Eutelsat Communications S.A.

"*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

CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS AS OF DECEMBER 31, 2024

The auditors' review procedures have been carried out and the review report is in the process of being issued

CONSOLIDATED INCOME STATEMENT

(in millions of euros, except per-share data)	Note	31 December 2023	31 December 2024
Revenues from operations	5.1	**572.6**	**606.2**
Operating costs	5.2	(89.2)	(122.2)
Selling, general and administrative expenses	5.2	(117.8)	(149.1)
Depreciation expense	6.1	(316.1)	(433.7)
Other operating income and expenses	5.4	(183.9)	(690.8)
Operating result		**(134.4)**	**(789.6)**
Cost of net debt	5.5	(55.1)	(83.7)
Other financial income and expenses	5.5	(5.6)	(15.4)
Financial result	**5.5**	**(60.7)**	**(99.1)**
Current result before tax		**(195.0)**	**(888.7)**
Income tax	5.6	28.5	(7.6)
Share of result of associates	6.2	(23.0)	(1.0)
Net result		**(189.5)**	**(897.3)**
Attributable to the Group		(191.3)	(873.2)
Attributable to non-controlling interests		1.8	(24.0)
Basic earnings per share attributable to Eutelsat Communications S.A. shareholders	**5.7**	(0.529)	(1.839)
Diluted earnings per share attributable to Eutelsat Communications S.A. shareholders	**5.7**	(0.528)	(1.836)

COMPREHENSIVE INCOME STATEMENT

(in millions of euros)	Note	31 December 2023	31 December 2024
Net result		**(189.5)**	**(897.3)**
Other recyclable items of gain or loss on comprehensive income			
Translation adjustment	6.6.4	0.7	13.8
Tax effect	6.6.4	(1.0)	6.7
Changes in fair value of hedging instruments [(1)]	6.6.3	0.3	(0.8)
Tax effect	6.6.3	(0.1)	0.2
Other non-recyclable items of gain or loss on comprehensive income			
Changes in post-employment benefits		(10.2)	(9.8)
Tax effect		2.6	2.5
Total of other items of gain or loss on comprehensive income	6.6.5	**(7.6)**	**12.7**
Total comprehensive income		**(197.1)**	**(884.5)**
Attributable to the Group		(198.4)	(860.5)
Attributable to non-controlling interests [(2)]		1.2	(24.1)

[(1)] The changes in the fair value of hedging instruments concern only the 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 (24.0) million euros as of December 31, 2024 and 1.8 million euros as of December 31, 2023.
- Other recyclable items of gain or loss on comprehensive income of 0.2 million euros as of December 31, 2024 and 0.1 million euros as of December 31, 2023.
- Other non-recyclable items of gain or loss on comprehensive income of (0.3) million euros as of December 31, 2024 and (0.7) million euros as of December 31, 2023.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in millions of euros)	Note	30 June 2024	31 December 2024
Assets			
Goodwill	6.1.1	1,303.3	792.8
Intangible assets	6.1.1	472.9	441.3
Property, plant and equipment and assets in progress	6.1.2	4,821.3	4,495.5
Rights of use in respect of leases	6.1.3	429.1	393.1
Investments in associates	6.2	12.1	11.4
Non-current financial assets	6.4.4	95.6	108.5
Non-current assets associated with customer contracts and costs to obtain and fulfil contracts	6.3	37.4	40.7
Deferred tax assets		30.3	45.4
Total non-current assets		**7,202.0**	**6,328.6**
Inventories		39.4	113.6
Accounts receivable	6.3	273.7	319.0
Current assets associated with customer contracts and costs to obtain and fulfil contracts	6.3	12.0	16.2
Other current assets		127.2	113.0
Current tax receivables		20.0	21.1
Current financial assets	6.4.4	6.5	16.2
Cash and cash equivalents	6.4.1	837.4	692.9
Total current assets		**1,316.4**	**1,292.0**
Total assets		**8,518.4**	**7,620.7**

(in millions of euros)	Note	30 June 2024	31 December 2024
Liabilities			
Share capital	6.6.1	475.2	475.2
Additional paid-in capital	6.6.1	3,111.8	3,111.8
Reserves and retained earnings		264.4	(596.5)
Non-controlling interests		95.8	71.7
Total shareholders' equity		**3,947.2**	**3,062.3**
Non-current financial debt	6.4.2	2,822.0	2,639.5
Non-current lease liabilities	6.4.4	343.2	315.3
Other non-current financial liabilities	6.4.4	46.8	48.6
Non-current payables to fixed asset suppliers	6.4.4	-	13.6
Non-current liabilities associated with customer contracts	6.3	431.5	415.2
Non-current provisions	6.7	32.5	37.8
Deferred tax liabilities		133.6	136.5
Total non-current liabilities		**3,809.6**	**3,606.5**
Current financial debt	6.4.2	141.7	325.4
Current lease liabilities	6.4.4	69.1	72.9
Other current payables and financial liabilities	6.4.4	160.0	188.9
Accounts payable		170.7	141.9
Current payables to fixed asset suppliers	6.4.4	52.5	44.3
Tax payable		25.0	16.7
Current liabilities associated with customer contracts	6.3	131.7	150.1
Current provisions	6.7	10.6	11.8
Total current liabilities		**761.3**	**951.9**
Total liabilities and shareholders' equity		**8,518.4**	**7,620.7**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)	Note	31 December 2023	31 December 2024
Cash flow from operating activities			
Net result		(189.5)	(897.3)
Income from associates		23.0	1.0
Tax and interest expenses, other operating items		111.7	101.5
Depreciation, amortization, and provisions		413.3	1,083.1
Deferred taxes		(30.2)	(5.6)
Changes in accounts receivable		(9.1)	(31.6)
Changes in assets held under customer contracts and other assets		(36.3)	(77.6)
Changes in accounts payable		(15.1)	4.2
Changes in liabilities associated with customer contracts and other liabilities		3.5	(29.5)
Taxes paid		15.3	(21.4)
Net cash flows from operating activities		**286.5**	**126.8**
Cash flow from investing activities			
Acquisitions of satellites, other property and equipment, and intangible assets		(139.7)	(147.1)
Income from the C-Band release		330.4	0.0
Acquisition of equity investments and other movements [(1)]		143.1	(1.0)
Net cash flows from investing activities		**333.8**	**(148.2)**
Cash flow from financing activities			
Distributions		0.0	(0.0)
Treasury stocks		-	0.2
Repayment of borrowings [(2)]		(164.0)	(0.1)
Repayment of lease liabilities		(19.0)	(27.6)
Loan set-up fees		(2.4)	(0.0)
Interest and other fees paid		(85.6)	(108.5)
Transactions relating to non-controlling interests [(3)]		(26.0)	0.0
Premiums and termination indemnities on derivatives settled		-	0.0
Increase in borrowings and others		90.0	10.7
Net cash flow from financing activities		**(207.1)**	**(125.4)**
Impact of exchange rate on cash and cash equivalents		1.7	2.4
Increase/(Decrease) in cash and cash equivalents		**415.0**	**(144.4)**
Cash and cash equivalents, beginning of period		**482.2**	**837.4**
Cash and cash equivalents, end of period		**897.2**	**692.9**
Including Cash and cash equivalents, end of period	*6.4.1*	*897.2*	692.9
Including Overdrafts included under debt, end of period		-	-

(1) As of December 31, 2024, acquisitions of equity investments and other movements relate to the acquisition of OneWeb India shares for 3 million euros and 2 million euros of cash acquired versus 138.2 million euros relating mainly to the cash acquired from OneWeb as of December 31, 2023.

(2) As of December 31, 2023, the repayment of 164 million euros of borrowings includes mainly the repayment of Eutelsat S.A.'s credit facilities in the amount of 65.1 million euros and the repayment of OneWeb Holding Ltd.'s bank loan for 93.0 million euros.

(3) Note that, as of December 31, 2023, transactions relating to non-controlling interests in the amount of 26 million euros included the earn-out payment linked to the acquisition of the minority interests in Eutelsat International (5.7 million euros) and Euro Broadband Services (20 million euros).

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in millions of euros, except share data)	Share capital			Reserves and retained earnings	Shareholders' equity Group share	Non-controlling interests	Total
	Number	Amount	Additional paid in capital				
As of June 30, 2023	**248,926,325**	**248.9**	**831.3**	**1,895.2**	**2,975.4**	**96.7**	**3,072.1**
Net result for the period	-	-	-	(191.3)	(191.3)	1.8	(189.5)
Other items of gain or loss in comprehensive income (1)	-	-	-	(7.1)	(7.1)	(0.6)	(7.6)
Total comprehensive income	-	-	-	**(198.4)**	**(198.4)**	**1.2**	**(197.1)**
Capital increase (2)	226,252,053	226.3	-	-	226.3	-	226.3
Share premium (3)	-	-	2,280.6	-	2,280.6		2,280.6
Entry into the scope of OneWeb	-	-	-	(1,223.4)	(1,223.4)	(17.7)	(1,241.1)
Treasury stocks	-	-	-	(0.8)	(0.8)	-	(0.8)
Benefits for employees upon exercising options and free shares granted	-	-	-	1.3	1.3	-	1.3
Others	-	-	-	(7.3)	(7.3)	4.3	(3.0)
As of December 31, 2023	**475,178,378**	**475.2**	**3,111.9**	**466.6**	**4,053.6**	**84.5**	**4,138.1**
As of June 30, 2024	**475,178,378**	**475.2**	**3,111.8**	**264.4**	**3,851.4**	**95.8**	**3,947.2**
Net result for the period	-	-	-	(873.2)	(873.2)	(24.0)	(897.3)
Other items of gain or loss in comprehensive income (1)	-	-	-	12.8	12.8	(0.0)	12.7
Total comprehensive income	-	-	-	**(860.5)**	**(860.5)**	**(24.1)**	**(884.5)**
Capital increase (2)	-	-	-	-	-	-	-
Share premium (3)	-	-	-	-	-	-	-
Entry into the scope of OneWeb	-	-	-	-	-	-	-
Treasury stocks	-	-	-	(0.0)	(0.0)	-	(0.0)
Benefits for employees upon exercising options and free shares granted	-	-	-	0.7	0.7	-	0.7
Others	-	-	-	(0.8)	(0.8)	-	(0.8)
As of December 31, 2024	**475,178,378**	**475.2**	**3,111.8**	**(596.4)**	**2,990.6**	**71.7**	**3,062.3**

(1) *The changes in other items of gain or loss in comprehensive income include actuarial gains and losses recognized on post-employment benefits and changes in the revaluation surplus of derivative instruments (see Note 6.6.3) and the translation reserve (see Note 6.6.4), net of the associated tax effects.*

(2) *In December 2023, the capital increase is linked to the issuance of Eutelsat shares in consideration for OneWeb's equity contribution. No increase as of December 31, 2024.*

(3) *In December 2023, the share premium is linked to the capital increase in consideration for OneWeb's equity contribution. No share premium as of December 31, 2024.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. GENERAL OVERVIEW

1.1 Business

Eutelsat Communications S.A. is one of the world's leading satellite operators, specialized 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 654 satellites (of which 579 in revenue service). The Group meets the needs of its customers who are present in four key market segments: Video, where it broadcasts more than 6,550 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 Approval of the financial statements

The condensed consolidated half-year financial statements as of December 31, 2024 have been established under the responsibility of the Board of Directors, which approved them at its meeting of 13 February 2025.

Note 2. KEY EVENTS DURING THE FINANCIAL PERIOD

2.1 Agreement to sell passive terrestrial infrastructure assets

On 9 August 2024, the Group entered into exclusivity and signed a put option agreement with the EQT Infrastructure VI fund ("EQT") with respect to its passive ground infrastructure assets. The contemplated transaction would consist of the carve-out of the passive assets (land, buildings, support infrastructure, antennas, and connectivity circuits for the combined portfolio of teleports and SNPs (Satellite Network Portal) to form a new company which would be incorporated as a standalone legal entity. EQT will own 80% of the share capital, while the Group will remain committed as a long-term shareholder, major customer, and partner of the new company with a 20% holding alongside EQT. The contemplated transaction values the new entity at an enterprise value of 790 million euros. On 30 November 2024, at the end of the consultation process with the relevant employee representative bodies, the Group exercised its put option, leading to the signature of a binding Share Purchase Agreement with EQT, which is subject to the customary conditions precedent.

The transaction is expected to close in the first quarter of calendar year 2026. For the transaction to be finalised, certain customary preconditions precedent will need to be met, notably the approval of the competent regulatory authorities. Given the global footprint of the assets involved in the transaction, the Group expects to require regulatory clearance from a number of authorities and jurisdictions. Further, the Group is in the process of implementing the necessary regulatory, legal, and practical measures to enable the transaction to be completed. These include the processes required to identify the assets recorded in the Group's financial statements that fall within the scope of the transaction, the creation of the legal entities and the transfer of the applicable assets to the relevant entities required to complete the transaction, and the legal requirements associated with these steps. These operations were still in progress as of December 31, 2024.

2.2 IRIS² constellation

On 16 December 2024, SpaceRISE, the consortium comprising the Group, Hispasat and SES, signed the agreement that will see the consortium design, build, and operate the IRIS² (Infrastructure for Resilience, Interconnectivity and Security by Satellite) constellation on behalf of the European Union under a public-private partnership (PPP) model in the form of a concession with an initial duration of 12 years.

The constellation will comprise around 290 spacecraft, including 264 low-earth orbit (LEO) and 18 medium-earth orbit (MEO) satellites, and is expected to enter into service in 2030. The EU and Member States will be the anchor customers of the IRIS² constellation, which will deliver enhanced communication solutions and high-speed broadband connectivity for consumers, governments and businesses, reinforcing Europe's digital sovereignty and security. The project is valued at 10.6 billion euros, with the public funding representing around 60% of the total project cost.

The Group will act as Consortium System Development Prime, the technical authority within the consortium. In this role it will leverage its unique LEO expertise and make available its priority spectrum rights in the Ku band to lead on the design of the LEO segment of the constellation. The Group will invest around 2 billion euros in the constellation's dedicated payload which it will control and sell directly to its customers. The Group expects to generate substantial revenues from its anchor EU customers as well as from the global distribution of its LEO capacities to commercial customers.

2.3 Commissioning of the EUTELSAT 36D satellite and extension of operations at 33°E

The EUTELSAT 36D satellite entered into service at 36°E on 23 September 2024. All services migrated from the EUTELSAT 36B to the new satellite during the nights of 23 to 26 September.

Having reached the end of its lifespan, the EUTELSAT 33E satellite was successfully deorbited on 23 October 2024.

On 1 November, the EUTELSAT 33F satellite, which had replaced EUTELSAT 33E in 2023, began its operations in inclined orbit, extending its life for at least a further two years.

Note 3. ACCOUNTING PRINCIPLES AND VALUATION METHODS

3.1 Basis of preparation of financial information

The condensed interim consolidated financial statements as on 31 December 2024 are prepared in accordance with IAS 34 “Interim Financial Reporting” in a condensed format. The financial statements presented do not include all of the information and notes required by IFRS for the preparation of annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements for the financial year ended 30 June 2024.

Since 1 July 2024, 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”,
- Amendments to IAS 16 “Lease liabilities in a sale and leaseback transaction”,
- Amendments to IAS 7 and IFRS 7 – “Supplier financing arrangements”.

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

Furthermore, the following standards, applicable for fiscal years beginning on or after 1 January 2025, have not been applied early:

- Amendments to IAS 21 – “The effects of changes in foreign exchange rates”.

3.2 Financial reporting rules

3.2.1 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. The subsidiaries located outside the euro zone maintain their 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 recognized directly as a translation adjustment within shareholders' equity.

The main foreign currency used is the U.S. dollar. The closing exchange rate used is 1.04 U.S. dollars for 1 euro and the average exchange rate for the period is 1.06 U.S. dollars for 1 euro.

3.2.2 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.

3.3 Significant accounting judgements and estimates

Estimates and judgements are used in the financial statements and accompanying notes that are likely to affect the valuation of certain assets, liabilities, income, and expenses. These estimates and judgements are based on historical experience and other factors, including expectations of future events likely to have a financial impact on the entity. Owing to the intrinsic uncertainty surrounding estimates, the actual results could differ from these estimates.

In preparing the condensed consolidated half-year financial statements for the period ended 31 December 2024, the management has exercised its 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 allocation of the acquisition price of OneWeb.

3.4 Main changes in the consolidation scope

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.

The work on the allocation of the acquisition price was completed in September 2024, leading to some minor changes relative to the previous preliminary allocation. The allocation of the acquisition price results in the recognition of goodwill of 27 million euros, determined as follows:

OneWeb balance sheet at 100%	(in millions of euros)
Non-current assets	2,020
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	**1,668**
Acquisition price	**1,695**
Goodwill	**27**

The main assets relate to a Constellation composed of 620 satellites acquired in September 2023.

Other changes in the consolidation scope concern the acquisition of OneWeb India Communications Private Limited ("OneWeb India"). Finalised on 20 September 2024, the transaction enabled the Group to obtain 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. The fair value of the put option is recognized as a liability of the Group. The Group recognized goodwill of 1.4 million euros on the finalisation of the transaction.

In addition, as detailed in Note 2.1, the Group is in the process of disposing of the passive assets of its teleports and SNP (Satellite Network Portal) assets. In anticipation of this transaction, the Group has set up two new legal entities, AntennaCo Holdings SAS and AntennaCo US LLC, which will ultimately be used by the Group to implement the asset sale.

Note 4. 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 constitutes 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 has led to changes in the Group's internal organization and its integrated customer offerings increasingly incorporate synergies between the two businesses for its technological, commercial, and financial offerings. This is reflected in the internal reporting processes and 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 Group thus functions as a single operating segment.

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

- Revenues,
- Adjusted EBITDA, defined as the operating result before amortization 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 6.4.3 "Net Debt").

Half year ended 31 December 2024 (in millions of euros)	2023	2024	Change
Income from ordinary activities	572.6	606.2	5.9%
Operating expenses	(207.0)	(271.3)	31.1%
Adjusted EBITDA	**365.6**	**334.9**	**(8.4%)**
Impairment and amortisation	(316.1)	(433.7)	37.2%
Other operating income and expenses	(183.9)	(690.8)	n.a.
Operating result	**(134.4)**	**(789.6)**	**n.a.**
Financial result	(60.7)	(99.1)	63.2%
Income taxes	28.5	(7.6)	n.a.
Share of result of associates	(23.0)	(1.0)	(95.8)%
Attributable to non-controlling interests	(1.8)	24.0	n.a.
Attributable to the Group	**(191.3)**	**(873.2)**	**n.a.**

Half year ended 31 December (in millions of euros)	2023	2024
Net debt at the balance sheet date	2,619.1	2,695.8

Half year ended 31 December (in millions of euros)	2023	2024
Acquisitions of satellites. other property and equipment, and intangible assets	(294.7)	(147.1)
Receipt of ECA loans and other bank credit facilities	155.0	0.0
Repayment of ECA loans and other bank credit facilities	(65.1)	0.0
Lease liabilities	(19.0)	(27.6)
Cash capex	**(223.9)**	**(174.8)**

Note 5. NOTES TO THE INCOME STATEMENT

5.1 Revenues

5.1.1 Revenues by application

As of December 31, 2024, revenues by application break down into four applications:

1. Video, the professional production, and broadcasting of visual content.
2. Government Services, including the offers adapted to the needs of public administrations.
3. Fixed Connectivity, concerning data and stable broadband internet access.
4. Mobile Connectivity, for Wi-Fi connectivity.

The revenue per application following the new format is as follows:

(in millions of euros)	31 December 2023	31 December 2024
Video	331.1	309.2
Government Services	74.2	96.4
Fixed Connectivity	94.6	118.9
Mobile Connectivity	71.2	75.3
Total Operating Verticals	**571.1**	**599.9**
Other revenue	1.6	6.3
Total	**572.6**	**606.2**
EUR/USD exchange rate	*1.08*	*1.06*

Other revenues include the impact of EUR/USD currency hedging amounting to 0.6 million euros for the half-year ended 31 December 2024 against (1.5) million euros for the half-year ended 31 December 2023.

5.1.2 Revenues by geographical region

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

(in millions of euros and as a percentage)	31 December 2023		31 December 2024	
Region	Amount	%	Amount	%
France	35.4	6.2	41.9	6.9
Italy	61.5	10.7	55.5	9.2
United Kingdom	36.1	6.3	36.7	6.1
Europe (others)	160.4	28.0	158.4	26.1
Americas	124.9	21.8	134.1	22.1
Middle East	86.9	15.2	93.0	15.3
Africa	53.7	9.4	56.1	9.3
Asia	14.8	2.6	29.2	4.8
Others	(1.0)	(0.2)	1.2	0.2
Total	**572.6**	**100.0**	**606.2**	**100.0**

5.2 Operating expenses

The operating expenses of 122.2 million euros mainly include staff costs and other costs associated with controlling and operating the satellites, in addition to satellite in-orbit insurance premiums as of December 31, 2024. As of December 31, 2023, they stood at 89.2 million euros.

The selling, general and administrative expenses of 149.1 million euros are mainly made up of costs for administrative and commercial staff, all marketing and advertising expenses and the related overheads as of December 31, 2024. As of December 31, 2023, they stood at 117.8 million euros.

The operating expenses relating to impairment losses on trade receivables and assets associated with customer contracts amount to 10.3 million euros as of December 31, 2024 (against 7 million euros for the half year ended 31 December 2023).

5.3 Share-based compensation

In addition to the plans in force within the Group as of June 30, 2024, the Group granted two new share-based plans on 21 November 2024, 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 1.6 million euros for the half year ended 31 December 2024 against 1 million euros for the half year ended 31 December 2023.

5.4 Other operating income and expenses

(in millions of euros)	31 December 2023	31 December 2024
Other operating income	9.2	1.0
Other operating expenses	(193.1)	(691.8)
Total	**(183.9)**	**(690.8)**

As of December 31, 2024, other operating income mainly includes the additional income from the C Band. Other operating expenses mainly include goodwill impairment of 535 million euros, impairments on satellites amounting to 117 million euros, 19 million euros of costs relating to the abandonment of an investment project and 12.7 million euros of costs relating to changes in the scope of consolidation in respect of the acquisition of OneWeb during the previous fiscal year, and of Stargate for this fiscal year.

As of December 31, 2023, other operating income includes 7.2 million euros in impairment reversals on the value of the AT1, AT2, 53A and 65WA satellites and on the disposal of BBO realised as of June 30, 2023, and an additional 1.7 million euros in respect of the C band. Other operating expenses mainly include the costs relating to the combination and integration with OneWeb for 28.5 million euros, impairments on satellites amounting to 84.2 million euros, restructuring costs of 2.8 million euros, and the fair value adjustment of the 22.91% stake held by Eutelsat S.A. for 77.6 million euros.

5.5 Financial result

(in millions of euros)	31 December 2023	31 December 2024
Interest expense after hedging	(53.4)	(79.8)
Interest on lease liabilities	(9.8)	(12.6)
Loan set-up fees and commissions	(7.7)	(7.5)
Capitalized interest	3.3	1.7
Cost of gross debt	**(57.8)**	**(85.6)**
Financial income	2.7	1.9
Cost of net debt	**(55.1)**	**(83.7)**
Changes in derivative financial instruments	1.2	(19.1)
Foreign-exchange impact	3.8	13.4
Others	(10.5)	(9.7)
Financial result	**(60.7)**	**(99.1)**

The interest expense as of December 31, 2024 has increased in line with the evolution of interest rates over the period.

The amount of capitalized interest depends on the state of progress and number of satellite construction programmes recorded during the relevant period. The interest rate used to determine the amount of interest expense eligible for capitalisation is 4.84% as of December 31, 2024 versus 3.39% as of December 31, 2023.

The change in derivative financial instruments relates to derivatives qualifying as fair value hedges. The mark-to-market of these derivatives amounted to -19.1 million euros as of December 31, 2024 versus 1.2 million euros as of December 31, 2023.

5.6 Income tax

The "Total income tax expense" line includes the current and deferred taxes of the consolidated companies. For Eutelsat's historical scope, and in accordance with IAS 34, the interim tax expense on December 31st is calculated by applying the average annual effective income tax rate estimated for the fiscal year to the pre-tax income for the interim period. However, given the low materiality of the tax due to the non-recognition of a deferred tax asset on tax losses recognized in the United Kingdom, the impacts of the OneWeb sub-tier have been taken based on actual amounts at the end of December.

As of December 31, 2024, the effective income tax rate is -0.9% (versus 14.6% as of December 31, 2023). This rate includes the non-recognition of deferred tax assets relating to losses recognized in France and the United Kingdom, the net impact of the exoneration mechanism for the proportion of Eutelsat S.A.'s profit attributable to the company's satellites operated outside France (Article 247 of the French General Tax Code introduced by the 2019 Finance Bill) including the related Pillar Two charge, the effect of the tax rates for foreign subsidiaries as well as the impacts of impairments on the Group's satellites, notably those in the Satmex arc. The effective tax rate as of December 31, 2024 also includes a significant effect linked to the impairment of goodwill recognized at Eutelsat S.A. to which no tax effect is associated.

The OECD's Pillar Two agreement aims to ensure that multinational companies pay a minimum effective tax rate of 15% depending on the jurisdiction and numerous countries have launched national legislative procedures to enact these global minimum tax rules. France transposed the Minimum Tax Directive (2022/2523) into domestic law in its Finance Law for 2024 published on 30 December 2023 as part of Act No. 2023-1322, making the Pillar Two legislation applicable from 1 January 2024. Since France is the jurisdiction of Eutelsat Communications S.A., the ultimate parent company of the Eutelsat Group, the French Pillar Two rules are in force for the Group's fiscal year beginning 1 July 2024.

The Group is in the process of finalizing its assessment of the impact of the French and other national Pillar Two legislation on its operations with a view to the closing of its annual financial statements to 30 June 2024. The Group's assessment includes the analysis of the articulation of the French tax rules with the new Pillar Two legislation and the identification of the jurisdictions in which the Group would have an effective Pillar Two tax rate of less than 15%.

The OECD is still working on the specific issue of the application of Pillar Two to satellite operations. For the half-year financial statements to 31 December 2024, the Group has taken into account a Pillar Two impact relating to the proportion of Eutelsat S.A.'s profits attributable to its satellites operated outside France, applying a conservative approach pending clarification from the OECD and the public authorities.

5.7 Earnings per share

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

(in millions of euros)	31 December 2023	31 December 2024
Net result	**(189.5)**	**(897.3)**
Share of result from subsidiaries attributable to non-controlling interests	(1.8)	24.0
Net earnings used to compute earnings per share	**(191.3)**	**(873.2)**
Average number of basic shares	**361,629,294**	**474,762,168**
Basic and diluted earnings per share	**(0.529)**	**(1.839)**
Average number of diluted shares	**362,385,814**	**475,518,688**
Diluted earnings per share	**(0.528)**	**(1.836)**

NOTE 6. NOTES TO THE BALANCE SHEET

6.1 Fixed assets

6.1.1 Goodwill and other intangibles

The changes in goodwill and intangible assets over the half year are as follows:

(in millions of euros)	Goodwill	Customer contracts and relationships	Eutelsat brand	Other intangibles	Total
Gross assets					
Gross value as of June 30, 2024	**1,303.3**	**1,137.3**	**40.8**	**772.0**	**3,253.4**
Acquisitions	0.0	0.0	0.0	5.8	5.8
Transfers	0.0	0.0	0.0	34.7	34.7
Foreign-exchange variation	10.3	6.1	0.0	10.7	27.2
Disposals and scrapping of assets	0.0	0.0	0.0	0.0	0.0
Entries into the scope at net value (1)	14.2	0.0	0.0	-7.3	6.9
Exits from the scope	0.0	0.0	0.0	0.0	0.0
Gross value as of December 31, 2024	**1,327.8**	**1,143.4**	**40.8**	**815.9**	**3,327.9**
Depreciation and impairment					
Accumulated amortization as of June 30, 2024	**-**	**(1,088.6)**	**-**	**(388.6)**	**(1,477.2)**
Depreciation expense	0.0	(24.3)	0.0	(48.4)	(72.8)
Impairments (2)	(535.0)	0.0	0.0	0.0	(535.0)
Reversals (disposals and scrapping of assets)	0.0	0.0	0.0	(0.0)	(0.0)
Foreign-exchange variation	0.0	(5.8)	0.0	(2.9)	(8.8)
Transfers and others	0.0	0.0	0.0	(0.0)	(0.0)
Accumulated amortization as of December 31, 2024	**(535.0)**	**(1,118.7)**	**0.0**	**(440.0)**	**(2,093.7)**
Net value as of June 30? 2024	**1,303.3**	**48.7**	**40.8**	**383.4**	**1,776.2**
Net value as of December 31, 2024	**792.8**	**24.7**	**40.8**	**375.9**	**1,234.2**

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

(2) Amount corresponding to the goodwill impairment on the geostationary business.

Goodwill

The Group's historical goodwill, i.e., before the Group took control of OneWeb, results from the acquisitions linked to the geostationary satellite operations. This goodwill is thus monitored on the basis of the cash flows from the geostationary satellite activity.

The acquisition of OneWeb gave rise to the recognition of additional goodwill amounting to 27 million euros.

As of December 31, 2024, as part of the preparation of the half-year financial statements, impairment indicators were identified linked to external market factors, in particular a challenging environment, and to the fact that the net assets of the Group's cash-generating units ("CGUs") exceeded the Group's market capitalization.

The Group has thus carried out:

- an initial test based on the assets and recoverable value of the Group's geostationary satellite activities ("GEO goodwill impairment test"), and
- a second test based on the assets and recoverable value of the Group's low-earth orbit satellite activities ("LEO goodwill impairment test").

The results of these tests are presented below.

- GEO goodwill impairment test

The forecasts used are based on the Group's five-year business plan approved by the Board of Directors on 13 February 2025 and covering the period through to the 2028-29 fiscal year. The period was extended to the 2035 fiscal year based on an assumption of zero growth to perpetuity, and included a terminal value calculated at this stage on the basis of a revenue model. The Group considers it relevant to use projections beyond five years given the long-term visibility it has on a significant portion of its business activity and on its expected growth profile which is more accurately reflected in the long-term plan.

The discount rate applied is a WACC (Weighted Average Cost of Capital) of 8.2%. The main operating assumptions impacting the recoverable value of the assets are the level of EBITDA and the amount of capital expenditure required for the realisation of the cash flows assumed in the forecast. The operational assumptions in the long-term plan are based on internal market models of the trends in the Group's business growth and on market data provided by independent experts.

The GEO goodwill impairment test carried out as of December 31, 2024 resulted in an impairment loss of 535 million euros. The impairment is due to the cashflow forecasts adopted by the Group in its five-year plan, reflecting the lower future cash flows the Group expected to be able to generate from its existing assets. This reflects the increased competition in the connectivity market and a greater-than-expected reduction in market demand for video services, which have a more significant impact in the Group's most recent forecasts. This is consistent with the impact already witnessed by the Group on Video customer renewal rates and a shift in demand from GEO to LEO connectivity services.

- LEO goodwill impairment test

The Group calculated the recoverable value of the LEO CGU on a discounted cash flow basis. The Group concluded that cash flow forecasts could be estimated through to 2040, including the five-year plan approved by the Board of Directors until 2028-29. This Board-approved forecast has been extended based on known information relating to the Group's future plans, including the IRIS² project. This extended forecast period reflects the long-term investment cycle associated with the Group's business, notably within the framework of the IRIS² project. To determine the value in use, a terminal value is included in 2040, based on the assumed perpetual replacement of the constellation. A growth rate of 3.5% is included in this calculation and the discount rate used is 13.2%.

The forecasts on which the impairment test is based assume continued growth in LEO revenues in the short and medium terms, in line with the five-year plan approved by the Board and correlated with LEO market growth over the longer term. To achieve these forecasts, the company will need to secure contracts for 340 additional satellites to extend the lifespan of the existing constellation, complete the IRIS² program, reach technological maturity to reduce capacity costs, and obtain and the associated financing for all the investments.

The result of this test identified no impairment, with the calculation showing headroom of 39.9 million euros.

The test is particularly sensitive to the discount rate applied (a WACC of 13.2%), the growth rate applied (3.5%) and the cost of the terminal value capacity (1 million euros/Gbit/s). The sensitivity analyses for this parameter on the impairment of this CGU's assets are as follows:

WACC	12.0%	12.5%	13.0%	**13.2%**	13.5%	14.0%	14.5%
Headroom in $m	1,008.3	565.9	180.3	**39.9**	(157.5)	(454.8)	(717.5)
Growth rate	2.00%	2.50%	3.00%	**3.50%**	4.00%	4.50%	5.00%
Headroom in $m	(313.2)	(206.5)	(89.3)	**39.9**	183.2	343.0	522.2
Cost of capacity (€m/Gbit/s*) – Terminal value	-15%	-10%	-5%	**1.00**	+5%	+10%	+15%
Headroom in $m	246.1	176.9	108.2	**39.9**	(28.1)	(95.7)	(163.1)

** Gbit/s (Gigabits per second) is the unit used for the data transfer rate.*

Depreciable assets

- Geostationary satellites

Concerning the impairment tests carried out on the geostationary orbital position CGUs as of December 31, 2024, the cash flows used are based on the period of the Group's updated five-year business plan approved by the Board of Directors on 13 February 2025, and then on the cash flows extended to the end of the lifespan of each satellite based on a normative growth rate.

As of December 31, 2024, these tests led to the recognition of an impairment charge of €117 million on geostationary satellites, including €115 million on owned geostationary satellites (see Note 6.1.2 "Property, plant and equipment and assets in progress") and €2 million on rights-of-use (see Note 6.1.3 “Rights-of-use in respect leases”). As of December 31, 2023, the impairment charge was €84 million on owned geostationary satellites. The impairments recognized reflect the insufficiency of the expected discounted cash flows compared to the carrying values of the assets for certain positions. orbitals of the Group. This reflects the fact that, for these orbital positions, the Group's most recent forecasts indicated lower operating cash flows due notably to the competitive market forces which intensified during the period.

- Low-earth orbit constellation

The carrying value of the Group's low-earth orbit constellation was determined at the time of the purchase price allocation based on a replacement cost. This value is then depreciated over the life of each satellite.

Continued investment in this constellation until the start-up of the IRIS² constellation is essential to maintaining priority rights with the International Telecommunication Union (ITU). As the Group expects to operate the satellites on an ongoing basis, the CGU's useful life is considered to be infinite. As a result, the recoverable value of the constellation has been assessed through a single test of the LEO CGU, including the OneWeb goodwill and reflecting the Group's long-term strategy.

6.1.2 Property, plant and equipment and assets in progress

The changes in Property, plant and equipment and assets in progress during the half year are as follows:

(in millions of euros)	Satellites	Other tangibles	Assets under construction	Total
Gross assets				
Gross value as of June 30, 2024	**7,332.7**	**826.4**	**833.4**	**8,992.6**
Acquisitions	1.1	10.2	93.1	**104.4**
Disposals	0.0	(4.4)	(8.4)	**(12.8)**
Scrapping of assets (1)	(213.0)	(0.9)	0.0	**(213.9)**
Foreign-exchange variation	40.2	20.8	1.9	**62.9**
Entries into the scope at net value	(4.8)	20.2	(0.0)	**15.4**
Transfers and others (2)	239.9	319.1	(583.0)	**(24.0)**
Gross value as of December 31, 2024	**7,396.2**	**1,191.3**	**337.0**	**8,924.5**
Depreciation and impairment				
Accumulated amortization as of June 30, 2024	**(3,708.4)**	**(463.2)**	**-**	**(4,171.3)**
Depreciation expense	(257.1)	(66.6)	0.0	**(323.6)**
Impairment	(114.7)	3.0	0.0	**(111.8)**
Reversals (disposals)	0.0	0.0	0.0	**0.0**
Reversals (scrapping of assets) (1)	208.6	1.0	**0.0**	**209.5**
Foreign-exchange variation	(17.8)	(3.7)	0.0	**(21.5)**
Transfers and others (2)	(10.6)	0.2	0.0	**(10.4)**
Accumulated amortization as of December 31, 2024	**(3,900.0)**	**(529.3)**	**0.0**	**(4,429.3)**
Net value as of June 30, 2024	**3,624.5**	**363.3**	**833.5**	**4,821.3**
Net value as of December 31, 2024	**3,496.3**	**661.9**	**337.0**	**4,495.2**

(1) *The scrapping and related impairment reversal is mainly due to the shutdown of the E33E satellite (see Note 2.3).*

(2) *Transfers and other changes are mainly linked to the entry into service of the E36D satellite as outlined in section 2.3, as well as investments in the ground network of the low-earth orbit business.*

The expected delivery dates for satellites under construction at the balance sheet date are as follows:

Projects	Years
Flexsat Americas E113WX	2028 calendar year
Flexsat Asia E119A, in cooperation with the operator Thaicom	2028 calendar year

6.1.3 Rights of use in respect of leases

Rights of use saw the following changes in the half year to 31 December 2024:

(in millions of euros)	Satellites	Other tangible assets	Total
Gross assets			
Gross value as of June 30, 2024	**749.1**	**210.3**	**959.3**
New contracts	0.0	4.3	4.3
Modifications and early terminations of contracts	(9.3)	(3.2)	(12.5)
Scrapping of assets	0.0	0.0	0.0
Foreign-exchange variation	0.0	3.9	3.9
Entries into the scope	0.0	1.1	1.1
Gross value as of December 31, 2024	**739.8**	**216.6**	**956.3**
Depreciation and impairment			
Accumulated depreciation and impairment as of June 30, 2024	**(478.6)**	**(51.6)**	**(530.2)**
Depreciation expense	(22.8)	(15.0)	(37.8)
Impairment	(2.5)	0.0	(2.5)
Reversals (modifications and early terminations of contracts)	5.5	2.7	8.2
Reversals (scrapping of assets)	0.0	0.0	0.0
Foreign-exchange variation	0.0	(0.8)	(0.8)
Accumulated depreciation and impairment as of December 31, 2024	**(498.4)**	**(64.7)**	**(563.1)**
Net value as of June 30, 2024	**270.4**	**158.7**	429.1
Net value as of December 31, 2024	**241.4**	**151.8**	**393.2**

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.

6.1.4 Purchase commitments (off-balance sheet)

In addition to the items recognized on the balance sheet, the Company had entered into commitments with suppliers for the acquisition of fixed assets (satellites and other assets) and the provision of services amounting to a total of 517.1 million euros as of December 31, 2024.

The future payments in respect of these commitments as of December 31, 2024 are as follows:

(in millions of euros)	As of December 31,, 2024
Maturity within 1 year	81.4
From 1 to 2 years	323.8
From 2 to 3 years	27.7
From 3 to 4 years	12.3
Maturity exceeding 4 years	71.9
Total	**517.1**

6.2 Investments in associates

As of December 31, 2024, investments in associates corresponded to the Group’s equity interest in the company First Tech Web.

(in millions of euros)	30 June 2024	31 December 2024
Equity interests at the opening date	501.2	12.1
Change in scope	(487.0)	0.0
Purchases of shares	0.0	0.0
Sale of shares	(69.0)	0.0
Entry into the scope	78.1	(0.0)
Share of result of associates	(22.5)	(1.0)
Translation adjustment	11.4	0.2
Equity interests at the closing date	**12.1**	**11.4**

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

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

(in millions of euros)	30 June 2024	31 December 2024
Assets		
Accounts receivable	273.7	319.0
Assets associated with customer contracts	44.6	52.1
Costs to fulfil contracts	0.0	0.0
Costs to obtain contracts	4.9	4.9
Total current and non-current assets	**323.2**	**375.9**
Including non-current portion	*37.4*	*40.7*
Including current portion	*285.7*	*335.2*
Liabilities		
Financial liabilities - Guarantees and commitments received	17.9	17.6
Liabilities associated with customer contracts	563.3	565.3
Total current and non-current liabilities	**581.2**	**582.9**
Of which non-current portion	*452.6*	*436.1*
Of which current portion	*128.6*	*146.8*

6.3.1 Accounts receivable

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

(in millions of euros)	30 June 2024	31 December 2024
Non-matured receivables	134.5	143.2
Matured receivables between 0 and 90 days	55.9	74.0
Matured receivables between 90 and 365 days	53.8	57.7
Matured due for more than 365 days	143.5	159.7
Impairment	(114.0)	(115.7)
Total	**273.7**	**319.0**

The changes in impairment of trade receivables over the half year are as follows:

(in millions of euros	Total
Value as of June 30, 2024	114.0
Net allowance (reversal)	10.2
Reversals (used)	(9.2)
Foreign exchange variations	0.7
Value as of December 31, 2024	**115.7**

The amount of the provision for trade receivables is 115.7 million euros as of December 31, 2024 versus 114 million euros as of June 30, 2024. The 1.7 million euro increase in the provision is mainly due to an additional provision of 10.2 million euros, less a reversal of 9.2 million euros on use.

6.4 Financial assets and liabilities

6.4.1 Cash and cash equivalents

Cash and cash equivalents are detailed as follows:

(in millions of euros)	30 June 2024	31 December 2024
Cash at bank and in hand	417.3	476.2
Cash equivalents	420.1	216.7
Total cash and cash equivalents	837.4	**692.9**

6.4.2 Financial debt

The financial debt breaks down as follows:

(in millions of euros)	Rate	30 June 2024	31 December 2024	Maturity
EIB term loan	1.26%	200.0	200.0	December 2028
Term loan 2027	Variable	400.0	400.0	June 2027
Bond 2025	2.00%	177.0	0.0	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	600.0	April 2029
EXIM India amortizable loan	Variable	88.0	79.1	November 2029
Capex credit line				
	2.56%	75.0	75.0	June 2026
	Variable	53.0	53.0	June 2026
	Variable	53.0	53.0	June 2027
Sub-total of debt (non-current portion)		**2,845.7**	**2,660.1**	
Loan set-up fees and premiums		(23.7)	(20.6)	
Total of debt (non-current portion)		**2,822.0**	**2,639.5**	
Bond 2025	2.00%	0.0	176.6	October 2025
Capex financing line	2.15%	50.0	50.0	June 2025
	Variable	53.0	53.0	June 2025
EXIM India amortizable loan	Variable	0.0	11.3	September and December 2025
Operating credit line	8.50% to 8.55%		9.3	March 2025
Accrued interest not yet due		38.7	25.3	
Total debt (current portion)		**141.7**	**325.4**	
Total		**2,963.7**	**2,964.9**	

Excepting the 94.4 million U.S. dollar credit line granted by Exim India to Network Access Associates Ltd. and the 865 million INR (9.3 million euros) granted by Indian banks to OneWeb India, belonging to the OneWeb scope, all the external financial debt of the Eutelsat Group is denominated in euros.

Eutelsat S.A.'s term loan and Capex financing lines are subject to a financial covenant which provides for a ratio of total net debt to adjusted EBITDA of less than or equal to 4.00:1.

Eutelsat Communications has also obtained from its lenders an increase in the net debt to adjusted EBITDA ratio from 4 to 4.75 for the test dates of 30 June 2023, 31 December 2023, 30 June 2024, and 31 December 2024, and then to 4.50 for the test dates of 30 June 2025 and 31 December 2025, and to 4.00 for the test dates of 30 June 2026, 31 December 2026, and 30 June 2027.

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 issued by the company Eutelsat S.A. 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 December 31, 2024, the Group is in compliance with all the banking covenants.

With the exception of the 94.4 million U.S. dollar credit line granted by Exim India to Network Access Associates Ltd., which benefits from a guarantee granted by Eutelsat Communications, and the 865 million INR (9.3 million euros) granted by Indian banks to OneWeb India, which benefits from a cash collateral, the credit agreements include neither a guarantee by the Group nor a pledge of assets in favor of the 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.

On 15 November 2024, Eutelsat Communications, Eutelsat S.A., and Network Access Associates Ltd. formally obtained authorization from the various groups of lenders concerned to proceed with the partial sale of passive ground segment infrastructures. Following these authorizations, on 2 December 2024, Eutelsat Group exercised the put option signed with the EQT Infrastructure VI fund (EQT) on 9 August 2024, for a majority equity interest in a newly created entity to be endowed with its passive ground segment infrastructure assets. The exercise of the option led to the signature of a share sale agreement (SPA) between Eutelsat and EQT.

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 December 31, 2024, the Group has active credit lines for an aggregate undrawn amount of 550.0 million euros (550.0 million euros as of June 30, 2024). These credit lines are subject to banking covenants that are similar to those in place for the term loan and the Capex financing lines.

The schedule of debt maturities, excluding issue costs and premiums, and accrued interest not yet due as of December 31, 2024, is as follows:

(in millions of euros)	Amount	Maturity within 1 year	Maturity between 1 and 5 years	Maturity exceeding 5 years
Term loan 2027	400.0	-	400.0	-
EIB term loan	200.0	-	200.0	-
Operating credit line	9.3	9.3	-	-
Capex financing line	284.0	103.0	181.0	-
Exim India loan	90.4	11.3	79.1	
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	**2,960.2**	**300.2**	**2,660.1**	**-**

6.4.3 Net debt

The net debt breaks down as follows:

(in millions of euros)	30 June 2024	31 December 2024
Term loan	400.0	400.0
EIB term loan	200.0	200.0
Bonds	1,976.6	1,976.6
Capex financing line	284.0	284.0
Operating credit line	0.0	9.3
Exim India loan	88.0	90.4
"Change" portion of cross currency swap	23.5	42.8
Lease liabilities	409.3	385.7
Gross debt	**3,381.4**	**3,388.8**
Cash and cash equivalents	(837.4)	(692.9)
Net debt	**2,544.0**	**2,695.8**

The changes in the debt position between 30 June 2024 and 31 December 2024 are presented below:

(in millions of euros)	30 June 2024	Cash flow	Non-cash flow	Entries into the scope	Currency effects	Fair value change and others	31 December 2024
Term loan	400.0						400.0
EIB term loan	200.0						200.0
Bonds	1,976.6						1,976.6
Capex financing line	284.0						284.0
"Change" portion of cross-currency swap	23.5					19.3	42.8
Exim India loan	88.0				2.4		90.4
Operating credit line		(0.1)		9.4	0.0		9.3
Lease debt	409.3	(27.6)	0.0	0.8	3.2		385.7
Total	**3,381.4**	**(27.7)**	**0.0**	**10.2**	**5.6**	**19.3**	**3,388.8**

6.4.4 Other financial assets and liabilities

The other financial assets break down as follows:

(in millions of euros)	30 June 2024	31 December 2024
Non-consolidated equity investments	5.5	3.7
Derivative financial instruments	0.3	1.0
Other financial assets	96.3	120.0
Total	**102.1**	**124.7**
Of which current portion	*6.5*	*16.1*
Of which non-current portion	*95.6*	*108.5*

The other debts and financial liabilities break down as follows:

(in millions of euros)	30 June 2024	31 December 2024
Lease liabilities	412.3	388.2
Other liabilities	65.5	77.8
Payables to fixed asset suppliers	52.5	57.9
Derivative financial instruments	41.7	76.8
Liabilities for social contributions	78.2	64.0
Tax liabilities	21.4	19.0
Total	**671.6**	**683.6**
Of which current portion	*281.6*	*306.1*
Of which non-current portion	*390.0*	*377.5*

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.

6.4.5 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 2024	31 December 2024	30 June 2024	31 December 2024			
Forward sales and currency swaps qualified as CFHs	120.0	115.4	(0.3)	(4.3)	(3.9)		(3.9)
NIH-qualified cross currency swap	635.5	651.3	(38.9)	(50.2)	(11.3)		(11.3)
Forward sales and currency swaps qualified as FVHs	201.0	504.8	(2.2)	(21.3)	(19.1)	(19.1)	
Total currency instruments	**956.5**	**1,271.5**	**(41.4)**	**(75.8)**	**(34.3)**	**(19.1)**	**(15.2)**

The Group uses financial instruments (forward sales and currency swaps) to hedge its future exposures. These derivatives qualify as future cash flow hedges. The change in fair value over the period amounting to -3.9 million euros is recognized in equity.

The cross-currency swap qualifies as a hedge of a net investment in a foreign operation, and the change in fair value is thus recognized directly in equity, in the amount of -11.3 million euros. The interest paid is also recognized in equity.

The Group uses financial instruments (forward sales and currency swaps) to hedge its intra-group financing. These instruments qualify as fair value hedges. The change in fair value over the period in the amount of -19.1 million euros is recognized in the income statement.

6.5 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.

With the exception of 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 2024	31 December 2024
Bond 2025	170.4	171.8
Bond 2027	529.2	507.1
Bond 2028	486.0	448.3
Bond 2029	627.0	567.9
Total	**1,812.6**	**1,695.1**

6.6 Shareholders' equity

6.6.1 Share capital and additional paid-in capital

As of June 30, 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. As of December 31, 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.

As of this same date, the Group holds 391,814 treasury stocks in the amount of 1.1 million euros acquired under a liquidity contract (497,082 treasury stocks in the amount of 2.0 million euros as of June 30, 2024). The aggregate amount of treasury stocks is deducted from shareholders' equity.

6.6.2 Dividends

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

6.6.3 Change in the revaluation surplus for derivative instruments

The changes in the revaluation surplus for derivative instruments qualified as hedging instruments during the half year are as follows:

(in millions of euros)	Total
Balance as of June 30, 2024	**37.5**
Changes in fair value within equity that can be reclassified to income	(0.6)
Balance as of December 31, 2024	**36.9**

The revaluation reserve for the derivative instruments does not include any unwinding of hedges on net foreign investments.

6.6.4 Translation reserves

The translation reserve changed as follows over the half year:

(in millions of euros)	Total
Balance as of June 30, 2024	**193.0**
Net change over the period	20.5
Balance as of December 31, 2024	**213.5**

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

As of December 31, 2024, the translation reserve includes (50.3) million euros in respect of the cross-currency swap documented as a hedge of net foreign investments and the cross-currency swap that matured in a previous fiscal year.

6.6.5 Actuarial gains and losses

The reference interest rates used to determine the present value of the guarantee given to retirement indemnities and a pension fund have changed from 4.10% and 3.80% respectively as of June 30, 2024 to 3.5% and 3.45% as of December 31, 2024. This change in the discount rate gives rise to commitments for a balance of 10 million euros over the period.

6.7 Provisions

The changes in provisions between 30 June 2024 and 31 December 2024 are as follows:

(in millions of euros)	30 June 2024	Entry into the scope	Allow-ance	Reversal		Reclassi-fied	Change in scope	Recog-nized in equity	Cur-rency varia-tion	31 De-cember 2024
				Used	Un-used					
Financial guarantee granted to a pension fund	18.3	0.0	0.3	(5.4)	0.0	0.0	0.0	9.5	0.0	22.6
Retirement benefits	9.6	0.0	0.6	(0.2)	0.0	0.0	0.0	0.3	0.0	10.3
Other post-employment bene-fits *(1)*	4.6	0.0	0.1	0.0	0.0	0.2	0.0	0.0	0.0	4.9
Total post-employment bene-fits	**32.5**	0.0	1.0	(5.6)	0.0	0.2	0.0	9.8	0.0	**37.8**
Commercial. employee-related and tax litigation	10.6	0.4	1.4	(0.7)	(0.1)	0.0	0.0	0.0	0.2	11.8
Total provisions	**43.1**	0.4	2.4	(6.3)	(0.1)	0.2	0.0	9.8	0.2	**49.6**
Of which non-current portion	32.5									37.8
Of which current portion	10.6									11.8

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

6.7.1 Litigation and contingent liabilities

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.

As of December 31, 2024, all the accounting verification procedures initiated by the tax authorities have been closed.

However, in February 2024 the Group filed a petition with the Administrative Court for a tax reassessment in respect of the fiscal year ended 30

June 2014. The proceedings are under way and the amounts involved have been paid in full to the French Treasury.

Similarly, in January 2025 the Group filed a contentious claim with the French tax authorities concerning a tax reassessment maintained for the fiscal year ended 30 June 2018. The amounts due in respect of this reassessment have been paid in full to the French Treasury.

Note 7. RELATED-PARTY TRANSACTIONS

Related parties consist of:

- direct and indirect shareholders. and their subsidiaries, who exercise 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.

During the half year there were no related-party transactions that were different in nature from those realized in the fiscal year ended 30 June 2024.

Note 8. SUBSEQUENT EVENTS

Following the downgrading of Eutelsat Communications' credit rating by Moody's in January 2025, a debt of 90.4 million euros (94.4 million dollars) is contractually due and payable to the lenders, namely Exim India. To date, this right has not been exercised by Exim India. Discussions are under way to examine how the counterparty risk borne by Exim India could be mitigated.