600.0	-	600.0	-
Total	2,948.6	103.0	2,845.6	-

7.4.3 Other financial assets and liabilities

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

(in millions of euros)	30 June 2023	30 June 2024
Non-consolidated equity investments	11.5	5.5
Derivative financial instruments ⁽¹⁾	13.7	0.3
Other financial assets ⁽²⁾	527.4	96.3
Total	552.6	102.1
<i>Of which current portion</i>	<i>388.8</i>	<i>6.5</i>
<i>Of which non-current portion</i>	<i>163.8</i>	<i>95.6</i>

⁽¹⁾ See Note 7.4.5 "Derivative financial instruments".

⁽²⁾ As of 30 June 2023, the other financial assets mainly include the receivable linked with the release of the C-Band for 352 million euros (see Note 2.2) and the asset linked with the prepayment of capacity to OneWeb for 89 million euros (see Note 2.1).

The other debts and financial liabilities break down as follows:

(in millions of euros)	30 June 2023	30 June 2024
Lease liabilities	319.5	412.3
Other liabilities	69.8	65.5
Payables to fixed asset suppliers	189.6	52.5
Derivative financial instruments ⁽¹⁾	32.4	41.7
Liabilities for social contributions	49.1	78.2
Tax liabilities	16.4	21.4
Total	676.8	671.6
<i>Of which current portion</i>	<i>348.4</i>	<i>281.6</i>
<i>Of which non-current portion</i>	<i>328.4</i>	<i>390.0</i>

⁽¹⁾ See Note 7.4.5 "Derivative financial instruments".

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

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

(in millions d'euros)	30 June 2023	New contracts	Cash flow	Change in scope	Others	Currency effects	Change in accrued interests	30 June 2024
Satellites	280.4	0.0	(33.5)	0.0	0.0	0.0	(0.3)	246.6
Real estate	39.1	25.5	(20.5)	122.3	0.2	(0.9)	0.0	165.7
Total	319.5	25.5	(54.0)	122.3	0.2	(0.9)	(0.3)	412.3

The amounts shown for lease liabilities include accrued interest totalling 3.3 million euros as of 30 June 2023 and 3.0 million euros as of 30 June 2024.

7.4.4 Net debt

The net debt breaks down as follows:

(in millions of euros)	30 June 2023	30 June 2024
Term loan	400.0	400.0
EIB term loan	200.0	200.0
Bonds	2,000.0	1,977.0
Structured debts	318.0	284.0
Exim India loan	-	88.0
"Change" portion of cross currency swap	13.6	23.5
Lease liabilities	316.2	409.3
Gross debt	3,247.8	3,381.8
Cash and cash equivalents	(482.2)	(837.4)
Net debt	2,765.6	2,544.4

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

(in millions of euros)	30 June 2022	Cash flow	Non-cash flow	Currency effects	Fair value change and others	30 June 2023
Term loan	400.0	-	-	-	-	400.0
EIB term loan	200.0	-	-	-	-	200.0
Bonds	2,300.0	(300)	-	-	-	2,000.0
Structured debts	133.0	185.0	-	-	-	318.0
"Change" portion of cross-currency swap	41.3	-	-	-	(27.7)	13.6
Lease debt	420.6	(53.7)	(51.2)	(0.2)	0.7	316.2
Total	3,494.9	(168.7)	(51.2)	(0.2)	(27.0)	3,247.8

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

(in millions of euros)	30 June 2023	Cash flow	Non-cash flow	Entries into the scope	Currency effects	Fair value change and others	30 June 2024
Term loan	400.0	-	-	-	-	-	400.0
EIB term loan	200.0	-	-	-	-	-	200.0
Bonds	2,000.0	(11.0)	(12.0)	-	-	-	1,977.0
Structured debts	318.0	(34.0)	-	-	-	-	284.0
"Change" portion of cross-currency swap	13.6	-	-	-	-	9.9	23.5
Exim India loan	-	88.0	-	-	-	-	88.0
Lease debt	316.2	(54.0)	-	148.0	(0.9)	-	409.3
Total	3,247.8	(11.0)	(12.0)	148.0	(0.9)	9.9	3,381.8

7.4.5 Derivative financial instruments

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

(in millions of euros)	Notional		Fair value		Change in fair value over the period	Impact on income (excl. coupons)	Impact on equity (excl. coupons)
	30 June 2023	30 June 2024	30 June 2023	30 June 2024			
Synthetic forward transaction with knock-in option (Eutelsat S.A.)	354.7	120.0	13.2	(0.3)	(13.5)	-	(13.5)
Cross currency swap	621.9	635.5	(31.9)	(38.9)	(7.0)	-	(7.0)
Currency swap derivatives	-	201.0	-	(2.2)	(2.2)	(2.2)	-
Total currency instruments	976.6	955.6	(18.7)	(41.4)	(22.7)	(2.2)	(20.5)

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

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

(in millions of euros)	Fair value recognised in equity and to be reclassified to income as of 30 June 2022						
	Total	1 year at most	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Foreign exchange risk hedges	(18.7)	13.2	-	(31.9)	-	-	-
Net total as of 30 June 2023	(18.7)	13.2	-	(31.9)	-	-	-

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

7.4.6 Risk management

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

Foreign exchange risk

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

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

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

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

Interest rate risk

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

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

Financial counterparty risk

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

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

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

Liquidity risk

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

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

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

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

The transactions entered into were as follows:

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

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

This bond has a number of incurrence covenants including:

- A limit on payments to the benefit of third parties, outside the company's normal operations (including investments, financing and taxes), that may be made by Eutelsat S.A. and its majority-owned subsidiaries. These payments are not capped as long as Eutelsat S.A.'s consolidated leverage ratio, pro forma of these disbursements, remains below 2.75 times, assuming no default or event of default.
- A maximum disbursement budget for OneWeb Holding Limited and its subsidiaries, excluding cash flows linked to the operating activities, if the pro forma consolidated leverage ratio of the planned disbursements exceeds 2.75 times. This budget is capped at the higher of 1,400 million euros or 175% of Eutelsat S.A.'s consolidated EBITDA, and remains subject to a pro forma consolidated net leverage ratio of no more than 3.25 times; this is subject to no default or event of default occurring.
- In parallel, Eutelsat S.A. organized a tender offer at 98 vs. par for its existing 800 million euro 2025 bond mentioned above. The results of the tender offer were as follows:
 - A total principal amount of Existing Bonds tendered and accepted for purchase at 98 vs. par: 623.4 million euros, resulting in a cash inflow of 610.9 million euros.
 - Accrued interest on the existing bonds tendered and accepted for purchase: 1.03279%, resulting in a cash inflow of 6.4 million euros.
 - A total principal amount of Existing Bonds remaining in circulation after the Settlement Date: 176.6 million euros.
- On the credit facilities,
 - Eutelsat S.A. sent its lenders an early termination in due form of its syndicated facilities in the amounts of 450 million euros and 200 million euros mentioned above; these cancellations came into effect on 8 April 2024; none of these facilities were drawn down at that time and their cancellation did not give rise to a cash repayment.
 - Eutelsat S.A. entered into a new 450 million euro committed and unsecured syndicated credit facility with a group of leading banks. This credit facility matures on 4 April 2027 and can be extended for a further two twelve-month periods at Eutelsat S.A.'s request, subject to the banks' acceptance. As of 30 June 2024, this facility had not been drawn down. In this new facility, the net maintenance leverage at 4.00 and the test dates were maintained unchanged.
 - Lastly, on 8 April 2024, Eutelsat Communications sent an early partial cancellation of 100 million euros of its 200 million euros unsecured committed credit facility. At that time, the credit facility had not been drawn down and its partial cancellation did not give rise to a cash outflow. As of 30 June 30, 2024, the remaining 100 million euro credit facility had not been drawn down.

The Group's debt maturity profile now breaks down as follows:

As of 30 June 2024 (in millions of euros)	Balance-sheet value	Total contractual cash flows	Timelines as of 30 June 2024					
			Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	More than 5 years
Term loan	(397.5)	(462.0)	(21.0)	(21.0)	(420.1)	-	-	-
EIB term loan	(199.8)	(204.4)	(1.0)	(1.0)	(1.0)	(1.0)	(200.4)	-
Bonds	(1,924.4)	(2,328.6)	(84.5)	(258.5)	(681.0)	(660.8)	(643.9)	-
Exim India	(85.2)	(110.3)	(13.2)	(28.5)	(26.6)	(24.7)	(17.3)	-
Structured debt	(282.1)	(308.1)	(115.3)	(136.3)	(56.5)	-	-	-
Lease debt	(412.3)	(409.3)	(65.8)	(65.2)	(66.3)	(68.0)	(97.4)	(46.6)
Qualified derivatives ⁽¹⁾	(41.7)	(41.7)	(41.7)	-	-	-	-	-
Total financial debt	(3,343.0)	(3,864.4)	(342.5)	(510.5)	(1,251.5)	(754.5)	(959.0)	(46.6)
Other financial liabilities	(165.1)	(165.1)	(118.3)	(46.8)	-	-	-	-
Total financial liabilities	(3,508.1)	(4,029.5)	(460.8)	(557.3)	(1,251.5)	(754.5)	(959.0)	(46.6)
Qualified derivatives ⁽¹⁾	0.3	0.3	0.3	-	-	-	-	-
Financial assets	101.9	101.9	6.2	95.6	-	-	-	-
Cash	417.3	417.3	417.3	-	-	-	-	-
Cash equivalents	420.1	420.1	420.1	-	-	-	-	-
Total financial assets	939.6	939.6	843.9	95.6	-	-	-	-
Net position	(2,568.5)	(3,089.9)	383.1	(461.7)	(1,251.5)	(754.5)	(959.0)	(46.6)

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

As of 30 June 2023 (in millions of euros)	Balance-sheet value	Total con- tractual cash flows	Timelines as of 30 June 2023					
			June-24	June-25	June-26	June-27	June-28	More than 5 years
Term loan	(399.6)	(473.2)	(18.3)	(18.3)	(18.3)	(418.3)	-	-
EIB term loan	(199.9)	(205.3)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(200.5)
Bonds	(2,023.4)	(2,183.0)	(38.5)	(38.5)	(838.5)	(22.5)	(622.5)	(622.5)
Structured debt	(316.3)	(328.1)	(198.2)	(53.0)	(76.9)	-	-	-
Lease debt	(319.5)	(316.2)	(43.5)	(43.5)	(46.1)	(48.0)	-	(135.0)
Qualified derivatives ⁽¹⁾	(32.4)	(32.4)	(0.5)	(31.9)	-	-	-	-
Total financial debt	(3,291.2)	(3,538.2)	(300.0)	(186.2)	(980.8)	(489.8)	(623.5)	(958.0)
Other financial liabilities	(135.3)	(135.3)	(112.5)	(22.8)	-	-	-	-
Total financial liabilities	(3,426.4)	(3,673.5)	(412.5)	(209.0)	(980.8)	(489.8)	(623.5)	(958.0)
Qualified derivatives ⁽¹⁾	13.7	13.7	13.7	-	-	-	-	-
Financial assets	539.0	539.0	375.1	163.9	-	-	-	-
Cash	468.6	468.6	468.6	-	-	-	-	-
Cash equivalents	13.6	13.6	13.6	-	-	-	-	-
Total financial assets	1,034.9	1,034.9	871.0	163.9	-	-	-	-
Net position	(2,391.5)	(2,368.6)	458.5	(45.1)	(980.8)	(489.8)	(623.5)	(958.0)

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

7.4.7 Other commitments

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

7.5 Fair value of financial instruments

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

7.5.1 Fair value of financial assets

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

(in millions of euros)	Total	Net carrying amount as of 30 June 2023			
		Amortised cost	Fair value through other items of income	Fair value through the income	Fair value as of 30 June 2023
Non-current assets					
Long-term loans and advances	163.9	152.4	-	11.5	163.9
Non-current assets on customer contracts	31.7	31.7	-	-	31.7
Current assets					
Accounts receivable	207.5	207.5	-	-	207.5
Current assets on customer contracts	13.3	13.3	-	-	13.3
Other receivables	375.1	375.1	-	-	375.1
Derivative financial instruments ⁽¹⁾					
Qualified as hedges	13.7	-	13.7	-	13.7
Cash and cash equivalents					
Cash	468.6	-	-	468.6	468.6
Cash equivalents ⁽²⁾	13.6	-	-	13.6	13.6

⁽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 2024			
		Amortised cost	Fair value through other items of income	Fair value through the income	Fair value as of 30 June 2024
Non-current assets					
Long-term loans and advances	95.6	84.0	-	11.6	95.6
Non-current assets on customer contracts	37.4	37.4	-	-	37.4
Current assets					
Accounts receivable	273.7	273.7	-	-	273.7
Current assets on customer contracts	12.0	12.0	-	-	12.0
Other receivables	6.2	6.2	-	-	6.2
Derivative financial instruments ⁽¹⁾					
Qualified as hedges	0.3	-	0.3	-	0.3
Cash and cash equivalents					
Cash	417.3	-	-	417.3	417.3
Cash equivalents ⁽²⁾	420.1	-	-	420.1	420.1

⁽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.

As of 30 June 2024, the total amount of fair value on derivative financial instruments amounted to 0.3 million euros (versus 13.7 million euros as of 30 June 2023) (see Note 7.4.3 "Other financial assets and liabilities").

7.5.2 Fair value of financial liabilities

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

(in millions of euros)	Net carrying amount as of 30 June 2023				Fair value as of 30 June 2023
	Total	Instruments measured at amortised cost	Derivative instruments qualified as hedges	Instruments measured at fair value through the income statement	
Financial debt					
Floating rate loans	715.9	715.9	-	-	715.9
Bond loans ⁽¹⁾	2,023.4	2,023.4	-	-	2,023.4
Fixed rate loans	199.9	199.9	-	-	199.9
Bank overdrafts	-	-	-	-	-
Other financial liabilities					
Non-current	295.4	295.4	-	-	295.4
Current	159.4	159.4	-	-	159.4
Derivative financial instruments ⁽²⁾					
Qualified as hedges	32.4	-	32.4	-	32.4
Accounts payable	93.5	93.5	-	-	93.5
Fixed assets payable	188.5	188.5	-	-	188.5

⁽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)	Net carrying amount as of 30 June 2024				Fair value as of 30 June 2023
	Total	Instruments measured at amortised cost	Derivative instruments qualified as hedges	Instruments measured at fair value through the income statement	
Financial debt					
Floating rate loans	764.8	764.8	-	-	764.8
Bond loans ⁽¹⁾	1,924.4	1,924.4	-	-	1,924.4
Fixed rate loans	199.8	199.8	-	-	199.8
Bank overdrafts	-	-	-	-	-
Other financial liabilities					
Non-current	390.0	390.0	-	-	390.0
Current	187.4	187.4	-	-	187.4
Derivative financial instruments ⁽²⁾					
Qualified as hedges	41.7	-	41.7	-	41.7
Accounts payable	170.7	170.7	-	-	170.7
Fixed assets payable	52.5	52.5	-	-	52.5

⁽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 2023	30 June 2024
Bond 2025	724.2	170.4
Bond 2027	498.1	529.2
Bond 2028	442.1	486.0
Bond 2029	-	627.0
Total	1,664.4	1,812.6

7.6 Shareholders' equity

ACCOUNTING PRINCIPLES

Costs for capital increases

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

Treasury stock

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

7.6.1 Share capital

As of 30 June 2024 the share capital of Eutelsat Communications S.A. was composed of 475,178,378 ordinary shares, with a nominal value of 1 euro per share. The capital increase during the 2024 fiscal year is linked to the issuance of 226,252,053 Eutelsat shares in compensation for OneWeb's equity contribution.

As of this same date, the Group holds 497,082 equity shares in the amount of 1.9 million euros acquired under a liquidity contract (356,061 shares in the amount of 2.2 million euros as of 30 June 2023). The aggregate amount of treasury stock is deducted from shareholders' equity.

7.6.2 Dividends

No dividend was distributed in respect of the 2023 fiscal year.

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

7.6.3 Change in the revaluation surplus for derivative instruments

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

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

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

7.6.4 Translation reserves

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

(in millions of euros)	Total
Balance as of 30 June 2023	191.8
Net change over the period	1.2
Balance as of 30 June 2024	193.0

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

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

7.7 Provisions

ACCOUNTING PRINCIPLES

A provision is 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 2023 and 30 June 2024 are as follows:

(in millions of euros)	30 June 2023	Entry into the scope	Allowance	Reversal		Reclassified	Change in scope	Recognised in equity	Currency variation	30 June 2024
				Used	Unused					
Financial guarantee granted to a pension fund	15.7	0.0	0.6	(4.5)	0.0	0.0	0.0	6.5	0.0	18.3
Retirement benefits	9.0	0.0	1.1	(0.9)	0.0	0.0	0.0	0.4	0.0	9.6
Other post-employment benefits ⁽¹⁾	4.4	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	4.6
Total post-employment benefits	29.1	0.0	1.8	(5.4)	0.0	0.1	0.0	6.9	0.0	32.5
Commercial. employee-related and tax litigation	5.1	3.3	3.1	(0.5)	(0.5)	(0.2)	0.0	0.0	0.3	10.6
Total provisions	34.4	3.3	4.9	(6.0)	(0.5)	(0.1)	0.0	6.9	0.3	43.1
<i>Of which non-current portion</i>	29.2									32.5
<i>Of which current portion</i>	5.1									10.6

(1) Other post-employment benefits mainly concern termination benefits in various subsidiaries.

7.7.1 Financial guarantee granted to a pension fund

Eutelsat S.A. gave a financial guarantee to the pension fund administering the pension scheme established by the Inter-Governmental Organisation (IGO) when the latter transferred its operations to Eutelsat S.A. in 2001. This defined-benefit pension scheme was closed, and the vested pension rights were frozen prior to the transfer. The financial guarantee provided by Eutelsat S.A. is valued and recorded in the same manner as a 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 29 million euros as of 30 June 2023, with a schedule through to 30 June 2029.

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

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

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

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

The weighted average period of the obligation is 12.97 years.

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

The actuarial valuations were realised based on the following assumptions:

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

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

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

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

7.7.2 Retirement and related benefits

ACCOUNTING PRINCIPLES

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

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

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

Defined-benefit pension schemes

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

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

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

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

The actuarial valuations were realised based on the following assumptions:

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

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

Defined-contribution pension schemes

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

The Group also has a supplementary defined contribution funded plan for its employees (excluding directors and company 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 cap. The employer contributions paid under these schemes amounted to a respective 2.0 million euros and 2.0 million euros as of 30 June 2023 and 30 June 2024.

7.7.3 Litigation and contingent liabilities

ACCOUNTING PRINCIPLES

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

7.8 Tax assets and liabilities

7.8.1 Deferred tax assets and liabilities

ACCOUNTING PRINCIPLES

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

Accordingly, all deferred tax liabilities are recognised:

Note 2. for all taxable temporary differences, except when the deferred tax liability arises from the non-tax-deductible impairment of goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and which, as of the transaction date, affects neither the accounting or the taxable profit or loss; and

Note 3. for taxable temporary differences relating to investments in subsidiaries, except where the Group controls the reversal of the difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, unused tax loss carryforwards and unused tax credits to the extent that it is probable that taxable income will be available against which these 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, affects neither the accounting nor the taxable profit or loss.

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

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

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

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

(in millions of euros)	30 June 2023	Foreign exchange impact and reclassification	Entries into the scope	Result for the period	Recognised in equity	30 June 2024
Deferred tax assets						
Derivative instruments	51.6	-	-	0.3	(3.8)	48.1
Loss carry-forwards	17.7	-	-	17.9	-	35.6
Bad-debt provisions	23.2	-	-	5.0	-	28.2
Financial guarantee granted to the pension fund	4.1	-	-	(1.0)	1.7	4.7
Provisions for risks and expenses	3.8	-	-	0.7	-	4.5
Tangible and intangible assets	25.1	(0.6)	-	(6.1)	-	18.3
Others	18.5	(0.8)	-	3.6	-	21.2
Total deferred tax assets	143.9	(1.4)	-	20.3	(2.1)	160.7
Deferred tax liabilities						
Derivative financial instruments	(7.1)	-	-	(0.0)	3.5	(3.7)
Intangible assets	(31.6)	-	-	10.8	-	(20.8)
Tangible assets	(219.6)	(0.6)	-	(11.3)	-	(231.5)
Others	(28.2)	0.8	(9.6)	28.9	-	(8.1)
Total deferred tax liabilities	(286.4)	0.2	(9.6)	28.4	3.5	(264.0)
Net asset/(liability) position	(142.4)	(1.2)	(9.6)	48.7	1.3	(103.3)
Reflected as follows in the financial statements:						
Deferred tax assets	15.3					30.3
Deferred tax liabilities	(157.9)					(133.6)
Total	(142.4)					(103.3)

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 the 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	138.0	-	-	-	138.0
Total	138.0	-	-	-	138.0

Furthermore, the Group has a stock of unrecognised tax loss carry-forwards amounting to 3.2 billion euros as of 30 June 2024 (94 million euros as of 30 June 2023) with the following maturity dates:

(in millions of euros)	Amount	Maturity within 1 year	Maturity between 1 and 5 years	Maturity exceeding 5 years	Undefined
Maturities of unrecognised tax loss carry-forwards	3,222.0	0.1	0.7	0.1	3,221.0
Total	3,222.0	0.1	0.7	0.1	3,221.0

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

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

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

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

7.8.2 Tax audit procedure

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

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

A second procedure covered the fiscal years ended 30 June 2018, 2019 and 2020, for which two upwards tax adjustment proposals were received in December 2021, then in December 2022. The responses to the observations were received at the end of May 2023. There is still disagreement on one final upwards adjustment, which was submitted to the National Commission on Direct Taxes and Turnover Taxes in June 2024.

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 50% 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 2023	30 June 2024
Compensation ⁽¹⁾	8,2	17,7
Total short-term benefits	8,2	17,7
Post-employment benefits ⁽²⁾	0,04	-
Share-based payments ⁽³⁾	1,0	0,2
Total long-term benefits	1,04	0,2

⁽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.

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

8.2 Other related parties

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

(in millions of euros)	30 June 2023	30 June 2024
Revenues	3,9	0.6
Financial result	11.0	-10.7
Gross receivables (including unbilled revenues)	99.4	1.3
Debt (including deferred payments)	238.9	0.1

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

On 5 July 2024, the Group entered into an agreement to acquire a majority equity interest in OneWeb India Communications Private Limited ("OneWeb India"), subject to regulatory approval. Previously, the entity was wholly owned by Bharti Airtel Limited, a party related to the Group. As of 30 June 2024, the transaction had not yet been finalized.

Once the acquisition is finalized, OneWeb India will operate two satellite portal networks in India for the Group's low-Earth orbit constellation. The Group will purchase a 74% equity interest in the entity in exchange for an investment in OneWeb India of around 3 million euros. In a second phase, subject to foreign direct investment approval, put and call options will enable the Group to acquire the remaining 26% of the entity from Bharti Airtel Limited.

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	425	20%	285	8%	253	23%	285	33%
Subsidiaries	1,570	75%	735	20%	515	46%	531	61%
Sub-total	1,995	95%	1,020	28%	768	69%	815	94%
Services other than certification of the financial statements								
Eutelsat Communications	15	1%	45	1%	229	20%	45	5%
Subsidiaries	94	4%	4	0%	119	11%	8	1%
Sub-total	109	5%	49	2%	348	31%	53	6%
Services other than certification of the financial statements provided by EY/Mazars networks within the framework of the initial public offering on the London Stock Exchange								
Eutelsat Communications	-	-	2,536	70%	-	-	-	-
Subsidiaries	-	-	-	-	-	-	-	-
Sub-total	-	-	2,536	70%	-	-	-	-
Total	2,104	100%	3,605	100%	1 116	100%	868	100%

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