

Eutelsat S.A. Group

“Société anonyme” with a capital of 658,555,372.80 euros

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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	564.7	561.8
Operating costs		(57.1)	(58.8)
Selling, general and administrative expenses		(96.8)	(111.3)
Depreciation expense	6.1	(217.4)	(225.6)
Other operating income and expenses	5.2	(84.6)	(151.3)
Operating result		108.7	14.7
Cost of net debt		(36.2)	(49.6)
Other financial income and expenses		(2.3)	(6.8)
Financial result	5.4	(38.5)	(56.4)
Current result before tax		70.2	(41.7)
Income tax	5.5	17.1	(7.6)
Share of result of associates	6.2	(58.8)	(71.1)
Net result		28.6	(120.3)
Attributable to the Group		28.6	(120.3)
Basic and diluted earnings per share attributable to the shareholders of Eutelsat S.A.	5.6	0.028	(0.119)

COMPREHENSIVE INCOME STATEMENT

(in millions of euros)	Note	31 December 2023	31 December 2024
Net result		28.6	(120.3)
<i>Other recyclable items of gain or loss on comprehensive income</i>			
Translation adjustment	6.6.4	(5.6)	2.0
Tax effect	6.6.4	(1.0)	6.7
Changes in fair value of hedging instruments ⁽¹⁾	6.6.3	(0.3)	(0.7)
Tax effect	6.6.3	(0.1)	0.2
<i>Other non-recyclable items of gain or loss on comprehensive income</i>			
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		(14.0)	1.0
Total comprehensive income		14.5	(119.4)
Attributable to the Eutelsat S.A. Group		14.5	(119.4)

⁽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.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in millions of euros)	Note	30 June 2024	31 December 2024
Assets			
Goodwill	6.1.1	482.7	492.4
Intangible assets	6.1.1	107.3	99.5
Property, plant and equipment and assets in progress	6.1.2	3,346.1	3,096.3
Rights of use in respect of leases	6.1.3	298.8	266.6
Investments in associates	6.2	356.6	293.1
Non-current financial assets	6.4.4	406.2	792.9
Non-current assets associated with customer contracts and costs to obtain and fulfil contracts	6.3	37.4	40.7
Deferred tax assets		1.9	17.8
Total non-current assets		5,037.1	5,099.3
Inventories		17.2	19.1
Accounts receivable	6.3	248.5	289.1
Current assets associated with customer contracts and costs to obtain and fulfil contracts	6.3	12.6	16.2
Other current assets		82.5	57.0
Current tax receivables		13.5	22.5
Current financial assets	6.4.4	108.2	11.2
Cash and cash equivalents	6.4.1	832.0	678.3
Total current assets		1,314.4	1,093.4
Total assets		6,351.4	6,192.8

(in millions of euros)	Note	30 June 2024	31 December 2024
Liabilities			
Share capital	6.6.1	658.6	658.6
Additional paid-in capital		8.0	8.0
Reserves and retained earnings		2,079.3	1,958.8
Non-controlling interests		1.3	1.3
Total shareholders' equity		2,747.2	2,626.7
Non-current financial debt	6.4.2	2,336.4	2,162.6
Non-current lease liabilities	6.4.4	228.0	204.8
Other non-current financial liabilities	6.4.4	23.3	23.4
Non-current payables to fixed asset suppliers	6.4.4	-	0.0
Non-current liabilities associated with customer contracts	6.3	283.0	270.7
Non-current provisions	6.7	32.5	37.8
Deferred tax liabilities		114.1	122.8
Total non-current liabilities		3,017.6	2,822.2
Current financial debt	6.4.2	139.0	301.9
Current lease liabilities	6.4.4	50.8	52.4
Other current payables and financial liabilities	6.4.4	124.2	155.5
Accounts payable		111.7	69.6
Current payables to fixed asset suppliers	6.4.4	35.6	28.5
Tax payable		18.1	12.5
Current liabilities associated with customer contracts	6.3	100.0	115.4
Current provisions	6.7	7.3	8.1
Total current liabilities		586.7	743.9
Total liabilities and shareholders' equity		6,351.4	6,192.8

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)	Note	31 December 2023	31 December 2024
Cash flow from operating activities			
Net result		28.6	(120.3)
Income from associates		58.8	71.1
Tax and interest expenses, other operating items		34.7	63.7
Depreciation, amortisation and provisions		301.8	336.6
Deferred taxes		(23.4)	(0.6)
Changes in accounts receivable		(26.1)	(23.5)
Changes in assets held under customer contracts and other assets ⁽¹⁾		(43.4)	(1.5)
Changes in accounts payable		(7.5)	(44.0)
Changes in liabilities associated with customer contracts and other liabilities		14.0	7.0
Taxes paid ⁽²⁾		(36.3)	(21.6)
Net cash flows from operating activities		301.0	266.9
Cash flow from investing activities			
Acquisitions of satellites, other property and equipment, and intangible assets ⁽³⁾		(78.0)	(60.3)
Income from the C-Band release ⁽²⁾		355.4	0.0
Eutelsat Communications and OneWeb loan		(43.8)	(280)
Acquisition of equity investments and other movements		(20.0)	(0.5)
Net cash flows from investing activities		213.5	(340.9)
Cash flow from financing activities			
Repayment of borrowings		(65.1)	0.0
Repayment of lease liabilities		(15.2)	(17.2)
Interest and other fees paid		(69.3)	(63.6)
Transactions relating to non-controlling interests		(6.0)	0.0
Premiums and termination indemnities on derivatives settled		-	0.0
Other changes		15.1	-
Net cash flow from financing activities		(140.4)	(80.8)
Impact of exchange rate on cash and cash equivalents		1.4	1.3
Increase/(Decrease) in cash and cash equivalents		375.5	(153.6)
Cash and cash equivalents, beginning of period		479.8	832.0
Cash and cash equivalents, end of period		855.5	678.3
<i>Including Cash and cash equivalents, end of period</i>	<i>6.4.1</i>	<i>855.5</i>	<i>678.3</i>

(1) As of December 31, 2024, the changes in assets under customer contracts and other assets include notably Eutelsat S.A.'s current account loans of 252.1 million euros to the OneWeb sub-group.

(2) Note that, as of December 31, 2023, the taxes paid included 25 million euros of taxes paid in respect of the income on the release of the C Band (330.4 million euros).

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

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-controlling interests	Total
	Number	Amount	Addition al paid in capital				
As of June 30, 2023	1,013,162,112	658.6	8.0	1,991.1	2,657.7	1.3	2,659.0
Net result for the period	-	-	-	28.6	28.6	0.0	28.6
Other items of gain or loss in comprehensive income ⁽¹⁾	-	-	-	(14.0)	(14.0)	0.0	(14.0)
Total comprehensive income	-	-	-	14.5	14.5	0.0	14.5
Others	-	-	-	(2.2)	(2.2)	(1.3)	(3.5)
As of December 31, 2023	1,013,162,112	658.6	8.0	2,003.5	2,670.1	-	2,670.1
As of June 30, 2024	1,013,162,112	658.6	8.0	2,079.3	2,745.6	1.3	2,747.3
Net result for the period	-	-	-	(120.3)	(120.3)	0.0	(120.3)
Other items of gain or loss in comprehensive income ⁽¹⁾	-	-	-	1.0	1.0	0.0	0.9
Total comprehensive income	-	-	-	(119.4)	(119.4)	0.0	(119.4)
Others	-	-	-	(1.2)	(1.2)	0.0	(1.2)
As of December 31, 2024	1,013,162,112	658.6	8.0	1 958.7	2 625.0	1.3	2 626.7

⁽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 6.6.3) and the translation reserve (see Note 6.6.4), net of the associated tax effects.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. GENERAL OVERVIEW	9
1.1 Business	9
1.2 Approval of the financial statements	9
Note 2. KEY EVENTS DURING THE FINANCIAL PERIOD	9
2.1 Agreement to sell passive terrestrial infrastructure assets	9
2.2 IRIS ² constellation	9
2.3 Commissioning of the EUTELSAT 36D satellite and extension of operations at 33°E	9
Note 3. ACCOUNTING PRINCIPLES AND VALUATION METHODS	10
3.1 Basis of preparation of financial information	10
3.2 Financial reporting rules	10
3.3 Significant accounting judgements and estimates	10
3.4 Main changes in the consolidation scope	10
Note 4. SEGMENT INFORMATION	11
Note 5. NOTES TO THE INCOME STATEMENT	12
5.1 Revenues	12
5.2 Operating expenses	12
5.3 Other operating income and expenses	13
5.4 Financial result	13
5.5 Income tax	13
5.6 Earnings per share	14
Note 6. NOTES TO THE BALANCE SHEET	15
6.1 Fixed assets	15
6.2 Investments in associates	18
6.3 Receivables, assets and liabilities on customer contracts and costs to obtain and fulfil contracts	19
6.4 Financial assets and liabilities	20
6.5 Fair value of financial instruments	23
6.6 Shareholders' equity	23
6.7 Provisions	24
Note 7. RELATED-PARTY TRANSACTIONS	25
Note 8. SUBSEQUENT EVENTS	25

Note 1. GENERAL OVERVIEW

1.1 Business

With capacity operated on 35 satellites, the Eutelsat S.A. Group is an industry leader in fixed satellite services. It mainly operates and provides capacity for Video Services, Fixed Data and Government Services, and capacity in Connectivity applications (Fixed Broadband and Mobile Connectivity). Through its satellite fleet, the Eutelsat S.A. Group is able to serve the entire European continent, the Middle East, and North Africa, as well as sub-Saharan Africa, a significant proportion of the Asian continents and the Americas.

1.2 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 following a deliberation 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) 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, anchor tenant 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 obtain regulatory approval from a number of authorities and jurisdictions. In addition, 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 activities 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. 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 rules governing the conversion of the financial statements and transactions in foreign currencies remain unchanged relative to 30 June 2024. 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

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 based on past experience in addition to other factors deemed to be relevant in relation to the economic environment and the determination of the fair value of assets and liabilities within the framework of the 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 recognized in a subsequent financial period owing to the attendant uncertainty.

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 preliminary allocation of the acquisition price of OneWeb.

3.4 Main changes in the consolidation scope

There have been no changes in Eutelsat S.A.'s scope of consolidation since the period ended 30 June 2024.

Note. 4 SEGMENT INFORMATION

The Group considers that it only operates in a single operational segment, basing that view on an assessment of services rendered and the nature of the associated risks, rather than on their purpose. This is the provision of satellite-based video, business and broadband networks, and mobile services mainly to international telecommunications operators and broadcasters, corporate network integrators and companies for their own needs.

The performance indicators monitored by the Chief Executive Officer and the Chief Financial Officer, who together make up the Group's main operational decision-making body, are as follows:

- Revenues;
- 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;
- Gross Capex which covers the acquisition of satellites and other tangible or intangible assets as well as payments related to lease liabilities;
- The net debt to adjusted EBITDA ratio (see Note 6.4.3 "Net Debt").

To highlight these performance indicators, for which the main aggregates are nonetheless identical to those included in the Group's consolidated financial statements, the internal reporting uses a presentation of the Group's consolidated income statement which is based on a different breakdown of items than the one used in the consolidated financial statements. The reporting is made in line with the IFRS principles applied by the Group to establish its consolidated financial statements.

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

Half year ended 31 December (in millions of euros)	2023	2024	Change
<i>Income from ordinary activities</i>	564.7	561.8	(0.5%)
<i>Operating expenses</i>	(153.9)	(170.1)	10.5%
Adjusted EBITDA	410.8	391.6	(4.7%)
<i>Impairment and amortisation</i>	(217.4)	(225.6)	3.8%
<i>Other operating income and expenses</i>	(84.6)	(151.3)	n.a.
Operating result	108.7	14.7	n.a.
<i>Financial result</i>	(38.5)	(56.4)	46.5%
<i>Income taxes</i>	17.1	(7.6)	n.a.
<i>Share of result of associates</i>	(58.8)	(71.1)	20.8%
<i>Attributable to non-controlling interests</i>	0.0	(0.1)	n.a.
Attributable to the Group	28.6	(120.4)	n.a.

Half year ended 30 June 2024 (in millions of euros)	2023	2024
Acquisitions of satellites, other property and equipment, and intangible assets	(233.0)	(60.3)
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
Repayment of ECA loans, lease debt and other bank credit facilities	(80.3)	(17.2)
Cash capex	(158.3)	(77.5)

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	67.9	92.9
Fixed connectivity	91.8	84.5
Mobile connectivity	71.1	65.2
Total operating verticals	562.0	551.9
Other Revenues	2.7	9.9
Total	564.7	561.8
<i>EUR/USD exchange rate</i>	<i>1.08</i>	<i>1.06</i>

Other revenues include the currency hedging effect of euro/dollar sales which amounts to 0.6 million euros in the half year to 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 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	36.5	5.1	41.4	7.4
Italy	61.5	10.9	55.3	9.9
United Kingdom	28.5	6.4	30.8	5.5
Europe (others)	159.8	28.3	154.8	27.6
Americas	123.9	21.9	128.7	22.9
Middle East	86.9	15.4	80.0	14.2
Africa	53.7	9.5	53.2	9.5
Asia	14.8	2.6	16.2	2.9
Others	(1.0)	(0.2)	1.2	0.2
Total	564.7	100.0	561.8	100.0

5.2 Operating expenses

The operating expenses of 58.8 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, 2023, they stood at 57.1 million euros.

The selling, general and administrative expenses of 111.3 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, 2023, they stood at 96.8 million euros.

The operating expenses relating to impairment losses on trade receivables and assets associated with customer contracts amount to 6.9 million euros as of December 31, 2024, against 6.9 million euros for the half year ended 31 December 2023.

5.3 Other operating income and expenses

(in millions of euros)	31 December 2023	31 December 2024
Other operating income	8.8	1.0
Other operating expenses	(93.4)	(152.3)
Total	(84.6)	(151.3)

As of December 31, 2024, other operating income mainly includes the additional income from the C Band. Other operating expenses mainly include impairments on satellites amounting to 117 million euros, 19 million euros of costs relating to the abandonment of an investment project and 9 million euros of costs relating to changes in the scope of consolidation in respect of the integration of OneWeb in the previous fiscal year, and Stargate.

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, 2024, and an additional 1.7 million euros in respect of the C band. Other operating expenses mainly include impairments on satellites amounting to 84.2 million euros and restructuring costs of 2.8 million euros.

5.4 Financial result

(in millions of euros)	31 December 2023	31 December 2024
Interest expense after hedging	(37.9)	(58.9)
<i>Of which Interest on lease liabilities</i>	(7.0)	(6.1)
Loan set-up fees and commissions	(5.1)	(6.9)
Capitalised interest	3.3	1.7
Cost of gross debt	(39.6)	(64.1)
Financial income	3.4	14.5
Cost of net debt	(36.2)	(49.6)
Changes in derivative financial instruments	1.2	(19.1)
Foreign-exchange impact	3.5	14.6
Others	(7.1)	(2.2)
Financial result	(38.5)	(56.4)

The interest expense as of December 31, 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 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 fair value of derivative instruments relates to derivatives qualifying as fair value hedges. The mark-to-market of these derivatives amounted to -21.3 million euros as of December 31, 2024 versus 2.1 million euros as of December 31, 2023.

5.5 Income tax

The "Total income tax expense" line includes the current and deferred taxes of the consolidated companies. In accordance with IAS 34, the interim tax expense at 31 December 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.

As of December 31, 2024, the effective income tax rate is -18.2% (versus -24.35% 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, as well as the impacts of impairments on the Group's satellites, notably those in the Satmex arc.

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 as of June 30, 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.

5.6 Earnings per share

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

(in millions of euros)	31 December 2023	31 December 2024
Net result	28.6	(120.3)
Share of result from subsidiaries attributable to non-controlling interests	0.0	0.0
Net earnings used to compute earnings per share	28.6	(120.3)
Average number of shares (basic)	1,013,162,112	1,013,162,112
Basic earnings per share	0.028	(0.119)

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 during the period are as follows:

(in millions of euros)	Goodwill	Other intangibles	Total
Gross assets			
Gross value as of June 30, 2024	482.7	698.0	1,180.7
Acquisitions	0.0	4.6	4.6
Transfers	0.0	6.8	6.8
Foreign-exchange variation	9.7	7.9	17.6
Disposals and scrapping of assets	0.0	0.0	0.0
Gross value as of December 31, 2024	492.4	717.2	1,209.6
Depreciation and impairment			
Accumulated amortization as of June 30, 2024	-	(590.6)	(590.6)
Depreciation expense	0.0	(20.3)	(20.3)
Impairment	0.0	0.0	0.0
Reversals (disposals and scrapping of assets)	0.0	(0.0)	(0.0)
Foreign-exchange variation	0.0	(6.7)	(6.7)
Transfers and others	0.0	(0.0)	(0.0)
Accumulated amortization as of December 31, 2024	0.0	(617.7)	(617.7)
Net value as of June 30, 2024	482.7	107.4	590.1
Net value as of December 31, 2024	492.4	99.5	591.9

Goodwill

The Group's goodwill results from acquisitions related to the geostationary satellite business. This goodwill is therefore monitored at the level of Eutelsat's operating segments, based on the cash flows from the geostationary satellite business.

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.

No impairment has been recognised in the period.

Depreciable assets

Concerning the impairment tests carried out in respect of the satellites as of December 31, 2024, the cash flows used are based on an updated version of the five-year business plan for the Group approved by the Board of Directors on 13 February 2025, then on the cash flows extended until the end of life 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.

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	6,391.0	607.5	357.6	7,356.1
Acquisitions	1.1	4.6	47.6	53.3
Disposals	0.0	(0.9)	0.0	(0.9)
Scrapping of assets ⁽¹⁾	(213.0)	(0.9)	0.0	(213.9)
Foreign-exchange variation	29.3	1.7	0.6	31.6
Transfers and others ⁽²⁾	227.2	8.1	(250.5)	(15.2)
Gross value as of December 31, 2024	6,435.7	620.0	155.3	7,211.0
Depreciation and impairment				
Accumulated amortization as of June 30, 2024	(3,576.9)	(433.0)	-	(4,009.9)
Depreciation expense	(159.6)	(19.4)	0.0	(179.0)
Impairment	(114.7)	0.7	0.0	(114.1)
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	(20.2)	(1.0)	0.0	(21.2)
Transfers and others	0.0	0.0	0.0	0.0
Accumulated amortization as of December 31, 2024	(3,662.9)	(451.8)	0.0	(4,114.7)
Net value as of June 30, 2024	2,814.1	174.5	357.6	3,346.3
Net value as of December 31, 2024	2,772.8	168.2	155.3	3,096.4

(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 which was launched during the period as outlined in section 2.3.

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	63.9	812.9
New contracts	0.0	0.4	0.4
Modifications and early terminations of contracts	(9.3)	(0.2)	(9.5)
Scrapping of assets	0.0	0.0	0.0
Foreign-exchange variation	0.0	0.2	0.2
Gross value as of December 31, 2024	739.7	64.3	804.0
Depreciation and impairment			
Accumulated depreciation and impairment as of June 30, 2024	(478.6)	(35.5)	(514.1)
Depreciation expense	(22.8)	(3.6)	(26.3)
Impairment	(2.5)	0.0	(2.5)
Reversals (modifications and early terminations of contracts)	5.5	0.2	5.6
Reversals (scrapping of assets)	0.0	0.0	0.0
Foreign-exchange variation	0.0	(0.1)	(0.1)
Accumulated depreciation and impairment as of December 31, 2024	(498.4)	(38.9)	(537.3)
Net value as of June 30, 2024	270.5	28.4	298.7
Net value as of December 31, 2024	241.3	25.3	266.6

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 Eutelsat Group S.A. 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 188.4 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	43.2
From 1 to 2 years	41.8
From 2 to 3 years	24.6
From 3 to 4 years	10.6
Maturity exceeding 4 years	68.1
Total	188.4

6.2 Investments in associates

As of December 31, 2024, investments in associates represent the equity-accounted value of the company OneWeb Holdings Ltd., and the result from associates corresponds to Eutelsat S.A.'s share in the result of OneWeb Holdings Ltd.

(in millions of euros)	30 June 2024	31 December 2024
Equity interests at the opening date	501.2	356.6
Change in scope	(0.4)	0.0
Purchases of shares	0.0	0.0
Share of result of associates	(154.0)	(71.1)
Translation adjustment	9.8	7.6
Equity interests at the closing date	356.6	293.1

As of December 31, 2024, no indicators of impairment had been identified in respect of the Group S.A.'s equity-accounted investment in OneWeb.

The main financial data for the OneWeb Holdings Ltd. sub-group, based on the latest financial statements as of December 31, 2024, are as follows:

(in millions of dollars)	31 December 2024
Net result	(284.8)
Balance sheet	
Non-current assets	4,013.3
Current assets	3,413.9
Shareholders' equity	3,180.7
Non-current liabilities	407.0
Current liabilities	3,839.5

(in millions of euros)	31 December 2024
Group share of net assets	
Net position	1,458.5
Percentage shareholding	22.91%
Group share of net assets	334.1
Goodwill	0.4
Impairment	(41.5)
Carrying amount of Group interests as of December 31, 2024	293.1

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 summarised as follows:

(in millions of euros)	30 June 2024	31 December 2024
Assets		
Accounts receivable	248.5	289.1
Assets associated with customer contracts	45.2	52.0
Costs to fulfil contracts	-	0.0
Costs to obtain contracts	4.9	4.9
Total current and non-current assets	298.5	346.0
<i>Including non-current portion</i>	<i>37.4</i>	<i>40.7</i>
<i>Including current portion</i>	<i>261.1</i>	<i>305.3</i>
Liabilities		
Financial liabilities - Guarantees and commitments received	31.1	31.1
Liabilities associated with customer contracts	383.0	386.1
Total current and non-current liabilities	414.1	417.2
<i>Of which non-current portion</i>	<i>304.0</i>	<i>291.6</i>
<i>Of which current portion</i>	<i>110.1</i>	<i>125.6</i>

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	120.0	127.4
Matured receivables between 0 and 90 days	46.5	62.6
Matured receivables between 90 and 365 days	50.9	49.4
Matured due for more than 365 days	143.2	160.2
Impairment	(112.1)	(110.5)
Total	248.5	289.1

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	112.1
Net allowance (reversal)	6.8
Reversals (used)	(8.9)
Foreign exchange variations	0.5
Value as of December 31, 2024	110.5

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	420.1	476.2
Cash equivalents	411.9	202.1
Total cash and cash equivalents	832.0	678.3

As of December 31, 2024, cash equivalents include 476.1 million euros in subscriptions to open-ended investment companies and 202 million euros in term deposits.

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
Bond 2025	2.00%	176.6	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
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)		2,357.6	2,181.0	
Loan set-up fees and premiums		(21.2)	(18.4)	
Total of debt (non-current portion)		2,336.4	2,162.6	
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
Accrued interest not yet due		36.0	22.3	
Total debt (current portion)		139.0	301.9	
Total		2,475.5	2,464.5	

The term loan and Capex financing line are subject to a financial covenant which stipulates a total net debt to adjusted EBITDA ratio of less than or equal to 4.00 for1.

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 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.

The credit agreements include neither a guarantee by the Group nor a pledge of assets in favour 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 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 S.A. formally obtained authorization from the various groups of lenders concerned to proceed with the partial sale of its passive ground segment infrastructures. Following these authorizations, and the obtention of authorizations of the same nature by Eutelsat Communications and Network Access Associates Ltd., 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.

As of December 31, 2024, Eutelsat S.A. has a confirmed and syndicated credit line for an aggregate undrawn amount of 450 million euros. This credit line is subject to a bank covenant that is similar in nature to those applying to the term loan and Capex financing line. This line benefits from two extension options of one year apiece, subject to the agreement of the lending banks.

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
EIB term loan	200.0	-	200.0	-
Capex financing line	284.0	103.0	181.0	-
Bond 2025	177.0	176.6	-	-
Bond 2027	600.0	-	600.0	-
Bond 2028	600.0	-	600.0	-
Bond 2029	600.0	-	600.0	-
Total	2,461.0	279.6	2,181.0	-

6.4.3 Net debt

The net debt breaks down as follows:

(in millions of euros)	30 June 2024	31 December 2024
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	42.8
Lease liabilities	275.8	254.7
Gross debt	2,759.9	2,758.1
Cash and cash equivalents	(832.0)	(678.3)
Net debt	1,927.9	2,079.8

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
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
Lease liabilities	275.8	(17.2)	(4.0)	-	0.1	-	254.7
Total	2,759.9	(17.2)	(4.0)	0.0	0.1	19.3	2,758.1

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	508.5	799.4
Total	514.3	804.1
<i>Of which current portion</i>	<i>108.1</i>	<i>11.2</i>
<i>Of which non-current portion</i>	<i>406.2</i>	<i>792.9</i>

The other debts and financial liabilities break down as follows:

(in millions of euros)	30 June 2024	31 December 2024
Lease liabilities	278.8	257.2
Other liabilities	44.8	59.3
Payables to fixed asset suppliers	35.6	28.5
Derivative financial instruments	41.7	76.8
Liabilities for social contributions	49.1	34.6
Tax liabilities	11.9	8.2
Total	461.9	464.6
<i>Of which current portion</i>	<i>210.6</i>	<i>236.4</i>
<i>Of which non-current portion</i>	<i>251.3</i>	<i>228.2</i>

Lease liabilities include accrued interest of 2.5 million euros as of December 31, 2024 and 3.0 million euros as of June 30, 2024.

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. As of June 30, 2024, current payables to fixed asset suppliers amounted to 35.6 million euros and there were no non-current payables to fixed asset suppliers. As of December 31, 2024, current payables to fixed asset suppliers amounted to 28.5 million euros and there were no non-current payables to fixed asset suppliers.

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.

Excepting 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

As of December 31, 2024, the share capital of Eutelsat S.A. was composed of 1,013,162,112 ordinary shares, with a nominal value of 0.65 euro per share. There were no movements during the half year ended 31 December 2024.

6.6.2 Dividends

The Eutelsat S.A. Group did not propose the distribution of a dividend to the Ordinary General Meeting of Shareholders of 15 October 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	8.7
Balance as of December 31, 2024	201.7

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	Allowance	Reversal		Reclassified	Recognized in equity	31 December 2024
			Used	Unused			
Financial guarantee granted to a pension fund	18.3	0.3	(5.4)	-	-	9.5	22.6
Retirement benefits	9.6	0.6	(0.2)	-	-	0.3	10.3
Other post-employment benefits ⁽¹⁾	4.6	0.1	-	-	0.2	-	4.9
Total post-employment benefits	32.5	1.0	(5.6)	-	0.2	9.8	37.8
Commercial, employee-related and tax litigation	7.3	1.5	(0.7)	(0.1)	0,0	-	8.1
Total provisions	39.8	2.5	(6.3)	(0.1)	0.2	9.8	45.9
<i>Of which non-current portion</i>	32.5						37.8
<i>Of which current portion</i>	7.3						8.1

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

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

There were no material events taking place between 30 June 2024 and the date on which the Board of Directors approved the interim financial statements for the six months to 31 December 2024.