ANNUAL REPORT 2021

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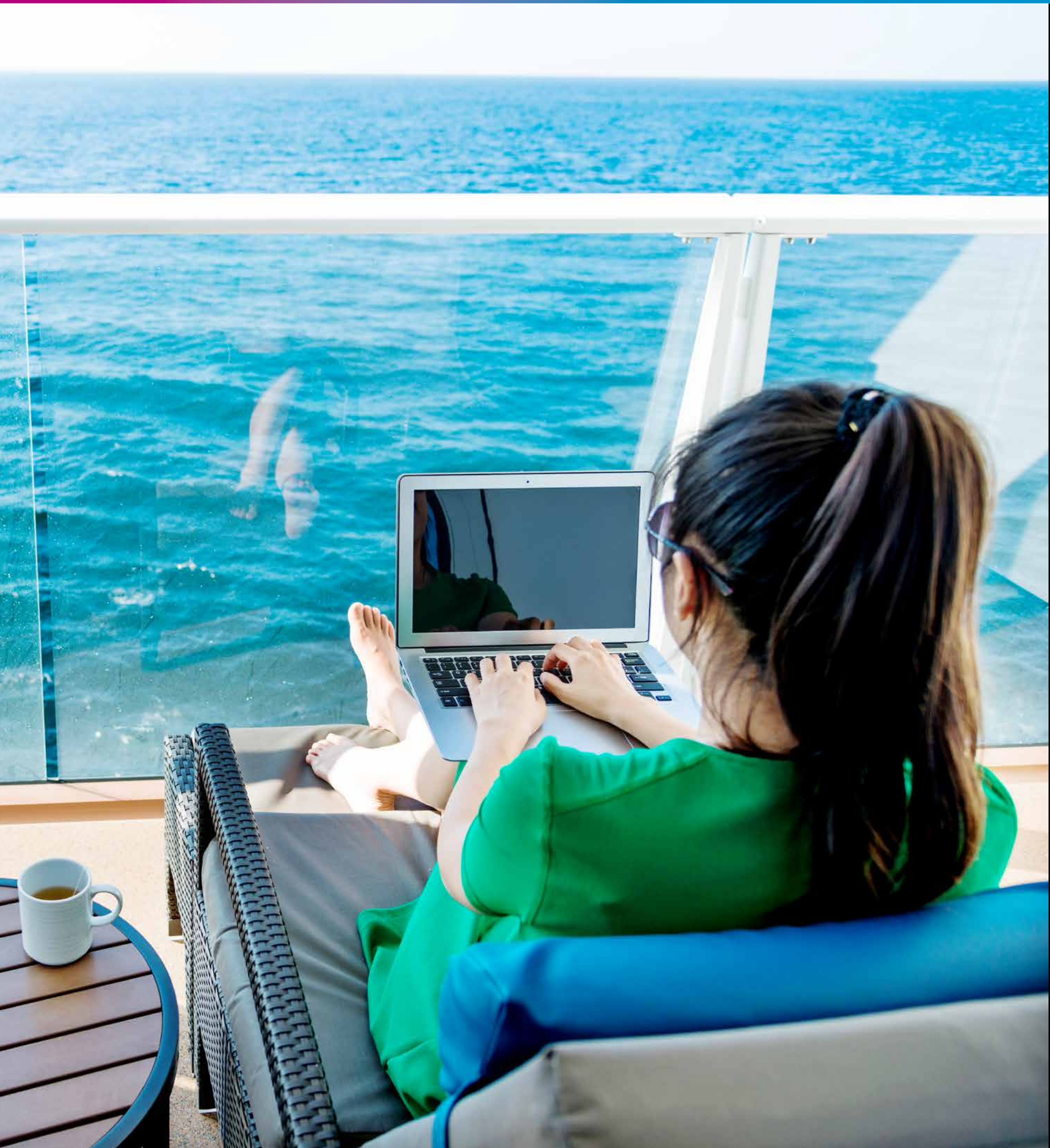

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OPERATIONAL & STRATEGIC REPORT

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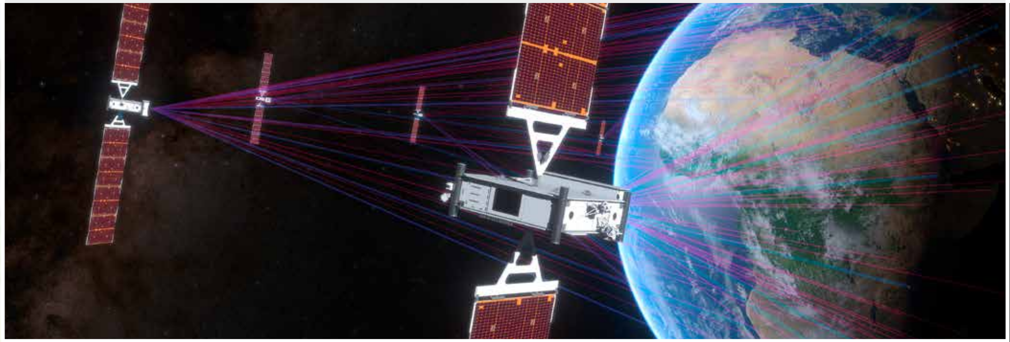
OUR COMPANY

EMPOWERING BILLIONS OF STORIES

SES is more than a 'satellite operator'. We are a leader in global content connectivity solutions

DOING THE EXTRAORDINARY IN SPACE

Our unique and seamlessly integrated multi-orbit network covers 99% of the world's population



CREATING CHANGE WITH YOU

We deliver amazing experiences everywhere on Earth and solutions that matter

REAL INNOVATION FOR REAL PROGRESS

Our next-generation constellation and differentiated offerings will enable a truly connected world

OUR EQUITY STORY

1 INDUSTRY LEADER

Over 35 years of success serving the world's major businesses, governments, and institutions

Track record of sustainable innovation and being 'the first'

€1.8B
2021 group revenue

>355M
TV homes served by SES

2 STRONG GROWTH OUTLOOK

Rapidly growing demand for content and connectivity everywhere

Intelligent multi-orbit global network and profitable video neighbourhoods

+10%
CAGR[1] expected industry growth, 2021–2030

>99%
of land, sea and air covered by SES

3 PROFITABLE EXECUTION

High EBITDA margins and focus on managing discretionary costs

Strong, long-term cash flow generation profile

~60%
Adjusted EBITDA margin

€5.2B
2021 fully protected contract backlog

4 MAKING A DIFFERENCE

We enable people to access media and entertainment anywhere

We help to connect the unconnected everywhere

>1B
people rely on SES everyday

11 of 17
UN SDGs supported by what we do

5 ATTRACTIVE TOTAL SHAREHOLDER RETURN

Disciplined growth investment and low replacement CapEx needs

Focus on maintaining strong balance sheet metrics

Substantial monetisation from US C-band in 2021 and 2023

GROWTH
in EBITDA and Free Cash Flow from 2023

€0.50
2021 proposed dividend per A-share

1 Source: Northern Sky Research (June 2021)

OUR BUSINESS MODEL & PRIORITIES

1 BOLD PURPOSE

We do the EXTRAORDINARY in space to deliver AMAZING experiences EVERYWHERE on Earth.

WE SEE SIGNIFICANT DEMAND for content connectivity solutions around the world, where the satellite – and SES – will play a major role.

WE WANT TO HARNESS THE POWER OF SPACE to help connect more people in more places with content that educates and entertains, protects populations, drives business forward, enriches lives, and empowers personal stories.

WE AIM TO ENABLE OUR CUSTOMERS to solve critical connectivity challenges and deliver media experiences using our unique, global, space-based infrastructure.

2 COMPELLING CAPABILITIES

We benefit from two market-leading businesses and strong common fundamental capabilities.

UNPARALLELED REACH underpinning large, profitable, and resilient Video neighbourhoods.

UNIQUE MULTI-ORBIT NETWORK offering compelling scale, flexibility, and performance.

ACCESS TO GLOBAL SPECTRUM with priority access to equatorial MEO spectrum.

OPEN INNOVATION APPROACH with partners to drive productivity, flexibility, and reduce cost.

DISCIPLINED FINANCIAL POLICY built on strong balance sheet metrics and cash flow generation.

DIVERSE AND TALENTED ORGANISATION with people who are experts in their fields.

3 CLEAR PRIORITIES

We aim to deliver a profitable and growing business that makes a positive contribution to all.

LEVERAGE AND SCALE OUR UNIQUE INFRASTRUCTURE to reinforce our prime video neighbourhoods and profitably scale our intelligent, multi-orbit network in high value segments.

DELIVER SOLUTIONS THAT DRIVE OUR CUSTOMERS' SUCCESS with products and services that enable them to grow sales, reduce cost, and/or make a positive impact.

MAKE SATELLITE MAINSTREAM through seamless integration of satellite within the broader global network ecosystem, including enabling cloud adoption on a global scale.

PURPOSE-DRIVEN ORGANISATION AND CULTURE focused on profitable execution, sustainable innovation, and leaving SES – and the World – in a better place.

4 STRONG VALUE CREATION

We aim to deliver compelling value for all stakeholders and make a difference on Earth.

CUSTOMERS: our customers are part of our family and their success is also our success.

EMPLOYEES: we want to unleash the full potential and passion of the entire SES family, making SES a great place to work.

SHAREHOLDERS: we strive to deliver an attractive combination of sustained capital growth and income return for shareholders.

SOCIETY: we want to raise up the human experience, ensure that everyone is connected to the world's content, and use our business to make a difference.

2021 BUSINESS HIGHLIGHTS

ANOTHER YEAR OF STRONG EXECUTION

2021 revenue and adjusted EBITDA were both delivered in line with our financial outlook

FIRST $BILLION EARNED FROM C-BAND IN THE US

In 2021, we completed the first of two phases of clearing US C-band spectrum to facilitate 5G deployment

$900M+ BACKLOG SIGNED FOR SES-17/O3B MPOWER

Underpinning our expectation of growing Revenue, Adjusted EBITDA, and Free Cash Flow from 2023 onwards

€275M RETURNED TO SHAREHOLDERS IN 2021

Through maintaining our dividend commitment and completion of a share buyback programme

2021 FINANCIAL HIGHLIGHTS

€1,782M
Group revenue

2020:
€1,876M

€1,091M
Adjusted EBITDA

2020:
€1,152M

€323M
Adjusted Net Profit

2020:
€191M

2.9 TIMES
Ratio of Adjusted Net Debt to Adjusted EBITDA

2020:
3.0 times

LETTER FROM THE CHAIRMAN

Frank Esser

Chairman of the
SES Board of Directors

Against the backdrop of the exceptional circumstances caused by the COVID-19 global pandemic, I am delighted to report that our company has delivered another strong commercial and financial performance in 2021 and, on behalf of the entire SES Board of Directors, would like to thank everyone at SES for their commitment, perseverance, and dedication.

Group revenue and Adjusted EBITDA were both firmly in line with our objectives, Adjusted Net Profit substantially up from last year, while leverage is at the lowest level for six years. In addition, SES recorded almost $1 billion income from the successfully completed first phase of accelerated C-band clearing, and increased the revenue backlog associated with our future growth investments to over $900 million.

Every day, over a billion people across the world rely on SES for their video programming and our video business, representing 59% of total revenue, delivered an improving performance trajectory this year. The unparalleled reach of our prime video neighbourhoods is consistently recognised and appreciated by our customers – the world's leading broadcasters, platform operators, and content owners – in the sizeable, long-term financial commitments they are making to SES.

Since 2017, our Networks business has grown by almost 30% and now represents 41% of total revenue. Given the challenges that the global pandemic continues to present to our customers and their businesses in our main growth segments, SES' ability to maintain revenue year-on-year was a commendable outcome and reflective of our unique value proposition for major commercial, government, and institutional clients – a value that will ensure our Networks business returns to growth in 2022 and beyond.

2021 marked a major landmark in our US C-band repurposing effort with the completion of phase one and the receipt of almost $1 billion in cash payments. These proceeds will be fully used to strengthen the balance sheet given the important year of growth investment ahead with SES-17 and the first O3b mPOWER satellites. Our fully dedicated C-band team is now focused on phase two and is working with our customers and partners to deliver on the timelines laid down by the FCC. We are on track to complete this work towards the end of 2023 and to receive the full $3 billion from the second phase of incentive payments, which the Board intends to utilise in the most optimal way for the benefit of shareholders.

In keeping with the Board's commitment to shareholder return, the company returned €275 million to shareholders in 2021, including a share buyback programme of €94 million that underscores the Board's confidence in the long-term fundamentals of the business and the view that our market valuation does not reflect the underlying value of the company.

The Board is proposing a 2021 dividend of €0.50 per A-share to be approved at our Annual General Meeting on 7 April 2022. This proposed dividend would represent an increase of 25% in the minimum base dividend reflecting the strong cash-generating profile of the business and consistent with the policy of maintaining a stable to progressive dividend policy.

In last year's Annual Report, I discussed the Board's firm commitment to our Environmental, Social, and Governance (ESG) agenda, with SES possessing both the tools and the conviction to help making the world a better place for all. I am delighted to share our ambitious ESG strategy, focused on four key pillars – ensuring the secure and sustainable use of space; bold climate action, including a commitment to carbon NetZero by no later than 2050; increasing diversity and inclusion in the industry, starting with SES; and using our global content and connectivity solutions to meet critical human needs.

Our purpose at SES – to do the extraordinary in space to deliver amazing experiences everywhere on Earth – is inspiring, compelling, and a main reason to be with SES on this journey for myself and the rest of the SES Board of Directors.

Looking forward, our company is incredibly well positioned to push ahead as the industry leader, profitably grow the business, create long-term shareholder value, and make a meaningful contribution to the lives of people and communities all over the globe.

Finally, I would like to take this opportunity to welcome our new Board member, Jacques Thill, and to also thank our out-going members – Tsega Gebreyes, Serge Allegrezza, and Paul Konsbruck who step down from the Board – for their immeasurable contribution to our company.

Frank Esser
Chairman of the SES Board of Directors

LETTER FROM THE CHIEF EXECUTIVE

Steve Collar

Chief Executive Officer

STRONG PERFORMANCE IN 2021

After a year like no other in 2020, the challenges induced by the COVID-19 global pandemic remained ever-present in 2021 for our business, our customers, and our employees. I am tremendously proud of the way the entire SES community stepped up to support our customers, enhance our reputation for exceptional products and services, and once again deliver a strong operational and financial performance.

For the year ended 31 December 2021, we generated €1.8 billion of revenue and €1.1 billion of Adjusted EBITDA while our laser-focus on all the cost lines resulted in a 69% year-on-year growth in Adjusted Net Profit.

We signed more than €1.2 billion in customer deals during the year from the combination of renewals and new business wins which demonstrated the commercial appeal of our prime video neighbourhoods, unique multi-orbit network offering, and value-added products and services.

After two years of expected higher-than-normal declines in our video business, I am pleased to report that we now seeing the evidence of the curve flattening with an excellent revenue outturn of over €1.0 billion which exceeded our expectations for the year. The lasting value of our video business lies in the reach of our core neighbourhoods, serving over 355 million TV households every day, borne out by the important contract extensions that we secured with our key customers throughout the year.

Satellite is by far the most reliable and cost-effective means of distributing quality content in High Definition and Ultra High Definition, and this is reflected in the 6% year-on-year growth to more than 3,100 total HD TV channels carried across the SES network, more than any other satellite operator.

2021 was also a successful year HD+, our consumer business in Germany, where we grew revenue, implemented a price increase, increased the average number of paying subscribers, and made the platform truly hybrid by adding to the overall offering with the introduction of HD+ ToGo and HD+ IP, products that will continue to grow our B2C reach.

On the Networks side, the extended COVID environment continued to impact our customers and dampen growth, notably in the commercial aviation and cruise segments. Notwithstanding this, the strength of our unique multi-orbit (MEO-GEO) capability ensured that we were able to deliver €735 million in revenue for the year, the same level as a year ago with some growth evident in the second half. In our high value government segment, we secured important commercial wins to support communications and morale, welfare, and recreation missions aboard large naval vessels, as well as other government agencies and institutional clients. Meanwhile, our Fixed Data continued to secure new business with major telcos, mobile network operators, and cloud partners.

IMPORTANT PROGRESS TOWARDS DELIVERING PROFITABLE, LONG-TERM GROWTH

Our business requires long-term investments necessitating substantial upfront capital and relatively long lead times as satellites are manufactured, launched and brought into service before revenues can be generated, with returns then delivered through the operation of the satellites over more than a decade.

Since our last satellite launch in the middle of 2018, we have been investing in the ongoing growth in our networks business, specifically in the development of SES-17, a state-of-the-art high throughput satellite (HTS) for the Americas, and O3b mPOWER, the follow-on to our highly successful Medium Earth Orbit constellation, O3b. Together, these assets will not only form the bedrock of our seamlessly interoperable, intelligent, and cloud-enabled network of the future, but will be a key driver of revenue, EBITDA, and free cash flow growth starting in 2023.

Following a successful launch in November 2021, SES-17 is already well on its way to orbit and will start serving customers, including the Thales Avionics as the anchor client, from the middle of 2022. SES-17 will be joined in space by the first six satellites for the O3b mPOWER constellation from the middle of 2022 with start of commercial service slated for the end of 2022.

We have signed agreements totalling over $900 million in gross backlog, up by 60% from the end of 2020, underscoring the considerable customer interest in the high throughput, high flexibility services that these investments will deliver and I expect this backlog to continue to growth as we approach the start of service.

UNLOCKING SUBSTANTIAL VALUE FROM CLEARING US C-BAND FOR 5G

After a considerable effort on the part of our dedicated C-band team, as well as the supporting colleagues, partners, and providers, we were delighted to receive confirmation from the FCC of our successful clearing of the first 120 MHz of US C-band spectrum in advance of the 5 December 2021 deadline, paving the way for the 5G deployment in the US and the payment of our first accelerated relocation payment, totalling almost $1 billion, which we received between late December 2021 and early January 2022.

The SES team is now fully focused on the clearing of the full 280 MHz of spectrum for 5G ahead of the 5 December 2023 clearing deadline and this phase two clearing remains fully on track. In doing so, we will earn the second accelerated relocation payment of almost $3 billion while also ensuring a smooth transition for our video customers, who will continue to rely on the upper portion of the C-band spectrum for the delivery of critical broadcast services to some 120 million households across the US.

DRIVING LONG-TERM SHAREHOLDER VALUE

Exponentially growing demand for global content and connectivity solutions is set to propel our industry forward over the course of the decade, and we are positioning SES to retain the leadership standing that the company has enjoyed for over 35 years.

Having executed well in 2021 and delivered an excellent set of results, in 2022 we will continue to leverage the strength of our video neighbourhoods through an improving revenue trend while networks will grow on the back of momentum in government and mobility, buoyed by the activation of SES-17 and ahead of the introduction of O3b mPOWER.

Beyond 2022 we will see top line and EBITDA expansion driven by our growth investments while beyond our investment peak we will be in a substantially lower CapEx environment, generating strong cash flows on a sustaining basis and augmented by $3 billion dollars in C-band proceeds in late 2023. All of this will drive substantial value for SES and our shareholders.

The strategic importance of space has never been clearer, reflected in the announcement by the European Commission of a secure and sovereign multi-orbit space architecture for the benefit of Europe and its citizens, an initiative that is consistent with our architecture, our capabilities, and our vision as the world's largest satellite operator.

Finally, we have laid out a bold ESG agenda focusing on four key areas of upmost importance to SES – Sustainable Space, Climate Action, Diversity & Inclusion, and the empowering of communities through the focus on Critical Human Needs.

To sum up, we are executing strongly in the core of our business, bringing highly innovative and differentiated assets to market at the right time to drive growth, we have one of the strongest balance sheets in the industry, and have laid out a bold and exciting vision for the future of SES and for the industry.

Steve Collar
Chief Executive Officer

OUR MARKETS & OUTLOOK

$30B
expected annual satellite industry revenue by 2030[1]

+10%
CAGR expected growth in annual satellite industry revenue from 2021 to 2030[1]

~$50B
of cumulative satellite industry video revenue from 2021 to 2030[1]

4x GROWTH
expansion in annual satellite industry networks revenue between 2021 and 2030[1]

1 Source: Northern Sky Research (June 2021)

VIDEO BROADCASTING MARKET TRENDS & INDUSTRY OUTLOOK

Linear TV programming remains key to customer success

Consumer demand for more HD and UHD content is expanding

Globalisation of Video content and growing demand for new TV content across emerging markets

Changing media consumption patterns will reduce total number of satellite TV channels

Terrestrial networks expanding broadband coverage in urban areas

Broadcasters' business models evolving

Broadcast and video contribution services have been the bedrock of satellite industry revenue for decades. Satellite represents the most reliable and cost-effective platform for the delivery of linear TV content which represents a significant source of income for the world's broadcasters, free-to-air platforms, pay-TV platforms, and content owners. By 2025, global linear TV revenue (public TV, pay TV, and advertising) is expected to reach over $400 billion (source: OMDIA, December 2021).

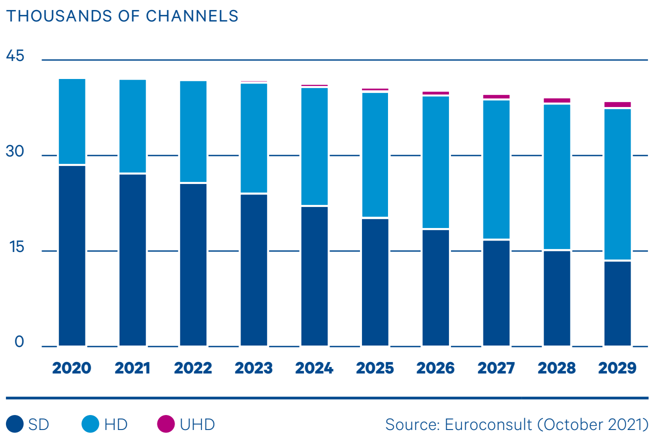
While the globalisation of content, direct-to-consumer offerings by the major brands and the general uptake of on-demand video consumption is shifting the industry's focus from linear to Over-the-Top (OTT), linear broadcast TV remains the most important and profitable revenue source for broadcasters.

The strategic importance of satellite to broadcast stems from its ability to overcome the lack of ubiquitous broadband coverage – or its uneven distribution, deliver shared viewing experiences, and cater to the need for public and independent programming.

Especially in emerging markets, the favourable economics of broadcast, combined with more efficient compression technologies, position satellite well to capture content-hungry consumer markets with increasing spending power where terrestrial network expansion is lagging.

At the same time, increased penetration of High Definition (HD) and Ultra HD (UHD) TV sets drives consumer demand for additional HD and UHD content. From 2021 to 2026, the number of HD or UHD TV sets installed will grow by 21% to over 1.8 billion (source: Dataxis, December 2021).

Global TV channels



Source: Euroconsult (October 2021)

To feed this demand, the number of HD TV channels broadcast via satellite is forecast to grow by 72% to over 24,000 by 2030 while the number of UHD TV channels is predicted to grow from 150 in 2021 to over 800 UHD TV channels in 2030 (source: Euroconsult, October 2021), each more satellite bandwidth than Standard Definition (SD) TV channels to broadcast reliably.

Overall, the number of satellite-delivered TV channels is forecast to decline reflecting changing consumer behaviour that now expect anywhere, anytime, on-any-device reception of video content, leading to fewer standard definition simulcast channels and/or niche content which is migrated online.

To cater to these trends, broadcasters and content owners are changing their business models to hybrid (linear and on-demand) offerings, as well as looking to source solutions, such as cloud playout, that improve operational efficiency and reduce business costs.

NETWORK CONNECTIVITY MARKET TRENDS & INDUSTRY OUTLOOK

Exponentially growing demand for reliable, high-quality connectivity anywhere and anytime

Increasing adoption of Cloud- and Telecom-inspired applications and approaches

High throughput satellite capabilities expanding addressable market while supporting economics

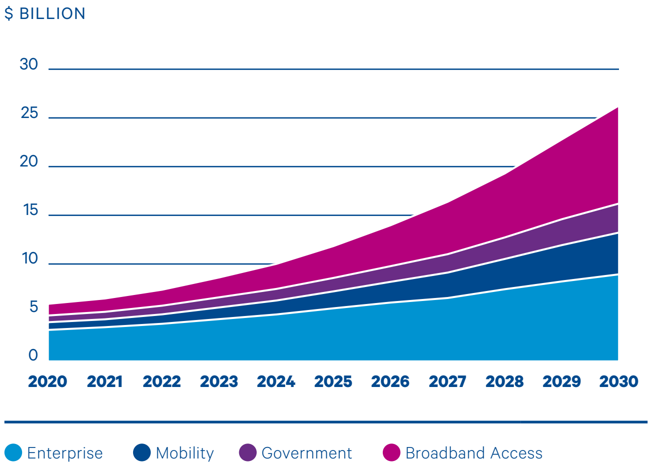
Competition new entrants is increasing

Customer and end-user requirements and service expectations evolving and expanding

Seamless integration between satellite and terrestrial networks is becoming essential

According to Northern Sky Research (NSR), annual networks industry revenue will grow by 3-4 times to $22 billion by 2029 as satellite plays a major role in supporting requirements for universal broadband access, mobile connectivity (commercial and government), and Intelligence, Reconnaissance and Surveillance (ISR) needs.

Global Networks Satellite Capacity Revenue



Source: Northern Sky Research (June 2021)

Fulfilling the global ambition for universal broadband access represents a substantial opportunity for satellite. There are billions of people today still not connected to the internet, many of whom live and work beyond the reach of terrestrial networks.

At the same time, Telecom companies (telcos) and Mobile Network Operators (MNOs) are looking to satellite to extend their network reach through the rollout of 3G, 4G and 5G cellular backhaul as well as community WiFi services. The number of cellular backhaul sites served by satellite is projected to increase by 6% per annum to over 60,000 in 2029, mostly driven by 3G and 4G network expansion (source: Euroconsult, July 2021).

In aviation and maritime segments, Euroconsult estimates that around more than 200,000 vessels and airplanes are operating beyond the reach of terrestrial networks and will require satellite links for continuous broadband connectivity, ranging from small amounts of megabits/second to hundreds of megabits/second … and even gigabits/second in the future (source: Euroconsult, July 2021).

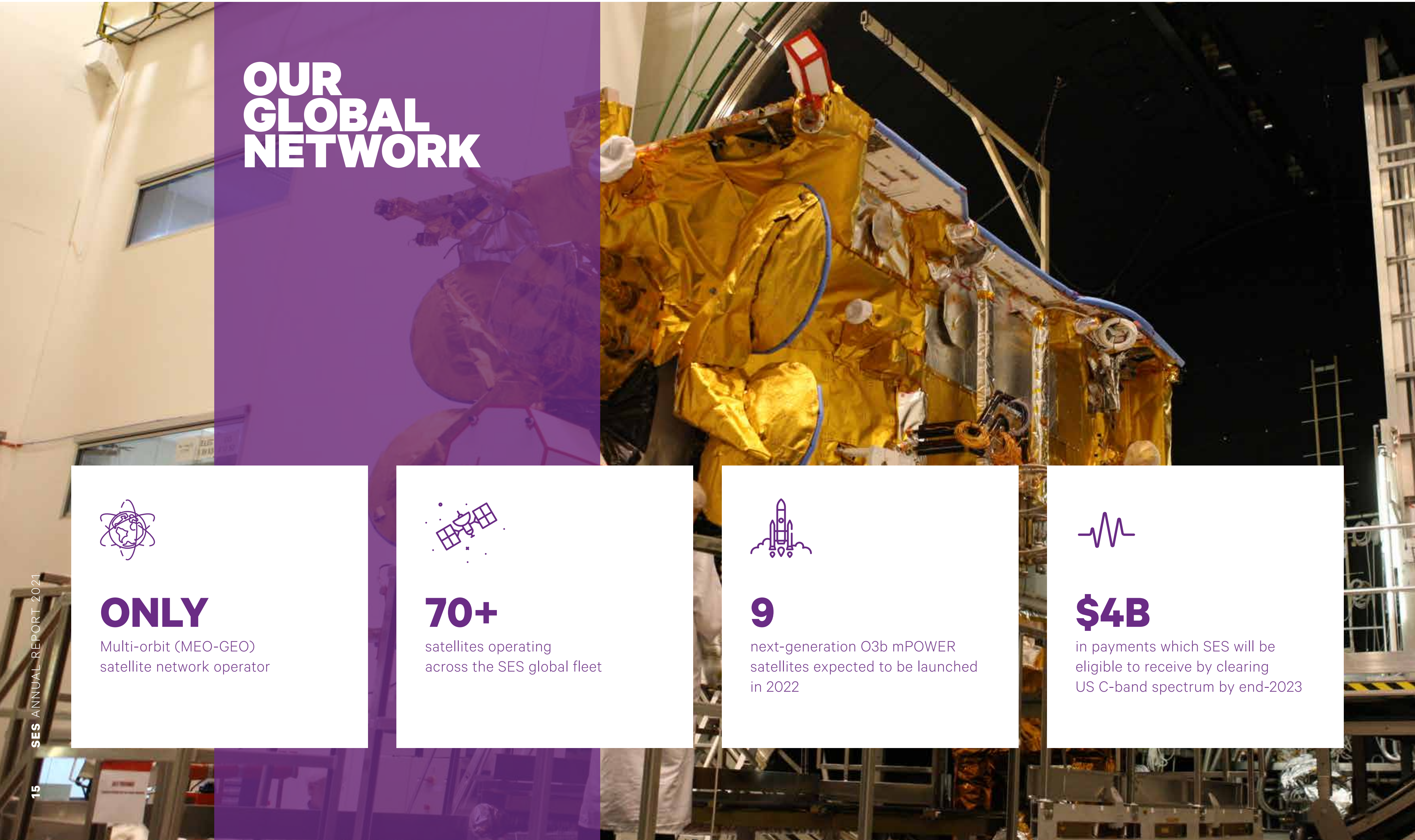
Demand for ISR solutions is also on the rise with governments around the world seeking to deploy more unmanned vehicles with more capabilities, and therefore requiring more bandwidth, for a range of defence- and civilian-related applications. By 2030, each unmanned aerial vehicle (UAV) will require an average of approximately 140 megabits/second of connectivity (source: Euroconsult, July 2021).

For all these demand areas (universal broadband, mobility and ISR), the adoption of cloud computing brings multiple commercial benefits including improved productivity and efficiency, reducing operating costs, as well as bringing new business opportunities. In June 2021, NSR predicted that nearly 72 Exabytes (or 7.2 billion Gigabytes) in cloud data traffic will be delivered via satellite by 2030.

High Throughput Satellite (HTS) systems are highly suitable for most networks applications, offering higher data rates and lower cost of capacity (relative to traditional wide-beam satellites), driving expansion of the addressable market.

While lower latency capabilities offered by Non-Geostationary Satellite Orbit (NGSO) systems are attractive for time-sensitive applications, like voice backhaul and live gaming, NGSO requires more satellites as well as more complex and expensive ground infrastructure compared to GEO HTS.

In the coming years, new HTS capacity is expected to be brought to the market to serve the substantial and growing demand for connectivity. In addition to GEO HTS, new offerings are expected to come from our own Medium Earth Orbit (MEO), O3b mPOWER, constellation as well as from new entrants launching Low Earth Orbit (LEO) systems to serve a variety of different target markets and applications.



OUR GLOBAL NETWORK

ONLY
Multi-orbit (MEO-GEO) satellite network operator

70+
satellites operating across the SES global fleet

9
next-generation O3b mPOWER satellites expected to be launched in 2022

$4B
in payments which SES will be eligible to receive by clearing US C-band spectrum by end-2023

UNIQUE MULTI-ORBIT SATELLITE NETWORK

Satellite offers communication without limits. From space, satellite-based services can provide connections almost immediately and virtually anywhere – on land, at sea, and in the air – without the need for substantial and highly costly infrastructure.

As the leader in global content connectivity solutions, we leverage a vast and intelligent network that spans satellite and ground infrastructure, connecting more people in more places.

Our space segment operates within Geostationary Earth Orbit (GEO) and Medium Earth Orbit (MEO). This provides a unique combination of truly global coverage and high throughput, low latency capabilities.

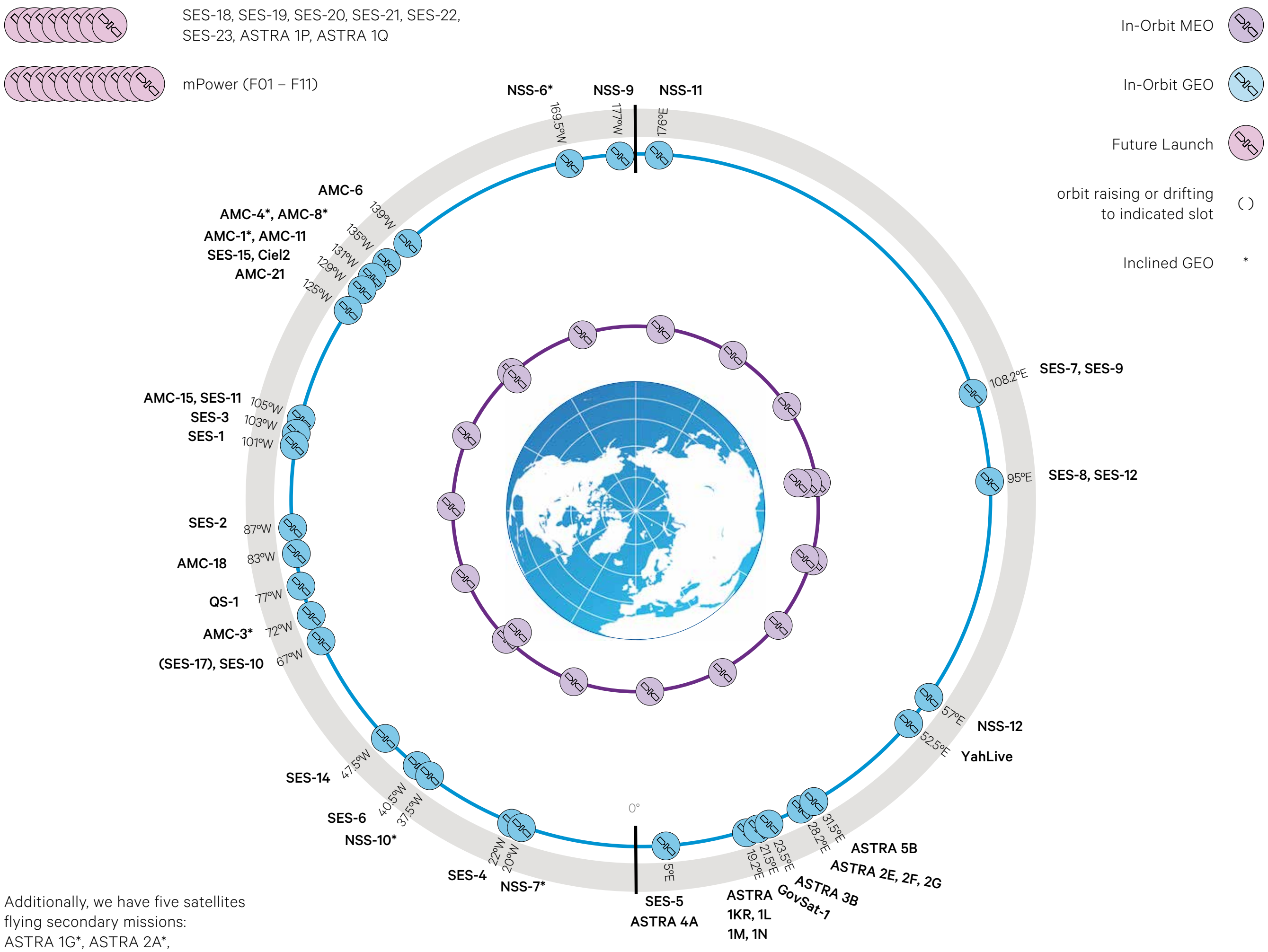
Today, our SES GEO fleet comprises over 50 satellites operating with a combination of C, Ku, Ka, and Xband frequencies. The majority have 'wide beam' payloads where a small number of beams are used to cover a large geographic area.

Three of our satellites (SES-12, SES-14, and SES-15) have a hybrid combination of wide beam and high throughput payloads which carry many smaller beams capable of deploying more bandwidth and throughput to a defined area.

In October 2021, SES-17 was successfully launched on board an Ariane 5 launcher, operated by Arianespace. The satellite has a Ka-band high throughput payload and is expected to begin delivering services for customers in the Americas, the Caribbean and over the Atlantic Ocean from the second half of 2022.

SES operates O3b, a constellation of 20 high throughput Ka band satellites in MEO equatorial orbit. The key advantages of O3b are the capability to scale capacity globally by simply adding more satellites into the MEO orbit, and the ability to serve applications that require low latency which cannot be served by GEO.

SES Fleet in Multiple Orbits as of December 2021



Additionally, we have five satellites flying secondary missions: ASTRA 1G*, ASTRA 2A*, ASTRA 2C*, ASTRA 2D*, ASTRA 3A*

Geostationary Orbit (36,000 km from Earth)
Medium Earth Orbit (8,000 km from Earth)

GLOBAL GROUND NETWORK FOOTPRINT

Our ground infrastructure ensures that customers can gain access to our satellite fleet and capacity from anywhere in the world. To do this, SES combines global network with local presence.

This is done by either 30 SES owned or partner teleports, a comprehensive fibre-based terrestrial network, and numerous points of presence (POP).

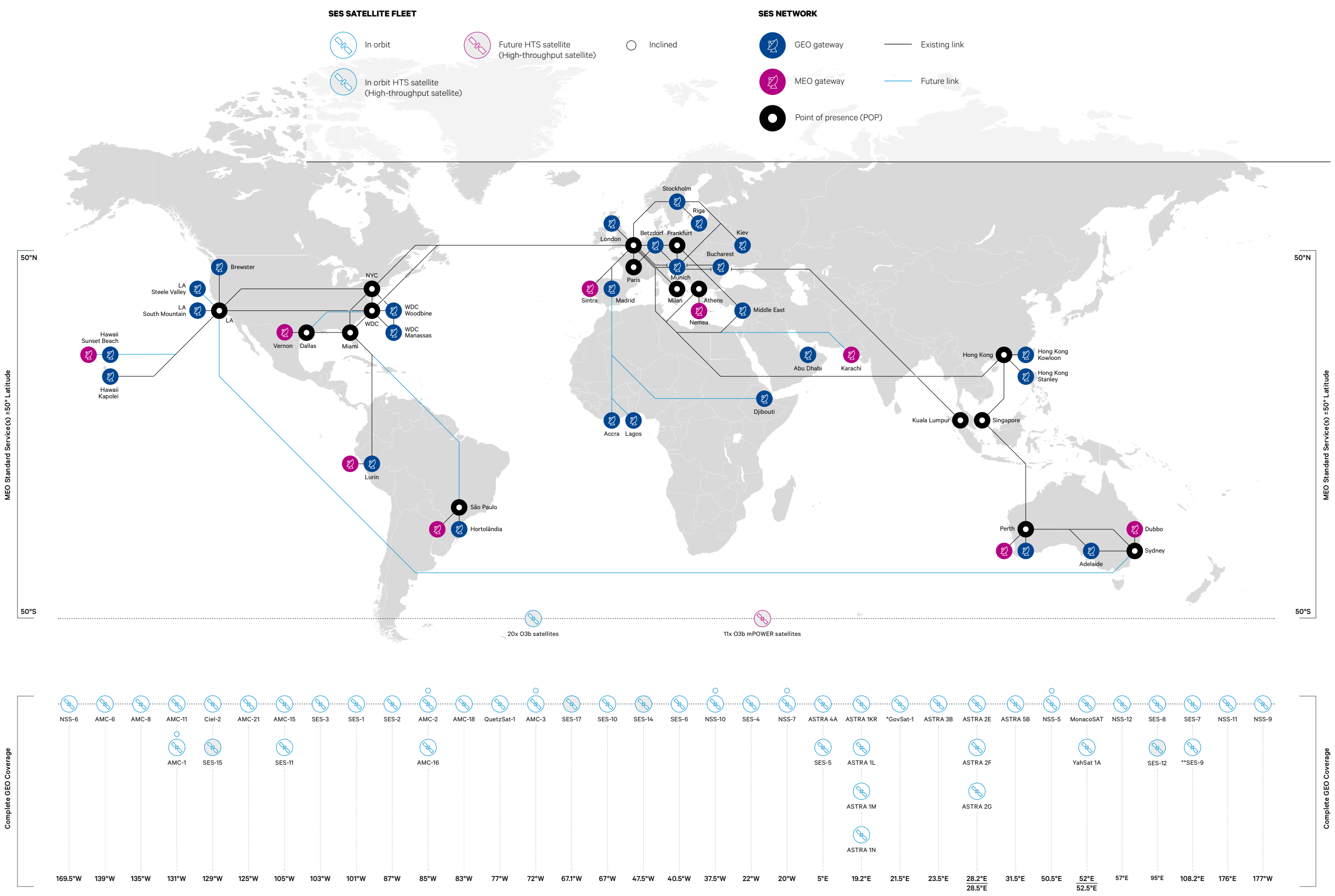
We bring satellite connectivity to the customer by providing seamless access to the satellite fleet and the extensive fibre-based network transports content from any city in the world to any other place in the world via one of SES owned or partner teleports and the six main SES POPs.

Controlling satellites is not a fully automated effort. Our Satellite Operations Centres (SOCs) receive up to 25,000 telemetry parameters per satellite in real time, including the necessary data to determine each spacecraft's position.

Our Network Operation Centres (NOCs) monitor and control all transmissions on the SES network, ensuring that they all perform within tight specifications to maximise the quality and availability of our customers' services.

SES Ground Network

AS OF DECEMBER 2021



ACCELERATING PROFITABLE GROWTH WITH THE NETWORK OF THE FUTURE

SES-17: DEPLOYING OUR MOST ADVANCED AND FLEXIBLE GEOSTATIONARY SATELLITE

Built by Thales Alenia Space and successfully launched by Arianespace on 23 October 2021, SES-17 will deliver broadband connectivity over the Americas, the Caribbean, and Atlantic Ocean.

Thales Avionics is SES-17's anchor customer and will use the satellite to deliver unrivalled connectivity for commercial aviation clients over North America.

SES-17 is a Ka-band High Throughput System (HTS) Geostationary Earth Orbit (GEO) satellite and the first of its kind, having been engineered to give our customers high-speed broadband and more flexibility, wherever they are located – at sea, in the air or on land.

The satellite features almost 200 spot beams, the power of which can be dynamically adjusted in step with our customers' changing requirements. It is also our first satellite to have a totally digital payload, powered by an advanced digital transparent processor (DTP), enabling far greater flexibility and efficiency.

O3B MPOWER: SCALING OUR UNIQUE AND PROVEN MEDIUM EARTH ORBIT CONSTELLATION

Starting in 2022, we will be launching the first satellites for our O3b mPOWER network.

Building on the proven commercial success of our first-generation MEO constellation, O3b mPOWER provides unprecedented flexibility, performance, and scale to extend new, bandwidth-intensive network services and applications – and exponentially more opportunities.

O3b mPOWER is a terabit-level system enabling high performance services that scale to multiple gigabits per second per connection virtually anywhere on the globe.

O3b mPOWER delivers flexible service models by dynamically controlling power levels, throughput, and frequency allocation to reliably meet robust service level agreements.

O3b mPOWER has been engineered with end-user performance requirements as the leading driver and can support a wide range of latency-sensitive services and cloud-based business applications.

In combination with SES-17, O3b mPOWER will form the bedrock of our Network of Future – a vision of a seamless, intelligent, and cloud-enabled satellite-based infrastructure.

This network will strengthen our unique capabilities to deliver flexible and reliable, high performance connectivity solutions anywhere on land, at sea, and in the air.

REALISING OUR VISION OF A SEAMLESS AND INTEROPERABLE MULIT-ORBIT NETWORK

Both SES-17 and the O3b mPOWER constellation will leverage our Adaptive Resource Controller (ARC), a software solution that serves as the brain for the network, which will enable dynamic and automatic traffic allocation in real-time, as well as orbit switching for complete and seamless interoperability between MEO and GEO.

We are also working with various technology partners to roll out next-generation terminals to optimise bandwidth efficiently and dynamically across the two orbits.

In November 2021, SES and Isotropic completed the first ever simultaneous multi-orbit antenna field tests. This industry breakthrough enables satellite end-users to combine the best attributes of all available networks to achieve superior network uptime and application performance.

The Isotropic solution will multiply the performance of single antenna solutions to transform the global appeal of satellite connectivity, ensuring critical defence communications infrastructure and delivering multiple broadband that are highly reliable.

TWO STATE-OF-THE-ART SATELLITES FOR OUR PRIME TV NEIGHBOURHOOD

In November 2021, SES ordered two geostationary Ku-band satellites from Thales Alenia Space for its prime orbital slot at 19.2 degrees East to maintain the premium services it provides to its European video customers and to capture new opportunities in the region.

These two replacement satellites (ASTRA 1P and ASTRA 1Q) are expected to launch in 2024 to replace the four satellites (ASTRA 1KR, ASTRA 1L, ASTRA 1M, and ASTRA 1N) that are currently serving customers at this orbital location.

ASTRA 1P, a classic wide-beam satellite, will support our prime TV neighbourhood and enable content owners, private and public broadcasters across Germany, France, and Spain to broadcast TV channels in the highest quality and most cost-efficient manner.

ASTRA 1Q, a next-generation digital satellite with both wide beams and high throughput spot beams, will not only be able to support direct-to-home operations but will also be customisable on orbit and could be deployed easily to other orbital positions to serve the dynamic needs of both video and data customers into the future.

CREATING VALUE FROM THE CLEARING OF C-BAND SPECTRUM IN THE US

The U.S. Federal Communications Commission (FCC) has carefully developed a plan to clear 280 MHz of C-band spectrum (plus a 20-MHz guard band) for 5G mobile services in the contiguous United States (CONUS) as early as December 2023, with a portion of that spectrum becoming available as early as December 2021.

The C-band is currently used by satellite operators serving U.S. broadcasters and programmers to provide TV and radio to nearly 120 million homes, as well as other critical data transmission services.

The FCC's balanced approach will ensure that C-band spectrum is available quickly without disrupting critical video and audio services.

To deliver on the clearing milestones set out in the FCC's Order, we have procured four satellites (plus two spares) and will be launching them to provide necessary capacity for our existing customers and begin filtering tens of thousands of earth station antennas throughout the United States to prevent interference from new 5G services.

To execute the clearing will require an investment of approximately $1.6 billion, of which approximately $1.5 billion is expected to be reimbursed.

PHASE I CLEARING COMPLETED

With the help of trusted partners across the U.S., we completed all necessary Phase I clearing and relocation activities in advance of the 5 December 2021 deadline.

These activities included relocating all its existing services that are received by Incumbent Earth Stations (IES) out of the 3700-3820 MHz band exclusively in the contiguous United States and making necessary equipment changes on all associated IESs. Accordingly, we have now received the Phase I accelerated relocation payment of $977 million as set out in the FCC final Report and Order.

With the completion of Phase I, we are now fully focused on completing our Phase II transition activities in advance of the December 5, 2023 clearing deadline. Successfully completing the Phase II activities by that deadline would allow us to become eligible for a further accelerated relocation payment of almost $3 billion.

PHASE II CLEARING ON TRACK

We have contracted with Boeing and Northrop Grumman to manufacture four satellites that will be launched during 2022. These four satellites will carry services that must be transitioned to clear the lower 300 MHz of C-band spectrum and mitigate the risk of an in-orbit failure. We also contracted with Thales Alenia Space to manufacture two ground spares necessary to ensure we can meet our clearing obligations in the event one or more of the first four satellites experience a launch or technical issue that makes them inoperable.

At this time, we have completed approximately 30% of the Phase II satellite transitions, which include broadcast TV, cable network services, and other services received in the 3820-4000 MHz range.

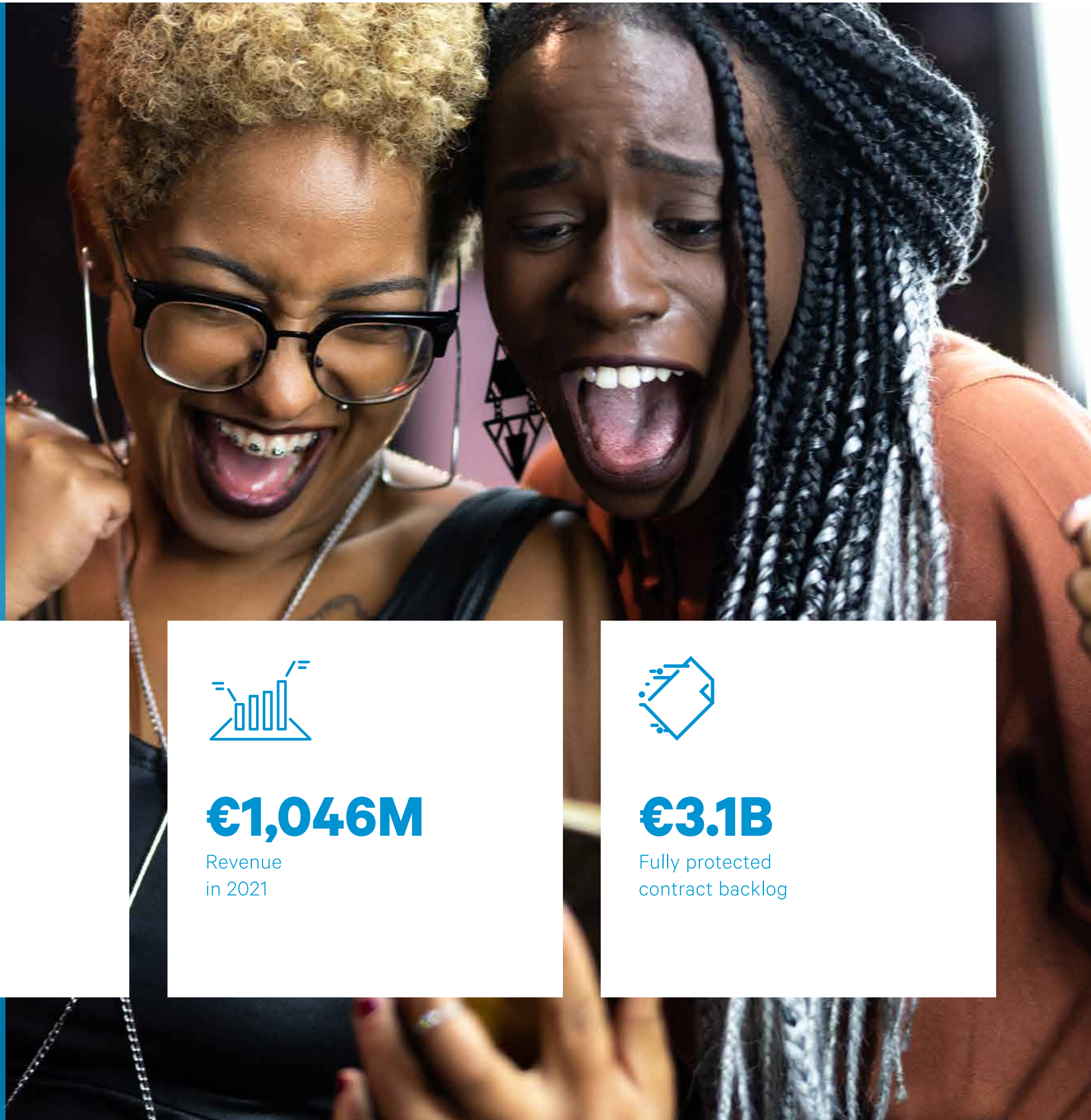
Our installers have completed the installation of blue bandpass filters at approximately 30% of the incumbent earth station (IES) locations associated with SES satellites and we have installed approximately 10% of the antennas associated with our Phase II transition schedule.

All SES-associated IESs designated to receive compression equipment have received their equipment, including IESs receiving services between 3820-4000 MHz. All compressed services were transitioned by 31 October 2021.

Filter installation can only occur after all the services received by the IES in the filter range (3700-3980 MHz for blue filters) have been fully transitioned on the satellite. In some cases, we installed filters for IESs subject to Phase II during our Phase I activities because they were already operating above 4000 MHz or it would reduce the impact on the IES operator.

SES | VIDEO:

MOVING IMAGES THAT MOVE THE WORLD



>355M
TV Homes served

~8,400
TV channels

€1,046M
Revenue in 2021

€3.1B
Fully protected contract backlog

UNPARRELLED AUDIENCE REACH

Video business has an unparalleled reach of more than 355 million households, serving over 1 billion people worldwide with high quality viewing experiences, and delivers managed media services for both linear and non-linear content.

With over 30 years of broadcasting experience, we are experts in designing systems to grow audiences, reduce costs, and maximise operational efficiency.

Our managed services cover the entire media supply chain both on premise and in the cloud. All with a single point of contact.

We are a trusted partner to the world's leading broadcasters, platform operators and content owners. We deliver:

- Linear video aggregation and distribution capabilities to hundreds of millions of direct-to-home (DTH), direct-to-cable (DTC), and Internet Protocol TV (IPTV) households around the world.
- Hybrid video platform solutions which extend online video platform capabilities by combining DTH and over-the-top (OTT) into one seamless user experience and bringing targeted advertisement and audience measurement capabilities to DTH platforms which were so far only possible in the OTT area.
- Channel management solutions, including playout, which combine several products to predefined end-to-end solutions capable of fitting different use cases.

At 31 December 2021, the SES fleet distributed 8,386 total TV channels (up 1% year-on-year) to audiences around the globe. This includes some 3,105 TV channels in High Definition which grew by 6% year-on-year.

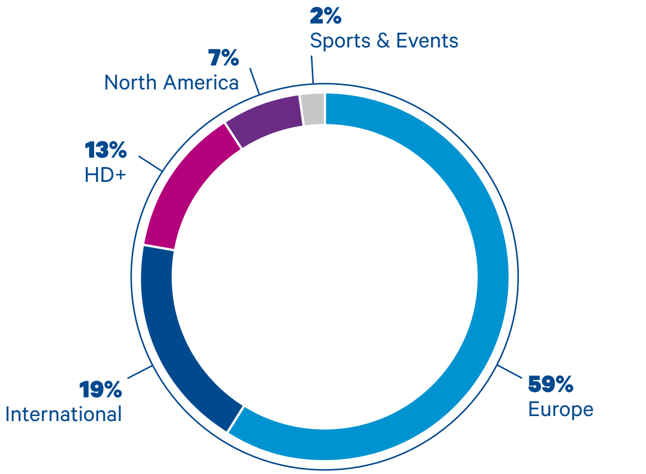
Every day, we manage playout for over 525 channels and deliver over 8,400 hours of online video streaming (including more than 620 hours of premium sports and live events).

2021 PERFORMANCE

For the year ended 31 December 2021, Video generated total revenue of €1,046 million which represented 59% of group revenue.

On an underlying basis (excluding periodic revenue), Video revenue was 4.6% lower (at constant FX) than the previous year, an improved trajectory compared with an 8.0% year-on-year reduction in each of 2020 and 2019.

2021 Video Revenue by Segment



The impact from customers 'right-sizing' volumes in mature markets (Western Europe and the US), lower US wholesale revenue, and the decision to reduce exposure to low margin services activities led to an overall year-on-year revenue reduction, albeit at a much slower pace of decline as compared with the trends in 2020 and 2019.

The initial benefit of the increase in the cost to renew a 12-month subscription implemented in March 2021 and continued growth in the average number of paying subscribers led to year-on-year growth for HD+ in Germany. Looking forward, the full annualised contribution from the price increase and the introduction of new Internet Protocol-based solutions, such as HD+ ToGo (launched in October 2021) and HD+ IP (launched in February 2022), into the market are expected to support the future development of the business.

In addition, International market revenue was flat year-on-year, while revenue from Sports & Events is continuing to recover, with improved performance compared with 2020 which was impacted by cancellations and delays caused by the COVID pandemic.

AMAZING CUSTOMER EXPERIENCES

EXTENDS LONG-TERM PARTNERSHIP WITH SKY WITH MULTI-YEAR AGREEMENT

In February 2021, Sky UK extended its contract with SES for satellite capacity in a new multi-year, multi-transponder agreement which added over €90 million in secured backlog.

This renewal is in addition to capacity already under contract that extends through 2027 and means that, by the end of the renewed contract, Sky UK will have been an SES customer continuously for almost four decades, illustrating the strength and value of the partnership to Sky UK's business in terms of the reliability, performance, high-quality viewing experience and the reach of our satellite services.

As part of the contract, SES will deliver Sky UK's channels in a mix of standard definition (SD), high definition (HD) and ultra-high definition (UHD) from the 28.2/28.5 degrees East orbital slots to the operator's subscribers across the United Kingdom and Republic of Ireland.

> "We're pleased to continue working with SES, a world leader in satellite provision. SES has been a valued partner to Sky for decades and this agreement represents the latest step in a long and successful relationship."

Patrick Behar,
Chief Business Officer at Sky UK

CGTN CHANNELS TO SWITCH TO HD IN SES AND GLOBECAST RENEWAL AGREEMENT

From September 2021, audiences across Europe are now able to watch China Global Television Network (CGTN) channels in high-definition (HD) due to a new capacity agreement.

Globecast, the global solutions provider for media, extended its partnership with SES to deliver three CGTN channels in HD using Globecast's media services and SES's satellites at 19.2 degrees East.

Under the multi-year agreement, Globecast will lease additional capacity at our prime neighbourhood to deliver CGTN News, CGTN Documentary and CGTN French, and will manage the uplinking and contribution services for these channels. After a simulcast period, all three Chinese public broadcaster's channels will broadcast exclusively in HD by the end of the year.

> "As premium broadcast service provider in the European region, when CGTN approached us with their plans to move to HD, our obvious choice was to work with our long-term partner, SES, to identify key positions. It's a pleasure to start a new transponder on Astra 19.2 location with 24/7 channel monitoring services to reach large audiences for key public broadcaster like CGTN."

Shakunt Malhotra,
Managing Director-Asia of Globecast

DISH MEXICO TURNS TO SES' ONE-STOP SHOP FOR LINEAR AND ON-DEMAND CONTENT

In November 2021, we announced that long-term customer Dish Mexico will be leveraging both our direct-to-home and over-the-top offerings to deliver greater content choice and seamless functionality to their subscribers and new viewers nationwide. These new multi-year agreements added $85 million in secured backlog.

Dish Mexico selected our Online Video Platform (OVP) solution for its ability to seamlessly integrate linear channels, third-party and on-demand content from multiple sources, eliminating the need to switch between applications and enhancing the viewing experience.

Additionally, Dish Mexico extended their decade long DTH partnership with SES to continue leveraging the QuetzSat-1 satellite to deliver affordable pay-TV services throughout the region.

> "Dish Mexico and SES first introduced an affordable DTH service to the region nearly a decade ago, and today we're leveraging SES's trusted technical expertise to offer a powerful DTH-OTT combination bound to redefine the viewing experience for our two-million-plus subscribers."

Roger Quintin,
GM / Director at Dish Mexico

SES | NETWORKS:

CHANGING LIVES BY CONNECTING PEOPLE

ONLY
Multi-orbit, intelligent, cloud-enabled satellite-based global network

+27%
growth in underlying revenue since 2017

€735M
Revenue in 2021

€2.1B
Fully protected contract backlog

DIFFERENTIATED NETWORKS OFFER

Our Networks business operates the world's only multi-orbit constellation of satellites with the unique combination of global coverage and high performance, low latency MEO system.

By leveraging a vast and intelligent, cloud-enabled network, we provide managed connectivity and data service solutions on a global scale to support a wide range of fixed and mobile applications which allow major Government, Fixed Data (Telco, MNO, and cloud) and Mobility (Aeronautical and Maritime) customers to extend their network reach across the entire world.

SES is the first, and only, satellite operator to have been certified with the Metro Ethernet Forum (MEF) 2.0 industry standard, used to rate the performance of terrestrial networks. By adopting telco- and cloud-inspired practices, we are making it easier for customers to integrate satellite-based networks into the global ecosystem.

Our Networks products and services are focused on delivering secure, reliable, and high performing connectivity to customers across high value Government, Fixed Data, and Mobility segments. We deliver:

- A range of Aero-ISR, Naval connectivity, fixed enterprise, and communications on the move services, catering to a wide range of civilian and defence-related Government connectivity needs.
- Trunking, mobile backhaul, and enterprise services for telecommunications companies (telcos), internet service providers (ISPs), satellite service providers, mobile network operators (MNOs), and enterprises.
- Energy and mining solutions for service providers that support offshore exploration, offshore support vessels, and large production facilities in developing countries.
- Services to connect cruise lines, commercial aviation partners, business jets, and telecom service providers with commercial maritime operations.

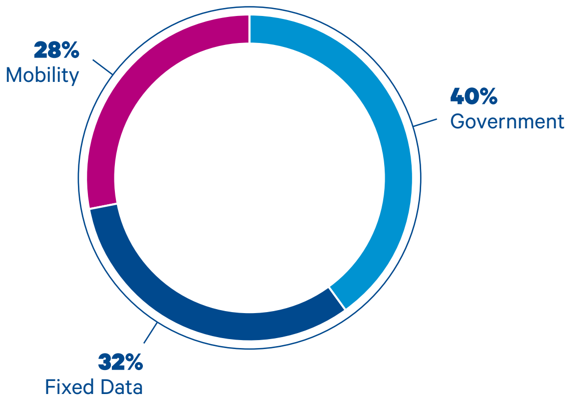
In addition, we offer connectivity to major cloud service providers.

2021 PERFORMANCE

For the year ended 31 December 2021, Networks generated total revenue of €735 million which represented 41% of group revenue.

On an underlying basis (excluding periodic revenue), Networks delivered a resilient performance (up 0.5% year-on-year at constant FX) against the backdrop of an extended COVID-impacted environment.

2021 Networks Revenue by Segment



Our Government business is comprised approximately 60% for multiple defence and civilian US Government agencies while approximately 40% of revenue is generated from a range of global government and institutional clients.

In 2021, the positive contribution from new MEO- and GEO-enabled network and institutional solutions for both the US and Global customers led to year-on-year growth in government revenue compared with 2020. This was partly offset by the cancellation of services during Q3 2021 resulting from the US withdrawal from Afghanistan.

Our Fixed Data revenue is distributed across all key markets including the Americas (nearly 40%), Asia-Pacific region (approximately 20%), Africa and the Middle East (approximately 20%), with the balance from European, Energy, and Cloud customers.

Underlying Fixed Data revenue decreased in 2021 by a low-single digit amount compared with the prior year as lower year-on-year revenue in the Pacific region and wholesale business in Africa was not yet being balanced with the ongoing growth in new business from tier one mobile network operators, notably in the Americas and Asian regions, as well as new revenue in the global cloud segment.

Approximately 55% of Mobility revenue comes from Aeronautical customers (mainly global service providers) with around 45% of revenue generated from the combination of major cruise lines and commercial maritime customers.

In the Mobility segment in 2021, the effects of the COVID pandemic on customers in the commercial aviation and cruise segments resulted in lower revenue compared with 2020. This was partly offset by a positive year-on-year performance in commercial shipping revenues. The long-term fundamentals remain strong with sequential revenue improvement during H2 2021 reflecting recovery in Cruise, as ships return to service, and new business providing additional capacity to commercial aviation customers.

AMAZING CUSTOMER EXPERIENCES

SES GOVERNMENT SOLUTIONS

EXPANDING CRITICAL CONTENT CONNECTIVITY SOLUTIONS FOR THE US GOVERNMENT

During 2021, SES Government Solutions (SES GS), a wholly owned subsidiary of SES, delivered a range of solutions and commercial milestones, enhancing our long-standing relationship as a key partner to the US Government and its various civilian and defence agencies.

Starting in February 2021, SES GS announced the award of a new task order against the single-award Blanket Purchase Agreement with the U.S. Department of Defense to deliver a portable maritime MEO service to support U.S. military personnel overseas which exceeded customer expectations and was ultimately well received.

In May 2021, SES GS expanded its high-throughput, low-latency services in support of mission-essential combatant command requirements. Using the unique combination of our O3b and GEO network, U.S. Government customers can take advantage of the field-proven capabilities to support the provisioning of enterprise-grade services, leveraging our unique MEO constellation.

In July 2021, SES SG was awarded a new contract to support Thule Air Base in Greenland with critical communications capabilities. For over 20 years, SES GS has been the sole provider of satellite communications to the base, overcoming the challenging conditions of operating in an extreme cold weather environment and dealing with unpredictable weather patterns to deliver critical data services and enhanced reliability at the US Government's northernmost base.

orange™

EXPANDING OUR PARTNERSHIP WITH ORANGE TO ENHANCE MARITIME SERVICES

In August 2021, Orange agreed to integrate its own global infrastructure with the global network coverage powered by our Skala Global Platform which will enable Orange maritime customers to cost-effectively scale up their bandwidth with seamless, ubiquitous, and global services.

This latest agreement further strengthened the partnership between the Orange Group and SES. Orange has leveraged our innovative O3b satellite constellation operating in medium earth orbit and geostationary satellites to deliver global fibre-like, low-latency services to their mining customers, as well as deploying cellular services across remote areas of Africa. Orange is also the first announced network operator to adopt O3b mPOWER.

> “At Orange, we continue to believe that satellite is a future-oriented technology and that the many recent innovations in this industry will give it a growing place in the telco area, whether in Africa, in more developed areas such Europe or North America, or in specific industries such as maritime. Therefore, we are glad to reinforce our partnership with SES, as it will add a new component to our overall mission at Orange, that of building intelligent, open and innovative networks to support the digital transformation of our business customers and provide access to digital usage to the largest number of people.”

Jean-Luc Vuillemin, Executive Vice President, Orange International Networks Infrastructures and Services

Microsoft

O3B MPOWER TAPPED BY MICROSOFT FOR AZURE NETWORK CLOUD SERVICES

In August 2021, Microsoft became the first cloud provider customer for our next-generation medium earth orbit system – O3b mPOWER.

Microsoft plans to leverage the MEO high-performance connectivity services to showcase its Azure Orbital solutions that integrate satellite connectivity with Azure services. Microsoft will use our current MEO to provide connectivity now before migrating to O3b mPOWER.

Microsoft's plans to deploy O3b mPOWER at Azure Network locations is another step in the close collaboration between the two companies. SES is co-locating four of its O3b mPOWER gateways at or near Azure data centres; is the founding medium Earth Orbit satellite connectivity partner for Microsoft Azure Orbital; is an Azure ExpressRoute for satellite partner; and is the first satellite operator to implement Open Network Automation Platform (ONAP) on Azure.

> “Utilising SES' medium earth orbit system enhances the power of Azure Orbital and enables us to deliver greater resiliency and comprehensive satellite connectivity solutions for our customers. Our collaboration with SES is key to delivering on our vision of multi-orbit, cloud-enabled capability to meet critical industry needs.”

William Chappell, Vice President of Azure Global, Microsoft

FINANCIAL REVIEW & OUTLOOK

€1,782M
Group revenue
2020: €1,876M

€1,091M
Adjusted EBITDA
2020: €1,152M

+€779M
US C-band contribution to reported EBITDA
2020: €33M net expense

2.9 TIMES
Adjusted Net Debt to Adjusted EBITDA ratio
2020: 3.0 times

€0.50
Proposed dividend per A-share
2020: €0.40 per share

SES regularly uses Alternative Performance Measures (APM) to present the performance of the Group and believes that these APMs are relevant to enhance understanding of the financial performance and financial position. Further information regarding these APMs is provided in >> Note 35 of the Consolidated Financial Statements.

INCOME STATEMENT

Group revenue of €1,782 million was 5.0% lower than the prior year including the negative impact of the weaker Euro to US Dollar foreign exchange (FX) rate which accounted for €41 million of the year-on-year variance. Group revenue included €2 million of periodic and other revenue (2020: €9 million).

Underlying revenue of €1,780 million (excluding period and other revenue) was 2.6%, or €47 million, lower than the prior year (at constant FX) reflecting a reduction in underlying Video revenue (down 4.6% year-on-year), while Networks (up 0.5% year-on-year) delivered an additional €4 million of revenue compared with 2020.

Adjusted EBITDA (excluding restructuring expenses and the financial impact of US C-band repurposing) stood at €1,091 million (2020: €1,152 million) and represented a margin of 61.2% (2020: 61.4%). This included recurring operating expenses of €691 million which were €17 million, or 2.4%, lower (at constant FX) than the prior year.

Adjusted EBITDA excludes restructuring expenses of €8 million, compared with €40 million in 2020, and a pre-tax gain from US C-band repurposing of €779 million (2020: €33 million net expense), including an amount of €839 million from the recognition of the first accelerated relocation payment related to the successful completion of Phase I clearing in advance of the 5 December 2021 deadline.

Depreciation and Amortisation (D&A) expense reduced by 7.0% year-on-year to €670 million.

Successful refinancing of maturing debt at lower rates contributed to a 21.1% year-on-year reduction in net interest expense to €120 million (2020: €153 million), including capitalised interest of €7 million (2020: €5 million). In addition, the group recognised an FX gain of €37 million (2020: €32 million loss).

As a result, Adjusted Net Profit for the year ended 31 December 2021 was €323 million, up from €191 million in 2020, also including the impact of lower recurring income tax expense of €34 million compared with €66 million in 2020.

Adjusted Net Profit excluded (net of tax) the restructuring expenses of €8 million, the US C-band items, and the recognition of €724 million in non-cash impairment expenses, primarily relating to the write-down of goodwill in our North American cash generating unit (CGU) which was triggered largely by the recognition of the income from the first US C-band accelerated relocation payment of €839 million.

CASH FLOW STATEMENT

Free cash flow before equity distributions and treasury activities (FCF) was €876 million (2020: €665 million) as the higher net cash absorbed by investing activities of €283 million (2020: €217 million) was more than offset by the combination of higher net cash generated by operating activities of €1,294 million (2020: €1,049 million) and lower cash interest paid on borrowings of €121 million (2020: €152 million). FCF also included lease payments of €14 million (2020: €15 million).

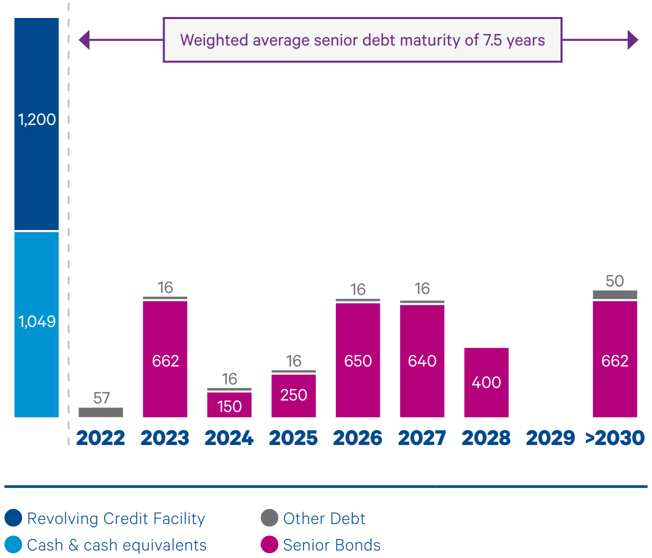
FINANCIAL POSITION

At 31 December 2021, Adjusted Net Debt (including 50% of the now €1.175 billion of hybrid bonds as debt, per the rating agency methodology) stood at €3,120 million, compared with €3,418 million 12 months ago, and represented an Adjusted Net Debt to Adjusted EBITDA ratio of 2.9 times (2020: 3.0 times).

Total borrowings (excluding hybrid bonds) of €3,581 million were 8.9% lower year-on-year. Cash and cash equivalents of €1,049 million at 31 December 2021 included €344 million received as part of the C-band accelerated relocation payment, while the balance of the payment (€518 million) was received in early January 2022.

In May 2021, the group launched and priced a hybrid bond offering totalling €625 million with an annual coupon of 2.875%. The proceeds from the offering were used to replace an outstanding hybrid bond of €750 million which carried an annual coupon of 4.625%. As a result, the total amount of hybrid bonds was reduced from €1.3 billion to €1.175 billion, and the weighted average coupon was lowered from 5.05% to 4.16% realising an annualised cash cost saving of more than €15 million.

Debt maturity profile



At 31 December 2021, the weighted average cost of debt (including 50% of the hybrids) was 2.9% (2020: 3.3%) and the weighted average senior debt maturity was 7.5 years (2020: 7.2 years) with no significant senior bond maturities before Q2 2023.

FINANCIAL POLICY

SES is focused on driving sustained, profitable growth and value creation. In tandem with clear strategic priorities, strong focus on execution, and financial discipline, we aim to maintain a disciplined financial policy which is based on four main priorities:

- **Disciplined investment** to sustain the profitable portfolio of business and support value-accretive growth investment opportunities, as reflected by our internal rate of return hurdle of more than 10% (post-tax) over the investment horizon.
- **Maintaining a strong balance sheet** consistent with investment grade ratios, allowing access to a wide range of funding sources and keeping a low cost of funding.
- **Delivering a cash return to shareholders** by maintaining a minimum annual base dividend of €0.50 per A-share and €0.20 per B-share with a stable to progressive policy.
- **Utilising any excess cash** in the most optimal way for the benefit of shareholders.

In July 2021, SES completed a share buyback programme totalling €94 million. 12 million A-shares were purchased at a weighted average price of €6.56 and 6 million B-shares at a weighted average price of €2.62, maintaining the ratio of two A-shares to one B-share, as required by the Articles of Association. The shares acquired under the programme are intended to be cancelled, reducing the total number of voting and economic shares.

For the year ended 2021, the SES Board of Directors has proposed a dividend of €0.50 per A-share and €0.20 per B-share, representing an increase of 25% over the prior year dividend and is consistent with the Board's commitment to maintain a stable to progressive dividend policy. The dividend, which is subject to shareholders' approval at the Annual General Meeting on 7 April 2022, will be paid to shareholders on 21 April 2022.

FINANCIAL OUTLOOK

The financial outlook is based on an average €/$ FX rate of €1: $1.13, nominal satellite health, and nominal launch schedule.

For the year ended 31 December 2022, revenue is expected to be between €1,750 million and €1,810 million. This reflects an expectation of mid-single digit year-on-year percentage decline (at constant FX) in Video and between low-single and mid-single digit year-on-year percentage growth (at constant FX) in Networks.

Adjusted EBITDA for the same period is expected to be between €1,030 million and €1.070 million with an implied year-on-year increase (at constant FX) in recurring operating expenses due to anticipated spend in Networks, associated with the entries into commercial service of SES-17 (expected mid-2022) and O3b mPOWER (expected service introduction by end-2022).

The future contributions from SES-17 and O3b mPOWER are expected to be an important driver of low- to mid-single digit average growth (at constant FX) in group revenue and Adjusted EBITDA from 2023 onwards. This outlook anticipates a 'flattening of the curve' in Video to low-single digit average decline (at constant FX) being more than offset by an acceleration to high-single/low-double digit average growth (at constant FX) in Networks.

Capital expenditure (defined as net cash absorbed by investing activities excluding acquisitions, financial investments, and US C-band repurposing) is expected to be €950 million in 2022 reflecting growth investments in SES-17 and O3b mPOWER. Thereafter, capital expenditure is expected to reduce to €510 million in 2023, €570 million in 2024, €380 million in 2025, and €360 million in 2026.

2

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) REPORT

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40 Diversity and Inclusion
46 Critical Human Needs
48 Operating our Business
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ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) REPORT

For years, SES has been providing satellite services to improve the lives of people on the planet. Whether it's delivering content or connectivity, we believe that "making a difference" matters and it is an important motivation for us in the way we approach our business … but this was not enough.

We wanted to raise the bar and make sure that we are extending our philosophy of doing business to our communities, supply chain and viewing them from the perspective of investors and government agencies – to name a few.

In 2021, we embarked on a new journey to evaluate the ways SES makes a difference through a different lens inclusive of our stakeholders and challenging ourselves to ask not only what our responsibility as a company is but what more can we do to impact the planet and help us all collectively achieve the sustainable development goals?

We are proud to say that through extensive stakeholder outreach, SES has developed a purpose led ESG strategy aligned with the Sustainable Development Goals and inextricably linked to our business success.

We are focused on 4 key pillars – Sustainable Space, Climate Action, Diversity and Inclusion, and Critical Human Needs.

We know we can impact each of these areas as a business and in collaboration with our stakeholders and the industry. In addition to setting the strategy and focus areas, we have endeavoured to put some accountability into our programme by making clear targets for the business to achieve. In some areas, we have some work to do to know what aspect we want to focus on or how to measure our success and we have tried to be transparent in this report to signal where we are in the journey.

To signal our commitment to transparency and accountability, we have incorporated new reporting standards into this report and joined the UN Global Compact. This report has incorporated Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) into our reporting as well as a detailed explanation of our stakeholder outreach and materiality. We will be growing reporting initiatives in the coming years and continue to evaluate where we can be more transparent and inclusive of necessary disclosures. Joining the UN Global Compact was the first step for SES committing to a new approach to ESG. We are proud to join a membership of businesses with a strong commitment to driving sustainability and socially responsible policies.

In addition, we have detailed applicable programmes and areas where we have been active in making an impact this year. We are excited to see the impact this strategy and our work has on the world and on our business. We invite all our stakeholders along on the journey – to learn, innovate and impact the world, together.

SES Horizon Strategy

WHERE SUSTAINABLE SPACE MEETS SUSTAINABLE EARTH

SUSTAINABLE SPACE

Lead, collaborate, and innovate for sustainable space.

CLIMATE ACTION

Take bold climate action by setting targets and innovating for the planet.

DIVERSITY & INCLUSION

Make the space industry more diverse and inclusive, starting with SES.

CRITICAL HUMAN NEEDS

Empower communities with services required for everyone to thrive.

OUR HORIZON STRATEGY

SUSTAINABLE SPACE

Lead, collaborate, and innovate for sustainable space.

OUR RESPONSIBILITY
Innovate to reduce our footprint from launch to decommissioning.

OUR OPPORTUNITY
Advocate best practice approaches to ensuring industry-wide responsible use of space.

OUR TARGETS
- By 2030, complete life cycle assessments on all SES products and fully understand the impact that our product and services have on earth and in space
- Explore partnerships to develop innovative solutions and new technologies for space sustainability
- By 2024, become certified by the upcoming Space Sustainability Rating of the World Economic Forum

CLIMATE ACTION

Take bold climate action by setting targets and innovating for the planet.

OUR RESPONSIBILITY
Reduce Green House Gas emissions across operations and our supply chain.

OUR OPPORTUNITY
Provide solutions to combat environmental challenges through satellite connectivity.

OUR TARGETS
- By no later than 2050, SES will reach NetZero emissions
- In 2022, SES will begin developing targets aligned with the SBTi for submission and validation by no later than 2024

DIVERSITY & INCLUSION

Make the space industry more diverse and inclusive, starting with SES.

OUR RESPONSIBILITY
Build a more diverse and inclusive workforce across all levels of our business.

OUR OPPORTUNITY
Increase diversity and inclusion in the space industry through targeted actions and investments.

OUR TARGETS
- Increase gender diversity of people managers and executives in the business by 50% in 5 years
- By 2025, develop and implement a supplier and customer sustainability rating and diversity program to empower a diverse pool of sustainable suppliers
- In 2022, SES will develop a plan to build on our STEM and ICT outreach in order to expand our impact on students from under-represented groups

CRITICAL HUMAN NEEDS

Empower communities to thrive with services to support critical human needs.

OUR RESPONSIBILITY
Develop partnerships and innovate to increase access to education, health, and information services.

OUR OPPORTUNITY
Expand reliable access to content and connectivity to build sustainable communities.

OUR TARGETS
- In 2022, conduct intense stakeholder outreach to understand where our products and services can intentionally and meaningfully impact human needs aligned with and in collaboration with stakeholder and the UN SDGs

SUPPORTING 11 OF THE 17 SUSTAINABLE DEVELOPMENT GOALS

ADVANCING SUSTAINABLE DEVELOPMENT ON EARTH AND IN SPACE

SES does the extraordinary in space to deliver amazing experiences everywhere on earth. We believe that those amazing experiences on earth must include our ability to advance sustainable development aligned with the goals of the UN. SES can uniquely harness the power of space to address the most pressing challenges on earth. Along with our customers, partners, and governments, we can accelerate progress towards a more sustainable, secure, and equitable future.

SES ESG strategy focuses on 4 pillars where the company can uniquely lead and contribute to the UN Sustainable Development Goals (SDGs) with issues material to our business strategy and approach.

SES recognises and believes we can positively contribute to the world in the way we operate, our collaborations in the industry and in how we deliver our products and services.

SUSTAINABLE SPACE

SES has been operating in space for over 35 years and has been leading the satellite communications industry with innovative technologies to meet the needs of consumers on the ground. Since our founding, many new space players have entered the market and the use of space technologies has and continues to grow Space companies, old and new are providing critical infrastructure to the planet. If this resource is not protected and space actors are not held to a high standard of responsibility, these critical services are endangered. We believe it is critical to lead, collaborate and innovate to ensure the sustainable use of space for decades to come. SES has a responsibility to innovate the ways to reduce our own footprint across the lifecycle of our services- from launch to decommissioning of the satellite. Nevertheless, this should not be the limit to SES' sustainable space ambitions. As a leader in the industry, we must advance the responsible use of space by advocating and collaborating for best practice approaches and innovative solutions so that space continues to be a resource for delivering solutions to address the challenges on earth.

CLIMATE ACTION

Every company has a responsibility to our planet by making commitments to reduce emissions. At SES we are committing to climate action in line with the Paris Climate Accord. SES is initiating its Net-Zero journey, by reformulating its corporate strategy to include climate change at its core. As such, we have committed to setting a NetZero target in line with the SBTi Criteria and Recommendations. We are dedicated to reaching NetZero by no later than 2050. We know that this commitment will require a reduction in operational emissions as well as a close examination of our emissions up and down our value chain. We are early in this journey but committed to this as a core piece of our ESG strategy. Additionally, SES knows that satellite connectivity is a powerful tool for customers to deliver critical services on earth. We think there is great opportunity to innovate and provide solutions to help our customers solve their climate and environmental challenges and collaborate to provide solutions for climate action. Starting in 2022, we will be examining ways that we can leverage our technology in this way.

DIVERSITY AND INCLUSION

Providing for a more equitable future on earth begins with our own diversity within SES and the space industry at large. We know that a diverse workforce and industry not only helps us to achieve our financial goals as a business but also provides a better and more representative work environment to our employees and contributes to the future of sustainable communities. SES is proud of the steps it has taken in this area in the past 2 years through our established D&I programme, however, when developing our ESG strategy we knew we wanted to commit to advancing our work with clear priorities and targets for going forward, not only to build a more diverse and inclusive workforce across all areas of our business, but also by making targeted changes to increase the diversity within the space industry.

CRITICAL HUMAN NEEDS

At its core, SES provides products and services that connect people to the content of the world. SES provides over 1 billion people with access to news, information and entertainment and bring connectivity to remote populations. Reliable, connectivity is key to driving digitisation and boosting economies and producing positive outcomes for individuals. Our products and services deliver this aligned with the sustainable development goals and we believe that we can continue to align our business goals to direct innovation and partnerships to expand access to educational, health and informational services. Together with industry partners, customers and governments we know we can expand reliable access to content in isolated places.

MATERIALITY

SES is committed to the creation of a more robust, resilient, inclusive, sustainable, and well-connected society and created its ESG strategy with this awareness. We believe that companies operate as a key member of society and therefore have a responsibility to all stakeholders to acknowledge and report on their impact to society and the environment. In 2021, SES engaged, with outside consultancy, in multistakeholder dialogues to better understand external and internal stakeholder needs and expectations. We were able to define the most pressing issues to our stakeholders which resulted in an in-depth materiality analysis on these issues. SES identified 25 material issues.

STAKEHOLDER OUTREACH

SES outsourced material issue identification process to Globescan (a public opinion research consultancy) which identified and prioritised material issues through external interviews with industry experts, customers, non-governmental organisation partners, civil society, and government representatives. Additional internal input was collected through workshops, surveys, and ESG investor rating analysis. While prioritising material issues, Globescan focused on what is being emphasised in established ESG frameworks (e.g., Global Reporting Initiative, Sustainable Development Goals) to standardise SES materiality.

MATERIAL ISSUES

SES groups material issues under three different tiers based on the issue's impact to the business and to the society. Most critical, thus priority material issues are listed under Tier 1 category. These issues include SES' engagement with the digital society, Diversity and Inclusion, operational carbon footprint, energy use, and interaction with the space and waste minimisation.

For a full analysis of our material issues, including definitions of material issues and how these fit into the strategic themes of our strategy, please reference the materiality document on the reporting section of our website.

SES intends to continuously monitor the developments in its material topics and work on ways to improve its data provision on the Tier 2 and 3 material issues.

Materiality Matrix

IMPORTANCE TO SOCIETY

• Emergency response / disaster management • Satellite / ground infrastructure end of life	• Cybersecurity and data privacy	• Digital access to basic services • Employee diversity, equity & inclusion • Space waste & congestion
• Climate adaptation and resilience • Employee and worker rights, wellbeing and safety • Space policy and advocacy • Use and recovery of toxics, precious materials and conflict minerals	• Anti-bribery & corruption • Environmental impact of satellite launches • Responsible use of technology	• Digital reach & inclusion • Ethical & transparent business practices • GHG emissions (Scope 1, 2, 3) • Renewables & energy use
• Biodiversity and Land Use • Water footprint	• Customer environmental benefits • Diversity in STEM education • Employee recruitment, development & engagement • Operational waste • Transparent supply chain management	• Local community impact

BUSINESS IMPACT

Tier 1 Tier 2 Tier 3

TARGETS

To bring our strategy to life, SES colleagues collaborated across the business as we developed ambitious targets for each pillar area. The details of our targets and how we plan to execute on them is further explained in the corresponding sections of this report.

Space Sustainability

- By 2030, complete life cycle assessments on all SES products and services together with technology partners to fully understand the impact our product and services have on the planet
- Explore partnerships to develop innovative solutions and new technologies for space sustainability.
- By 2024, become certified by the Space Sustainability Rating being developed by the World Economic Forum.

Climate Action

- SES commits to NetZero emissions by no later than 2050
- In 2022, SES will commit to science based targets and begin validation of these targets with SBTi

Diversity and Inclusion

- Increase gender diversity of people managers and executives in the business by 50% in 5 years.
- By 2025, develop and implement a supplier and customer sustainability rating and diversity programme to empower a diverse pool of sustainable suppliers.
- In 2022, SES will develop a plan to build on our STEM and ICT outreach in order to expand our impact on students from underrepresented groups

Critical Human Needs

- In 2022, conduct intense stakeholder outreach to understand where our products and services can intentionally and meaningfully impact human needs aligned with and in collaboration with stakeholders and international goals.

SUSTAINABLE SPACE

SES has been operating in space for over 35 years and is a leader in responsible space use. Our ESG strategy focuses on sustainable space and asks us to assume our leadership position to further collaborate and innovate to address the challenges of this unique operational environment.

TARGETS

As part of the targets associated with Space Sustainability, SES commits to:

> By 2030, complete life cycle assessments on all SES products and services together with technology partners to fully understand the impact our product and services have on the planet.

Completing life cycle assessments across our products and services is a necessary step to evaluating and managing our footprint across our fleet. The life cycle assessment will evaluate the environmental impacts of consumption and emissions associated with all stages of the product throughout its life, the resources consumed and pressures on human health. As recommended by the European Space Agency, life cycle assessments for the space industry will include design of the satellite from the raw materials, manufacturing, distribution, utilisation verification and testing and disposal of both the space and ground segments. Given the number of assets and ground infrastructure we have and the specialised nature of space operations, we have given a 2030 timeline. This is a critical step for us to minimise our impact across our lifecycle and we will report on progress of these assessments yearly.

> Explore partnerships to develop innovative solutions and new technologies for space sustainability.

Space Sustainability is a growing and quickly changing landscape. We believe that we should explore new partnerships in this space to ensure that we continue to lead and innovate for the maximum benefit of our space environment.

> By 2024, become certified by the Space Sustainability Rating being developed by the World Economic Forum.

To encourage collective action and endorsement of best practices in space, SES intends to undergo the Space Sustainability Rating process being developed by the World Economic Forum. We feel confident in our current operations and management of our fleet and believe that pursuing this rating can ensure that confidence to all our stakeholders. The Space Sustainability Rating (SSR) is an ongoing process to create transparency in participating organizations' space debris mitigation policies. Upon establishment, SSR will provide a sustainability score for companies on their debris mitigation strategies and their alignment with the international guidelines. In addition to pursuing this rating, SES wants to continue to push the industry to evaluate and define metrics for additional successful space sustainability and intends to spend time in 2022 defining those metrics with the stakeholder community.

REDUCING OUR SPACE FOOTPRINT

SES is an influential actor in the space domain and has a fleet large enough to promote reduce, reuse, recycle mentality to minimise space waste and congestion. We understand that addressing risks related to satellites that are already in the orbit is an important part of minimizing company related negative externalities as well as acknowledging the importance of preventing the growth of future debris. Our targets build on this understanding and focus on the work we can do to better understand the effects of our satellites across their lifecycle with the goal of developing concrete actions to reduce our footprint

SUSTAINABLE SPACE

Lead, collaborate, and innovate with the industry to ensure secure and sustainable use of space.

Innovate ways to repurpose equipment and reduce footprint from launch to decommissioning.

Lead the way as an advocate and collaborator to develop best practice approaches for the responsible use of space.

from launch to decommissioning. We know we are a responsible actor in the management of our fleet and lead the industry in setting and implementing best practice approaches. We look forward to continuing to share as we discover more areas where we can lean forward in reducing our footprint.

Fleet management

SES applies a responsible fleet management approach together with its satellite manufacturers to mitigate the environmental impact and to minimise space debris.

SES satellites receive their operating power from the sun, through solar panels, outside the Earth's atmosphere. They therefore create no carbon emissions during their operating lifetimes. Nevertheless, there are emissions associated with the satellite launches and their maintenance. Since 2017, SES and SpaceX have pioneered reusable rockets for satellite launches. This reduces space debris, allows the reuse of materials that would otherwise go to waste, increases the cadence of launches, and reduces launch cost.

SES satellites operate in either Geostationary Earth Orbit (36,000 kilometres from the Earth's equator) or Medium Earth Orbit (8,000 kilometres from the Earth's equator). At the end of the satellite's operational life, it is re-orbited using remaining on-board propellant into a graveyard orbit, approximately 200 kilometres beyond the Geostationary Earth Orbit. In general, our satellites do not re-enter the Earth's atmosphere and we follow the most stringent international standards for re-orbiting and passivating space assets. We have one of the best records in the industry terms of achieving a safe disposal of our satellites.

INDUSTRY COLLABORATION FOR RESPONSIBLE SPACE USE

SES recognises the importance of industry collaboration as we address new challenges associated with the exciting resurgence of companies operating in space. Without industry level commitment and collaboration, no company can safely or sustainably operate.

The space industry is growing and is expected to reach $1 trillion by 2030 according to the World Economic Forum (WEF). Rising space activity in the recent years demonstrate that there is an urgent need for action to minimise space debris and collisions and to ensure sustainable space operation that is inclusive and progressive.

In 2021, SES has participated in collective action platforms and has contributed to the formulation of policy documents on the importance of Space sustainability together with the Satellite Industry Association (SIA) and EMEA Satellite Operators Association (ESOA).

As a member of SIA, SES is committed to multistakeholder collaboration in the space domain (including national space agencies and regulatory entities) and acknowledges the principles of the UN Committee on the Peaceful Uses of Outer Space Guidelines for the Long-Term Sustainability of Space Activities. SES puts a special emphasis on designing, constructing, and launching commercial Geostationary (GEO) and Non-Geostationary (NGSO) satellites that the company can easily track by active or passive means.

SES makes its policies in line with the guidelines of the European Commission on Defence Industry and Space and has been participating to the Space Traffic Management (STM) platform launched by DEFIS (DG Defence Industry and Space). SES prioritises strong and innovative space policy that is sustainable and inclusive. Taking part in SpaceWays Operators Workshop to create a standardised STM concept for the European space actors demonstrates the efforts of SES to create a multistakeholder platform to advance sustainable and robust space policies.

SES is a signatory of the WEF Space Industry Debris Statement and endorses the Space Safety Coalition as a prominent actor in the space industry who continuously works towards reducing space debris and safeguarding the Earth orbits. SES pledges its commitment to reduce and prevent space debris and emissions caused by space activities through these endorsements. SES works with governments, civil society, commercial partners, and competitors to substantially reduce its footprint and upscale innovative spacecraft and other means of technologies for this aim.

SES supports ESOA and interactively participates in increasing operational responsibility in the space and satellite connectivity domains. In November 2021, SES has participated in ESOA Satellite Connectivity Summit in Bremen, Germany that explored areas of 5G integration in satellite connectivity, driving down operational costs through standardizing network structures and innovating the satellite data services. The event carried the characteristic of being the only event that explored operational sustainability through deep dive into satellite connectivity within Europe.

This topic is continually evolving and new players enter the field, we feel a deeper commitment to lead the conversation and help others as we navigate new solutions and technologies to ensure that space is a fair and sustainable environment in which to operate.

OPERATIONAL RESPONSIBILITY

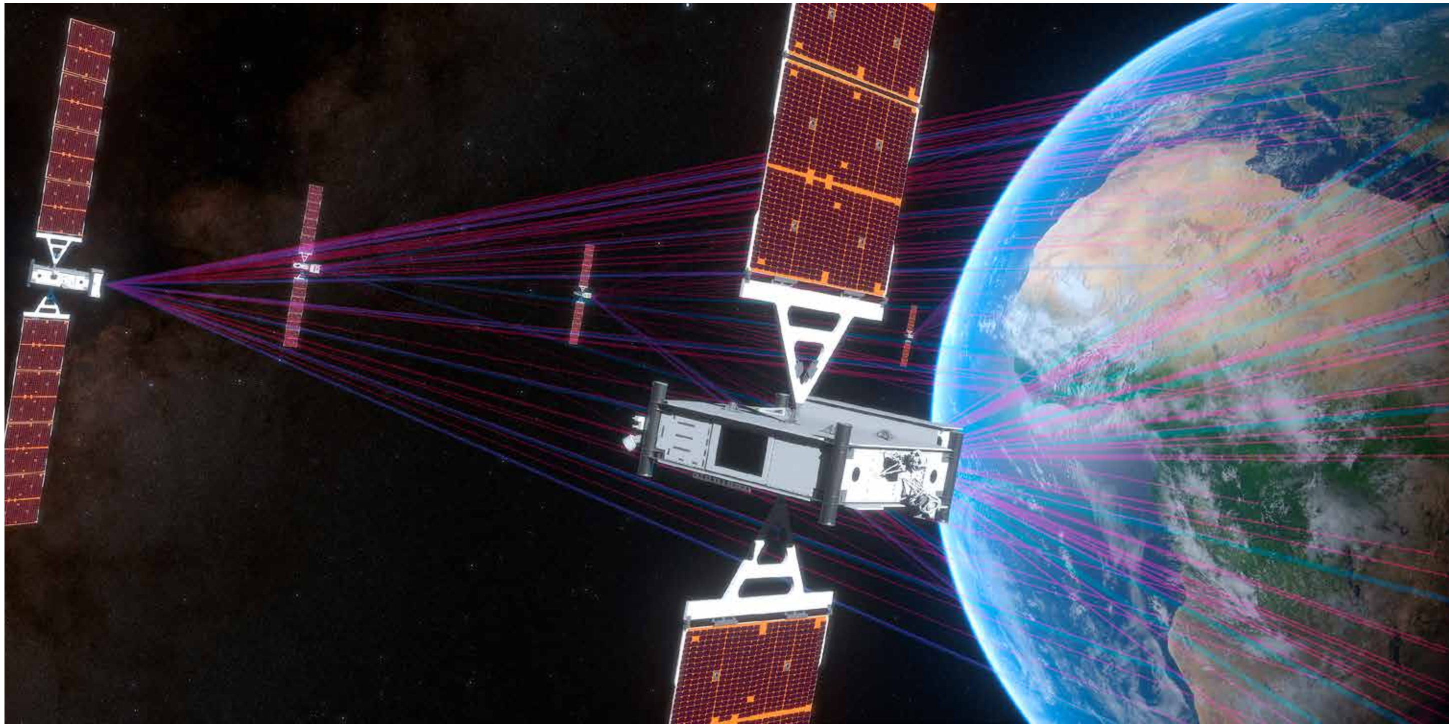
In 2021, SES continued to act as a responsible space actor by designing, re-orbiting, and passivating reliable satellites in line with the International Telecommunication Union (ITU) guidelines, the Federal Communications Commission (FCC) orbital debris mitigation practices and the strictest national regulations on space sustainability and orbital debris mitigation. SES has successfully re-orbited four satellites in 2021 above the required Inter-Agency Space Debris Coordination Committee (IADC) altitude, and successfully removed any stored energy and risk of future explosion after disposal. SES continues to have one of the best records in the industry in terms of achieving a safe disposal of its satellites.

Space Situational Awareness

This year, SES continued to monitor, alert, and avoid any predicted conjunction or close approach between its satellites and other objects, satellites or space debris keeping any predicted probability of collision near zero.

SES has extended its monitoring and warning systems by contributing data and subscribing to the conjunction assessment service of the European Space Surveillance and Tracking (EUSST) network, for all its satellites. This is in addition to the US warning system operated by the Combined Space Operations Center (CSpOC) and the Space Data Center warning system of the Space Data Association (SDA).

The Space Data Association (SDA) is a critical step towards bringing satellite operators together to support the controlled, reliable, and efficient sharing of data that is fundamental to ensure safety and integrity in the space domain. SES has the Chairmanship of the Space Data Association since November 2019. In 2021, together with the other executive members, SES organised the annual SDA members meeting to promote best practices in space sustainability and present developments in the Space Data Center and other developments in space safety to build capacity amongst all the member on responsible use of space. SDA plays a crucial role in achieving the Space traffic management (STM) in the space industry.



CLIMATE ACTION

SES' business activities have a low environmental impact, yet SES understands its responsibility to support the urgent action to prevent climate change and to limit the increase in global temperatures. SES environmental policy is structured around the company's impact both in space and on Earth. SES continuously works towards minimising its environmental footprint, innovating technologies and exploring the areas in which the technology can help solve problems.

TARGETS

SES is proud to commit to a NetZero emissions target by no later than 2050. SES has been reporting our emissions through the Carbon Disclosure Project for over 10 years, but we had previously not committed to a defined and validated target for reduction. We are happy to be initiating our NetZero journey by evaluating our total footprint and developing a target in line with the SBTi criteria and recommendations. Once we have concluded our evaluation, we will be updating our progress with a roadmap for achieving our targets.

We know that our solutions are powerful for our customers in the ways they interact with the world. In 2022, we want to additionally investigate the ways we can help our customers in meeting their climate objectives and providing solutions for climate action. This will involve customer and stakeholder outreach to understand how we can best contribute to this global challenge.

OPERATIONAL FOOTPRINT

EMISSIONS- CDP REPORT RESULTS GRI 305

This report is inclusive of our CDP report results from the 2020 operating year, given our CDP reporting cycle.

SES is aware of its role of spearheading emissions reduction in the telecommunication and space industries. The company does not operate any manufacturing sites which minimises the company's total environmental impact. To further minimise risks across the business and to better align with the company's objectives to reduce CO_2 emissions, SES uses its Risk and Internal Control System. Upon identifying risks through COSO and ISO31000 principles, SES collects emissions data on its direct, energy indirect, and other indirect operations (Scope 1, 2, and 3). The company constructs its methodology in line with the Greenhouse Gas Protocol (GHG): A Corporate Accounting and Reporting Standard (Revised Edition); Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2021; the International Energy Agency's (IEA) CO_2 Emissions from Fuel Combustion; and The Greenhouse Gas Protocol: Scope 2 Guidance.

Each year, SES reports the CO_2 emissions of its operations through participation in the Carbon Disclosure Project (CDP), which collects the data of all SES' business activities and locations. The data collection for CDP covers three scopes:

- **Scope 1:** Direct Combustibles (gas and fuel consumption, refrigerant leakage, car fleet)
- **Scope 2:** Indirect Energy consumption (purchased electricity, heat, and steam)
- **Scope 3:** Other Emissions (business travel, commuting, waste, water consumption)

In 2020, the company's activities related to operating and commercialising SES' satellite fleet, as well as general administration, finance and marketing generated 32,606 metric tons of CO_2 emissions worldwide, a decrease of 32% compared to 2019. Lower Scope 2 emissions (down 13% year-on-year) and Scope 3 emissions (down 74% year-on-year) have contributed to the highest decrease in SES emissions since

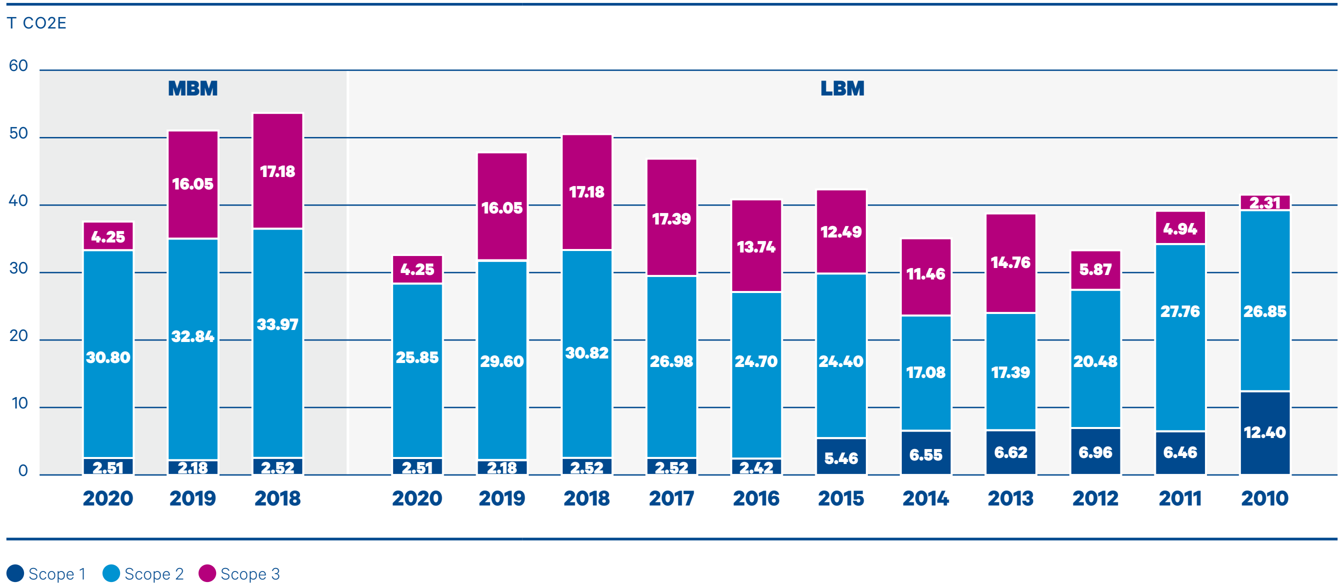
CLIMATE ACTION

Take bold climate action by setting targets and innovating for the planet.

Reduce our carbon footprint across operations and our supply chain.

Provide solutions to overcome climate and environmental challenges through satellite connectivitiy.

SES Group CO_2 emissions



the company started reporting to the CDP. Even employee commuting and business travel excluded (due to COVID), increased energy efficiency and waste treatment among other areas of improvement contributed to a Covid-19 adjusted 12% reduction in overall emissions.

Given SES operates in space, our emissions from Scope 1 are small (approximately 8%) and while modestly lower than 2019, our 2020 level was comparable with that of 2018.

Emissions from Scope 2, electricity consumption, represented the largest component of SES' total emissions (approximately 79%). SES has diversified away from non-renewable energy sources and achieved remarkable decreases in fuel (27%), natural gas (40%), and propane (24%) consumptions.

To better interpret Scope 2 emissions data, it is important to note that Scope 2 location-based emissions factors were chosen in line with the GHG Protocol recommendations. For low occupancy sites, assumptions were made based on average electricity, gas, and travel data at the main office sites. A data collection questionnaire was circulated to all 38 main SES global sites and to collect activity data. A large sample of low occupancy and unmanned SES sites were included in the data collection exercise. In order to calculate GHG emissions, when electrical power consumption was not precisely measured, it was estimated. In the context of the legal framework in Europe with the goal to save energy, SES started to analyse the energy efficiency of the main facilities in accordance with EN 16247. This exercise has been performed at SES' sites in Munich, Germany, and Betzdorf, Luxembourg. Through these and other initiatives, we have implemented a substantial and ongoing carbon reduction plan in our sites across the world.

WASTE MANAGEMENT GRI 306

SES intends to systematically reduce waste across its direct footprint. The company ensures that it has a comprehensive waste strategy in place that targets avoiding and reducing waste as well as increasing disposal and recycling in the areas of "Batteries, hydraulic fluids and electrical/electronic devices, building-site waste, glass, plastics, metals, organic waste (food residues, garden refuse, wood), paper/cardboard, and problematic items (e.g. chemicals/environmentally hazardous substances, oil/grease, flammable products, etc)" in line with international standards (ISO 140 42). SES currently collects information for the SES Headquarters in Luxembourg and annually reports to the Luxembourgish government. For its remarkable environmentally friendly waste handling, SES has been awarded with the Luxembourg SuperDrecksKescht (SDK) ecolabel 20 years in a row. Our goal over the last 20 years was to manage waste efficiently, environment friendly and in line with our SDK certification. In 2020, SES generated 164,776 kgs of waste and 52% (85,436 kg) were diverted from disposal and the remaining 48% (79,340 kgs) were directed to disposal through landfills indicating a progressive improvement in SES' waste strategy.

Supply chain waste minimisation

Contractors, sub-contractors, and suppliers are required to support SES waste reduction by implementing policies and procedures regarding waste management. SES currently works on strengthening its supply chain compliance to ensure its suppliers implement ambitious waste reduction policies in line with SES objectives.

ENERGY GRI 302

SES is aware of its responsibility to improve and transform the management of sustainable energy as an industry leader and is committed to gradually increase the share of renewables in its energy mix. The company has already achieved 7% improvement in energy efficiency between 2015–2020 in its Luxembourg headquarters and plans to achieve more aggressive reduction within the next 5 years. SES is transparent in data collection and data sharing and annually reports to the Carbon Disclosure Project. The company pledges to comply with the international regulatory standards, align with energy saving programmes, and co-operate with the intra- and inter-industry actors to generate positive value throughout its value chain on energy production, consumption, supply and distribution.

SES works closely with the Luxembourgish institution ENOPRIMES on the implementation of ISO50001 energy management system to achieve energy efficiency in buildings through more efficient heating, ventilating, and air conditioning systems. As a result of this initiative, in 2020, SES has achieved annual reduction of 16.6 metric tonnes of CO_2e savings.

LOOKING AHEAD

As part of our strategy development, SES embarked on a GHG gap analysis, in coordination with environmental consulting company, Eco-Act, to determine any areas where we needed to improve our reporting and to develop a roadmap for meeting our NetZero and SBTI targets. In this engagement we discovered a few key takeaways. The first underscores the importance of life cycle assessments on our products and services to accurately understand our impact on the environment given the speciality of the space industry. We also have found that we need to expand the boundary of our Scope 3 emissions in the future to include the manufacturing of our satellites. This is critical as we embark on our SBTi validation is also important to recognise as we work with our suppliers in the future.

SES has a mission of increasing its ties with its suppliers and customers to achieve more efficient production and consumption lines. While doing these, SES places a special emphasis on obtaining a more sustainable way of doing business. SES is aware that sustainable supply chains and consumption lines will be crucial for the success of its long-term NetZero targets. To achieve more robust sustainable production and consumption targets, SES will be focused on the ways to implement more robust assessment processes and monitoring tools for its medium to long term targets.

As specified in our strategy, we will be looking at how we can additionally work with our customers on their environmental challenges and how we can innovate in our products and services to better meet the challenges of climate change. We believe that to do this we should spend time in 2022 to conduct outreach to our customers and partners to better understand their challenges, their areas of focus and define ways where we can collectively make a difference.

DIVERSITY AND INCLUSION (D&I) GRI 405

As a company dedicated to connecting more people with more content across the globe, we believe our story should reflect those of the millions we serve. We are committed to increasing the number of employees from underrepresented groups and nurturing an inclusive company culture to create a fair, innovative, and supportive working environment where people can flourish – empowering all employees, or "SESers", to write their stories and to contribute to the collective success of a truly global team. It's not about quota, it's about forging a future that is equitable. In SES, we have placed a greater focus on D&I over the last two years and we are seeing a positive difference in our organization through engagement with our employees. Through engaging with both internal and external stakeholders, it also became clear that more ambitious targets in this area must be set to drive change and transparency, not only in our workforce, but also as a leader in our industry when it comes to a more inclusive and diverse work environment. At SES, Diversity & Inclusion is about creating an environment where any person is welcome to work with SES regardless of gender, gender identity, age, background, ethnicity, ability, stage in life, sexual orientation, etc. We recognise that, at this moment, we are limited in measuring diversity at a global level mainly through the gender dimension.

TARGETS

SES recognises that within our workforce, we need to strive for more diversity & inclusion across the business. We have put in place several programmes to increase awareness around Diversity and Inclusion such as trainings and education initiatives (we have several D&I sessions throughout the year), a Mentorship Programme, Diversity calendar, Equality and Inclusion working groups and we are looking into creating an Allyship Programme for the gender minority in 2022. We also want to help increase the advancement of underrepresented groups across multiple diverse criteria and will be developing additional metrics capturing other dimensions of diversity. We want to tackle the diversity at the level of our people managers and executives, starting with gender. We currently have 18% of the roles at that level filled by women and would like to increase that by 50% over 5 years. As we develop our data for other dimensions of diversity, we will create targets reflective of the diversity we are striving for in the organization.

As SES, we believe that we can also help ensure access to our industry for marginalised groups by encouraging change in the industry through our supply chain, with our customers and by supporting STEM and ICT education initiatives. In 2022, we will begin to develop a sustainability rating and diversity programme to be used in our relationships with our suppliers and customers. This rating will help us assess and acknowledge partners who share our values with regards to a diverse workforce and overall sustainability initiatives. SES works extensively with programmes to encourage STEM and ICT education. Going forwards, we will expand our existing efforts with institutions with which we can work to grow a diverse future workforce. In line with previous years, we will be further developing ways to reach under-represented groups in partnership with educational institutions and through our own scholarship and internal programmes.

In 2022, we will continue our work to enhance the way we measure diversity in SES, to better capture other dimensions such as ethnicity, as well as introducing an inclusion metric.

A few of our aspirational targets are:

> Increase gender diversity of people managers and executives in the business by 50% in 5 years.

> By 2025, We aim to develop and implement a supplier and customer sustainability rating and diversity programme to empower a diverse pool of sustainable suppliers.

DIVERSITY & INCLUSION

Make the space industry more diverse, equitable, and inclusive, starting with SES.

Build a more diverse, equitable, and inclusive workforce across all levels of our business.

Increase the diversity, equity, and inclusion of the space industry through targeted actions and investments.

5 GENDER EQUALITY
10 REDUCED INEQUALITIES
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

> In 2022, SES will develop a plan to build on our STEM and ICT outreach in order to expand our impact on students from underrepresented groups.

BUILDING A DIVERSE AND INCLUSIVE WORKFORCE

SES is committed to increasing the number of employees from under-represented groups and nurturing an inclusive company culture to create a fair, innovative and supporting working environment. SES puts diversity and equal opportunity at the centre of its employment strategy and is a signatory of the Diversity charter in Luxembourg. Supportive practices, such as implementing a D&I dashboard to monitor their progression and our mentorship programme are systematically applied to support female talent and we are fully focused on increasing the percentage of women within the SES workforce, both overall and at managerial / executive levels. We believe that the measures we continue to take to support women help not only women but lead to creating an environment in which all SESers feel included, regardless of gender, gender identity, sexual orientation, ethnicity, religion, etc.

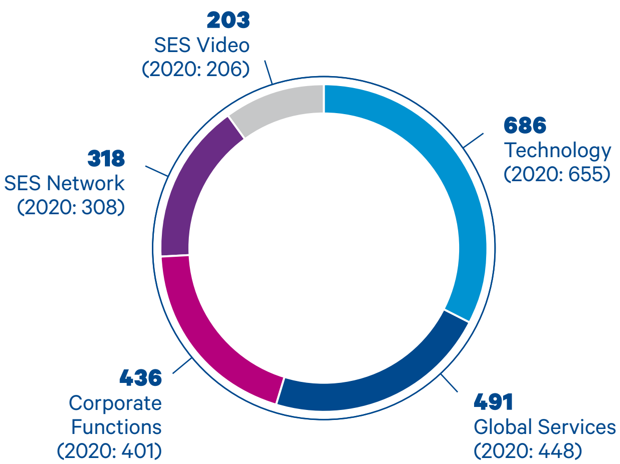
DRIVING DIVERSITY

At SES, we greatly value employee ideas and we believe that increasing employee engagement and representation of the workforce are crucial elements to drive Diversity and Inclusion and boost innovation. Across our operations, we implement different sets of programmatic initiatives, from training and development programmes to a more diverse and inclusive employment policy.

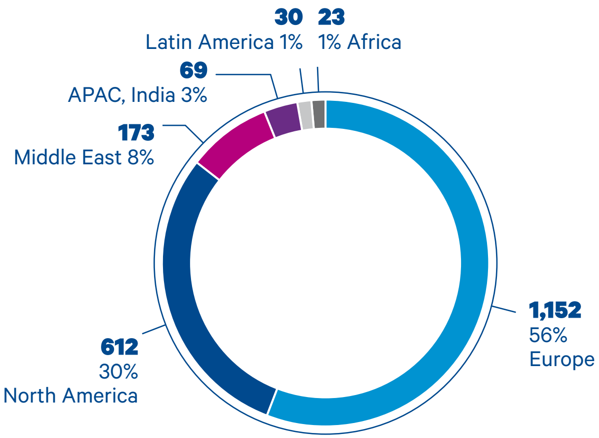
DIVERSITY AND INCLUSION TRAININGS

With Diversity and Inclusion strongly embedded as one of the 4 key pillars of SES' ESG strategy we are supporting everyone in making steps towards a more inclusive future for SES. This future begins with greater awareness within the company, which is why SES strongly

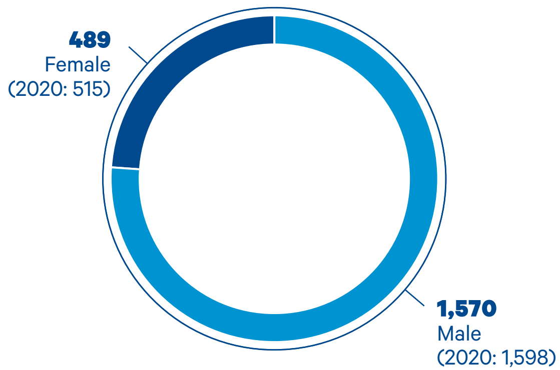
SES employees by function



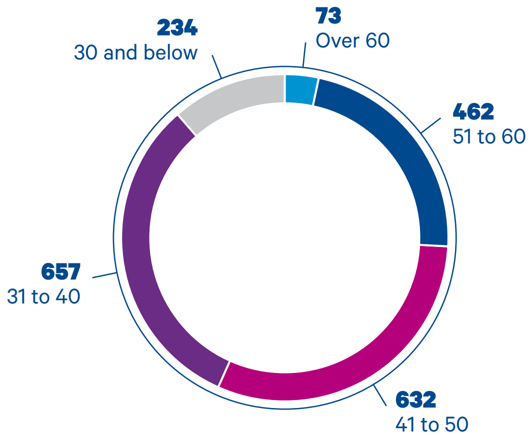
SES employees by region



SES employees by gender



SES employees by age



encourages all employees to complete a short online Unconscious Bias course, designed by Microsoft.

In order to move the needle on Diversity & Inclusion, the Unconscious Bias training course is open to all employees and mandatory for all people managers within the company – without exception. At the time of publication of this report, more than 850 employees have completed the Unconscious Bias training and, in so doing, have demonstrated their commitment towards a more inclusive SES.

THE POWER OF COMMUNITY STORYTELLING

Vibrant and respectful discussion across our international community, whether on a 1-to-1 basis or via the intranet or other collaboration platforms, is very much welcomed. As a company, we're focused on providing the connectivity to enable everyone, worldwide, to share their story. Within our own community, sharing personal stories has been a powerful way for employees to gain greater insights and awareness of one another's culture, experiences, and challenges. We are convinced that the positive effects of collective knowledge, diverse viewpoints and constructive co-creation will help us at SES to leverage our existing diversity to build an even more inclusive and diverse company and create value for the company.

#IAMREMARKABLE

Feedback from SES employees has clearly shown the value of #IamRemarkable, the global Google initiative that strives to empower everyone, particularly women but also other underrepresented groups, to celebrate their achievements in the workplace and beyond. At the heart of the #IamRemarkable initiative is a 90-minute workshop that helps participants learn the importance of self-promotion in their personal and professional life, equipping them with tools to develop this skill set, and invite them to challenge the social perceptions surrounding self-promotion.

In 2021, 14 workshops, with 111 participants, took place and we are proud to have 7 active facilitators from across our global locations.

In the recent Impact Report (54 responses at the time of publication of this report), and as a direct result of the workshops, 52% of SES employees are now more vocal about their achievements and 83% are openly encouraging others to speak up more. In addition, for 65% of the participants, the training has contributed to how they intend to approach their Annual Appraisal.

EQUALITY AND INCLUSION WORKING GROUPS

For the past two years, members of the SES E&I groups have been sharing experiences, exchanging ideas and developing policy and strategic proposals for the organization to adopt real change in order to drive greater workforce diversity.

In 2020, we launched our award-winning Equality & Inclusion working groups. These groups, open to all employees and consisting of volunteers, meet to develop proposals focused on Diversity and Inclusion. The final proposals are later presented to senior management. The E&I groups comprise one of the most important and valuable Diversity and Inclusion initiatives for SES, with stakeholders ranging from all internal employee groups, Senior Leadership Members, Human Capital Team (Learning and Development, Recruitment, Talent Management, Compensation and Benefits), to Internal and External Communications, Brand and Marketing.

All departments are involved in the facilitation and implementation of the proposals, aimed at enhancing impact for all employees.

In 2021, we began implementing company changes based on the outcome of the 2020 E&I groups. Each group's proposal was presented and assessed by the Senior Leadership Team and implementation was discussed with Human Capital.

The approved proposals from the Equality and Inclusion Working groups were implemented as follows:

- Aspirational Gender targets incorporated
- Diversity and Inclusion Dashboard implemented
- Implementation of the Diversity and Inclusion Dashboard
- Maternity/Paternity/Partner/Adoption/Foster care leave harmonised globally (12 weeks for mothers; 2 weeks for partners)
- More inclusive job descriptions implemented
- KPIs and metrics for female progression within SES implemented, with a focus on People Manager and Executive positions; increased focus on women candidates for internal hires
- Focus on applications from women candidates for external job postings (with emphasis on jobs of higher grades); internal reporting of KPIs and metrics for women recruited in Job Grade 14
- "Walk in my shoes" communications initiative implemented in collaboration with Internal communications

Our 2021 groups focused on the following:

The Gender working group focused on achieving increased opportunities for all women or any person identifying as a woman inside and outside SES. They developed an allyship for the gender minority programme to implement in 2022.

The Ethnicity working group focused on stiving for better representation and opportunities of ethnical minorities at all levels within and outside SES. For their 2021 proposal, they tackled mitigating bias in recruitment and in 2022 are challenging the organization to implement KPIs, apply blind screening and carry out interviewer surveys.

The "general" working group has flexibility to tackle other topics and can choose a focus area. In 2021 the group focused on creating an inclusive LGBTQIA+ culture within SES. They asked the business to adopt the UN Standards of Conduct as our guidance and pushed for increased visibility of support, training for employees, changes to recruitment processes and advocacy through the addition of matching donations in our company match programme.

In 2022, the work done by the E&I groups will move to the next stage, namely, to implement all approved changes. Employees will be invited to join the third rotation of E&I groups.

In 2021, SES was awarded the Luxembourg Diversity Award in the category of Communication and Values for our employee-driven Equality and Inclusion groups.

In addition to those initiatives, we have more D&I programmes in place like a Diversity calendar, a Mentorship programme and a D&I dashboard to monitor the progression of females especially in higher job levels.

TALENT ACQUISITION

Diversity by the numbers

Currently 24% of SES' workforce are women, a figure that has been stable over the last years, but SES aims to increase this number as part of its diversity strategy. Women are most present in Corporate Functions (57%), specifically in Marketing and Communication (73%), but considerably less in Technology & Global Services (13% & 15%). Furthermore, 27% of SES employees below the age of 30 are female. With a focus on increasing the representation of women in managerial and executive roles in 2021. SES has observed a slight increase of women representation at executive level (15% representation compared to 13% in 2019 and 2020).

As of end-December 2021, SES employees from 68 nationalities across 24 offices which is a strong indication of the company's diverse workforce target. The most represented nationalities are: United States, Germany, Israel, France, Great Britain, The Netherlands, Luxembourg, Belgium, and Italy.

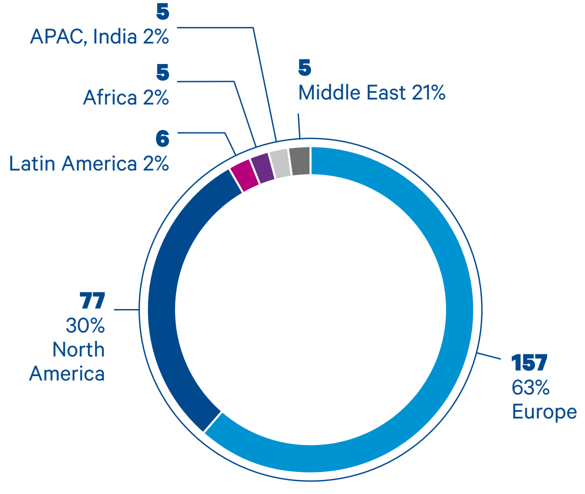
We have an overall healthy age distribution with an average age of 44 years old. 44% of our employees are aged 40 and below and 10% are aged 30 and below.

Below are presented new employee hires by SES by age group, gender, and region in 2021.

New Hires by Gender

	Total	Female	Male
Under 30	93	26	67
30–50	133	33	100
Over 50	29	4	25
Total	**255**	**63**	**192**

New Hires by Region (YTD)



SES understands that valued employees are more likely to be satisfied with their career prospects, be productive and achieve their long-term career goals. Engaged employees lead to a reduced chance of employee turnover for companies. To achieve high skilled workforce and increase productivity, SES puts a special emphasis on its securing and retaining talent policies.

When it comes to the retention, engagement, and development of women, we are tracking the participation of women in key programmes and initiatives, such as SES' Leadership Development Programme, where in 2021 29% of participants were women. When it comes to promotions which took place in 2021, 28% of these were for women.

While our annualised turnover rate (15%) has remained stable in 2021 compared to 2020 and 2019, we have noticed a higher female turnover (18%) than in 2020 (15%) and compared to male turnover (14%). We acknowledge that this is a global trend reported by many, such as in the 2021 McKinsey report titled "Women in the Workplace":

> “One in three women says they have considered down-shifting their careers or leaving the workforce this year, compared to 1 in 4 who said this a few months into the pandemic. Additionally, 4 in 10 women have considered leaving their company or switching jobs – and high employee turnover in recent months suggests that many of them are following through.”

At SES we are closely monitoring the evolution of this phenomenon through our D&I Dashboard while reviewing main reasons which drive women's departure based on data from exit interviews which helps to guide and focus our future actions.

As a company, we adapt to the new way of working by creating a hybrid model that provides more flexibility than before. We are also in constant collaboration with our people managers to create safe spaces and team charters that take every team member's needs into consideration.

In-house talent acquisition programme

In 2018, SES has created a new global in-house Talent Acquisition function with dedicated personnel and developed a new Strategic Plan aligned to business imperatives. In 2021, we filled 382 positions (2020: 302) of which 70% were filled externally (2020: 66%). 59% of the positions were filled in Europe (2020: 47%), and 35% in North America (2020: 34%). 24% of positions were filled by women (2020: 23%).

Our Talent Acquisition team focused on Diversity and Inclusion during career and job fairs. SES joins events such as Jobinars for Top Women Tech to attract more women from STEM. Additionally, we attended the Aerospace Diversity Day (DELFT), all to attract more females and showcase our commitment to D&I..

SES associate programme

To maintain our position as the leader in global content connectivity solutions, we have established a special development programme for graduates to provide us with a pipeline of young talent.

The SES Associate Programme has two tracks, a Sales Associate programme and a Technical Associate programme. The Technical Associate programme gives exposure to corporate functions in the business over a 2-year period. We have active participants in this programme that contribute to company projects, learn from business leaders and gain deep insight into the satellite industry. The Sales Associate programme, new in 2020, exposes the participant to elements of sales (Solutions engineering, Asset management, and Sales) over a 1.5-year time frame. The application process for this programme launched in Q4 2020 and we had 5 new associates joining us in Spring 2021.

INDUSTRY COLLABORATION COMMITMENTS

Industry collaboration on enhanced Diversity and Inclusion policies are keys to achieve more representative, inclusive, and dynamic workforces. More diverse and inclusive industries not only push underperforming companies to take more ambitious steps on their policies but also create collective action platforms to better align intra-industry targets to achieve enhanced Diversity and Inclusion. SES intends to spearhead their policies in the space and telecommunication industries through its industry collaboration commitments.

WOMEN IN AEROSPACE

Women in Aerospace (WIA) is an international organisation founded in 1985 dedicated to increasing the leadership capabilities and visibility of women in the aerospace and STEM community. WIA acknowledges and promotes innovative individuals who strive to advance the aerospace industry. WIA-Europe currently has 14 Local Groups across Europe and has also become partner of an important project in collaboration with the United Nations Office for Outer Space Affair (UNOOSA), “Space for Women”.

SES is a corporate member and sponsor of WIA Europe, and 2 employees currently run the Luxembourg local group. The idea behind SES participating in the WIA is to create a community in Luxembourg for Women within the aerospace/STEM sector through regular meetings (fun networking sessions, webinars, feedback sessions). SES aims to enable women in the aerospace industry to have their voices heard and have a great network of women in STEM that they can always rely on. SES encourages having a platform for women in STEM to share their ideas, discuss issues and eventually implement change within the industry and promote women in STEM for the future generations.

STEM EDUCATION INITIATIVES

To secure best in class employees and to sustain innovative capabilities, SES believes that it must inspire the new generation towards Science, Technology, Engineering and Mathematics (STEM). Therefore, we engage in global activities in this field also using it as opportunity to support and increase diversity.

MASSACHUSETTS INSTITUTE OF TECHNOLOGY (MIT)

With MIT we have had some engagement over the past years for STEM initiatives, we started in 2018, specially prior to COVID-19.

Before COVID one of our female colleagues organised two events in MIT with our CTO at the time, and afterwards with other SES colleagues who participated in an event and explained how it is to be working at SES.

SPACE & SATELLITE PROFESSIONALS INTERNATIONAL (SSPI)

We collaborate with SSPI in Mid-Atlantic with one female employee on the board. This employee participated in an event in George Washington University in DC, providing young women engineers her perspective on working on a male dominated industry, explaining her experience at SES.

AEROSPACE DIVERSITY DAY AT TU DELFT

Over the past 2 years we have participated as speakers at the event. The topic of 2021 was “Belonging as a basis” and we participated in a panel discussion that was live for all TU Delft students.

SCHOLARSHIPS

Launched in 2018, The SES Space Scholarship offers a unique opportunity for 17–18-year-old students who have completed their General Certificate of Secondary Education (GCSEs) and are interested in the space industry and astronomy to be involved in a wide range of career opportunities in the space industry. SES encourages people from all background to apply and particularly welcomes applications from underrepresented groups.

INTERNATIONAL SPACE UNIVERSITY

SES is a proud partner of the International Space University (ISU) in developing future leaders of the world space community. We work with the University in developing talent through guest lectures or workshops from SES subject matter experts, professional visits, internship opportunities and even scholarships to cover partial or full tuition fees. Our scholarship this year benefitted a female student from Algeria with 50% of her required tuition fees. We are tremendously proud to be able to create possibilities for more accessible space industry education and help young talents achieve their dreams.

ENGINEERING TRAINEE DAYS

Engineering Trainee Days project aims to promote engineering and scientific professions to secondary students, age 16+ years, by offering them valuable insights into the daily work environment of a STEM professional. This experience differs from a simple company visit, as the students follow and assist engineers and scientists in their daily tasks and duties for two days. This allows students to gain an understanding of professional, linguistic, and interpersonal industry requirements. This project is an initiative of the Association of Engineers, Architects, Scientists Industrials Luxembourg (da Vinci) and Jonk Entrepreneuren Luxembourg with the support of the Ministry of Education.

CRITICAL HUMAN NEEDS

Reliable, high-speed connectivity and access to content is key to harness the potential of digitisation, to boost countries' economies, and to present opportunities for people. SES' superpower is reach bring access to information and learning, improving digital inclusion through reliable and flexible bandwidth anywhere on earth. SES progresses its initiatives across geographical barriers, brings infrastructure to fragile economies and isolated communities, and aids humanitarian efforts in disaster-hit areas. Each country has unique challenges and opportunities around the move towards digital and SES is at the forefront of this transformation.

TARGETS

SES is proud of the areas where we advance the Sustainable Development Goals and know that access to content and connectivity is a powerful tool to meet the needs of people for a sustainable, equitable and inclusive world. Everyday our services connect communities with content and critical connectivity for human needs. While we have several programmes that we work on that advance these goals, the problems remain- billions of people are unconnected leading to worse outcomes on a variety of metrics including access to education and health. We believe our products and services are making a difference, but we lack the metrics on the impact of these services for people on the ground. We additionally want to make a meaningful impact with connectivity and content but want to do this in close collaboration with all the stakeholders- governments, global institutions, NGOs, content providers, our customers, and partners. For our targets and focus for 2022, we are committing to doing the work to develop a long-term goal for addressing critical human needs. To do that, we are going to reach out to stakeholders and have meaningful conversations to know what we can uniquely contribute that could help. In the meantime, we will continue to do what we can through our existing programmes of connecting unconnected areas, assisting in disaster response programmes, and providing telemedicine solutions.

ADDRESSING THE DIGITAL DIVIDE

Access to broadband services is a well-known indicator of a thriving community as it provides for critical human needs of a population including emergency aide, health, financial and educational access. SES works alongside governments, telecommunications providers, and non-governmental organisations in communities around the globe to close the digital divide and build out infrastructure to connect the unconnected. This is a core part of our fixed networks and government business units and provides maximum impact in our product and services portfolio. As part of our service portfolio, we offer a Managed backhaul solution to our customers, providing satellite capacity for mobile base stations to connect additional subscribers in remote and isolated places. We work closely with our telecommunications customers to expand their networks to expand connectivity to more people and close the digital divide.

Our services reach remote and isolated places to provide connectivity in Colombia (in collaboration with our partner INRED), Alaska (in collaboration with Optimera), Greenland (with Tusass), and in 2021, we worked with customers in Central African Republic on solutions that reach remote and isolated places.

CENTRAL AFRICAN REPUBLIC

Utilizing SES' MEO O3b service and working with Orange, this next gen system will open the door to ultra-high capacity and flexibility to provide tailored connectivity solutions to even the smallest and most isolated towns in the Central African Republic.

While we know that we are connecting communities with broadband service every day, SES wants to do more to innovate solutions and expand access to these services. Addressing innovation and partnership impact will be included in our stakeholder outreach in 2022.

CRITICAL HUMAN NEEDS

Empower communities to thrive with services that help meet critical needs, save lives, & create inclusive and equitable opportunities.

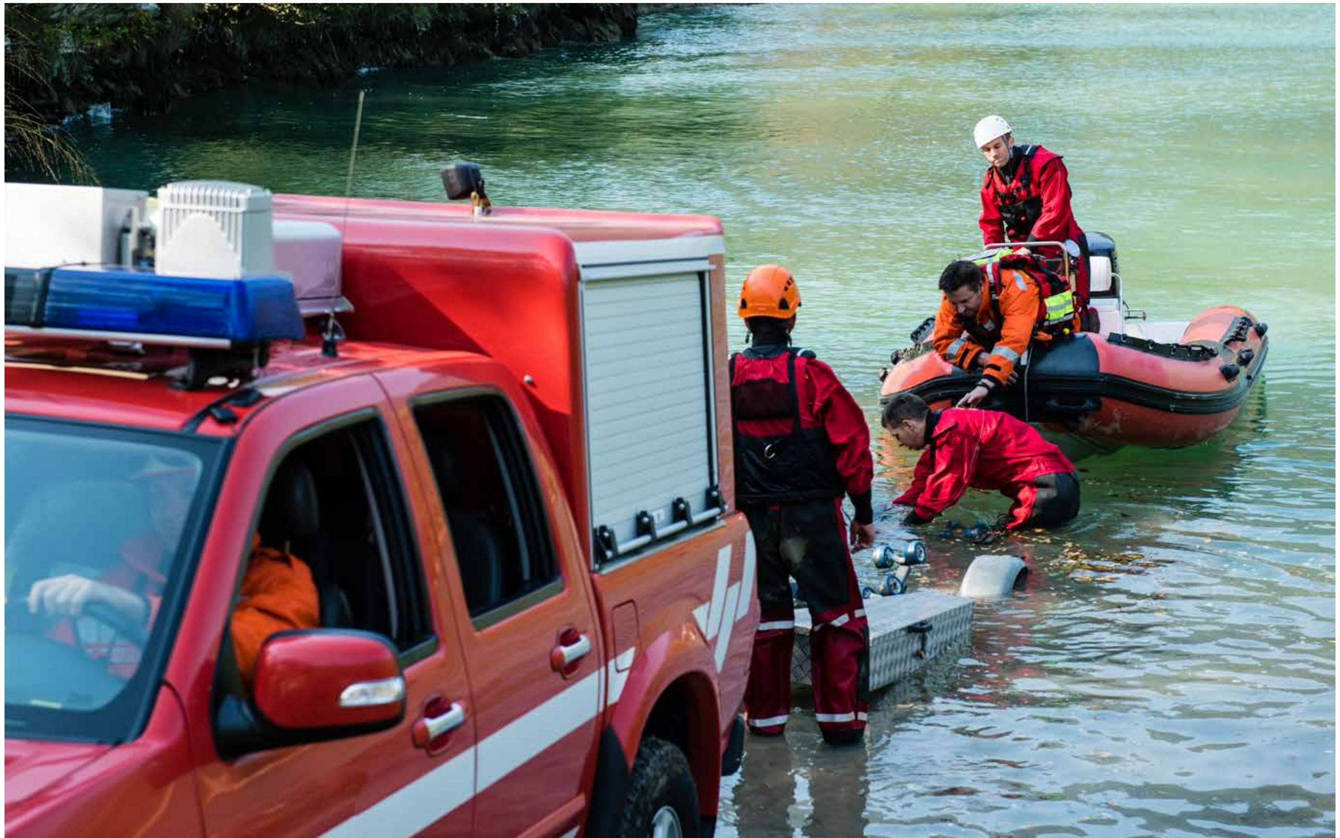
Direct our innovation & partnerships to expand access to educational, health, & informational services.

Expand reliable access to content & connectivity in remote & isolated places by leading partnerships in our industry and beyond.

INNOVATING FOR CRITICAL NEEDS

HUMANITARIAN RESPONSE

The COVID-19 pandemic has drastically increased the need for global humanitarian assistance. The number of people requiring humanitarian assistance has increased approximately 40% in 2021. Crises, conflicts, natural disasters, and the climate change impacts further threaten the future of humanitarian response and increase the complexity of the problems faced. To obtain a more robust humanitarian policy adapting to constantly evolving humanitarian problems and to contribute to a greater humanitarian good, SES continuously improves its humanitarian response putting a special emphasis on innovation.



EMERGENCY.LU UPDATE

In 2021, we continued our public private partnerships related to disaster and humanitarian response as we know that during disasters communications becomes a critical need to response and recovery of a community. In 2021, SES focused heavily on innovating for humanitarian response and our public/private partnership between the Luxembourg's Ministry of Foreign Affairs, SES, HITEC Luxembourg and the Luxembourg Air Ambulance, and is supported by several operational and technical partners. We supported several deployments and announced our continued support of this programme for another 6 years. SES Supporting disaster and humanitarian crisis situations remains a top priority of our ESG strategy.

There are two vital requirements in emergency situations: rapid deployment on site to cover the communications needs in the immediate aftermath of a disaster, and control and management capability allowing quick and efficient sharing of information about the situation on site. The emergency.lu platform was designed in 2012 to quickly re-establish communications in remote areas isolated by natural disasters or other emergency situations. The platform is based on a public-private partnership between Luxembourg's Ministry of Foreign Affairs, SES, HITEC Luxembourg and the Luxembourg Air Ambulance, and is supported by several operational and technical partners. The emergency.lu platform is based on a global hub infrastructure and satellite capacity, both provided by SES. Hubs are deployed in Betzdorf (Luxembourg), Manassas (USA) and Hong Kong (PRC).

In 2021, emergency.lu project was renewed with SES for a period of 6 years. SES has moved the programme to a flexible service catalogue approach, offering additional services and enhancements as options for deployments and to better serve the needs of the customers on the ground. Changes to satellite capacity, equipment, networking options and enhanced options for voice services to affected communities has been developed or implemented.

The emergency.lu team were proud to support emergency missions in 2021 including deployments to Haiti and Germany with additional longer-term deployments continuing in Niger, Nigeria, Venezuela, Syria, Chad, and Central African Republic in support of WFP, UNHCR and UNICEF.

SATMED

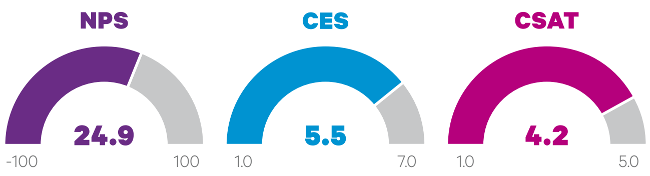
SES has been managing the Luxembourg Government's satellite-enabled SATMED e-health platform, working in close partnership with non-governmental organizations. The solution enables real-time situational assessment and data exchange for healthcare professional sin locations like Bangladesh, Sierra Leone and others.

OPERATING OUR BUSINESS

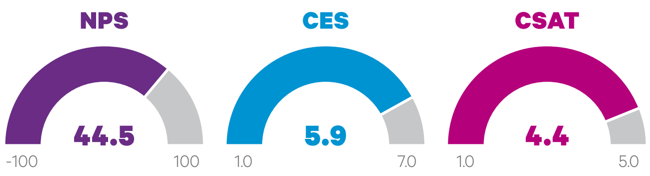
Along with setting a clear strategy and targets related to ESG for our business, we also know that the foundation of our business needs to be set on strong operating procedures and business ethics. Attention to our customer feedback, employee matters, social matters, IT security process, Human rights considerations and Anti-bribery and corruption are all additional areas where SES considers our impact.

Our commitment to excellence as a company has earned us recognition as a leader.

Networks KPIs



Video KPIs



CUSTOMER CENTRICITY

SES emphasises doing the extraordinary in space to deliver amazing experiences everywhere on earth. Delivering amazing experiences everywhere on earth requires focusing on our engagement with customers, on the people we impact as a top priority on SES' business agenda. To make sure SES understands the customer challenges, expectations and improvement potential for SES, the company conducts a 'voice of the customer' survey once a year. The survey is based on quantitative methods and aims to measure the following:

- CSAT (Customer Satisfaction)
- CES (Customer Effort Score)
- NPS (Net Promotor Score)

Our customer experience team analyses the results from a quantitative perspective and cross references the results with qualitative studies run throughout the year to get a holistic picture on the perception of SES, customer challenges, expectations and improvement potential for SES.

In 2021, SES received additional recognition for our work with our customers from the European Customer Centricity Awards and the International Customer Centricity Awards.

EUROPEAN CUSTOMER CENTRICITY AWARDS

Business Change or Transformation: where we presented how we apply customer experience to support business transformation, starting with HEARTBEAT and later linking it into Simplify & Amplify and all other transformational initiatives and programmes.

Customer Centricity in B2B: where we showed how we expanded our CX capabilities with human centric design and we use design thinking workshops to ideate CX improvements in a highly inclusive cross-functional structure.

Winning these 2 awards reinforces the fact that our strategy for customer centricity is the right one, it is impactful and driving change.

INTERNATIONAL CUSTOMER CENTRICITY AWARDS

- Gold in Business Change and Transformation – Telecoms
- Silver in CX Leader of the Year recognizing our VP of Global Customer Experience
- Bronze in Customer Centric Culture – Telecoms and Utilities

These 3 awards confirm that we are in a continuous cycle, an infinite loop, where we build on our strategy to ensure that it keeps on delivering value and staying relevant to our customers and organization.

In 2022, SES is hoping to further align with our customers on ESG topics with a dedicated portion of our Customer Advisory Board discussing these topics and how we can collectively create impact.

EMPLOYEE MATTERS

We are passionate about employee experience and employee success. We aim to treat employees as we want them to treat our customers; empower them to take ownership of their careers; and create a community where it is fun to work.

We strive to be future proof, powered by a strong, healthy culture. This depends on learning and teaching, a diverse workplace where everyone feels included and having a growth mindset.

We drive business success within SES by anticipating and meeting the needs of the business through world-class human capital practices.

COVID-19

The pandemic continues to be a driving force in how we think about work and our workforce. In 2021, SES continued relying on our COVID-19 task force to ensure the health and safety of our staff and provide regular updates to the changes in the regions where we work. Like many businesses, the pandemic has allowed us to reflect on the ways in which we work, how we collaborate with each other and how we work might look in the future. SES has since instituted a work from home option, allowing staff to work 2 days a week from their home office. We believe that having a combination of in person and remote working is the right balance for our workforce to allow for maximum collaboration in our offices and the flexibility and productivity of working from home.

ATTRACTIVE AND FAIR COMPENSATION AND BENEFITS

Our compensation philosophy aims to stay ahead of the market and to contribute to the company's organisational goal to attract, develop and retain talent and to treat all employees in a fair and equitable manner.

Key Principles

We benchmark our total compensation against local practices of other global organisations with the ICT industry as a reference point.

Our total rewards include annual base pay, bonus linked to individual, departmental and group financial targets, benefits aligned with local practices as well as long-term incentives in order to position the Company as a global employer of choice.

Being fair and consistent is at the heart of all our compensation & benefits related decisions, whether it is on job grading, salary increases, promotions or benefits. We undergo a global gender pay gap analysis on an annual basis.

Our Employee Rewards & Recognition Programme celebrates achievements through either:

- **CEO Award-** recognition on a company level for special efforts related to key projects.
- **Management spot awards-** monetary bonuses as recognition for great work.
- **Peer recognition** through "Thank You letters" and "Dinner on us"

Modern working conditions

Working conditions are being increasingly influenced by working hours, workplaces, the work environment, the level of employee empowerment and a state-of-the-art, growth driven management culture.

The length of our employees' workweek is generally regulated by the company or by a collective bargaining agreement.

Today's living and working conditions require working times to be flexibly organised in accordance with individual needs. We help employees reconcile their professional and personal responsibilities and boost their flexibility and self-determination by giving them the opportunity for mobile working. With COVID-19 forcing most of us to work from home, we adapted conditions and flexible working to accommodate the safety and needs of our employees. We successfully deployed IT solutions to accommodate the increased work from home demand and gave regular updates to our employee offices on the local COVID-19 situation and company regulations.

Further options for flexible working today include job sharing, part-time work, phased return from leave and reduction in work time.

HEALTH AND SAFETY GRI 403

SES commits its support to its employees' well-being and safety in and outside of the workplace. SES ensures health and safety through risk identification, assessment, and monitoring; health and safety trainings; on-site and off-site regulation and supervision; and health and well-being initiatives. In 2021, SES instituted a role dedicated to ensuring a fully coordinated and structured approach across the organization. The Global Health and Safety officer is responsible for devising a global Occupational Health and Safety strategy based on international standards and for managing its consistent implementation worldwide.

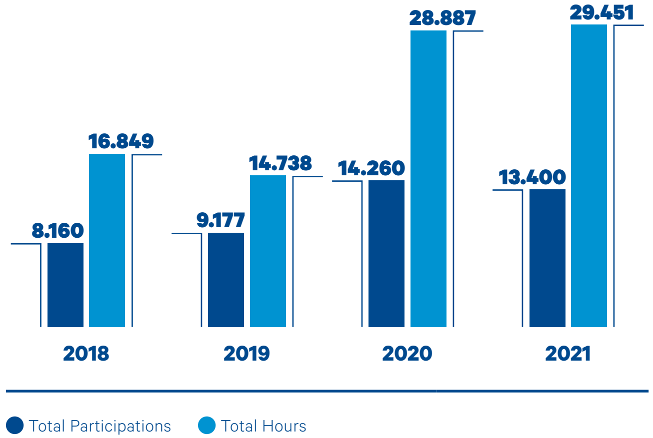
The company complies with the ISO45001 principles and in 2022, will continue to develop this system to disclose additional metrics associated with our Health and safety policies. The company has put in place different risk assessments based on the local regulations of its sites. Regulatory watch and legal compliance are monitored and defined based on the different sites. All personnel working at SES is covered by this framework. SES proudly reports that the company did not report any work-related injury or ill-health thanks to its comprehensive and preventive health and safety policies.

TRAINING AND EDUCATION GRI 404

We are convinced that work can and should provide a great opportunity to learn and grow, as well as to contribute to our societies at large. SES offers relevant training and development to all its employees and aims to provide learning that is easily accessible as a natural part of an employee's job. The mission of the Learning & Development function in any organisation could be described as ensuring the availability of relevant learning solutions to all its members. Our vision for Learning & Development goes much further and is currently defined as follows: to create an environment where fully remote state-of-the-art learning is easily accessible to all employees, where learning anytime/anywhere is a natural part of everyone's job, and where developing skills is recognised as a shared responsibility. Already before the pandemic our slogan was to promote "Learning anytime, anywhere" since our employee population is spread out across over 25 locations globally. Concretely this translated into having either an e-learning solution or a remote-delivery videoconference version available as an alternative to any training offered in a classroom. This allowed us to create more of a level-playing field between employees located in the major offices and those in smaller locations. When the first lockdowns started in March 2020 we were able to build on these efforts and quickly moved our complete active training offering to remote delivery formats, so that during both 2020 and 2021 the time and effort spent on learning actually increased versus previous years, rather than suffering from the pandemic.

The following graph shows the official numbers for all trainings for 2018 through 2021
(Disclosure 404-1 Average hours of training per year per employee)

All trainings 2021 by the numbers



For 2021, we had defined the following priorities in Learning and Development:

- Organise tailored learning journeys for teams to fight isolation and impact of lockdowns: topic-based or pure teambuilding, sponsored by people manager
- Continue company-wide Business Priority Sessions to create visibility on key topics such as Working from Home, Artificial Intelligence, Cloud

- Make the "4 Essential Roles" the accepted and lived SES leadership model: partner with top management to ensure relevance and impact, start at the top
- Develop SES leadership pool to increase employee engagement: leverage Leadership Development Programme, Associate Programme and Practical Manager Toolbox
- Provide weekly 90-minute career skills / well-being sessions: wide range of topics, internal delivery, "come as you are"
- Reinvent Induction Days: offer an engaging induction experience to SES new joiners "with a buzz around it" in spite of remote conditions
- Enterprise Skills Initiative (ESI) in partnership with Microsoft to enable employees to systematically upskill in key areas
- Improve consistency regarding training compliance on a number of mandatory topics in Legal/Regulatory as well as IT

Specifically related to ESG topics, SES has designed an SDG-ESG training workshop in 2021 for roll-out in 2022 to increase employee awareness of the UN SDGs and ESG principles. The workshop covers the why and the how SES is incorporating ESG in the organization with the aim to increase employee engagement in this area.

Traditionally trainings at SES are managed through a Learning Management System (LMS) which enables employees to search and sign up for relevant courses, and to complete all hosted e-learnings. The LMS also serves for tracking attendance and maintaining training records. Over the past few years and especially since March 2020, SES has used a number of new formats for delivering learning experiences to employees in an easily accessible way, including some that do not allow easy integration with our LMS (e.g. videoconference sessions in TEAMS and company-wide videoconferences on our internal platform). The result of our decision to favor ease-of-access over detailed reporting capability has been that a large part of the learning now happens outside the LMS, and while we are able to track and trace the participant numbers as well as the learning hours, this puts a limit on our ability to produce a full detailed report on the learning activities for different employee categories. The following numbers therefore only capture the part of the learning tracked in the LMS.

Learning activity by gender and age groups:
(GRI Disclosure 404-1 Average hours of training per year per employee category)

Learning activity by Gender

	By Hours	By Participations	% of employee population
Women	28%	25%	25%
Male	72%	75%	75%

According to the data we have, participation in trainings is perfectly in line with the gender composition of our workforce. In terms of training hours, women are slightly ahead of men.

Learning activity by Age groups

	By Hours	By Participations	% of employee population
Under 30	15%	15%	12%
30–50	64%	64%	62%
Over 50	21%	21%	26%

According to the data we have, the percentage distribution across the three age groups by hours is identical to that by participations. The under 30 group consumes slightly more on average, the over 50 a bit less, compared to their % of the employee population.

Functional and technical training
(GRI Disclosure 404-2 Programmes for upgrading employee skills and transition)

Learning activities regarding employee skills at SES can be triggered either top-down (launched by management) or bottom-up (requested or initiated by the employee). Our key principles for managing these efforts and allocating the budget are as follows:

- Everyone in the company has access to the SES&Me Learning page, as we are running L&D as a shared service.
- Everyone in the company can in principle sign up for course in the SES learning calendar – classroom, remote, internal e-learning, or MOOC (external e-learnings).
- Everything in the Learning calendar is paid for from the central L&D budget, no back-charging is done to the participants department or cost centre.
- Any manager can assign any training in the catalogue to someone in their team via the SES&Me Learning page.
- Before attending external trainings, employees submit an "external request" in the SES&Me Learning page, approval is required from line manager and from L&D to allocate the budget.
- External trainings and events organised for a specific department or team are charged to that areas functional training budget.
- Tuition assistance for graduate or post-graduate studies is available under certain conditions, but NOT a pre-approved entitlement.

ENTERPRISE SKILLS INITIATIVE CHALLENGE (ESI)

In 2021, SES has partnered with Microsoft to launch Enterprise Skills Initiative (ESI) to equip SES employees with necessary IT skills through provision of training courses on Microsoft Cloud Solutions. The courses are guided, interactive and allow employees to learn the material in-depth at their own pace. Microsoft certifications allow SES employees to advance in their careers through enhanced skillsets at SES or elsewhere.

MANDATORY TRAININGS REGARDING LEGAL, REGULATORY AND IT

SES employees are required to complete seven mandatory trainings: General Data Protection Regulation (GDPR), Code of Conduct, Harassment Prevention, IT Security Awareness Foundations, Sanctions, Anti-Bribery, and Export Compliance. Because of the relevance of these topics for ESG, we are providing a brief description of each of them here.

GDPR

In light of the General Data Protection Regulation (GDPR) across Europe, all SES employees are required to take an internal GDPR e-learning course to ensure colleagues are aware of, and compliant with, this important new data protection legislation.

CODE OF CONDUCT

The Code of Conduct e-learning is designed to create a thorough understanding of the key principles of our Code and also outline the process for reporting and potential violation of it. Adherence to our Code of Conduct and Ethics is vital for preserving the good reputation of our company, which is one of SES's most valuable assets. A major effort has been made to "translate" the code into language that resonates with our employees.

HARASSMENT PREVENTION

Our organisation's commitment to Diversity & Inclusion means that every employee must understand the policies, procedures, and guidelines as outlined in the Fair Employment Practices of the SES Code of Conduct. To deliver on this, The Harassment Prevention e-Learning course is mandatory. The two-hour course reflects the standards of conduct that SES expects from all its staff everywhere.

IT SECURITY AWARENESS FOUNDATIONS

For the effective protection of the company and its assets, it is imperative that all SES employees are aware of existing IT Security Awareness risks and threats, allowing them to sustain the highest level of vigilance at all times.

SANCTIONS

SES complies with all applicable sanction regulations. The SES Legal Department maintains an internal chart of sanctioned countries and employees need to be familiar with the relevant sanctions for every country, reaching out for advice from the Legal Department before engaging in any business that touches a sanctioned country, entity or person. In order to familiarise the employees with these respective rules, the Sanctions e-learning are mandatory for all SES employees.

ANTI-BRIBERY

To ensure that all SES employees comply with anti-bribery laws, it is mandatory for all employees to complete the Anti-Bribery e-learning.

EXPORT COMPLIANCE

Employees at SES must be able to recognise when they are dealing with hardware, software, technology/technical data or services subject to export controls. Understanding what obligations they have when receiving, storing or transferring export-controlled hardware, software or technology/technical data is mandatory for all employees and covered in the Export Compliance training.

PERFORMANCE MANAGEMENT GRI DISCLOSURE 404-3

SES uses an Annual Performance Review (APR) process to manage and support employee performance, enabling managers to make more accurate decisions on promotion, succession, compensation, and employee evaluation. SES aims to drive employee development and engagement, align employee's work with business objectives and hold employees accountable through continuous monitoring and feedback loops. Upon employee performance evaluation, SES sets critical areas of improvement and structures its learning and development initiatives accordingly, targeting both hard skills that are required by ICT and space and telecommunications industries as well as soft skills that enhance employee personal development.

SOCIAL MATTERS

GIVING BACK TO OUR COMMUNITIES GRI 413

SES know that "making a difference" includes not only the work our company does through our products and services but also includes all the ways the company and our employees give back to our communities. From fundraising through the Global Giving Initiative to increasing employee engagement through the Giving Back Days, SES ensures that local community engagement and giving are embedded in its company culture.

SES provides multiple routes for giving, some of which are corporate led initiatives and others are led and organised by our employees.

CORPORATE LED INITIATIVES

GLOBAL GIVING

SES helps local communities by leveraging its Global community of giving. SES' individual offices can nominate organisations or community opportunities that the entire SES population can support through fundraising. The aim is to mobilise the SES community to give donations or time for a local charity rather than to define projects for giving "in kind" or other corporate initiatives. SES choses the target organizations based on feasibility, overall impact, geographical dispersion, and levels of involvement offered (donations, volunteering, fundraising, skills based virtual event, etc). Starting in Q2 of 2021, we held quarterly projects to benefit a wide range of initiatives and engage our employee base.

Singapore Red Cross
Benefitting the Singapore Red Cross, and mobilizing our entire employee base, SES raised over 14,000 Singapore Dollars with an additional 10,000 Singapore Dollars matched by the Singapore Government. Employees used remote fundraising opportunities, such as offering yoga classes on Microsoft Teams, a tiny desk concert with SES musicians, to virtual walks with their team to raise awareness and make an impact together.

Clean up the World Day
In 2021, SES joined a global movement in September to "Clean up the World". Offices in 7 countries participated to clean up trash in our communities and those who could not get out of the office that day were encouraged to participate in a "digital clean up" of their devices to reduce the impact of our digital footprint on the environment.

Giving Tuesday donation drive
In November, SESers took inspiration from the international Giving Tuesday movement and 15 offices participated in a donation drive. In total we donated over 200 clothing items benefiting 7 different charities

EMPLOYEE MATCHING

SES matches every donation of its employees on dollar-for-dollar basis (up to €1,000 per employee per year) and for the charities approved in the beginning of each year.

SOCIAL FUND

The Social Fund is intended to provide financial support to staff members and direct members of their families in case of unexpected social emergency situations, for which staff members or members of their families cannot be held responsible, which result in incommensurate financial costs not covered by social security or third-party coverage, and which lead to an unstable work or family situation. The purpose of the Social Fund is to provide a financial security net. SES has provided an initial contribution of €50,000 to the fund in 2021.

EMPLOYEE LED INITIATIVES

GIVING BACK DAYS

SES grants its employees two days per year paid leave to 'give back' to a cause that is important to them. In 2021, our employees gave back to volunteer to clean up in Germany after the damaging floods of the summer, to cycle hundreds of kilometres to benefit a charity in the Philippines, to help senior citizens in Singapore, or to lecture to a group of space students at a marketing workshop. Additionally, our employees used days to participate in our global giving initiatives to fundraise for the Singapore Red Cross or Clean up the World.

SHARITY

SHARITY is an employee led charity designed to support small scale local development projects globally, (examples include but not limited to funding a local village school or medical centre). Employees fund projects by donations and SES matches up to $1,000 per project. SES chooses the projects to support based on projects' ties to SES employees or locations in which SES has offices; charities favouring education & health, protection of children, protection of minorities, women's rights; environmental and sustainable development causes; strict political and religious independence; traceability of the donated funds; geographical diversity (local and global); and minimum management fees of the elected charities and projects.

In 2021, Sharity's projects included supporting:

- Music Education for children in disadvantaged areas around Cape Town
- COVID-19 impact in India
- Benefitting children and WWII veterans Ukraine
- Starvation in Madagascar
- Scholarship in Burkino Faso
- Support of Germany after flooding

Sharity collected a total of €7,600 excluding the SES match to donate to the projects above.

ETHICS

Integrity, compliance, and legal responsibility are the cornerstones of our sustainable governance and serve as the basis for all our actions. Our governance objectives and their management are part of our corporate governance system and are represented in the targets and remuneration of our Directors and Executives. SES is committed to conducting its business in compliance with all applicable laws and regulations observing the highest standards of business ethics.

CODE OF CONDUCT GRI 103-204

We define compliance as trust-based, reliable, and sustainable corporate governance derived from ethical values. The Board of Directors is responsible for compliance with the law and the company's policies and seeks the same level of compliance from all SES subsidiaries and employees.

To manage and address compliance risk, we have implemented a Compliance Committee and a Code of Conduct which defines our everyday business conduct, offers employees advice, and helps them make the right decisions even in difficult business situations. SES' Code of Conduct explains that unethical behaviours are not acceptable at SES and the potential sanctions for such behaviours. It includes our stance on: Information and Cyber Security policies, Bribery and Facilitation, Political Activities, Sanctions, Export Controls, Competition/Antitrust, Anti-Money Laundering, Intellectual Privacy, Antiboycott, Insider Trading, Conflicts of Interest, Fair Employment, Harassment, Contractors and Agents, Data Protection, Fundamental Rights, Environment, Health and Safety, Social Media, it is binding and applies to all employees without discrimination.

Our Compliance Committee, composed of designated Compliance Officers in each main corporate location, is tasked with raising the staff's awareness of the Code of Conduct. The Committee meets regularly to discuss important topics or issues. Reflecting the company's expansion into developing markets, the composition of the Committee includes representatives from SES' offices in Asia, the Middle East, and Latin America.

SES has implemented a mandatory compliance training programme for staff as detailed in the training section of this report.

WHISTLE BLOWING SYSTEM

SES has implemented a whistleblowing hotline, managed by a third-party provider, which allows our staff to file any compliance complaints in full confidence. In addition to its internal ethical mechanism, SES demands high ethical standards from its business partners and suppliers to ensure trust with the external stakeholders including customers, governments, and investors.

HUMAN RIGHTS

Respect for human rights is a natural prerequisite for responsible business management at SES and we are committed to acting in accordance with international initiatives and standards such as the Fundamental Conventions of the International Labour Organisation, the UN Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. We expect all employees to be proactive in protecting human rights so that violations can be ruled out entirely when it comes to our company's business activities. All forms of modern slavery, forced child labour, exploitation and discrimination are explicitly prohibited by SES. SES will not do business with any person or entity that engages in any form of modern slavery. This is a value that is highlighted in our Code of Conduct and inserted into legal documents with suppliers, partners, and customers. We do not see any elevated risk of child or forced labour at any of our SES locations or in our activities. SES was also not aware of any cases of human rights violations within the scope of its own business activities during the reporting period.

STATEMENT ON SLAVERY AND HUMAN TRAFFICKING

SES is committed to ensuring that there is no modern slavery or human trafficking in its supply chains or in any part of its business and that it adheres to international initiatives and standards such as the Fundamental Conventions of the International Labour Organisation, the UN Universal Declaration of Human Rights, and the UN Guiding Principles on Business and Human Rights. SES will not support or deal with any business knowingly involved in slavery or human trafficking.

The nature of SES' business means that the majority of SES' suppliers are large international companies providing complex technical services relating to the space industry through highly skilled professional employees. Our 50 largest suppliers account for approximately 80% of procurement spending.

SES does not procure a material amount of goods or services in sectors that are considered high risk for human trafficking or slavery (such as agriculture or horticulture, construction, textiles, catering and restaurants, domestic work, and entertainment).

SES Code of Conduct for Suppliers clearly outlines SES' stance towards slavery and human trafficking. SES also includes in its contracts with suppliers a clause requiring the supplier to comply with all laws applicable to the provision of the goods or service. SES' contracts with its suppliers also contain a provision stating its suppliers cannot novate or subcontract any right or obligations to any third party without the written consent of SES.

This statement is made pursuant to Section 54 of the Modern Slavery Act 2015 of the UK and sets out the steps SES has taken to ensure that slavery and human trafficking is not taking place in our supply chains or in any part of our business.

ANTI-CORRUPTION/BRIBERY GRI 204

SES is committed to respecting the highest ethical and legal standards, set out in our Code of Conduct, on which all our employees are trained. We have identified bribery and corruption as one of the risks that SES is facing by doing business in most countries around the world, including with governments.

In addition to our Code of Conduct training, we require most employees to complete anti-bribery training on a regular basis. If initial questionnaires uncover concerns, SES will also conduct external due diligence on our third-party agents. The level of this due diligence depends on the risk assessment, which itself is based on several elements, including the country of operation and the type of business.

We also reduce the risk of bribery through a clear standard for providing or accepting gifts and entertainment and an approval process for any gifts that exceed that standard. The relevant policy, which like all compliance policies is available on a dedicated intranet page, contains a dedicated e-mail address that can be used to obtain guidance prior to providing or accepting a gift or entertainment.

CYBERSECURITY GRI 418

The robust management of data protection and data security is essential, in our opinion, to secure the long-term confidence of our stakeholders.

To ensure compliance with data protection laws and regulations, SES appointed a Data Protection Officer. SES has implemented a variety of measures, has reviewed, updated, and enacted relevant procedures and processes, and continuously strives to comply with the General Data Protection Regulation (GDPR).

SES has implemented technical and organisational security measures to protect networks and systems from cyber-attacks. As part of continual organisational improvement and in line with its commitment to strengthening cyber security, management has introduced a security framework in accordance with the leading industry standard ISO 27001 in key areas. This framework is continually adapted to new threats considering global organizational changes, security controls and practices within the group to reduce the risks of cyber-attacks. Employee training and education is an important piece to maintain security on our networks. SES has nearly 90% staff completion rate of information security training.

As Covid-19 brought new ways of working, our operations team evolved to ensure that our customers can continue to rely on us for critical content delivery and connectivity services, we have implemented and maintained a business continuity management system in accordance with the ISO 22301-2019 international standard as well as best practice guidelines from the International Organisation for Standardisation and approved by the European Committee for Standardisation. While most staff have been working from home since mid-March 2020, our operations teams have adopted a split team approach. Our operations teams are continuing their work on rotating shifts either using remote secure connections from home or operating regular services onsite. This ensures the delivery of uninterrupted broadcasting services and seamless networks services 24/7.

We operate fully redundant and geographically agnostic Satellite Operations and Networks Operations Centre systems to ensure the seamless operations of our customer services and satellite fleets. Our fully tested operational continuity plans ensure we have 100% confidence that our teams can operate the satellites and support operations remotely should the need arise.

We have also set up a cross-functional COVID-19 team in 2020 that continues to ensure the governance and proper execution of Pandemic Emergency Readiness and Business Continuity plans. The team meets with a clear remit to protect our staff and to ensure continuity of our operations and delivery to customers.

SUPPLY CHAIN MANAGEMENT

The purchasing functions within SES are carefully managed by a dedicated Vendor Management and Procurement team. SES places great emphasis on the design of its procurement processes, keeping in mind the obligations to applicable laws as well as our responsibility for sustainable practices. Our suppliers adhere to a Supplier Code of Conduct and Supplier General Terms and Conditions (GTCs) which outlines SES' expectations with regards to insider trading, conflicts of interest, bribery, sanctions, export compliance, competition, money laundering, child labour and slavery and human trafficking.

In 2022, SES will be undergoing additional considerations for our supply chain to align to the ambitions of our ESG strategy in driving Diversity and Inclusion, climate action and overall due diligence for sustainable practices.

REPORTING STANDARDS APPENDIX

SES provides details on its ESG performance and impact through quantitative and qualitative data provision to different sustainability reporting initiatives. These reporting initiatives include Global Reporting Initiative, Sustainability Accounting Standards Board, United Nations Global Compact – Communication on Progress, and Non-Financial Reporting Directive. Through these initiatives, SES can provide an in-depth and transparent data to external stakeholders and breakdown several aspects of its ESG policies that the Annual ESG Report does not fully capture.

GRI INDEX

SES has structured this report in line with the GRI reporting standard. For a full index of disclosures, please follow this link to the reporting section of our website. We are continuously improving our reporting and are looking forward to expanding our disclosures in future years.

SASB DISCLOSURES

SES has provided SASB disclosures on the reporting section of our website. We have disclosed according to the "telecommunications sector" and are evaluating if additional disclosures should be considered in the following years.

UN GLOBAL COMMUNICATIONS ON PROGRESS

SES endorsed the UN Global Compact (UNGC) in April 2021 and continues its support for the ten principles under human rights, labor, environment and anti-corruption areas. This Communication of Progress renews our commitment to the initiative for the upcoming year as we continue to advance our ESG strategy aligned with the UN Global Compact and the UN SDGs.

This Communication on Progress (COP) is supplementary to our Annual report that describes the company's efforts to implement the Ten Principles. SES supports public accountability and transparency, and therefore commits to report on progress annually to the UN Global Compact COP policy.

The table presented in the next part of the COP letter provides:

- A description of practical actions (i.e., disclosures of any relevant policies, procedures, activities that the company has taken (or plans to undertake) to implement the UN Global Compact principles in each of the four issue areas (human rights, labour, environment, anti-corruption.
- A measurement of outcomes (i.e., the degree to which targets/performance indicators were met, or other qualitative or quantitative measurement of results.

Steve Collar
CEO, SES S.A.

EU TAXONOMY

SES has undertaken an initial evaluation of its associated economic activities against those identified by the EU Taxonomy as required by the Delegated Act of Article 8 of the Taxonomy Regulation. Given the nature of SES' operations as a satellite operator, our GHG emission is small, totalling not less than 37,000 tons of CO2e. Accordingly, SES does not consider its activities to fall under the scope of those identified by the EU Taxonomy and/or are considered to be de minimis in nature as it relates to the year ended 31 December 2021. SES will continue to review reporting of EU Taxonomy activities on an annual basis in line with the requirements.

NON-FINANCIAL STATEMENT

The following information is provided in compliance with the Non-Financial Reporting Directive requirements. The table below sets out where the relevant information can be found in this Annual Report.

Non-financial Statement Disclosures in the relevant Chapters of the Report

Reporting Requirement	Policies/Information	Relevant Information	GRI Index cross reference
Business Model		• Business Model » page 6 • Strategic Priorities » page 28	GRI 101, 102, 103 401, 405,
Environmental Matters	• Environmental Policy • Fleet Management and Lifecycle Management • Carbon Disclosure Project • Waste Management Policy	• Corporate Responsibility » page 73 • Ambitions and Purpose » page 5 • Climate Action » page 37 • Space Sustainability » page 34	GRI 102, 103, 302, 305, 306
Social Matters	• Procurement Policy • Giving Back Initiatives • Disaster Relief Programmes • Customer Heartbeat (satisfaction, voice) and Perception Studies	• Critical Human Needs » page 46 • Ambitions and Purpose » page 5 • Governance section » page 60 • Social Matters » page 53	GRI 102, 103, 413
Employee Matters	• Health and Safety Policy • Flexible Working Policy • Social Fund Policy • Training and Development • Diversity	• Diversity and Inclusion » page 40 • Ambitions and Purpose » page 5 • Employee Matters » page 49	GRI 102, 103, 401, 403, 404, 405,
Human Rights	• Vendor Policy / Supply Chain Policy • Code of Conduct • Human Rights Policy	• Ambitions and Purpose » page 5 • Governance section » page 60 • Corporate Governance / Chairman Report » page 61 • Ethics » page 54	GRI 102, 103
Anti-corruption and Bribery	• Supplier Code of Conduct • Group Wide Code of Conduct • Whistleblowing Hotline • Compliance Guidelines	• Ambitions and Purpose » page 5 • Corporate Governance » page 60 • Ethics » page 54	GRI 102, 103, 205
Principal Risks and impact from Business Operations	• Shift in Consumer Trends • Customer Dissatisfaction • Liquidity Risks • Regulatory Risks	• Principal Risks and Uncertainties » pages 78–81 • Governance section on Managing Risks » page 78 • Corporate Responsibility » page 73 • ESG » pages 30–58	
Non-financial Key Performance Indicators	• Employee Turnover, Diversity Ratio • Employee Training • Technical Reach and TV Channel Count • Net Promotor Score • CO_2 emissions	• Employee Matters » pages 30–58 • Operational and Strategic report >> page 20 • Operating our Business >> page 48 • Climate Action >>page 38	

3

CORPORATE GOVERNANCE & REMUNERATION

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CORPORATE GOVERNANCE

SHAREHOLDER STRUCTURE

SES has been listed on the Luxembourg Stock Exchange since 1998 and on the Euronext Paris Stock Exchange since 2004.

Shareholder Structure as of 31 December 2021

SES Shareholders	Number of Shares	Voting participation	Economic Participation
Registered shares	4,616,730	0.81%	1.00%
FDRs (free float)	359,092,441	65.86%	78.04%
FDRs held by SES	7,748,429	0.00%	1.68%[1]
FDRs held by SES Astra for SES	12,000,000	0.00%	2.61%[2]
Total A Shares	**383,457,600**	**66.67%**	**83.33%**
BCEE	60,614,724	10.88%	5.27%
SNCI	60,607,161	10.88%	5.27%
Etat du Luxembourg	64,506,915	11.58%	5.61%
B Shares held by SES Astra for SES	6,000,000	0.00%	0.52%[3]
Total B Shares	**191,728,800**	**33.33%**	**16.67%**
Total shares (actual)[4]	**575,186,400**	**100.00%**	**100.00%**
Total shares (economic)[4]	**460,149,120**		

1 At 31 December 2021, SES held 7,748,429 FDRs for the purpose of its employee option program. SES does not exercise voting rights.
2 At 31 December 2021, SES Astra on the basis of article 415-23 of the Luxembourg companies' law, held 12,000,000 FDRs, to be cancelled in accordance with the programme of 6 May 2021. SES Astra does not exercise voting rights.
3 At 31 December 2021, SES Astra on the basis of article 415-23 of the Luxembourg companies' law, held 6,000,000 B Shares, to be cancelled in accordance with the programme of 6 May 2021. SES Astra does not exercise voting rights.
4 Pro forma number of total shares (actual) will be 557,186,400 and total shares (economic) will be 445,749,120 post cancellation of shares held by SES Astra in accordance with the programme of 6 May 2021.

The Company has issued two classes of shares: A-shares and B-shares. Each share is entitled to one vote. One B-share carries 40% of the economic rights of an A-share.

The ratio of A-shares to B-shares must be maintained at 2:1 as required by the Articles of Incorporation.

A-SHARES

A-shares are held by private and institutional investors.

The listed security is the Fiduciary Depositary Receipt ("FDR"), listed on the Luxembourg and Euronext Paris Stock Exchanges. Each of these is backed by one A-share and has all the rights attached to that share, except the right of attending the general meetings of share-holders.

In order to attend a general meeting, at least one registered share must be held. Voting rights may be exercised by notifying the Fiduciary (Banque et Caisse d'Epargne de l'Etat) of the voting intention.

B-SHARES

The State of Luxembourg holds a direct 11.58% voting interest in the company. Banque et Caisse d'Epargne de l'Etat and Société Nationale de Crédit et d'Investissement each hold a direct 10.88% voting inter-est in the Company. These shares constitute the Company's B-shares. A B-share has 40% of the economic rights of an A-share or, in case the Company is dissolved, is entitled to 40% of the net liquidation proceeds paid to A-shareholders. The B-shares are not listed on any exchange and do not back a tradable security.

RESTRICTIONS ON OWNERSHIP

No A-shareholder may hold, directly or indirectly, more than 20%, 33% or 50% of the Company's shares unless he has obtained prior approval from the meeting of shareholders in accordance with the procedure described here below. Such limit shall be calculated by taking into account all the shares held by the A-shareholder.

A shareholder or a potential shareholder who envisages to acquire by whatever means, directly or indirectly, more than 20%, 33% or 50% of the shares of the Company (a 'demanding party') must inform the Chairperson of the Board of the Company of such intention.

The Chairperson of the Board will inform the government of Luxembourg of the envisaged acquisition. The government may oppose the acquisition within three months from such information if it determines that such acquisition would be against the general public interest.

In case of no opposition from the government of Luxembourg, the Board shall convene an extraordinary meeting of shareholders which may decide at a majority provided for in article 450-3 of the law of 10 August 1915, as amended, regarding commercial companies, to authorise the demanding party to acquire more than 20%, 33% or 50% of the shares. If the demanding party is a shareholder of the Company, it may attend the general meeting and will be included in the count for the quorum but may not take part in the vote.

INFORMATION EXCHANGE IN REGARD TO CORPORATE GOVERNANCE

The Company communicates transparently with its shareholders via the corporate governance section of its website and through the dedicated e-mail address shareholders@ses.com. In line with Luxembourg law, the Company allows shareholders to receive all corporate documentation, including the documents for shareholder meetings, in electronic format.

In this context, the SES website contains a regularly updated stream of information, such as the latest version of the Company's main governance documents, including the articles of incorporation, the corporate governance charter (including the charters of the various committees set up by the Board) and the separate sections on the composition and the mission of the Board, the Board's committees and the Executive Committee[1].

The SES website also contains the SES Code of Conduct and Ethics, the SES Dealing Code, the financial calendar and any other information that may be of interest to the company's shareholders.

INVESTOR RELATIONS

SES' dedicated Investor Relations function reports to the Chief Financial Officer and works closely with the CEO. Its purpose is to develop and coordinate the group's external financial communications and interactions with equity and debt investors, investment analysts, credit rating agencies, financial journalists and other external audiences, to monitor stock market developments, and to provide feedback and recommendations to the SES SLT.

The Head of Investor Relations is responsible for the definition and execution of SES' active Investor Relations programme and participation in investor conferences and similar events. Investor Relations also works closely with the Chief Legal Officer to ensure that the group's external communications are compliant with all applicable legal and regulatory requirements.

The SES Investor Relations team will be pleased to assist existing or potential shareholders with any questions they may have in relation to SES. Further, the SES IR Website contains information on all recent financials, analyst coverage, financial calendar and Company news, and is updated on a regular basis.

CHAIRMAN'S REPORT ON CORPORATE GOVERNANCE

The Company follows the 'Ten Principles of Corporate Governance' adopted by the Luxembourg Stock Exchange (its home market), as last revised in December 2017. SES meets all the recommendations made by the 'Ten Principles'.

SES also complies with the governance rules for companies listed in Paris, where the majority of the trading in SES FDRs takes place. In the instance of conflicting compliance requirements, SES follows the rules of the home market.

ORGANISATION PRINCIPLES

Created on 16 March 2001 under the name of SES GLOBAL, SES was incorporated in Luxembourg. On 9 November 2001, SES became the parent company of SES ASTRA, originally created in 1985. A copy of SES' articles of incorporation, in its latest version, is available in the corporate governance section of the Company's website.

THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

Under Luxembourg company law, the Company's annual and / or extraordinary general meetings represent the entire body of shareholders of the Company. They have the widest powers, and resolutions passed at such meetings are binding upon all shareholders, whether absent, abstaining from voting or voting against the resolutions.

The meetings are presided over by the Chairperson of the Board or, in his absence, by one of the Vice Chairpersons of the Board or, in their absence, by any other person appointed by the meeting. Any

1 The Executive Committee is internally called the Senior Leadership Team (SLT). Therefore, going forward the term SLT will be used instead of Executive Committee.

shareholder who is recorded in the company's shareholder register 14 days before the meeting is authorised to attend and to vote at the meeting. An A-shareholder may act at any meeting by appointing a proxy (who does not need to be an A-shareholder).

The annual general meeting ('AGM') is held on the first Thursday in April at 10:30 am CET. Each registered shareholder will receive written notice of the AGM, including the time of the meeting and the agenda, at least 30 days prior to the meeting. Holders of the company's FDRs will be represented at the meeting by Banque et Caisse d'Epargne de l'Etat acting as fiduciary. Each FDR will represent one A-share. If a holder of FDRs wishes to attend the AGM of shareholders in person, that shareholder will need to convert at least one FDR into an A-share.

Notice of the meeting and of the proposed agenda will also be published in the international press. The fiduciary will circulate the draft resolutions to both international clearing systems, Clearstream and Euroclear, allowing FDR holders to give their voting instructions to the fiduciary in time for the meeting. At the same time, the draft resolutions will be made available on the Company's and on the fiduciary's website. Unless the fiduciary has received specific instructions from the FDR holder, the fiduciary will vote in favour of the proposals submitted by the Board. One or more shareholders owning together at least 5% of the shares of SES have the right to add items on the agenda of the AGM and may deposit draft resolutions regarding items listed in the agenda or proposed to be added to the agenda. This request will need to be made in writing (via mail or e-mail) and received no later than the twenty-second day preceding the AGM and will need to include a justification or draft resolution to be adopted at the AGM. The written request must include a contact address to which the Company can confirm receipt within 48 hours from the receipt of the request.

No later than fifteen days preceding the AGM, the Company will then publish a revised agenda.

The meeting may deliberate validly only if at least half of the A-shares and at least half of the B-shares are represented. In the event that the required quorum is not reached, the meeting will be reconvened in accordance with the form prescribed by the articles of incorporation. It may then validly deliberate without consideration of the number of represented shares.

The proceedings are mostly held in French, but an English translation is provided by the Company. Interventions in English will be translated into French. A French version of the AGM minutes and the results of the shareholders' votes will be published on the SES website within 15 days after the AGM.

With the exception of the procedure described above regarding whenever an A-shareholder intends to hold more than 20%, 33% or 50%, all the resolutions of the meeting are adopted by a simple majority vote except if otherwise provided for by Luxembourg company law.

In 2021, the AGM was held on 1st April. Following the recommendations from the government in the context of the Covid-19 pandemic, shareholders who had expressed an interest to attend the meeting were asked to give a proxy to the Chairperson of the Board and/or the Company's outside legal counsel, and to vote on the resolutions ahead of the meeting. The AGM itself was transmitted via Webex. Shareholders were further invited to send their questions ahead of the meeting, although additional questions were asked during the meeting. The AGM was attended by 98.21% of the Company's shareholders, excluding the 5,459,979 FDRs held by the Company. All resolutions submitted to the shareholders were approved by comfortable majority votes. The detailed results of the shareholders' votes are available on the company's website.

BOARD OF DIRECTORS & COMMITTEES

FRANK ESSER
Chairman of the Board

TSEGA GEBREYES
Vice-Chairperson of the Board

ANNE-CATHERINE RIES
Chairperson of the Nomination Committee & Vice-Chairperson of the Board

SERGE ALLEGREZZA
Director

PETER VAN BOMMEL
Chairman of the Audit and Risk Committee

BÉATRICE DE CLERMONT-TONNERRE
Director

PAUL KONSBRUCK
Director (until 1st December 2021)

RAMU POTARAZU
Director

KAJ-ERIK RELANDER
Director

JACQUES THILL
Director

FRANÇOISE THOMA
Chairperson of the Remuneration Committee

KATRIN WEHR-SEITER
Director

BOARD OF DIRECTORS & COMMITTEES

The Board of Directors is responsible for:

- Defining the Company's strategic objectives as well as its overall corporate plan;
- Approval, upon proposal from the Senior Leadership Team of the annual consolidated accounts of the Company and the appropriation of results, the group's medium-term business plan, the consolidated annual budget of the Company and the management report to be submitted to the meeting of shareholders; approval of major investments and responsible vis-à-vis shareholders approval third parties for the management of the Company, management which it delegates to the SLT in accordance with the company's internal regulations.
- As of 31 December 2021, the Board was comprised of 11 members of which 7 were considered independent.

MEMBERS OF THE BOARD AS OF 31 DECEMBER 2021

Frank Esser

Chairman of the Board
Chairperson of the Strategic Committee

- Frank Esser became a director on 11 February 2020.
- He is the former Chairman and CEO of SFR, the leading private French Telecom Operator. In this function he also served as Board Member of Vivendi Group. Prior to joining SFR, Mr Esser held several managerial positions with Mannesmann group. He also serves as Vice Chair of Swisscom.
- He was re-elected as Chairman of the Board on 1 April 2021. He is the Chairperson of the Strategic Committee and a member of the Nomination Committee and of the Remuneration Committee of SES.
- Mr Esser holds a PhD in Managerial Economics and an MS in Economics both from the University of Cologne.
- Mr Esser is a German national. He is an independent director.

Tsega Gebreyes

Vice-Chairperson of the Board

- Mrs Tsega Gebreyes became a director on 4 April 2013.
- She is the Founding Director of Satya Capital Limited. She served as Chief Business Development and Strategy Officer of Celtel International BV and Senior Advisor to Zain.
- She was also Founding Partner of the NAOF, LLP and has worked with McKinsey and Citicorp.
- Mrs Gebreyes is a director of Satya Capital Limited, LSEG and Airtel Plc and was a director of Sonae. She is a Senior Advisor to TPG Growth.
- She is Vice-Chairperson of the Board and a member of the Nomination Committee of SES.
- She has a double major in Economics and International Studies from Rhodes College and holds an M.B.A. from Harvard Business School.
- Mrs Gebreyes is an Ethiopian national. She is an independent director.

Anne-Catherine Ries

Vice-Chairperson of the Board
Chairperson of the Nomination Committee

- Mrs Ries became a director on 1 January 2015.
- Mrs Ries is currently First Government Advisor to the Prime Minister and Minister for Media and Telecommunications in Luxembourg, in charge of media, telecom and digital policy. Prior to this appointment in 2019, her focus over the last two decades has consistently been on developing the tech and digital innovation ecosystem in Luxembourg, i.a. through the launch of the "Digital Luxembourg" initiative in 2014. She joined the Luxembourg civil service after starting her professional career at an American law firm in Paris.
- Mrs Ries holds a law degree from the University of Paris II and the University of Oxford, and a postgraduate LL.M degree from the London School of Economics.
- Mrs Ries is the Chairperson of the Nomination Committee of SES.
- Mrs Ries is a Luxembourg and French national. She is not an independent director because she represents an important shareholder.

Serge Allegrezza

- Mr Allegrezza became a director on 11 February 2010.
- He is currently the Director General of Statec, the Luxembourg Institute for Statistics and Economic Studies, a post he has held since April 2003. He is a certified IDP (INSEAD).
- He was Conseiller de Gouvernement 1ère classe at the Ministry of Economics, responsible for internal market policy, and is the Chairman of the Observatory for Competitiveness. He is also the Chairman of the Board of Directors of POST Luxembourg and of the Board of LuxTrust i.n.c and former president of the Conseil Economique et Social.
- Mr Allegrezza, was a part-time lecturer at the IAE/University of Nancy 2, has a Master in economics and a PhD. in applied economics.
- Mr Allegrezza is a member of the Audit and Risk Committee and of the Remuneration Committee of SES.
- Mr Allegrezza is a Luxembourg national. He is not an independent director because he represents an important shareholder.

Peter van Bommel

Chairman of the Audit and Risk Committee since 2 August 2021

- Mr van Bommel became a director on 2 April 2020.
- Mr van Bommel was Chief Financial Officer and member of the Board of Management of ASM International from August 2010 until May 2021.
- He has more than twenty years of experience in the electronics and semiconductor industry. He spent most of his career at Philips, which he joined in 1979.
- He sits on the Board of Aalberts, Nedap, Bernhoven Foundation and the Amsterdam Business School, where he is the Chair of the EMFC Curatorium. In the past he was also a Director of several other listed companies a.o. KPN.
- Mr van Bommel holds an MSc in Economics from Erasmus University in Rotterdam.
- Mr van Bommel is the Chairperson of the Audit and Risk Committee, a member of the Remuneration Committee and of the Strategic Committee of SES.
- Mr van Bommel is a Dutch national. He is an independent director.

Béatrice de Clermont-Tonnerre

- Mrs Béatrice de Clermont-Tonnerre has held several executive positions at Google including Director AI Partnerships EMEA and Southern Europe Monetisation Director for six years until Q3 2019.
- Before that, Mrs de Clermont-Tonnerre worked 15 years for Groupe Lagardère in different Executive roles including Senior VP for Corporate Development. She previously worked at Groupe Canal Plus, having started her career with Matra Marconi Space. She is the Lead Director of Grupo Prisa (Spain) and a member of the Board of Directors of Klépierre (France). She is an Investor and Executive Committee Member of Kayrros, a climatetech company pioneering pollutant emissions quantification along the energy supply chain.
- Mrs de Clermont-Tonnerre holds a Master's degree in Politics and Economics from the Institut d'Etudes Politiques in Paris and an MBA from ESSEC Business School, France.
- Mrs de Clermont-Tonnerre is a member of the Nomination Committee and of the Strategic Committee of SES.
- Mrs de Clermont-Tonnerre is a French national. She is an independent director.

Paul Konsbruck
(director until 1 December 2021)

- Mr. Konsbruck became a director on 13th June 2019. He resigned on 1st December 2021. He was First Government Councillor at the Ministry of State and Chief of Staff to the Prime Minister and Minister for Media and Communications in Luxembourg as of 1 January 2016. He now is CEO of LuxConnect S.A.. Paul Konsbruck holds a Master degree in Literature and Linguistics from the University of Heidelberg, and participated in the Senior Executive Fellow Programme at the Harvard Kennedy School. He was a Director of ENCEVO SA and is the government commissioner to CLT-UFA/RTL Luxembourg.
- He was a member of the Nomination Committee and of the Strategic Committee of SES.
- Mr. Konsbruck is a Luxembourg national. He was not an independent director because he represented an important shareholder.

Ramu Potarazu

- Mr Potarazu became a director on 20 February 2014.
- He was the CEO of Binary Fountain. He is the Founder and former CEO of Vubiquity.
- Prior to founding Vubiquity, Mr Potarazu spent 15 years in various positions at Intelsat (1991–2006). He became Intelsat's Vice President of Operations and CIO in 1996 and its Vice President, Commercial Restructuring in 2000. In 2001 Mr Potarazu became President of Intelsat Global Service Corporation and from 2002 to 2006 he was President and Chief Operating Officer of Intelsat Ltd. Prior to joining Intelsat, Mr Potarazu held several engineering positions.
- Mr Potarazu graduated with a BS in Computer Science and in Mathematics from the Oklahoma Christian University. He also holds an MSc in Electrical Engineering from the John Hopkins University and was a member of the Stanford Executive Program.
- He is a member of the Remuneration Committee and of the Strategic Committee of SES.
- Mr Potarazu is a US national. He is an independent director.

Kaj-Erik Relander

- Mr Relander became a director on 6 April 2017.
- Mr Relander worked for the Finnish National Fund for Research and Development prior to joining Sonera Corporation where he held several management positions, including the position of CEO. He left Sonera in 2001 to join Accel Partners, a private equity and venture capital group before joining the Emirates Investment Authority in 2009 where he was a member of its Investment and Management Committee.
- Mr Relander graduated from the Helsinki School of Economics with an MSC in Economics. He also holds an MBA from the Helsinki School of Economics having completed part of it at the Wharton School, University of Pennsylvania (USA), and studied also for a PhD at the Wharton School and the Aalto University, Helsinki.
- Mr Relander is a board member of the sovereign wealth fund of ADQ and ADGM, Abu Dhabi Global Markets. He is Chairman of the Investment Committee at the private equity fund Apis.pe and a board director of Starzplay Arabia.
- He is a member of the Audit and Risk Committee and of the Nomination Committee of SES.
- Mr Relander is a Finnish national. He is an independent director.

Jacques Thill

- Mr Thill was co-opted as director of SES on 2 December 2021 as replacement for Mr Paul Konsbruck.
- Mr Thill currently serves as First Government Advisor to the Prime Minister and Coordinator at the Luxembourg Prime Minister's Office. Since 2018 he is also the Government Delegate to the State Intelligence Service. Mr Thill joined the Luxembourg diplomatic service in 2004 and has represented Luxembourg in numerous bi- and multilateral negotiations. His diplomatic career includes postings to the Luxembourg Permanent Representation to the United Nations in New York and to the Luxembourg Embassy in Moscow, as well as to the EU High Representative for the Common Foreign and Security Policy at the Council of the European Union in Brussels. From 2009 to 2013, Mr Thill served as diplomatic advisor to the Prime Minister. In 2013, he was appointed Deputy Secretary General of the Luxembourg Government, before becoming Secretary General of the Luxembourg Government until June 2020.
- Mr Thill holds a Master in European and International Law from the Paris 1 Panthéon-Sorbonne University and an MA in European Political and Administrative Studies from the College of Europe in Bruges where he specialized in European Competition Law and European Foreign Policy.
- From 2015 until 2021, Mr. Thill has been a member of the Board of Directors of LUXGOVSAT S.A.
- Mr Thill is a member of the Nomination Committee and of the Strategic Committee.
- Mr Thill is a Luxembourg national. He is not an independent director because he represents an important shareholder.

Françoise Thoma

Chairperson of the Remuneration Committee

- Ms Thoma became a director on 16 June 2016.
- Ms Thoma is President and Chief Executive Officer of Banque et Caisse d'Epargne de l'Etat, and a member of the Boards of Directors of Cargolux International Airlines S.A., Luxair S.A., the Luxembourg Stock Exchange and of Enovos Luxembourg S.A.
- She was a member of the Luxembourg Council of State from 2000–2015 and holds a PhD in Law from the Université de Paris II Panthéon-Assas and an LL.M. from Harvard Law School.
- Ms Thoma is the Chairperson of the Remuneration Committee and a member of the Audit and Risk Committee of SES.
- Ms Thoma is a Luxembourg national. She is not an independent director because she represents an important shareholder.

Katrin Wehr-Seiter

Chairperson of the Audit and Risk Committee until 2 August 2021

- Mrs Wehr-Seiter became a director on 1 January 2015.
- She is a Managing Director of BIP Investment Partners SA and a Managing Director/Partner of BIP Capital Partners.
- Prior to joining BIP, she served as a Principal at global investment firm Permira and worked also as an independent strategy consultant as well as a Senior Advisor to international private equity group Bridgepoint. She started her professional career at Siemens AG where she held various positions in strategy consulting and engineering. She serves as a director of Bellevue Group and several non-listed corporations.
- Mrs Wehr-Seiter holds an MBA from INSEAD and an MSc in Mechanical Engineering from the Technical University of Chemnitz.
- Mrs Wehr-Seiter is a member of the Audit and Risk Committee and of the Remuneration Committee of SES.
- Mrs Wehr-Seiter is a German national. She is an independent director.

MISSION AND COMPOSITION

The Board of SES is composed of 11 non-executive directors, five of them female.

In accordance with the Company's articles of association, two-thirds of the board members represent the holders of A-shares and one-third of the board members represent the holders of B-shares.

The mandates of the current directors will expire at the AGM of shareholders in April 2022, 2023 and 2024, respectively.

In the event of a vacancy on the Board, the remaining directors may, upon a proposal from the Nomination Committee and on a temporary basis, fill such a vacancy by a majority vote. In this case, the next AGM of shareholders will definitively elect the new director, who will complete the term of the director whose seat became vacant. Mr Paul Konsbruck having resigned with effect from 1st December 2021, the Board of SES co-opted Mr Jacques Thill with effect from 2 December 2021.

In accordance with internal regulations adopted by the Board, at least one-third of the board members must be independent directors. A board member is considered independent if he or she has no relationship of any kind with the company or management that may impact his or her judgment.

Independence for these purposes is defined as:

1. not having been an employee or officer of the company over the previous five years;
2. not having had a material business relationship with the company over the last three years; and
3. not representing a significant shareholder holding more than 5% of the voting shares directly or indirectly.

As of 31 December 2021, seven of the board members are considered independent: Béatrice de Clermont-Tonnerre, Tsega Gebreyes, Katrin Wehr-Seiter, Frank Esser, Ramu Potarazu, Kaj-Erik Relander and Peter van Bommel.

The four current directors proposed by the B-shareholders are not considered independent as they represent a significant shareholder owning more than 5% of the company's shares.

Thai Rubin, Chief Legal Officer, is the Board Secretary. He is supported by Mathis Prost, Senior Manager, Legal Services Corporate and Finance, as Assistant Secretary to the Board of Directors.

In the context of the Board composition, the SES Nomination Committee will consider a diverse Board as adding value to the Company, not limiting diversity to gender diversity, but also considering, as far as possible, professional background, experience and age diversity.

RULES OF GOVERNANCE

The Board of Directors meets when required by the Company's business, and at least once per quarter. It can only validly deliberate if a majority of the directors are present or represented. The resolutions of the Board are passed by a simple majority of the votes of the voting directors present or represented, not considering abstentions. The Chairman does not have a casting vote.

Any material contract that is proposed to be signed by the Company or any of its wholly controlled operating subsidiaries with a shareholder owning at least 5% of the shares of the Company, directly or indirectly, is subject to a prior authorisation by the Board.

In 2021, there were no transactions between the Company and a shareholder owning at least 5% of the company's shares, nor were there any other transactions involving a conflict of interest for any of the directors.

ACTIVITIES OF THE BOARD OF DIRECTORS IN 2021

The Board of Directors held three physical meetings and seven Board calls in 2021, with an attendance rate of more than 95%. In accordance with the sanitary measures related to the COVID-19 pandemic, imposed on the company as of March 2020, a number of board meetings were held via video conference calls. The three physical meetings were held under strict sanitary control measures, allowing virtual attendance for Board members unable to attend in person. After endorsement by the Audit and Risk Committee, the Board approved the 2020 audited accounts, the dividend and the financial results for the first half of 2021.

The Board approved the final version of the 2022 Budget and the 2022–2026 Business Plan. It also reviewed the Strategic Plan and held a detailed Strategic Session in June 2021. On that occasion and throughout the year, Management briefed the Board on the latest industry trends and the resulting strategic implications for SES.

The Board approved the investment in a replacement fleet of two satellites for 19.2°E thus ensuring continuity of service on an important position for SES.

With regard to the Company's corporate governance, the Board reviewed the decision powers of the Committees and resolved that all decision powers should revert from those Committees to the Board. The Board approved the charter of the Strategic Committee.

During 2021, the Board also decided to launch a new share buyback programme, implemented through the filing of a 'notice d'information' on 6 May 2021 a decision taken by the shareholders during the AGM of 1 April 2021. The 2021 programme executed on Euronext Paris is limited to the objective of purchasing FDRs and shares of SES, through its subsidiary SES Astra, for cancellation by 2023.

The Board was regularly updated on the development of the major projects and it noted updates on the company's risk management report. The Senior Leadership Team (SLT) regularly informed the Board about the group's activities and financial situation. The Board noted updates on: (i) the execution of the Strategic Plan; (ii) the 2021 Business Objectives; (iii) the impact of COVID-19 on the Company's business as well as its staff; and (iv) the Company's continued corporate simplification program which resulted in an important further reduction of the number of entities of the group in 2021.

At each meeting, directors receive a report on ongoing matters and the Chairpersons of the committees set up by the Board present a report on the latest developments discussed in these respective committees. In addition, a business report is distributed to the members of the Board on a monthly basis.

As a result of the last Board evaluation exercise and in-keeping with best practice, each Board meeting concludes with a restricted session, without the presence of Management.

BOARD GOVERNANCE STRUCTURE & COMMITTEES

The Board agenda is prepared in close cooperation between the Chairman, the Vice-Chairpersons and the CEO. The committees consist of five to six members, at least a third of whom are independent board members in line with SES' internal regulations.

The Audit and Risk Committee assists the Board in carrying out its oversight responsibilities in relation to corporate policies, risk management, internal control, internal and external audit and financial and regulatory reporting practices. It has an oversight function and provides a link between the internal and external auditors and the Board.

The Remuneration Committee assists the Board on the determination of the remuneration of the members of the Senior Leadership Team (SLT) and advises on the overall remuneration policies applied throughout the Company. It acts as administrator of the Company's long-term equity plans.

The Nomination Committee identifies and proposes suitable candidates for the Board of Directors, for election by the AGM of shareholders. Proposals are based on submissions from shareholders for a number of candidates at least equal to the number of posts to be filled for each class of shareholders. It also identifies and proposes suitable candidates for the SLT.

The Strategic Committee reviews, analyses and discusses market trends, market opportunities, risks and the competitive landscape. The Committee prepares Board discussions on strategic matters and supports Management in planning and preparing the annual Strategic Plan for approval by the Board as well as in the preparation of any investment or divestment decision for approval by the Board. The Strategic Committee discusses and reviews important industry and company developments as presented by Management and reviews with Management the implementation of strategic and investment decisions approved by the Board.

COMMITTEES OF THE BOARD

as of 31 December 2021

CHAIRMAN OF THE BOARD: **FRANK ESSER**

VICE-CHAIRPERSONS OF THE BOARD: **TSEGA GEBREYES, ANNE-CATHERINE RIES**

AUDIT AND RISK COMMITTEE

- **Chair:** **Peter van Bommel**
- Serge Allegrezza
- Kaj-Erik Relander
- Françoise Thoma
- Katrin Wehr-Seiter

REMUNERATION COMMITTEE

- **Chair:** **Françoise Thoma**
- Serge Allegrezza
- Peter van Bommel
- Frank Esser
- Ramu Potarazu
- Katrin Wehr-Seiter

NOMINATION COMMITTEE

- **Chair:** **Anne-Catherine Ries**
- Béatrice de Clermont-Tonnerre
- Frank Esser
- Tsega Gebreyes
- Paul Konsbruck (until 1st December 2021)
- Kaj-Erik Relander
- Jacques Thill (as of 2nd December 2021)

STRATEGIC COMMITTEE

- **Chair:** **Frank Esser**
- Peter van Bommel
- Béatrice de Clermont-Tonnerre
- Ramu Potarazu
- Paul Konsbruck (until 1st December 2021)
- Jacques Thill (as of 2nd December 2021)

SECRETARY OF THE BOARD OF DIRECTORS

- Thai Rubin

MEETINGS AND ATTENDANCE RATE IN %

Audit and Risk Committee	Remuneration Committee	Nomination Committee	Strategic Committee	Secretary of the Board of Directors
2 Hybrid meetings and 3 calls	2 Hybrid meetings and 4 calls	2 Hybrid meetings and 2 calls	9 Calls	
100%	**100%**	**100%**	**98%**	

ACTIVITIES OF THE COMMITTEES IN 2021

THE AUDIT AND RISK COMMITTEE

- Reviewed the 2020 financial results before their submission to the Board and their subsequent approval by the shareholders at the statutory AGM.
- Reviewed the H1 2021 financial results of the Company. Members had the opportunity to communicate any comments they had on the Company's quarterly results prior to the publication of these results.
- Reviewed the Company's statement on internal control systems prior to its inclusion in the annual report, approved the Internal Audit plan, and received bi-annual updates on the Internal Audit activities and on the follow-up of the major recommendations. It also reviewed the 2020 PwC Management letter.
- Proposed to the Board and to the shareholders to appoint PwC as external auditor for 2021 including its proposed compensation.
- Received quarterly updates on risk management from the SES risk management committee and was briefed on ongoing compliance matters.
- Reviewed WACC parameters for remuneration purposes, customer credit risk and collection and of the Treasury Roadmap.
- PwC briefed the Audit and Risk Committee on upcoming regulatory changes. After each meeting, the Board is briefed in writing about the work of the Audit and Risk Committee.
- Received updates on ESG targets and implementation plan.
- Reviewed the Company's Budget and Business Plan.

THE REMUNERATION COMMITTEE

- Matters addressed related to the determination of the bonuses and the vesting of performance shares allocated to the members of the SLT for their performance in 2020.
- Adoption of the 2021 corporate business objectives, which are used as one element in the determination of 2021 bonuses for SLT members.
- Review and proposal of the remuneration packages for new SLT members.
- Review and proposal of the 2021 long term equity grants for SLT members.
- Proposed to review and adjust the Remuneration Policy. The proposal has been approved by the Board and by the Ordinary Shareholder Meeting.
- After each meeting, the Board is briefed in writing about the work of the Remuneration Committee.

THE NOMINATION COMMITTEE

- Discussed the size and the composition of the Board.
- It also discussed the renewal of existing directors, conducted interviews and proposed to the Board a list of candidates for election by the shareholders in April 2021.
- Discussed the future structure of the Executive Committee and was involved in its implementation in close cooperation with the CEO.
- Instigated a deep dive on Talent Management and reviewed Executive Committee Succession Planning.
- After each meeting, the Board is briefed in writing about the work of the Nomination Committee.

THE STRATEGIC COMMITEE

- Discussed strategic industry trends, market opportunities, risks and competition and the disruption underway in satellite industry.
- Included input from outside consultants.
- Regularly reviewed progress on various strategic opportunities.
- Reviewed and discussed the company strategy and strategic options.
- After each meeting, the Board is briefed in writing about the work of the Strategic Committee.

SENIOR LEADERSHIP TEAM (SLT)

STEVE COLLAR
CEO, SES Group,
Chairman of the SLT

SANDEEP JALAN
Chief Financial Officer

EVIE ROOS
Chief Human Resources Officer

JOHN-PAUL HEMINGWAY
Chief Strategy and Product Officer

CHRISTOPHE DE HAUWER
Chief Development Officer

RUY PINTO
Chief Technology Officer

JOHN BAUGHN
Chief Services Officer

THAI RUBIN
Chief Legal Officer

SENIOR LEADERSHIP TEAM (SLT)

The SES Executive Committee is known as the Senior Leadership Team (SLT):

- It is in charge of the daily management of the group.
- It functions as a collegial body.
- It is mandated to prepare and plan the overall policies and strategies of the company for approval by the Board.
- It may approve intra-group transactions, irrespective of the amount, provided that they are consistent with the consolidated annual budget of the company, as well as specific transactions with third parties provided that the cost to SES does not exceed €10 million per transaction.
- It informs the Board at its next meeting of each such transaction, it being understood that the aggregate amount for all such transactions can at no time be higher than €30 million. Members of the SLT are appointed by the Board of Directors upon a proposal from the Nomination Committee.

Steve Collar

CEO, SES Group, Chairman of the SLT

- Appointed in April 2018.
- From 2017 to 2018 he was CEO of SES Networks.
- Prior to SES, he was CEO of O3b Networks, and has profound experience in a variety of commercial, business development and technical roles at SES WORLD SKIES, New Skies Satellites, Astrium and Matra Marconi Space (now Airbus).
- Holds a degree in Mechanical Engineering from Brunel University in London.
- Mr Collar is a British national.

Sandeep Jalan

Chief Financial Officer

- Appointed in May 2020.
- He has 30 years of experience in financial and operational leadership roles across Asia and Europe. He was until most recently the CFO of Aperam, a global leader in the stainless, electrical and specialty steel industry, a role he held since 2014. Previously, he worked for the ArcelorMittal Group since 1999 where he held various roles including the CFO of ArcelorMittal Long Carbon Europe and was part of the M&A team responsible for numerous acquisitions in both steel and mining. He was also the CFO & Company Secretary for Ispat Alloys Ltd from 1993 to 1999.
- He is a Commerce Graduate from Banaras Hindu University (BHU), Chartered Accountant (equivalent to CPA) and Company Secretary from the respective Institutes in India. He has also completed an Executive Education Programme on Leadership at the London Business School and an Executive Education program on Strategic Finance at IMD, Lausanne.
- Mr Jalan is an Indian national.

Evie Roos

Chief Human Capital Officer

- Appointed in February 2017.
- Prior she held the position of Executive Vice-President Human Resources of SES and is a member of the Board of SES ASTRA, as well as an elected member of the Luxembourg Chamber of Commerce.
- Before joining SES, she held various management positions at ArcelorMittal.
- She holds two degrees in Law and European Studies from the University of Leuven in Belgium and the Europa Institut in Saarbrücken in Germany.
- Mrs Roos is a Belgian, Luxembourg and US national.

John-Paul Hemingway

Chief Strategy and Product Officer

- Appointed in April 2018 as CEO of SES Networks.
- Prior to that, he served as the Executive Vice President, Product, Marketing and Strategy of SES Networks where he led Product Management, Marketing, Business Development and Corporate Strategy.
- Before SES acquired O3b and formed SES Networks, he was Chief Marketing Officer for O3b Networks.
- Prior to that, he held a variety of senior management roles in the networking industry within Ciena, Corning Cables, and Netscient.
- Holds a PhD in Optical Communications and a BSc (Hons) from Manchester Metropolitan University, UK.
- Mr Hemingway is a British national.

Christophe De Hauwer

Chief Development Officer

- Appointed in August 2015 as Chief Strategy and Development Officer.
- Member of the Board of SES ASTRA.
- Having joined SES in 2003, he held several positions of responsibility in the areas of Strategic Marketing, Strategic and Business Planning and Corporate Development, as well as Fleet Development and Yield Management.
- Prior to joining SES, he worked in the Strategy Consulting practice of the European Telecommunication and Media Industry with Arthur Andersen.
- Holds an Engineering and a PhD Degree from the Université Libre de Bruxelles.
- Mr De Hauwer is a Belgian national.

Ruy Pinto

Chief Technology Officer

- Appointed in January 2019.
- Since 2017, he had been the Deputy Technology Officer and took on the additional role of Chief Information Officer (CIO) at SES in 2018.
- Between 1990 to 2016 he was working for Inmarsat where he covered various technical and managerial roles, such as CTO and Group Chief Operations Officer (COO).
- Prior to that he was Chairman of UKSpace, and Director and VP of Space for the Association of Defence, Security and Aerospace Companies (ADS) and Non-Executive Director of the Space Application Catapult.
- Holds a degree in Electronics Engineering and completed post-graduate studies in Digital Telecommunications Systems, both from the Rio de Janeiro Catholic University (PUC-RJ).
- Mr Pinto is a dual British and Brazilian national.

John Baughn

Chief Services Officer

- Appointed in January 2019.
- Since 2017, he had been Executive Vice President, Global Services at SES Networks.
- He joined SES Networks from O3b Networks, where he led the Global Services team, driving service strategy.
- Between 2008 and 2015, he was VP Global Services at Ciena, and has a vast Telco experience included leadership roles in Motorola.
- Holds an MBA from the University of Warwick.
- Mr Baughn is a British national.

Thai Rubin

Chief Legal Officer

- Appointed in July 2020.
- Prior to that, he was the General Counsel of O3b Networks where he was as a key member of the leadership team, guiding the company to its successful commercialisation before it was acquired by SES in 2016.
- In addition to holding multiple senior leadership roles within SES, he served as General Counsel at New Skies Satellites, guiding it to a public listing on the NYSE in 2005 and its acquisition by SES in 2006.
- Before joining SES, Mr Rubin worked at PanAmSat Corporation.
- Holds a Bachelor of Science degree from the University of Wisconsin, Madison and a Juris Doctor from Howard University School of Law in Washington, D.C.
- Mr Rubin is a US national.

RESPONSIBILITIES OF THE SENIOR LEADERSHIP TEAM

- The SLT may approve any external credit facilities or external guarantees, pledges, mortgages and any other encumbrances of the Company, or any wholly-owned affiliate, for as long as the Company will not lose its investment grade rating as a result of such facility or guarantee.
- It may approve increases of up to 5% in the capital expenditure budget for a satellite procurement already approved by the Board, it being understood that the Internal Rate of Return will need to comply with certain specific thresholds defined by the Board. The SLT informs the Board at its next meeting of each such increase.
- The SLT submits those measures to the Board that it deems necessary to be taken in order to meet the purposes of the Company. Prior to the beginning of each fiscal year, the SLT submits to the Board a consolidated budget for approval.
- The SLT is in charge of implementing all decisions taken by the Board and by the committees specially mandated by the Board. The SLT may, in the interests of the Company, sub-delegate part of its powers and duties to its members acting individually or jointly.
- The CEO organises the work of the SLT and coordinates the activities of its members, who report directly to him. In order to facilitate the implementation by the Board of its overall duty to supervise the affairs of the Company, the CEO informs the Chairman of the Board on a regular basis of the Company's activities. The latter receives the minutes of all meetings of the SLT in due time.

INTERNAL CONTROL PROCEDURES

OBJECTIVES AND PRINCIPLES

The Board of Directors has the overall responsibility for ensuring that SES maintains a sound system of internal controls, including financial, operational and compliance controls. Such a system is an integral part of the corporate governance strategy of SES S.A. ('the Company') together with its subsidiaries and affiliates ('the Group').

Internal control procedures help to ensure the proper management of risks and provide reasonable assurance that the business objectives of the Company can be achieved.

The internal control procedures are defined and implemented by the Company to ensure the following objectives in the table below:

Internal Control Objectives

OBJECTIVES	Compliance of actions and decisions with applicable laws, regulations, standards, internal rules, and contracts
	Safeguarding efficiency and effectiveness of operations and the optimal use of the company's resources
	Correct implementation of the Company's internal processes, notably those to ensure the safeguarding of assets
	Integrity and reliability of financial and operational information, both for internal and external use
	Ensuring that management's instructions and directions are properly applied
	Ensuring that material risks are properly identified, assessed, mitigated, and reported

Like all control systems, internal controls cannot provide an absolute guarantee that all risks have been totally mitigated or eliminated.

CONTROL ENVIRONMENT

SES has adopted a robust internal control framework based on a set of guidelines prepared by the Committee of Sponsoring Organisations of the Treadway Commission ('COSO'). This framework applies to both the Group's regular satellite business activities as well as to the specific and dedicated C-band spectrum clearing activities taking place in connection with the FCC Order dated 3rd March 2020. The framework provides reasonable assurance that the internal control objectives are being achieved; it is also consistent with the reference framework proposed by the French securities regulator, the Autorité des Marchés Financiers ('AMF').

The Board has delegated the design, implementation, and maintenance of a rigorous and effective system of internal controls to the Company's Senior Leadership Team, which in turn works closely with the other levels of management in establishing control policies and procedures.

Policies and procedures are regularly reviewed and are updated when required. The policies and procedures apply to all employees and officers of the Group, and where appropriate, to its directors as well as to other groups.

A Delegation of Authority Policy is in place, and is regularly updated, providing the rules for the Internal Approval and External Execution that are required to authorise any external commitment of the Company.

A Group-wide 'Code of Conduct and Ethics' ('Code of Conduct') was implemented to enable all employees, officers and directors as well as other groups to take a consistent approach to integrity issues and to make sure that the Group conducts its business in compliance with all applicable laws and regulations and observes the highest standards of business ethics.

A Compliance Committee composed of designated Compliance Officers in each main corporate location, is tasked with raising the employees' awareness of the Code and ensures a consistent roll-out and training programme for the Code. The Compliance Committee meets regularly to discuss important topics or issues.

SES has a whistleblowing hotline, managed by a third-party provider, which allows its employees to file any compliance complaints in full confidence.

SES has implemented a comprehensive compliance training programme with mandatory trainings related to cybersecurity, GDPR, anti-bribery, sanctions & export controls, the Code of Conduct, and harassment.

To ensure better compliance with data protection laws and regulations, SES has a Data Protection Officer. SES has implemented a variety of measures, has reviewed and updated relevant procedures and processes, and continuously strives to comply with the General Data Protection Regulation ('GDPR').

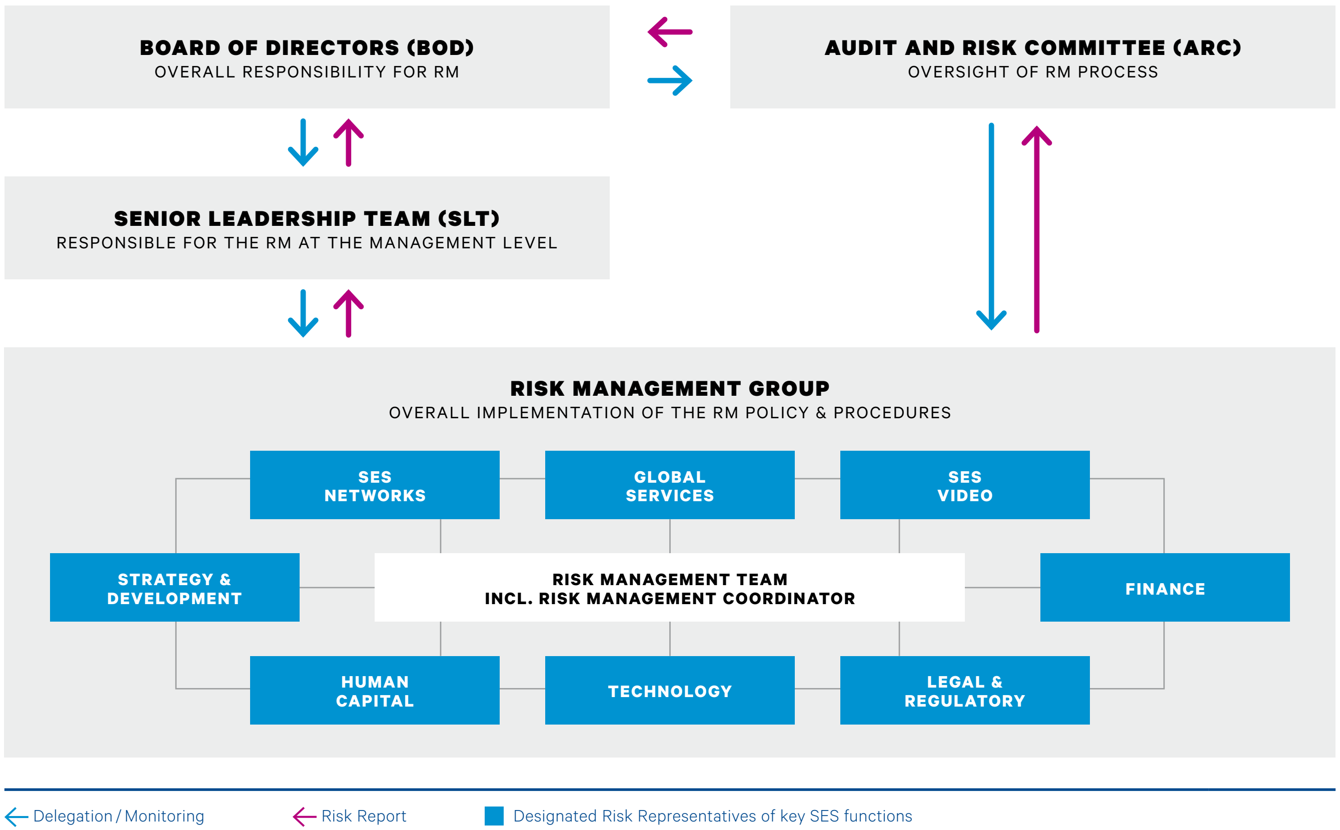
The main SES functions and processes are electronically documented using a centralised Business Process Management software to ensure information is designed collaboratively and shared across the company. To improve operations, SES is standardising its process mapping using an end-to-end business process framework. This framework is designed to ensure control and strategic alignment across the business, while capitalising on the standards of the telecom industry.

RISK MANAGEMENT

SES adopted a risk management framework based on principles proposed by COSO and ISO31000. A Risk Management Group is in place representing SES key functions and being responsible for the adequate reporting of the Company's risks and the implementation of the risk management policy and procedures.

A dedicated Risk Management Team facilitates and coordinates the reporting process and assists with the assessment of risks. The Risk Management Group reports to the Senior Leadership Team which in turn reports to the Board, which has the ultimate responsibility for oversight of the Company's risks and for ensuring that an effective risk management system is in place. The risk management policy is being reviewed and updated by the Risk Management Team.

Risk Management Structure



Each reported risk is categorised, assessed by the risk owners, and reviewed by the Risk Management Group. Key risk developments are periodically reported to the Senior Leadership Team, the Audit and Risk Committee and the Board.

INTERNAL CONTROL ACTIVITIES

Accounting, Consolidation and Reporting

In the area of accounting, consolidation and reporting, the following should be noted:

- Staff involved in the Group's accounting, consolidation and reporting are appropriately qualified, trained and are kept up to date with relevant changes in International Financial Reporting Standards ('IFRS').
- Appropriate accounting and financial reporting policies and procedures are in place, regularly reviewed and updated for business developments and regulatory changes.
- Controls have been established in the processing of accounting transactions to ensure appropriate authorisations, an effective segregation of duties, and the complete and accurate recording of financial information. This control framework continues to be enhanced through the implementation of additional workflow-based controls and validations.
- A Business Process Management function within the Finance team reviews key financial operations and identifies areas for further enhancement of the efficiency of the processes and for reinforcing the segregation of duties and internal controls.
- Adequate procedures and controls are in place, such as monthly reviews and data validation procedures, to ensure the correct and timely recognition of revenues.
- The Group is currently replacing different legacy systems used for processing order-to-cash transactions, and associated accounting activities such as revenue recognition, with a common platform covering nearly all the group's operations. This implementation is expected to be completed in 2022.

- Risk-based monitoring controls are implemented for key SAP control configurations and transactions
- The completeness and timely recording of financial information is ensured through regular reviews, the monitoring of specific key performance indicators, validation procedures by functional leaders and, as an additional check, the process of internal and external audit.
- In accordance with IFRS requirements, SES discloses detailed information on the market, credit, and foreign exchange risks to which it is exposed, as well as its strategy for managing those risks.
- The Company relies on a comprehensive system of financial information and oversight. Strategic plans, business plans, budgets and the interim and full-year consolidated accounts of the Group are drawn up and brought to the Board for approval.
- The Board also approves all significant investments. The Board receives monthly financial reports setting out the Company's financial performance in comparison to the approved budget and prior year figures.
- Any material weaknesses in the system of internal controls identified by either internal or external auditors are promptly and fully addressed.
- The external auditors perform a limited review of the Group's interim condensed consolidated financial statements and a full audit of the annual consolidated financial statements.

Space Related insurance

In the area of space-related insurance, the following should be noted:

- Most of the launch and in-orbit insurance activities of the group are managed through SES' insurance and reinsurance captive companies based in Luxembourg. Both companies are regulated and managed in accordance with the European Solvency II directive and are therefore subject to strict supervision and governance rules detailed in the companies' governance manuals. The governance structure of the companies is comprised of both companies' Boards of Directors, two committees (Investment and Underwriting) and four key functions (Risk Management, Compliance, Actuarial and Internal Audit).
- A Satellite Insurance Policy is in place and regularly updated reflecting the SES Board-approved insurance structure and approval framework.
- 'In-orbit Third Party Liability' insurance is placed directly to the market, i.e., not using the Captives. Such insurance covers all SES in-orbit satellites in compliance with licensing and other regulatory requirements in the various jurisdictions where SES operates.

Treasury Management

In the area of treasury management, the following should be noted:

- Treasury activities take place within a framework approved by the Board. This framework reflects the Group's Treasury Policy which is being regularly reviewed and updated.
- A clear segregation of duties, and assignment of bank mandates, between members of SES management, Treasury and accounting departments has been implemented.
- The Treasury function uses specific software that helps to ensure the efficiency and control of foreign exchange ('FX') matters, interest and liquidity management, and the implementation of SES' hedging strategy for interest rate and foreign currency fluctuations. To ensure enhanced security and efficiency of the bank payments process, the Company uses a banking payments system allowing for secured authorisation and transfer of payments from SAP directly to the bank.
- Treasury activities are monitored with the monthly Group Finance Report. The report is issued to the SES Board and highlights key performance indicators such as cash balance, leverage, and debt maturity profile.
- A Treasury Roadmap, based on SES' strategic and business plans, is prepared, and presented to the CFO on an annual basis.

Tax Management

Regarding the internal controls in tax management, the following should be noted:

- The tax arrangements of the group are driven by its operational requirements and the geographical location of its business activities. The Tax department works closely with the business to provide clear, timely and relevant advice, as well as to mitigate tax risks.
- Tax positions are analysed based on the most appropriate authoritative interpretations and reported in internal tax technical memos or tax opinions from external tax consultancy firms.
- Tax positions are recorded in the Group's financial statements applying a key control hierarchy to ensure that all the relevant information and data is properly understood and reconciled.
- Transfer pricing documentation is continuously updated and improved underpinning all significant cross-border intercompany transactions through functional and economic analyses including benchmarking studies.
- A policy is in place concerning the mandatory automatic disclosure in the field of taxation on reportable cross-border arrangements as part of the SES Tax Control Framework.

Satellite Operations

Regarding the internal controls in satellite operations, the following should be noted:

- SES' Technology department is responsible for the procurement of satellites and launch vehicles, the procurement and maintenance of satellite-related ground infrastructure and the administration, control, and operations of the satellite fleet.
- The operational procedures for satellite control and payload management cover manoeuvres and configuration changes required in nominal situations as well as in the case of technical emergencies. The controllers are trained and certified in the execution of such procedures which are periodically reviewed and updated. Satellite control software is being used and fully validated electronic proce-

dures for station-keeping and other regular operations are being applied across the entire SES fleet.
- SES has designed satellite contingency and emergency response process, crisis management systems, supporting infrastructure and tools to address satellite in-orbit anomaly situations at an appropriate management level. SES applies industry-standard incident management, escalation, and reporting processes to provide effective and timely support to customers.
- SES has adequate satellite control primary and backup capabilities utilising the European and US-based Satellite Operations Centres ('SOCs'). SOCs can take over the operations of the other in an emergency with the fail-over procedure being tested regularly. SOCs can also be controlled remotely from any other dedicated location via secure internet connection if the situation would require it.
- For SES Infrastructure Redundancy, adequate backup capabilities are implemented.
- The COVID-19 situation did not require changes to the existing satellite operations, procedures and preventive measures that have been implemented to ensure continuous and safe satellite operations continued to be applied during 2021.

Global Services

Regarding the internal controls in the area of Global Services, the following should be noted:

- SES' Global Services is responsible for the operation and management of the customer-facing network, video services and content operations including the maintenance and oversight of systems and network components supporting SES customer traffic and video services.
- The monitoring and operational procedures address static state as well as anomalous states of network operations. All engineers are trained in the execution of such procedures which are periodically reviewed and updated. SES uses multiple tools and software to manage and monitor the network and these tools have redundancy enabled in the event of a systemic anomaly.
- Network operations and payload management is performed in Network Operations Centres ('NOCs') mainly located in US and Europe. Video operations centres are in Israel and Europe. SES has instituted disaster recovery procedures and handover to other sites is possible and regularly tested.
- SES applies industry-standard incident management, escalation, and reporting processes to provide effective and timely support to customers.
- Under COVID-19 restrictions, NOCs can be completely controlled remotely, accessing the relevant monitoring systems via secure internet connections.
- The Vendor Management & Procurement ('VMP') function supports the business for the non-satellite procurement, governed by a dedicated policy that sets the frame for a sound level of internal control when purchasing. The supply chain function within VMP optimises and streamlines the exchange of goods or services covering demand planning, logistics and warehouse management. Controls are in place to ensure effective workflows, efficient use of resources and safeguard legal constraints (e.g., inventory tracking, shipment and custom documentation, US export controls).

Information Technology

Regarding the internal controls in the area of information technology, the following should be noted:

- Management is committed to ensuring that SES' data, infrastructure, and information technology systems are as secure as is reasonably practicable. Security controls, policies and procedures are in place to prevent unauthorised access to premises, computer systems, networks, and data. Policies and procedures are continuously being reviewed and updated.
- SES applies an Information Security Management System ('ISMS') in line with the ISO 27001 standard which is subject to regular ISO 27001:2013 certification for the scope of data services delivered through high throughput GEO satellites.
- The SES Azure Cloud Platform has been put in place and, most of its features have been added to the SES environment. The Cloud Centre of Excellence program with Microsoft has been completed and is fully operational.
- All SES' main trading operations operate on a common SAP ERP platform, applying consistent processes and controls. In 2021 the SAP platform was moved into the Cloud. The process further continues to mature in various areas including data privacy, data encryption and intrusion detection. The Cloud solution provides state-of-the-art backup facilities to ensure enhanced continuity of the SAP system. A comprehensive SAP security policy has been defined and implemented. Appropriate SAP access management is in place and is continually monitored and enhanced.
- SES has disaster recovery plans for its business applications. The regular testing of these activities confirms that SES is in a good position to recover all mission critical back-office applications within its recovery time objectives. Electronic information is regularly backed up and regularly tested.
- A digital workflow process for managing information technology development projects is in place on a ServiceNow platform further enhancing the level of automation. Relevant key performance indicators are regularly reviewed.
- SES ensures adequate and secure VPN connectivity and redundancy to cater for users to work remotely. More applications continue to be progressively added onto our Multi-Factor authentication to protect against unauthorised access due to password theft or password guessing attacks.
- A dedicated cybersecurity team is in place to provide SES management and customers with the assurance that our services are adequately secured. We follow a holistic approach towards cybersecurity by implementing a wide range of security control mechanisms and practices based on industry-leading standards, as well as cultivating a culture of awareness and caution throughout our organisation.

INFORMATION AND COMMUNICATION

Internal communication ensures the effective circulation of information across the organisation and supports the implementation of internal control and risk management by communicating business and functional objectives, instructions and information across all levels and functions of SES via a wide array of communications channels.

To effectively manage the COVID-19 pandemic, multi-stage pandemic plans with procedures and measures have been implemented to ensure health and safety of all SES employees worldwide as well as to protect our operations and to ensure continuity of services for our customers and partners.

A dedicated and cross-functional internal taskforce coordinates the Company's response to the varying COVID-19 needs. The taskforce ensures comprehensive communications to the SES community on Company's guidelines, decisions and safety measures taken in line with guidance received from national governments, public health agencies and the World Health Organisation.

With focus still on emergency preparedness and response, safeguarding Company's employees (e.g., working from home, limited travel), business continuity and other implications (e.g., tax, cross-border workers, testing) to best manage the ongoing pandemic, the team started in 2021 to develop and implement a safe exit strategy with an iterative back to office plan that has been implemented in line with relevant local regulations.

MONITORING ACTIVITIES

Monitoring of business policies and procedures is done through continuous assessments or through a specific analysis.

Continuous assessments are performed by management as routine operations, built into business processes, and are performed on a real-time basis, reacting to changing conditions.

The SES Internal Audit function performs specific analyses of the relevance of, and compliance with, Company policies and internal control procedures.

The objectives, authority, and responsibilities of the Internal Audit function are set out in the Internal Audit Policy which is regularly reviewed and updated.

To ensure an appropriate level of independence and communication, the Internal Audit function has a direct reporting line into the Audit and Risk Committee ('ARC') while reporting functionally to the President and CEO of SES.

The activities of the Internal Audit function are executed in accordance with an annual audit plan, which is reviewed and approved by the ARC. This plan is prepared in close cooperation with the company's Risk Management Team to dynamically link it to risks and exposures that may affect the organisation and its operations.

Internal Audit reports its observations and mitigation proposals to management and monitors the implementation of the recommendations. Regular reports are provided to the Senior Leadership Team and to the ARC summarising Internal Audit's conclusions regarding internal control effectiveness and compliance.

Internal Audit also regularly coordinates audit planning, and exchanges relevant information with, the Company's external auditor PwC.

The proxy structure of the SES Government Solutions Inc. entity, a wholly-owned indirect subsidiary of SES S.A., in line with common practice for businesses serving certain segments of the US Government, imposes various restrictions on the Board and executive management in directly supervising the maintenance of an internal control system and imposing an internal audit structure. Hence the Group's own Internal Audit function does not perform direct internal control reviews of this subsidiary. An agreement about required risk management and internal control framework for that entity is in place which is subject to evaluation and testing by a third-party audit function.

The Group's external auditor is also engaged for the audit of the financial statements of SES Government Solutions.

PRINCIPAL RISKS

SES identified the following potential risks, which could have a material and adverse effect on its business, financial condition and results of operation. This section does not purport to be exhaustive, but rather contains a summary of the main risks that SES may face during the normal course of its business. Where mitigations are mentioned in this section, there is no guarantee that such mitigations will be effective (in whole or in part) to remove or reduce the effect of a risk.

Risks relating to procurement

Dependency on key supplier(s)	Dependency on a small number of satellite manufacturers may reduce SES' negotiating power and access to advanced technologies and result in increased satellite procurement risk (e.g., due to technical difficulties and design problems with a particular model of satellite). SES mitigates these risks by maintaining a full level physical presence and oversight at manufacturer facilities throughout the spacecraft design, construction and acceptance. SES monitors manufacturers' supplier base and procurement sources and develops relationships with new suppliers where possible. SES is dependent on a limited number of launch service providers. As such, delays may be incurred in launching satellites in the event of a prolonged unavailability of service from a launch service provider.
Launch delay(s) and / or launch failure(s)	Launch delays are a possibility. Satellite launch and in-orbit insurance policies do not compensate for lost revenues and other consequential losses. SES attempts to mitigate the risk of delays by ensuring adequate margins in satellite procurement schedules. There is always a small but inherent risk of launch or early-orbit failure, resulting in a reduced satellite lifetime and/or functionality or the total loss of a satellite. SES mitigates such risks in several ways, including by technical risk management of each launch vehicle programme and asset insurance for each launch.

Risks relating to satellites

In-orbit failure(s)	A satellite may suffer in-orbit failures ranging from a partial impairment of its commercial capabilities to a total loss of the asset. Such failure may result in SES not being able to continue to provide service to some of its customers. SES attempts to mitigate this risk by careful vendor selection and high quality in-orbit operations. For some services, SES is able to offer an in-orbit backup strategy in which customers using an impaired satellite may be transferred to another satellite. In addition, in respect of its geostationary ('GEO') satellites, SES has restoration agreements with other satellite operators whereby customers on an impaired GEO satellite may be transferred to a GEO satellite of another operator in order to protect continuity of service.

Risks relating to space insurance

Insurance coverage and availability	SES maintains pre-launch, launch and initial in-orbit insurances, in-orbit insurance, and third-party liability insurance. These policies generally contain customary market exclusions and are subject to limitations. The insurance market has been seeing a reduced availability and significantly increased rates. This results in increased insurance premiums for SES. In order to mitigate these risks and optimise the coverage and premiums, SES maintains a policy of limited self-insurance through its captive entities.

Risks relating to customers

Key customer loss	Bankruptcy and customer consolidation, amongst other reasons, can potentially result in loss of customers, non-renewals or reduction in the demand for services. SES aims for long contract terms with key customers based on strong relationships.
Customer credit	Failure by customers to fulfil payment obligations is a possibility. Credit risk may increase as SES and / or its customers increase dependency on revenues in emerging markets where credit risk may be higher. This risk is mitigated through a customer credit policy including credit checks, deposits or other forms of security, payment monitoring and credit insurance where possible. Further details are provided in >> Note 18 to the consolidated financial statements.

Risks relating to the satellite communications market

Competition	The satellite communications business is increasingly competitive. SES competes with national, regional and international GEO, non-geostationary (NGSO) and fixed and wireless terrestrial operators. The competition from NGSO systems is potentially the most disruptive trend facing SES. With strong financial backing, vertical integration and technological advancements, such competitors are planning to enter multiple markets targeted by SES. In addition, the trend towards horizontal and vertical consolidation poses the risk of leaving SES behind with a smaller, less powerful relative market position towards customers as well as suppliers. SES regularly evaluates potential partner or merger targets that fit with its strategy.
Technology	The satellite communications industry is subject to rapid technological change. As a result, the technology used by SES could become less suitable for customer requirements leading to a reduced service demand and a negative revenue impact.

Risks relating to strategic development

Emerging market	SES targets new geographical areas and emerging markets and is developing commercial arrangements with local communications, media and other businesses in these areas. SES may be exposed to political and other risks associated with such business.
Investment	SES' desired strategic investments may not yield expected benefits due to a number of factors including uncertain or changing market conditions, financing costs and legal and regulatory issues.

Risks relating to legal, regulatory, spectrum, and corporate

Legal & Regulatory	SES' operations and business are subject to compliance with the laws, regulations (e.g., communications, export control, sanctions, competition) and political will of the governmental authorities of the countries in which SES operates, uses radio spectrum, offers satellite capacity and services. Violations of any of the applicable laws and regulations could expose SES to penalties and other enforcement actions and may negatively affect commercial operations. SES may need to obtain and maintain approvals from authorities or other entities to operate its satellites and to offer satellite capacity and services. Failure to obtain the necessary approvals could lead to loss of revenues and compliance actions against SES.
Spectrum	The International Telecommunication Union ('ITU') and national administrations may reallocate satellite spectrum to other uses. In addition, national administrations are increasingly charging for access to spectrum through the use of fees and auctions. This may affect SES' access to orbital locations and frequencies required for it to develop and maintain its satellite fleet and services. In addition, SES must coordinate the operation of its satellites with other satellite operators so as to prevent or reduce interference. As a result of such coordination, SES may be required to modify the proposed coverage areas or satellite design or transmission plans which may materially restrict satellite use. Similarly, the performance of SES' satellites in some areas could be adversely affected by harmful interference caused by other operators to SES' satellites. Operational issues such as satellite launch failure, launch delay or in-orbit failure might compromise access to the spectrum or orbital locations. SES' large fleet may enable the relocation of in-orbit satellites to satisfy regulatory and spectrum requirements.
Cybersecurity	SES' operations may be subject to hacking, malware and other forms of cyber-attack. Due to the high sophistication of certain attackers and an increasing number of cyber-attacks, it may not always be possible to prevent every such event. SES has protections in place to help protect its systems and networks and continues to work to implement additional protective measures intended to limit the risks associated with such attacks.
Personnel	SES is competing for talent with satellite operators as well as large and well-known companies. In the context of low unemployment rates and a shortage of qualified candidates, SES may have difficulties in hiring competent talent. If SES is unable to source and retain key talent this could have a negative impact on SES' ability to deliver its business objectives. To mitigate this risk SES uses a dedicated Talent Acquisition function to source high-quality candidates.
Global pandemic or other health emergency	SES is subject to the risk of a global pandemic or other health emergency such as COVID-19. Worsening of COVID-19 or appearance of another material health emergency could affect availability of our employees and impact various areas of SES' business including procurement and launch of satellites, entry into service of new satellites, procurement of ground infrastructure and provision of services to customers. SES has procedures and measures to respond to health risks and to secure business continuity during such situations.

Risks relating to finance

Credit rating	SES' credit rating can be affected by a number of factors, including a change in its financial policy, a deterioration of its financial credit metrics, a downgrade in the rating agencies' assessment of the business risk profile or a change in rating methodology. A change in SES' credit rating could affect the cost and terms of its newly issued debt, as well as its ability to raise financing. SES' policy is to attain and retain a stable investment grade rating with two of the international reputed Credit Rating Agencies (currently Standard & Poor's and Moody's).
Tax	SES is subject to taxation in multiple jurisdictions and may become subject to unforeseen material tax claims, including late payment interest and / or penalties, and in some cases retroactive tax assessments. SES has implemented a tax risk mitigation charter based on, among other things, a framework of tax opinions for the financially material positions taken, transfer pricing policies, and procedures for accurate tax compliance in all jurisdictions.
Asset impairment	SES' intangible assets, satellites and ground segment assets are valued at historic cost less amortisation, depreciation and accumulated impairment charges. The resulting carrying values are validated each year through impairment testing procedures where they are compared to the discounted present value of the future cash flows expected to be derived from the asset. Where future assumptions for a specific asset, as set out in the approved Business Plan, become less favourable, or the discount rates applied to the future cash flows increase, then this may result in the need for material asset impairment charges.
Foreign exchange	SES' reported financial performance can be impacted by movements in the Euro / U.S. dollar exchange rate, as SES has significant operations, cash flows, assets and liabilities that are denominated in the U.S. dollar, whereby the Group's reporting currency is the Euro. To mitigate this exposure, SES may enter into forward foreign exchange or similar derivative contracts to hedge underlying foreign exchange exposures. Further details are provided in >> Note 18 to the consolidated financial statements.
Interest rate	SES' exposure to the risk of changes in market interest rates relates primarily to SES' floating rate borrowings as well as the renewal of its fixed rate borrowings. SES carefully monitors and adjusts the mix between fixed and floating rate debt from time to time, responding to market conditions. Interest rate derivatives may be used to manage the interest rate risk. Further details are provided in >> Note 18 to the consolidated financial statements.

RESPONSIBILITY STATEMENT

The Board of Directors and the Executive Committee of the company reaffirm their responsibility to ensure the maintenance of proper accounting records disclosing the financial position of the group with reasonable accuracy at all times and ensure that an appropriate system of internal controls is in place to ensure the group's business operations are carried out efficiently and transparently.

In accordance with Article 3 of the Luxembourg law of 11 January 2008, as subsequently amended, on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, we declare that, to the best of our knowledge, the annual statutory accounts as of and for the year ended 31 December 2021, prepared in accordance with Luxembourg legal and regulatory requirements, and the consolidated financial statements as of and for the year ended 31 December 2021, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the year of SES taken individually, and of SES and its consolidated subsidiaries taken as a whole, respectively. In addition, the management report includes a fair review of the development and performance of the business and the position of SES taken individually, and of SES and its consolidated subsidiaries taken as a whole, together with a description of the principal risks and uncertainties that they face.

23 February 2022

Frank Esser
Chairman of the Board of Directors

Steve Collar
CEO

REMUNERATION REPORT

PURPOSE AND SCOPE OF THE REMUNERATION POLICY

The purpose of the present Policy is to describe the remuneration paid by the Company to the Directors and to the members of its Executive Committee (SLT members). It describes:

- How it contributes to the Company's objectives relating to its business strategy and long-term interests and sustainability;
- The different components of remuneration, including all bonuses and other benefits in whatever form, if any, awarded to Directors and SLT members and indicates their relative proportion;
- The duration of the contracts or arrangements with the Directors and SLT members, the applicable notice periods, the main characteristics of supplementary pension or early retirement schemes and the terms of, and payments linked to, termination;
- The decision-making process followed for the determination, review and implementation of the Policy, including measures to avoid or manage conflicts of interests and, where applicable, the role of the Remuneration Committee and the Board;
- The procedural conditions under which any derogation from the Policy can be applied as well as the elements of the Policy from which a derogation is possible.

THE REMUNERATION POLICY

The Company must attract suitable Directors and SLT members to continue its success and remuneration is one of the enablers to fulfil this goal.

Remuneration must reflect the degree of required qualifications and experience of the Directors and SLT members, the risks that they take personally, and honour the dedication and efforts that the Directors and SLT members put into the Company. The Remuneration must also be consistent when compared to remunerations for similar roles in other companies and be relative to the pay and employment conditions of the employees of the Company.

REMUNERATION OF THE DIRECTORS

The remuneration granted to Directors consists of a fixed annual fee, and a fee per Board or committee meeting attended as described below.

All these fees are net of any Luxembourgish withholding taxes on directors' fees. Board members do not receive any stock options, nor do they receive any bonus.

Fixed remuneration per year

The fixed component of the remuneration amounts to €40,000 per year whereas the Vice Chairpersons each receive an annual fixed fee of €48,000 and the Chairperson receives a fee of €100,000 per year.

Any Director chairing one of the committees set up by the Board (if not the Chairperson of the Board) receives an annual fee of €8,000. The Chair of the Audit and Risk Committee (if not the Chairperson of the Board) receives an annual fee of €9,600.

Remuneration per meeting

Directors receive €1,600 for each Board meeting or Board committee meeting they attend, except for the Audit and Risk Committee for which a fee of €1,920 per meeting is paid.

It is important to note that a Director participating in more than one committee meeting on the same day will receive the attendance fee for one meeting only. Half of the attendance fee is paid if the Director participates in the meeting via telephone or videoconference. However, as an exceptional measure during the application of the COVID-19 restrictions, directors participating in meetings via Videoconference are paid full attendance fees.

The terms of the Directors

In general, the Company's directors are elected for terms of three years. If a Director leaves the Board during his/her term, the Company may co-opt a Director to finish that mandate.

A Director can be revoked at any moment by the shareholders. There is no notice period for a Director.

The maximum tenure on the Board is limited to 12 years (generally four terms of 3 years each).

The age limit of the Directors is set at 72 years. Any Director who reaches this age during his/her mandate will resign at the Annual General Assembly (AGM) following this date.

REMUNERATION OF SLT MEMBERS

The remuneration of SLT members comprises the following two major components:

- The compensation package which consists of a Yearly base salary ("YBS"), Annual bonus ("AB"), and Long-term equity ("LTE");
- The benefits including, but not limited to, company car or car allowance, pension and health care plans, and death and disability insurance.

In line with the Charter of the Remuneration Committee of the Company, remuneration matters of the SLT members are decided by the Board after review and recommendations from the Remuneration Committee.

Yearly Base Salary ("YBS")

The base salary of the CEO as well as of other SLT members is reviewed by the Remuneration Committee in its first ordinary meeting of the year. The Board has the sole authority, besides the legally required cost of living adjustments (i.e. Luxemburg index), to adjust the YBS of the CEO and other SLT members.

For all new nominations as SLT member, remunerations are validated by the SES Board, on recommendations from the Remuneration Committee. They are made on the basis of external benchmarks provided by compensation consultants while also considering degree of qualification and experience required as well as employment conditions of employees at the time of the offer.

Annual Bonus ("AB")

The main objective of the bonus plan for the CEO and other SLT members is to create a performance reward scheme, that links annual variable compensation to the Company's financial results and its performance against specific business objectives which include sustainability targets. Through this plan, the Company ensures alignment and focus on the company's core objectives.

The AB of SLT members is based on the annual performance during the relevant calendar year, is assessed by the Remuneration Committee and validated by the Board in February and paid in March of the following year.

AB achievements (financial results and performance against business objectives) are reported in the annual Remuneration Report.

The AB target for SLT members ranges from 50% of the YBS to 100% of the YBS for the CEO.

The minimum pay-out can be as low as 0% of the AB (in other words no bonus payment), with a maximum pay-out capped at 150% of the bonus target.

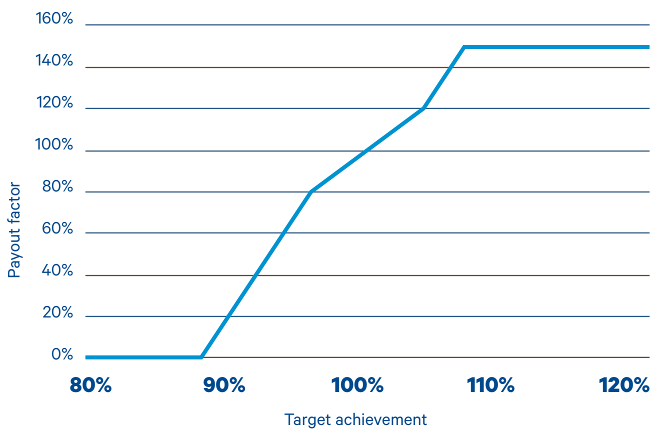
The AB of each SLT member is composed of two parts:

- Financial performance (70% of the AB); and
- Business objectives (30% of the AB).

The financial performance measures the actual achievement compared with budget for the following set of metrics with their respective weights: Revenue (40%), EBITDA (40%) and net operating cash flow (20%). The budget targets for those measures are set during the annual budget process and finally approved by the Board.

The financial performance pay-out is capped at 150% of the bonus target (for a 107% target achievement and for each of the three metrics separately) and with a performance threshold, below which no compensation is paid, set at 88% achievement and as shown below:

Finance performance pay-out table



The business objectives are set annually by the SES Board at the beginning of each year. They are related to the strategic roadmap of the company and include ESG goals.

Achievement is measured at the end of each performance year by the Board, based on recommendations provided by the Remuneration Committee.

The pay-out for business objectives can be as low as 0% and is capped at 150% of the bonus target.

Only in very rare circumstances, the Board can apply a multiplier between 0.5x and 1.5x on the overall achievement against objectives either (i) to mitigate the impact of extraordinary circumstances, such as COVID-19 when a 0.5x multiplier was applied on the 2020 bonus payment or (ii) to recognise successful achievement of transformational projects expected to generate significant shareholder value such as the release of the first C-band clearing milestone, leading to a multiplier of 1.5x on the 2021 bonus payment.

Long-Term Equity ("LTE")

The LTE is regulated by the Equity Based Compensation Plan (EBCP).

The objective of the EBCP is to enhance the competitiveness of the Company and its affiliates in attracting and retaining the best global leadership talent, and to position the Company as a global employer of choice. Moreover, the EBCP is designed to ensure that SLT members become shareholders of the Company, feel a sense of ownership, and benefit from their contribution to increasing shareholder value.

To this end, the EBCP provides a framework for the grant or award of equity-based incentive compensation in the form of:

- Restricted shares, representing one sixth of the LTE grant,
- Performance shares, representing one half of the LTE grant and with a vesting which is subject to financial criteria and
- Stock options, representing one third of the total LTE grant.

The annual grant is approved by the Board in its April meeting based on a recommendation from the Remuneration Committee.

For SLT members, the annual LTE grant value ranges from 58% of their YBS to 105% of the YBS for the CEO.

Restricted Shares

The restricted shares are FDRs granted with the sole condition that at the day the restricted shares vest, the SLT member is employed by the Company. The restricted shares vest on 1 June of the third year following the year of the grant.

The number of restricted shares granted is determined by multiplying the relevant YBS with the applicable percentage and divided by an average of 15 days closing prices of the Company's FDRs at the Paris stock exchange, which is reviewed by the Remuneration Committee for each grant year.

Performance Shares

Performance shares are FDRs granted to SLT members with vesting subject to achievement of financial criteria. The performance shares vest on 1 June of the third year following the year of the grant.

The number of performance shares granted is determined by multiplying the relevant YBS with the applicable percentage and divided by the average 15 days measured share price.

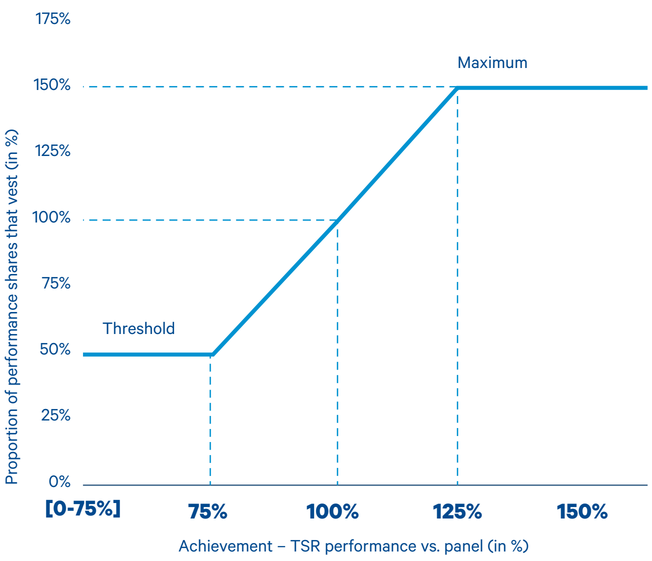
Starting with 2021 grant, Total Shareholder Return ("TSR") is the metric retained to assess financial performance. It is measured on a relative basis to the median TSR performance of a panel of comparable companies during the vesting period with:

- Share price at the end to be based on the average share price in the 3-month period February – April preceding the vesting date i.e., from 1 February 2024 to 30 April 2024 for 2021 grant, and retaining dealing days only
- With share price at the beginning to be based on the average share price during a 3-month period February – April of the grant year i.e., from 1 February 2021 to 30 April 2021 for 2021 grant and retaining dealing days only
- Measurement is based on Volume Weighted Average Price
- Outcome will be reviewed by the Remuneration Committee prior to the Share Vesting Date

The comparator group is reviewed on a regular basis by the Remuneration Committee and is determined based on multiple factors such as company size, business mix, geographic mix and TSR correlation.

Unless otherwise specified by the Remuneration Committee, the Performance Shares will vest on the Share Vesting Date, subject to the Participant's continued employment with the Company or an Affiliate and to the following ratchet table which will apply to determine the proportion of Performance Shares that will vest:

Performance Shares ratchet table



Stock Options

The stock option is a standard call option with a maturity of 10 years from the date of the option grant.

The final strike price corresponds to the average of 15 days closing prices of the Company's FDRs at the Paris stock exchange after the allocation of options by the Board.

The grant value is determined by the multiplication of the YBS with the applicable percentage.

The number of stock option units is derived directly by dividing the grant value by the value of the stock option which is computed by an external and independent valuation firm and using a Binomial or Black-Scholes valuation. The final stock option valuation of each grant is then approved by the Board.

The stock options must vest before they can be exercised. Starting with 2021 grant, the vesting period of stock options is a three-year cliff vesting schedule for closer alignment with best market practices. As an example, if 100 stock options are granted in 2021, all units vest and can be exercised as of 1 June 2024.

The SLT members must, when exercising their vested stock options and their vested shares, do this in accordance with the regulations of the French stock market authorities AMF and the SES Code of dealing securities (i.e. require the prior authorization from the Deputy Corporate Secretary and/or Chief Financial Officer, outside closed periods). As for the members of the Board, the exercises by the SLT members are reported on the Company's website under Company > About Us > ESG > Corporate Governance > Management Disclosures.

Benefits

The following key benefits are provided to SLT members, the amount of which is aligned with local practices:

- Pensions and health care plans: in Luxembourg, pension contributions of 7% up to the Social Security Ceiling (SSC) and 19% for the portion of salary above the SSC. The complementary pension scheme is a defined contribution scheme. In the US, restoration plans are in place to provide retirement benefits that supplement the tax-qualified, defined-contribution pension account defined in subsection 401(k) of the United States Internal Revenue Code; in the Netherlands, pension contributions are age-related and employer contribution is capped at 20.2% of the maximum pensionable salary;
- Health check-up;
- Death and disability insurances; and
- Company car or car allowances.

In addition to the above, several SLT members benefit from tax support and reimbursement of education fees for dependent children.

Employment, Resignation and Termination

SLT members are hired on a permanent basis and employment contracts are drafted according to local regulations:

- One SLT member has an employment contract with an American subsidiary of the Company.
- One SLT member has an employment contract with a Dutch subsidiary of the Company.
- All other SLT members have employment contracts with the Company or a Luxembourg subsidiary of the Company.

In case of resignation or termination, any unvested portion of outstanding stock options, restricted and performance shares is immediately forfeited. This excludes members leaving the Company due to disability or for retirement, benefitting from an immediate vesting of all unvested equity.

The Company and the SLT member can terminate the employment contract respecting the legal notice period. For the SLT member with an employment contract with an American subsidiary of the Company the employment contract stipulates a notice period of 30 days in case of termination or resignation.

With exception of one member, all members of the SLT are entitled to two years of YBS in case of termination without cause. The indemnity includes statutory severance payment, if any.

SLT SHARE OWNERSHIP PROGRAM

This program aims at assuring that SLT members become shareholders of the Company, feel a sense of ownership, and focus on creating shareholder value.

The SLT members have an obligation to invest in the Company's equity under the form of registered shares and/or FDR's. Over a period of five years (with equal yearly investment), the SLT members have to hold in total one time their YBS and the CEO two times his YBS.

SHAREHOLDER VOTE

The present Policy will be submitted to a shareholder vote at the next Annual General Meeting. The policy will be submitted to the shareholders at a minimum every three years or sooner in case of material changes.

While the vote by the shareholders at the general meeting is advisory only, the Company will pay its Directors and SLT members only in accordance with a remuneration policy that has been submitted to a vote at the general meeting. If the general meeting rejects the proposed remuneration policy, the Company will submit a revised policy to a vote at the following general meeting.

DISCLOSURE

After the vote of the shareholders this Policy together with the date and the results of the vote shall be made available on the website of the Company where it will remain publicly available, free of charge, as long as it will be applicable.

PERIODIC REVIEW

This Policy shall be reviewed on a regular basis, but at least every three years.

The Remuneration Committee shall be responsible for advising the Board on any concrete amendment suggestions to this Policy. The final version that will be submitted to the shareholders will be approved by the Board.

In line with the Shareholder Rights Law of 1 August 2019, the SES Board adopted a Remuneration Policy that was formally submitted to the shareholders at the annual general meeting on 1 April 2021. An updated Remuneration Policy will be submitted to the Board on 23 February 2022 prior to its submission to the shareholders at the annual general meeting on 7 April 2022.

The remuneration report here below describes the remuneration of the Board of Directors, the CEO and of the other SLT members. It has been drafted in accordance with the above-mentioned Remuneration Policy and will also be submitted to the shareholders at the same meeting.

REMUNERATION REPORT

DIRECTORS REMUNERATION

In 2021, the Annual General Meeting of shareholders has approved the remuneration of the Members of the Board of Directors through approving a resolution that has been submitted by the Board of Directors.

The shareholders decided to maintain the fees paid to the directors at the previous year's level with a majority of 99.31%. The fees paid to the Board have not been increased since 2008, except for the fees paid to the Chair and the members of the Audit and Risk Committee which have been increased in 2015 in line with best practices.

Directors each received a fixed fee of €40,000 per year, whereas each of the Vice Chairs received an annual fixed fee of €48,000 and the Chair received a fee of €100,000 per year.

The directors chairing one of the committees set up by the Board, if not the Chair of the Board of Directors, received an additional remuneration of €8,000 per year. The director chairing the Audit and Risk Committee received an additional remuneration of €9,600 per year.

Attendance fees for each Board or Board Committee meeting amounted to €1,600, except for the meetings of the Audit and Risk Committee for which directors received €1,920 per meeting. A director participating in more than one committee meeting on the same day received the attendance fee for one meeting only.

As an exceptional measure during the application of the COVID-19 restrictions, directors participating in meetings via Videoconference were paid full attendance fees instead of half.

All fees are net of any Luxembourg withholding taxes.

The total net remuneration fees expensed for the year 2021 to the members of the Board of Directors (net of the Luxembourg withholding tax) amounted to €904,853 of which €550,933 represented the fixed part of the Board fees, with the remaining €353,920 being variable fees. The gross overall figure (including withholding taxes) for the year 2021 was €1,131,067. This compares to a gross remuneration of €993,633 in 2020. This increase is exclusively driven by a higher number of meetings.

The 2021 remunerations cover the fees paid for ten Board meetings as well as for the meetings of the Board Committees described in the table below. The amounts relate to the Board fees expensed during the year 2021.

During 2021, the Board and the Committees of the Board were composed as follows:

- Frank Esser, Chair
- Tsega Gebreyes, Vice-Chair
- Anne-Catherine Ries, Vice-Chair
- Serge Allegrezza
- Peter van Bommel
- Béatrice de Clermont Tonnerre
- Paul Konsbruck (until December '21)
- Ramu Potarazu
- Kaj-Erik Relander
- Françoise Thoma
- Katrin Wehr-Seiter
- Jacques Thill (from December '21)

The composition of the committees, chairs and members is provided as follows:

Committee Membership and Meetings

Audit and Risk Committee	Nomination Committee	Remuneration Committee	Strategy Committee
Chair			
Katrin Wehr-Seiter (until August) Peter van Bommel (as of August)	Anne-Catherine Ries	Françoise Thoma	Frank Esser
Members			
Serge Allegrezza	Béatrice de Clermont Tonnerre	Serge Allegrezza	Peter van Bommel
Françoise Thoma	Frank Esser	Peter van Bommel	Béatrice de Clermont-Tonnerre
Kaj-Erik Relander	Tsega Gebreyes	Frank Esser	Ramu Potarazu
	Paul Konsbruck (until December)	Ramu Potarazu	Paul Konsbruck (until December)
	Kaj-Erik Relander	Katrin Wehr-Seiter	Jacques Thill (as of December)
	Jacques Thill (as of December)		
Number of Meetings and attendance rate in %			
2 Hybrid Meetings and 3 Calls	**2 Hybrid Meetings and 2 Calls**	**2 Hybrid Meetings and 4 Calls**	**9 Calls**
100%	**100%**	**100%**	**98%**

The detailed overview of the individual remunerations expensed in 2021 and 2020 to each Director is provided as follows.

Directors Remuneration

	2021 (for Meetings Q1 2021 to Q4 2021)[1]				2020 (for Meetings Q1 2020 to Q4 2020)[1]			
IN €	Directors Remu-neration	Attendance Fees	Taxes	Total	Directors Remu-neration	Attendance Fees	Taxes	Total
Serge Allegrezza	40.000	31.680	17.920	89.600	40.000	22.560	15.640	78.200
Romain Bausch	–	–	–	–	35.000	14.400	12.350	61.750
Peter van Bommel	47.200	44.480	22.920	114.600	30.000	10.880	10.220	51.100
Victor Casier	–	–	–	–	10.000	2.560	3.140	15.700
Beatrice de Clermont-Tonnerre	40.000	33.600	18.400	92.000	30.000	9.600	9.900	49.500
Frank Esser	100.000	36.800	34.200	171.000	81.667	15.200	24.217	121.083
Tsega Gebreyes	54.000	27.520	20.380	101.900	48.000	15.200	15.800	79.000
Paul Konsbruck	40.000	32.000	18.000	90.000	40.000	16.000	14.000	70.000
Hadelin de Liederkerke Beaufort	–	–	–	–	10.000	800	2.700	13.500
Ramu Potarazu	40.000	35.200	18.800	94.000	40.000	17.920	14.480	72.400
Kaj-Erik Relander	40.000	30.080	17.520	87.600	40.000	18.400	14.600	73.000
Anne-Catherine Ries	56.000	20.800	19.200	96.000	56.000	19.200	18.800	94.000
Marc Serres	–	–	–	–	10.000	4.000	3.500	17.500
François Tesch	–	–	–	–	10.000	5.600	3.900	19.500
Françoise Thoma	48.000	28.480	19.120	95.600	48.000	24.160	18.040	90.200
Katrin Wehr-Seiter	42.400	31.680	18.520	92.600	49.600	20.160	17.440	87.200
Jacques Thill	3.333	1.600	1.233	6.167	–	–	–	–
Total	**550.933**	**353.920**	**226.213**	**1.131.067**	**578.267**	**216.640**	**198.727**	**993.633**

1 Board and Board Committee meetings held during the COVID-19 pandemic are considered as held physically.

REMUNERATION OF THE MEMBERS OF THE SLT

The remuneration of the members of the SLT is determined by the Board and is based on recommendations from the Remuneration Committee.

The remuneration of the SLT members comprises two major components:

- Compensation package composed of the yearly base salary; an annual bonus; and long-term equity (LTE); and
- Benefits package which is aligned with local and market practices

The average to highest compensation ratio (comprising annual base salary, bonus and equity at target) for all employees at the level of SES S.A. is at 1 to 14 which remains below market benchmarks and ratios which can be observed in CAC 40 or FTSE 100 companies.

Eight members were active in the SLT for the full year 2021:

- Chief Executive Officer (CEO), Steve Collar
- Chief Development Officer, Christophe De Hauwer
- Chief Executive Officer of SES Networks, John-Paul Hemingway (Chief Strategy and Product Officer as from 1 January 2022)
- Chief Human Resources Officer, Evie Roos
- Chief Technology Officer, Ruy Pinto
- Chief Services Officer, John Baughn
- Chief Legal Officer, Thai Rubin
- Chief Financial Officer, Sandeep Jalan

The total remuneration of the CEO and other SLT members follows the principles set out in the Remuneration policy and is provided in the tables below.

2021 Remunerations

IN €	Annual Base Salary	Annual Bonus[1]	Long Term Equity[2]	Pension Expenses	Other Benefits and Payments[3]	Total	Average to highest compensation ratio at the level of SES SA[4]
Chief Executive Officer	735.438	1.038.732	655.129	125.428	53.114	2.607.840	14x
Other SLT Members	2.520.613	2.591.530	1.467.869	286.416	367.373	7.233.802	6x
Total 2021	**3.256.051**	**3.630.262**	**2.122.998**	**411.844**	**420.488**	**9.841.642**	**–**

2020 Remunerations

IN €	Annual Base Salary	Annual Bonus[1]	Long Term Equity[2]	Pension Expenses	Other Benefits and Payments[3]	Total
Chief Executive Officer	735.438	367.719	718.844	125.865	53.112	2.000.977
Other SLT Members	2.584.984	934.957	1.407.047	376.857	737.247	6.041.091
Total 2020	**3.320.421**	**1.302.675**	**2.125.891**	**502.721**	**790.359**	**8.042.068**

1 2021 bonuses are calculated with a 1.5x multiplier to recognize the successful collection of the first tranche of accelerated payments from the C-Band transaction. 2020 bonuses include a 50% reduction in bonuses for SLT members, as part of a series of cost savings measures implemented to mitigate the impact of the pandemic crisis.
2 Amortization of Long Term Equity grants.
3 Other benefits and payments include health care plans, death and disability insurance, company cars or car allowances and other payments.
4 Average to highest compensation ratio (comprising annual base salary, bonus and equity at target) for all employees at the level of SES S.A.

Yearly Base Salary

The yearly base salary is reviewed annually by the Remuneration Committee.

For new nominations, base salaries are set based on external benchmarks while also considering the degree of qualification and experience required as well as the employment conditions at the time of the offer.

Except for the Chief Executive Officer, yearly base salaries of SLT members based in Luxembourg were adjusted in October 2021 following the legally required cost of living adjustment (Luxembourg Index).

Annual Bonus

The main objective of the annual bonus plan is to create a performance reward scheme that links annual variable compensation to the company's financial results and the performance of the SLT against specific business objectives.

The annual bonus of SLT members is composed of two parts: (i) the financial performance of the company; and (ii) the performance against business objectives, accounting for 70% and 30% of the bonus respectively.

The financial performance measures group actual achievement vs. budget for three elements, revenue (accounting for 40%), EBITDA (accounting for 40%), complemented by net operating cash flow (accounting for 20%). The Board of Directors sets annual targets during the annual budget process and confirms annual achievement level. In 2021, the Group financial performance payout was confirmed at 95.6% based on the weighted results for the three metrics.

The business objectives are set annually by the Board at the start of each performance year and relate to the strategic roadmap of the Company. For confidentiality reasons, budget targets as well as content of strategic business objectives will not be disclosed publicly. Two of the important business objectives for 2021 were to (i) execute on C-Band clearing and (ii) establish strong ESG practices. The SES Board confirmed an achievement for 2021 of 90.8% which applies equally to each SLT member including the CEO.

As an exception for 2021, bonus payout of each employee including SLT members was multiplied by a factor 1.5x as part of a special incentive to meet C-Band clearing deadline ahead of schedule and for the collection of the first tranche of accelerated payments.

The 2021 annual bonus relates to the 2021 performance year and will be paid in March 2022.

The overview of the 2021 annual bonus of the CEO and other SLT members is provided in the table below:

Bonus SLT expense

IN €	Bonus at target (Abs.)	Bonus at target (% of Base Salary)	Maximum award limit (150%)	Percentage achievement	Bonus Amount	Bonus Amount after 1.5x multiplier[1]
Chief Executive Officer – Annual Bonus 2021 performance year	**735.438**	**100%**	**1.103.156**	**94,2%**	**692.488**	**1.038.732**
- Financial Performance (70%)	514.806		772.209	95,6%	492.155	738.232
- Busines Objectives (30%)	220.631		330.947	90,8%	200.333	300.500
Other SLT Members – Annual Bonus 2021 performance year	**1.843.263**	**50-80%**	**2.764.894**	**93,7%**	**1.727.687**	**2.591.530**
- Financial Performance (70%)[2]	1.290.284		1.935.426	95,0%	1.225.582	1.838.373
- Busines Objectives (30%)	552.979		829.468	90,8%	502.105	753.157

1 As an exception for 2021, bonus payouts of all employees including SLT members were multiplied by a factor of 1.5x as an incentive measure for meeting C-band clearing deadline ahead of schedule and the collection of the first tranche of accelerated payments.
2 Financial performance of SLT members determined by outcome of group financial performance vs. Budget as well as the financial performance vs. Budget of business units (CEO Networks).

Long Term Equity Incentives

The third element of the compensation package relates to the long-term equity granted by the Company. The plan, administered by the Remuneration Committee, permits the grant of three equity types: (i) stock options; (ii) restricted shares; and (iii) performance shares. The 2021 total grant value was divided into one-third of stock options, one-sixth of restricted shares, and one half of performance shares.

The stock option is a standard call option with a maturity of 10 years. The final strike price is determined as the fair market value with an average of 15 days closing prices at the Paris stock exchange after the numbers of options have been determined by the Board. Stock option grants prior to year 2021 have a vesting period of four years with a yearly vesting of 25% on 1 January of each year following the grant. For closer alignment with market practices, stock option grants from year 2021 on have a three-year cliff vesting of 100% on 1 June of the third year following the grant year.

The Restricted Shares are FDRs granted with the sole condition that, at vesting, the SLT member must be employed by SES. The Restricted Shares vest on 1 June of the third year following the year of their grant.

Performance Shares are FDRs granted to SLT members and vest on 1 June of the third year following the year of their grant. Performance shares granted prior to year 2021 are subject to the outcome of the compounded three years adjusted Economic Value Added (adjusted EVA). From grant 2021 onwards, vesting is subject to outcome of Total Shareholder Return (TSR), measured on a relative basis to the median TSR performance of a panel of comparable companies during a three-year period and with a maximum vesting of 150%. In 2021, the comparator group determined by the Remuneration Committee comprises 11 companies including satellite operators and European telcos, selected based on multiple factors such as company size, business mix, geographic mix and TSR correlation.

During 2021, the members of the SLT were awarded a combined total of 953,598 options to acquire company FDRs at an exercise price of €6.395 as well as 60,372 restricted shares as part of the company's long-term incentive plan and 181,116 performance shares. The CEO was awarded 269,375 stock options, 17,054 restricted shares and 51,162 performance shares.

The detailed overview of the 2021 equity grant and vesting for the CEO and other SLT members is provided as follows:

Long Term Equity 2021

		Long Term Equity Plan – 2021 Grant			Equity Vesting in 2021	
IN €	Components	Grant Year	Vesting Year[1]	Units granted	Grant Year	Units vested
Chief Executive Officer	Stock Options	2021	2024	269.375	2017 to 2020	294.454
	Performance Shares	2021	2024	51.162	2018	13.788
	Restricted Shares	2021	2024	17.054	2018	9.192
Other SLT Members	Stock Options	2021	2024	684.223	2017 to 2020	472.640
	Performance Shares	2021	2024	129.954	2018	40.335
	Restricted Shares	2021	2024	43.318	2018	26.890

1 Stock Options: for grants prior to 2021, vesting period over four years with a yearly vesting of 25% on 1 January of each year following the grant.
Cliff vesting of three years from 2021 grant year onward
Performance and Restricted Shares: vesting on 1 June of the third year following the year of the grant

Long Term Equity 2020

		Long Term Equity Plan – 2020 Grant			Equity Vesting in 2020	
IN €	Components	Grant Year	Vesting Year[1]	Units granted	Grant Year	Units vested
Chief Executive Officer	Stock Options	2020	2021 to 2024	302.827	2017 to 2019	218.747
	Performance Shares	2020	2023	48.528	2017	8.719
	Restricted Shares	2020	2023	16.176	2017	2.990
Other SLT Members	Stock Options	2020	2021 to 2024	867.616	2016 to 2019	319.873
	Performance Shares	2020	2023	145.164	2017	26.247
	Restricted Shares	2020	2023	48.388	2017	9.001

1 Stock Options: for grants prior to 2021, vesting period over four years with a yearly vesting of 25% on 1 January of each year following the grant.
Cliff vesting of three years from 2021 grant year onward
Performance and Restricted Shares: vesting on 1 June of the third year following the year of the grant

When exercising their vested stock options and their vested shares, the SLT members must do this in accordance with the SES Dealing Code (including requiring the prior authorization from the Deputy Corporate Secretary and/or Chief Financial Officer and provide selling orders outside of a closed period).

During 2021, Christophe De Hauwer had sold all performance and restricted shares that vested on 1 June 2021. Evie Roos and Thai Rubin sold some of the restricted and performance shares that vested on 1 June 2021. Steve Collar, Ruy Pinto, John Baughn and John-Paul Hemingway kept all their restricted and performance shares that vested on 1 June 2021. Sandeep Jalan has purchased 15,000 stock options from 2020 Stock option grant at the price of 5,973 per share. John Baughn bought additional 3,500 shares during year 2021.

As for the members of the Board, all transactions are reported on the SES website: Company > About Us > ESG > Corporate Governance > Management Disclosures

Benefits package

As for the benefits provided to members of the SLT, they are aligned with local and market practices and include pensions, health care plans, death and disability insurances, company cars or car allowances and other payments.

4

CONSOLIDATED FINANCIAL STATEMENTS

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This version of the consolidated financial statements has been prepared based on the ESEF version, which is the only authoritative one.

AUDIT REPORT

To the Shareholders of SES S.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OUR OPINION

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of SES S.A. (the "Company") and its subsidiaries (the "Group") as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Our opinion is consistent with our additional report to the Audit and Risk Committee.

What we have audited
The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2021;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in shareholders' equity for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of the EU Regulation No 537/2014.

The non-audit services that we have provided to the Company and its controlled undertakings, if applicable, for the year then ended, are disclosed in Note 5 to the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition
The application of revenue recognition accounting standards is complex and involves a number of key judgements and estimates in the determination of the appropriate accounting treatment (lease vs. service arrangements, identification of the performance obligations and timing of revenue recognition, barter transactions, principle versus agent considerations, etc.).

We focused on this area due to the inherent complexity and judgement in applying the revenue recognition accounting standards and to the significant focus on the revenue amount (1,782 million EUR for the year ended 31 December 2021) by the users of the consolidated financial statements (see >> Note 3).

How our audit addressed the key audit matter
- We obtained an understanding of the main revenue streams and evaluated the accounting policy for revenue recognition thereof;

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Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256) R.C.S. Luxembourg B 65 477 - TVA LU25482518

- We held discussions with Management on IFRS accounting analysis of any non-standard revenue contracts, performed testing of significant new revenue contracts and verified that the underlying revenue transactions were accounted in accordance with the substance of the commercial agreement and the relevant IFRS standards;
- We performed substantive analytical procedures at year-end on revenue and revenue-related accounting in order to identify any unusual variances;
- We tested any unusual and/or significant manual journal entries made to the revenue accounts, both at local and group level;
- We evaluated the deferred revenue schedules and their reconciliation with the accounting;
- We performed substantive testing on a sample of revenue transactions;
- We considered the disclosures in >> Note 3 the consolidated financial statements and assessed their appropriateness.

Impairment of goodwill and orbital slot license rights (indefinite life)

Management revised the grouping of the cash-generating units of the Group, effectively disaggregating the GEO CGU into Europe, North America and International CGUs. The MX1 operations, formerly under the MX1 CGU, were simultaneously integrated into the GEO Europe CGU. The MEO CGU remains unchanged.

Management performed the annual impairment test based on the value in use determined on the basis of a discounted cash flows model for each of the cash-generating units.

The Group has goodwill of 1,520 million EUR and orbital rights with indefinite useful lives of 2,065 million EUR. An impairment expense of 673 million EUR was recognised for the year ended 31 December 2021 in relation to the goodwill at the level of the GEO North America CGU (see >> Note 14).

We focused on this area due to the high level of judgement in relation with the assumptions used in the calculation of the recoverable amounts (forecasted cash flows, long-term growth rates, discount rates, etc.).

How our audit addressed the key audit matter

- We tested the design and implementation of relevant internal controls;
- We evaluated Management's determination of the cash generating units as well as the method and model used for the determination of the value in use, considering the requirements of IAS 36;
- We involved valuation specialists and independently recalculated the weighted average cost of capital based on the use of market data and verified the long-term growth rate to market data;
- We agreed the forecasted cash flows used for the calculation of the value in use to the 2022 Business Plan as approved by the Board of Directors;
- We evaluated the forecasted revenue and costs assumptions, considering our expectations in terms of significant developments during the forecast period (significant new contracts or loss thereof) and corroborated these with market data in respect of demand for satellite capacity and pricing;
- We evaluated the capital expenditure assumptions, considering our expectations in terms of significant developments during the forecast period (capital expenditure programs, replacement of satellites) and the expected capital expenditure level in terminal period in order to maintain the current assets base;
- We performed sensitivity analysis of the models to changes in the key assumptions;
- We considered the appropriateness of the disclosures in >> Note 14 to the consolidated financial statements.

Impairment of satellites

The Group has a space segment assets balance, representing primarily satellites, of 3,377 million EUR as at 31 December 2021. An impairment expense of 73 million EUR and a reversal of impairment expense previously recorded of 22 million EUR were recognised for the year ended 31 December 2021 in relation to several satellites, due to the change in their forecasted future revenue (see >> Note 12).

The valuation of the satellites might be impacted by events that may or may not be under Management's control (e.g. solar array issues) or by a decrease in revenue due to unfavorable market developments.

Moreover, there is a risk of impairment of the satellites due to obsolescence in the context of rapid evolution of technology.

How our audit addressed the key audit matter

- We tested the design and implementation of relevant internal controls;
- We discussed with Management, and in particular the engineering team about any satellite health issues and evaluated their impact on the satellites' capability to generate future cash inflows, and implicitly on the recoverable amount of the satellites;
- We evaluated the forecasted revenue and cost assumptions, considering our expectations in terms of significant developments during the forecast period (significant new contracts or loss thereof) and corroborated these with market data in respect of demand for satellite capacity and pricing;
- We involved valuation specialists and validated the method used to derive the value in use of satellites presenting a risk of impairment. We independently recalculated the weighted average cost of capital based on the use of market data;
- We performed sensitivity analysis of the models to changes in the key assumptions;
- We considered the disclosures in >> Note 12 to the consolidated financial statements.

Taxation

The Group operates across a large number of jurisdictions and is subject to various tax legislations and periodic reviews by local tax authorities of a range of tax matters, including transfer pricing, during the normal course of business. Moreover, the current tax structure of the Group is evolving to reflect recent developments in international taxation.

We focused on two specific tax matters relating to the provisions for tax risks, and the recognition and recoverability of the deferred tax assets, due to the high level of judgment in the determination of the current and deferred income tax balances and the determination of the level of the tax provisions.

How our audit addressed the key audit matter

- We tested the design and implementation of controls in respect of tax accounting, including the determination of the provisions for tax risks;
- We involved tax specialists in Luxembourg, the Netherlands and the USA, representing the main tax jurisdictions where the Group has an exposure, to gain an understanding of the current tax risks and evaluated the current and deferred tax income and expense and related balances;
- We held discussions with the Group Tax Management to understand and evaluate positions taken on uncertain tax risks and assessed the Group tax provision;
- We discussed with Management the status of the open tax audits and evaluated their impact on the consolidated financial statements;
- We analysed the recognition and recoverability of the deferred tax assets and determined that it is supported by forecast future tax profits;
- We considered the appropriateness of the disclosures in >> Note 7 and >> Note 8 to the consolidated financial statements.

OTHER INFORMATION

The Board of Directors is responsible for the other information. The other information comprises the information stated in the consolidated management report and the Corporate Governance Statement but does not include the consolidated financial statements and our audit report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

The Board of Directors is responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

RESPONSIBILITIES OF THE "RÉVISEUR D'ENTREPRISES AGRÉÉ" FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

We assess whether the consolidated financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the consolidated management report. The information required by Article 68ter Paragraph (1) Letters c) and d) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We have been appointed as "Réviseur d'Entreprises Agréé" by the General Meeting of the Shareholders on 1 April 2021 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 9 years.

We have checked the compliance of the consolidated financial statements of the Group as at 31 December 2021 with relevant statutory requirements set out in the ESEF Regulation that are applicable to consolidated financial statements.

For the Group it relates to the requirement that:

- the consolidated financial statements are prepared in a valid XHTML format;
- the XBRL markup of the consolidated financial statements uses the core taxonomy and the common rules on markups specified in the ESEF Regulation.

In our opinion, the consolidated financial statements of the Group as at 31 December 2021, identified as "SES Annual report -2021-12-31-en", have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

PricewaterhouseCoopers, Société coopérative
Represented by

François Mousel Luxembourg, 2 March 2022

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2021

Consolidated Income Statement

€ MILLION		2021	2020
Revenue	>> Note 3	**1,782**	**1,876**
C-band repurposing income	>> Note 33	901	10
Cost of sales	>> Note 4	(319)	(291)
Staff costs	>> Note 4	(304)	(330)
Other operating expenses	>> Note 4	(198)	(186)
Operating expenses	>> Note 4	**(821)**	**(807)**
EBITDA	>> Note 35	**1,862**	**1,079**
Depreciation expense	>> Note 12	(575)	(625)
Property, plant and equipment impairment	>> Note 12	(51)	(183)
Amortisation expense	>> Note 14	(95)	(95)
Intangible assets impairment	>> Note 14	(673)	(94)
Operating profit	>> Note 3	**468**	**82**
Net financing costs	>> Note 6	**(71)**	**(184)**
Profit/(loss) before tax		**397**	**(102)**

€ MILLION		2021	2020
Income tax benefit	>> Note 7	49	7
Profit/(loss) after tax		**446**	**(95)**
Profit/(loss) for the year		**446**	**(95)**
Attributable to:			
Owners of the parent		453	(86)
Non-controlling interests		(7)	(9)
		446	**(95)**
Basic and diluted earnings/(loss) per share (in euro)			
Class A shares	>> Note 10	0.92	(0.30)
Class B shares	>> Note 10	0.37	(0.12)
Adjusted EBITDA (Note 35)		1,091	1,152
C-band repurposing income	>> Note 33	901	10
C-band operating expenses	>> Note 33	(122)	(43)
Restructuring expenses	>> Note 24	(8)	(40)
EBITDA		**1,862**	**1,079**

The notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

Consolidated Statement of Comprehensive Income

€ MILLION		2021	2020
Profit/(loss) for the year		**446**	**(95)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligation		3	(3)
Income tax effect		(1)	1
Remeasurements of post-employment benefit obligation, net of tax		**2**	**(2)**
Income tax relating to treasury shares impairment expense or reversal		1	6
Total items that will not be reclassified to profit or loss		**3**	**4**
Items that may be reclassified subsequently to profit or loss			
Impact of currency translation	>> Note 9	471	(624)
Income tax effect	>> Note 9	(36)	35
Total impact of currency translation, net of tax		**435**	**(589)**

€ MILLION		2021	2020
Net investment hedge	>> Note 18	(102)	113
Income tax effect	>> Note 18	26	(29)
Total net investment hedge, net of tax		**(76)**	**84**
Total items that may be reclassified subsequently to profit or loss		**359**	**(505)**
Total other comprehensive income/(loss) for the year, net of tax		**362**	**(501)**
Total comprehensive income/(loss) for the year, net of tax		**808**	**(596)**
Attributable to:			
Owners of the parent		815	(585)
Non-controlling interests		(7)	(11)
		808	**(596)**

The notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

Consolidated Statement of Financial Position

€ MILLION		2021	2020
Non-current assets			
Property, plant and equipment	>> Note 12	3,773	4,170
Assets in the course of construction	>> Note 13	1,788	1,651
Total property, plant and equipment		**5,561**	**5,821**
Intangible assets	>> Note 14	3,790	4,192
Other financial assets		26	14
Trade and other receivables	>> Note 16	245	268
Deferred customer contract costs		9	9
Deferred tax assets	>> Note 8	568	313
Total non-current assets		**10,199**	**10,617**
Current assets			
Inventories		23	27
Trade and other receivables	>> Note 16	1,746	488
Deferred customer contract costs		3	10
Prepayments		48	72
Income tax receivable		13	11
Cash and cash equivalents	>> Note 19	1,049	1,162
Total current assets		**2,882**	**1,770**
Total assets		**13,081**	**12,387**

€ MILLION		2021	2020
Equity			
Attributable to the owners of the parent	>> Note 20	5,670	5,366
Non-controlling interests	>> Note 21	63	72
Total equity		**5,733**	**5,438**
Non-current liabilities			
Borrowings	>> Note 23	3,524	3,317
Provisions	>> Note 24	6	12
Deferred income	>> Note 15	314	296
Deferred tax liabilities	>> Note 8	399	333
Other long-term liabilities	>> Note 26	83	127
Lease liabilities	>> Note 29	22	25
Fixed assets suppliers	>> Note 27	472	1,310
Total non-current liabilities		**4,820**	**5,420**
Current liabilities			
Borrowings	>> Note 23	57	613
Provisions	>> Note 24	56	60
Deferred income	>> Note 15	404	454
Trade and other payables	>> Note 25	292	300
Lease liabilities	>> Note 29	11	12
Fixed assets suppliers	>> Note 27	1,554	67
Income tax liabilities		154	23
Total current liabilities		**2,528**	**1,529**
Total liabilities		**7,348**	**6,949**
Total equity and liabilities		**13,081**	**12,387**

The notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

Consolidated Statement of Cash Flows

€ MILLION		2021	2020
Profit/(loss) before tax		**397**	**(102)**
Taxes paid during the year		(31)	(31)
Interest expense on borrowings	>> Note 6	96	123
Depreciation, amortisation and impairment	>> Notes 12, 14	1,394	997
Amortisation of client upfront payments		(65)	(72)
Other non-cash items in the consolidated income statement		(41)	76
Consolidated operating profit adjusted for non-cash items and tax payments and before working capital changes		**1,750**	**991**
Changes in working capital			
(Increase)/decrease in inventories		4	(6)
(Increase)/decrease in trade and other receivables		(492)	17
Decrease in prepayments and deferred charges		15	17
Decrease in trade and other payables		(25)	(73)
Increase in upfront payments and deferred income		42	103
Changes in working capital		**(456)**	**58**
Net cash generated by operating activities		**1,294**	**1,049**
Cash flow from investing activities			
Payments for purchases of intangible assets		(37)	(39)
Payments for purchases of tangible assets		(243)	(171)
Other investing activities		(3)	(7)
Net cash absorbed by investing activities		**(283)**	**(217)**

€ MILLION		2021	2020
Cash flow from financing activities			
Proceeds from borrowings	>> Note 30	159	395
Repayment of borrowings	>> Note 30	(614)	(785)
Proceeds from Perpetual bond, net of transaction costs	>> Note 20	617	–
Redemption of Perpetual bond, net of transaction costs	>> Note 20	(768)	–
Coupon paid on perpetual bond	>> Note 20	(85)	(66)
Dividends paid on ordinary shares[1]	>> Note 11	(181)	(182)
Dividends paid to non-controlling interest		(2)	–
Interest paid on borrowings		(121)	(152)
Payments for acquisition of treasury shares		(119)	(10)
Proceeds from treasury shares sold and exercise of stock options		1	9
Lease payments	>> Note 29	(14)	(15)
Payment in respect of changes in ownership interest in subsidiaries		-	(7)
Net cash absorbed by financing activities		**(1,127)**	**(813)**
Net foreign exchange movements		3	(12)
Net increase in cash		(113)	7
Cash and cash equivalents at beginning of the year	>> Note 19	**1,162**	**1,155**
Cash and cash equivalents at end of the year	>> Note 19	**1,049**	**1,162**

1 Dividends are presented net of dividends received on treasury shares of € 2 million (2020: € 2 million).

The notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2021

Consolidated Statement of Changes in Shareholders' Equity

	Attributable to owners of the parent									
€ MILLION	Issued capital	Share premium	Treasury shares	Perpetual bond	Other reserves[2]	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interest	Total equity
At 1 January 2021	**719**	**1,636**	**(76)**	**1,300**	**2,583**	**(86)**	**(710)**	**5,366**	**72**	**5,438**
Result for the year	–	–	–	–	–	453	–	453	(7)	446
Other comprehensive income	–	–	–	–	3	–	359	362	–	362
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**3**	**453**	**359**	**815**	**(7)**	**808**
Allocation of 2020 result	–	–	–	–	(86)	86	–	–	–	–
Issue of new Perpetual bond, net of transaction costs	–	–	–	625	(8)	–	–	617	–	617
Redemption of Perpetual bond, net of transaction costs	–	–	–	(750)	(18)	–	–	(768)	–	(768)
Coupon on perpetual bond (>> Note 20)	–	–	–	–	(85)	–	–	(85)	–	(85)
Tax on perpetual bond coupon (>> Note 20)	–	–	–	–	20	–	–	20	–	20
Dividends provided for or paid[1]	–	–	–	–	(181)	–	–	(181)	(2)	(183)
Acquisition of treasury shares	–	–	(119)	–	–	–	–	(119)	–	(119)
Share-based compensation expense (>> Note 22)	–	–	–	–	5	–	–	5	–	5
Exercise of share-based compensation	–	–	6	–	(6)	–	–	–	–	–
At 31 December 2021	**719**	**1,636**	**(189)**	**1,175**	**2,227**	**453**	**(351)**	**5,670**	**63**	**5,733**

1 Dividends are presented net of dividends received on treasury shares of € 2 million.
2 The non-distributable items included in other reserves are described in >> Note 20.

The notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2020

Consolidated Statement of Changes in Shareholder' Equity

	Attributable to owners of the parent									
€ MILLION	Issued capital	Share premium	Treasury shares	Perpetual bond	Other reserves[2]	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interest	Total equity
At 1 January 2020	**719**	**1,636**	**(90)**	**1,300**	**2,519**	**296**	**(207)**	**6,173**	**83**	**6,256**
Result for the year	–	–	–	–	–	(86)	–	(86)	(9)	(95)
Other comprehensive income	–	–	–	–	4	–	(503)	(499)	(2)	(501)
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**4**	**(86)**	**(503)**	**(585)**	**(11)**	**(596)**
Allocation of 2019 result	–	–	–	–	296	(296)	–	–	–	–
Coupon on perpetual bond (>> Note 20)	–	–	–	–	(66)	–	–	(66)	–	(66)
Tax on perpetual bond coupon (>> Note 20)	–	–	–	–	18	–	–	18	–	18
Dividends provided for or paid[1]	–	–	–	–	(182)	–	–	(182)	–	(182)
Acquisition of treasury shares	–	–	(10)	–	–	–	–	(10)	–	(10)
Share-based compensation expense	–	–	–	–	10	–	–	10	–	10
Exercise of share-based compensation	–	–	7	–	(14)	–	–	(7)	–	(7)
Sale of treasury shares	–	–	17	–	–	–	–	17	–	17
Other movements	–	–	–	–	(2)	–	–	(2)	–	(2)
At 31 December 2020	**719**	**1,636**	**(76)**	**1,300**	**2,583**	**(86)**	**(710)**	**5,366**	**72**	**5,438**

1 Dividends are presented net of dividends received on treasury shares of € 2 million.
2 The non-distributable items included in other reserves are described in >> Note 20.

The notes are an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

NOTE 1 – CORPORATE INFORMATION

SES S.A. ('SES' or 'the Company') was incorporated on 16 March 2001 as a limited liability company (Société Anonyme) under Luxembourg Law. References to 'the Group' in the following notes are to the Company and its subsidiaries. SES trades under 'SESG' on the Luxembourg Stock Exchange and Euronext, Paris. The registered office of the Company is established at the Château de Betzdorf, L-6815 Betzdorf, Luxembourg.

SES is a leader in global content connectivity solutions, leveraging a vast and intelligent network spanning satellite and ground infrastructure to create, deliver and manage video and data solutions enabling customers to connect more people in more places with content that enriches their personal stories with knowledge, entertainment and opportunity.

The consolidated financial statements of SES as at, and for the year ended, 31 December 2021 were authorised for issue in accordance with a resolution of the Board of Directors on 23 February 2022. Under Luxembourg Law, the consolidated financial statements are approved by the shareholders at their Annual General Meeting.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The consolidated financial statements have been prepared in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB') and endorsed by the European Union ('IFRS'), as at 31 December 2021.

The consolidated financial statements have been prepared on a historical cost basis, except where fair value is required by IFRS.

The consolidated financial statements are presented in euro (€). Unless otherwise stated, all amounts are rounded to the nearest million, except share and earnings per share data and audit and non-audit fee disclosures.

CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS, effective from 1 January 2021 and adopted by the Group. Any new IFRS amendments, effective from 1 January 2021 and not mentioned below are not applicable to the Group.

1) **Amendments to IFRS 4 "Insurance contracts – deferral of IFRS 9"**
The amendments extend the expiry date of the temporary exemption from applying IFRS 9 from 1 January 2021 to 1 January 2023 to align the effective dates of IFRS 9 Financial Instruments with IFRS 17 Insurance Contracts. The amendments were endorsed by the EU and are effective for annual periods beginning on or after 1 January 2021. The adoption of these amendments did not have any impact on the Group's consolidated financial statements.

2) **Amendments to IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2**
The amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific IAS 39 and IFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform. The amendments were endorsed by the EU and are effective for annual periods beginning on or after 1 January 2021. The adoption of these amendments did not have any impact on the Group's consolidated financial statements >> Note 23.

3) **Amendment to IFRS 16, "Leases" – COVID-19 related rent concessions**
As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs. The amendment is effective for annual reporting periods beginning on or after 1 June 2021. The adoption of this amendment did not have any impact on the Group's consolidated financial statements.

BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its controlled subsidiaries, after the elimination of all inter-company transactions. Subsidiaries are fully consolidated from the date the Company obtains control until such time as control ceases. The financial statements of subsidiaries are generally prepared for the same reporting period as the Company, using consistent accounting policies. If required, adjustments are made to align any dissimilar accounting policies that may exist. For details regarding the subsidiaries included in the consolidated financial statements >> Note 36.

Total comprehensive income or loss incurred by a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance. Should a change in the ownership interest in a subsidiary occur, without a loss of control, this is accounted for as an equity transaction.

Should the Group cease to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Non-controlling interests in the results and equity of subsidiaries are presented separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

INVESTMENTS IN ASSOCIATES

An associate is an entity in which the Group has significant influence but not control or joint control. The Group accounts for investments in associates using the equity method of accounting.

Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of the profit or loss of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount within 'Share of associates' result' in the consolidated income statement.

The Group's share of post-acquisition profit or loss is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals, or exceeds, its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. In general, the financial statements of associates are prepared for the same reporting year as the parent company, using consistent accounting policies. If required, adjustments are made to align any dissimilar accounting policies that may exist. For details regarding the associates included in the consolidated financial statements >> Note 36.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the associates. Dilution gains and losses arising in investments in associates are recognised in the consolidated income statement.

The Group ceases to use the equity method of accounting on the date from which it no longer has significant influence over the associate, or when the interest becomes classified as an asset held for sale.

SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

1) Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(i) Treatment of orbital slot licence rights

The Group's operating companies have obtained rights to operate satellites at certain orbital locations and using certain frequency bands. These licences are obtained through applications to the relevant national and international regulatory authorities and are generally made available for a defined period. Where the Group has obtained such rights through the acquisition of subsidiaries, the rights have been identified as an asset acquired and recorded at the fair value attributed to the asset at the time of the acquisition as a result of purchase accounting procedure.

In the cases when, on the expiry of such rights, management believes it will be able to successfully re-apply for their usage at insignificant incremental cost, then such rights are deemed to have an indefinite life. Hence these assets are not amortised, but rather are subject to regular impairment reviews to confirm that the carrying value in the Group's financial statements is still appropriate. More details are given in >> Note 14.

(ii) Taxation

The Group operates in numerous tax jurisdictions and management is required to assess tax issues and exposures across its entire operations and to accrue for potential liabilities based on its interpretation of country-specific tax law and best estimates. In conducting this review management assesses the magnitude of the issue and the likelihood, based on experience and specialist advice, as to whether it will result in a liability for the Group.

If this is deemed to be the case, then a provision is recognised for the potential taxation charges. More details are given in >> Notes 7 and >> Note 24.

One significant area of management judgement is around transfer pricing. Whilst the Group employs dedicated members of staff to establish and maintain appropriate transfer pricing structures and documentation, judgement still needs to be applied and hence potential tax exposures can be identified in the different jurisdictions where the Group operates. The Group, as part of its overall assessment of liabilities for taxation, reviews in detail the transfer pricing structures in place and records provisions where this seems appropriate on a case-by-case basis.

(iii) Consolidation of entities in which the Group holds 50% or less

- **Al Maisan Satellite Communication LLC (trading as 'Yahlive')**
  Management has concluded that the Group controls Al Maisan Satellite Communication LLC ('Yahlive'), even though it holds a 35% economic interest in this subsidiary since it has the majority of the voting rights on the Board of Directors of Yahlive and there are no voting rights at the shareholder level which could affect SES' control.

  SES has effective control over the relevant activities of Yahlive, such as budget approval, appointment and removal of the Chief Executive Officer and senior management team members as well as the effective control over the appointment or removal of the majority of the members of the Board of Directors. The entity is therefore consolidated with a 65% non-controlling interest >> Note 21.

- **LuxGovSat S.A.**
  SES and the Luxembourg government jointly incorporated the legal entity LuxGovSat S.A. ('LuxGovSat') as a limited liability company (Société Anonyme) under Luxembourg law, subscribing equally in the equity of the new company. Management has concluded that the Group controls LuxGovSat since SES has effective control over the relevant activities of the entity. It is therefore consolidated with a 50% non-controlling interest >> Note 21.

(iv) SES Government Solutions, Inc.
SES Government Solutions, Inc., USA ('SES GS') is subject to specific governance rules and is managed through a Proxy Agreement agreed with the Defense Security Service ('DSS') department of the US Department of Defense ('DOD'). The DSS is a governmental authority responsible for the protection of information deemed classified or sensitive with respect to the national security of the United States of America. A proxy agreement is an instrument intended to mitigate the risk of foreign ownership, control or influence when a foreign person acquires or merges with a US entity that has a facility security clearance. A proxy agreement conveys a foreign owner's voting rights to proxy holders, comprising the proxy board. Proxy holders are cleared US citizens approved by the DSS.

The DSS required that SES GS enter into a proxy agreement because it is indirectly owned by SES and SES GS has contracts with the DOD which contain classified information. The Proxy Agreement enables SES GS to participate in such contracts with the US Government despite being owned by a non-US corporation.

As a result of the Proxy Agreement, certain limitations are placed on the information which may be shared, and the interaction which may occur, between SES GS and other Group companies. The Proxy Holders, besides acting as directors of SES GS, are entitled to vote in the context of a trust relationship with SES on which basis their activity is performed in the interest of SES's shareholders and of US national security.

SES's assessment of the effective control over the relevant activities of SES GS encompassed the activities of operating and capital decision making, the appointment and remuneration of key management, and the exposure to the variability of financial returns based on the financial performance of SES GS.

Based on this assessment, SES concluded that, from an IFRS 10 perspective, SES has, and is able to exercise, power over the relevant activities of SES GS and has an exposure to variable returns from its involvement in SES GS – and therefore controls the entity.

2) Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year(s), are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in revisions to the assumptions when they occur.

(i) Impairment testing for goodwill and other indefinite-life intangible assets
The Group determines whether goodwill and other indefinite-life intangible assets are impaired at least on an annual basis. This requires an estimation of the value in use of the cash generating units ('CGUs') to which the goodwill and other indefinite-life intangible assets are allocated. Establishing the value in use requires the Group to make an estimate of the expected future pre-tax cash flows from the CGU and to choose a suitable pre-tax discount rate and terminal growth rate to calculate the present value of those cash flows. More details are given in >> Note 14.

(ii) Impairment testing for space segment assets

The Group assesses at each reporting date whether there is any indicator that an asset may be impaired. If any such indication exists, the Group determines an estimate of the recoverable amount, as the higher of: (1) the fair value less cost of disposal and, (2) its value in use, to determine whether the recoverable amount exceeds the carrying amount included in the consolidated financial statements. For the Group's satellites, the estimation of the value in use requires estimations of the future commercial revenues to be generated by each satellite, particularly related to new markets or services, and also the impact of past in-orbit anomalies and their potential impact on the satellite's ability to provide its expected commercial service >> Note 12.

(iii) Recoverability of deferred tax assets

The Group recognises deferred tax assets primarily in connection with the carry-forward of unused tax losses and tax credits. The Group reviews the tax position in the different jurisdictions in which it operates to assess the need to recognise such assets based mainly on projections of taxable profits to be generated in each of those jurisdictions. The carrying amount of each deferred tax asset is reviewed at each reporting date and reduced to the extent that current projections indicate that it is no longer probable that sufficient taxable profits will be available to enable all, or part, of the asset to be recovered.

(iv) Expected credit losses on trade receivables and unbilled accrued revenue

The Group estimates expected credit losses on trade receivables and unbilled accrued revenues using a provision matrix based on loss expectancy rates and forward-looking information. The Group records additional losses if circumstances or forward-looking information cause the Group to believe that an additional collectability risk exists which is not reflected in the loss expectancy rates >> Note 16.

BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition of the subsidiary is measured as the aggregate of the:

- fair value of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration agreement; and
- fair value of any pre-existing equity interest in the subsidiary.

For each business combination, SES measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in other operating expenses.

When the Group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Assets acquired, and liabilities assumed, are recognised at fair value.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition-date fair value of any previous equity interest in the acquired entity;

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. If the business combination is achieved in stages, the acquisition date carrying value of the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by SES will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset, or a liability, will be recognised in profit or loss.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is initially recorded at historical cost, representing either the acquisition or manufacturing cost. Satellite cost includes the launcher and launch insurance, less depreciation and impairment losses.

The financial impact of changes resulting from a revision of management's estimate of the cost of property, plant and equipment is recognised in the consolidated income statement in the period concerned.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date of the lease, less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture. Costs for the repair and maintenance of these assets are recorded as an expense.

Property, plant and equipment is depreciated using the straight-line method, generally based on the following useful lives:

Asset lives

Buildings	25 years
Space segment assets	10 to 18 years
Ground segment assets	3 to 15 years
Other fixtures, fittings, tools and equipment	3 to 15 years
Right-of-use assets	6 to 12 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the derecognition of an asset is included in the consolidated income statement in the period the asset is derecognised. The residual values, remaining useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted where necessary.

For reimbursable capitalised costs related to the procurement of satellites, launches, and upgraded ground facilities as part of the U.S. C-band repurposing project, the Group applies government grant accounting. The Group records credits to the recorded book values of the related asset when the costs have been incurred and the Group has obtained reasonable assurance that the costs will be reimbursed and that it will comply with the requirements attached to the reimbursement. See additional information in >> Note 33.

ASSETS IN THE COURSE OF CONSTRUCTION

This caption includes satellites under construction. Incremental costs directly attributable to the purchase of satellites and bringing the asset in the condition and location to be used as intended by management, such as launch costs and other related expenses such as ground equipment and borrowing costs, are capitalised as part of the cost of the asset.

The cost of satellite construction may include an element of deferred consideration to satellite manufacturers referred to as satellite performance incentives. SES is contractually obligated to make these payments over the lives of the satellites, provided the satellites continue to operate in accordance with contractual specifications. Therefore, SES accounts for these payments as deferred financing, capitalising the present value of the payments as part of the cost of the satellites and recording a corresponding liability to the satellite manufacturers. An interest expense is recognised on the deferred financing and the liability is accreted based on the passage of time and reduced as the payments are made.

Once the asset is subsequently put into service and ready to operate in the manner intended by management, the expenditure is transferred to assets in use and depreciation commences.

BORROWING COSTS

Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalised during the construction period as part of the cost of the asset. All other borrowing costs are recognised as an expense in the period in which they are incurred.

INTANGIBLE ASSETS

1) Goodwill

Goodwill is measured as described in accounting policy for business combinations in >> Note 2.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For impairment testing, goodwill from the acquisition date is allocated to each of the Group's CGUs that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units.

The carrying value of acquisition goodwill is not amortised, but rather is tested for impairment annually, or more frequently if required to establish whether the value is still recoverable. The recoverable amount is defined as the higher of: (1) fair value less costs to sell and, (2) value in use. Impairment expenses are recorded in the consolidated income statement. Impairment losses relating to goodwill cannot be reversed in future periods.

The Group estimates value in use based on the estimated discounted cash flows to be generated by a CGU using five-year business plans approved by the Board of Directors. Beyond a five-year period, cash flows are generally estimated on the basis of stable rates of growth or decline, although longer periods may be considered where relevant to accurately calculate the value in use.

Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, then the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on its disposal. Goodwill disposed of in this situation is measured based on the relative values of the operation disposed of and the portion of the CGU unit retained.

2) Other intangibles

(i) Orbital rights

Intangible assets consist principally of rights of usage of orbital frequencies. The Group is authorised by governments to operate satellites at certain orbital locations. Governments acquire rights to these orbital locations through filings made with the International Telecommunication Union ('ITU'), a sub-organisation of the United Nations. The Group will continue to have rights to operate at its orbital locations so long as it maintains its authorisations to do so. Those rights are reviewed at acquisition to establish whether they represent assets with a definite or indefinite life. Those assessed as being definite life assets are amortised on a straight-line basis over their estimated useful life not exceeding 30 years.

Indefinite-life intangible assets are held at cost and are subject to impairment testing in line with the treatment outlined for goodwill above. Assets with indefinite lives are reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis. Orbital rights acquired for a non-cash consideration are initially measured at the fair value of the consideration given.

(ii) Software and development costs

Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Software development costs recognised as assets are amortised over their estimated useful life, not exceeding seven years.

IMPAIRMENT OF OTHER INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

The Group assesses at each reporting date whether there is an indication that the carrying amount of the assets may not be recoverable. If such an indication exists then the recoverable amount of the asset or CGU is reviewed to determine the amount of the impairment, if any.

Impairments can arise from complete or partial failure of a satellite as well as other changes in expected discounted future cash flows. Such impairment tests are based on a recoverable value determined using estimated future cash flows and an appropriate discount rate. The estimated cash flows are based on the most recent business plans. If an impairment is identified, the carrying value will be written down to its recoverable amount.

INVESTMENTS AND OTHER FINANCIAL ASSETS

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss; and
- those to be measured at amortised cost.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not remeasured to fair value through the income statement, transaction costs directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value and revalued through the income statement are expensed in the period when they were incurred. All regular purchases and sales of financial assets are recognised on the date that the Group is committed to the purchase or sale of the asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Equity investments

Unless SES has significant influence, the Group measures all equity investments at fair value. Changes in the fair value of financial assets are recognised in the consolidated income statement.

DEFERRED CUSTOMER CONTRACT COSTS

Deferred customer contract costs include the cost of equipment provided to customers under the terms of their service agreements, when the equipment and services are not deemed to be distinct and are expensed over the term of those contracts.

INVENTORIES

Inventories primarily consist of equipment held for re-sale, work-in-progress, related accessories and network equipment spares and are stated at the lower of cost and net realisable value, with cost determined on a weighted average-cost method.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

TRADE RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. For impairment of trade receivables, the Group estimates expected lifetime credit losses that would typically be carried for each receivable based on the credit risk class upon the initial recognition of the receivables. Expected lifetime credit losses are estimated based on historical financial information as well as forward-looking data. Additional provisions are recognised when specific circumstances or forward-looking information lead the Group to believe that additional collectability risk exists with respect to customers that are not adequately reflected in loss expectancy rates. The Group writes off trade receivables when it has no reasonable expectation of recovery. The Group evaluates the credit risk of its customers on an ongoing basis.

TRADE AND OTHER PAYABLES

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

PREPAYMENTS

Prepayments represent expenditures paid during the financial year but relating to a subsequent financial year. The prepaid expenses comprise mainly insurance, rental of third-party satellite capacity, advertising expenses as well as loan origination costs related to loan facilities which have not been drawn.

TREASURY SHARES

Treasury shares are mostly acquired by the Group in connection with share-based compensation plans and are presented as a set off to equity in the consolidated statement of financial position. Gains and losses on the purchase, sale, issue or cancellation of treasury shares are not recognised in the consolidated income statement, but rather in the equity.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at banks and on hand, deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash on hand and in banks and short-term deposits which are held to maturity are carried at fair value.

REVENUE RECOGNITION

Revenues are generated predominantly from customer service agreements for the provision of satellite capacity over contractually agreed periods, including short-term occasional use capacity, with the associated uplinking and downlinking services as appropriate. Other revenue-generating activities mainly include sale of customer equipment; platform services; subscription revenue; income received in connection with satellite interim missions; installation and other engineering services and proceeds from the sale of transponders if the revenue recognition criteria for the transaction are met.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when or as it transfers control of a good or service to a customer.

Contract modifications are accounted for either as a separate contract or as part of the existing contract, depending on the nature of the modification. The Group accounts for a modification as a separate contract if:

- the scope of the contract increases because of the addition of distinct goods or services, and
- the price of the contract increases by an amount of consideration that reflects the stand-alone selling prices of the additional goods or services.

A modification that does not meet the above criteria to be accounted for as a separate contract is accounted for as an adjustment to the existing contract, either prospectively or through a cumulative catch-up adjustment. The determination depends on whether the remaining goods or services to be provided to the customer under the modified contract are distinct from those already provided, in which case the modification results in a prospective adjustment to revenue recognition.

Where a contract contains elements of variable consideration, the Group estimates the amount of variable consideration to which it will be entitled under the contract. Variable consideration can arise, for example, as a result of variable prices, incentives or other similar items. Variable consideration is only included in the transaction price if, and to the extent that, it is highly probable that its inclusion will not result in a significant revenue reversal in the future when the uncertainty has been subsequently resolved.

The Group occasionally receives non-cash consideration as part of a revenue transaction. The Group measures non-cash consideration at fair value unless it is unable to reasonably estimate fair value, in which case the Group measures the consideration indirectly based on the standalone selling price of the goods or services promised to the customer.

Revenue from provision of satellite capacity

For the Group's contracts to provide satellite capacity, the Group makes capacity available to customers in a series of time periods that are distinct and have the same pattern of transfer to the customer. Revenue from customers under service agreements for satellite capacity is recognised on a straight-line basis over the duration of the respective contracts, including any free-of-charge periods. Using a straight-line measure of progress most faithfully depicts the Group's performance because the Group makes available a consistent level of capacity over each distinct time period. Revenue will cease to be recognised if there is an indication of a significant deterioration in a customer's ability to pay for the remaining goods or services.

Revenue from the sale of equipment

The Group recognises revenue for the sale of equipment when it transfers control of the equipment to the customer, which is typically when the Group transfers title, physical possession, and the significant risks and rewards of the equipment to the customer. The Group's equipment contracts do not typically contain a right of return.

For contracts in which the Group sells both equipment and capacity services, the Group evaluates at contract inception whether the equipment and capacity services represent separate performance obligations. When they represent separate performance obligations, the Group allocates consideration to the equipment and services based on relative standalone selling prices using either an expected cost plus a margin approach or an adjusted market assessment approach. When they do not represent separate performance obligations, the Group records revenue related to the single performance obligation over the contract period.

For equipment sales requiring the Group to perform significant integration, modification, or customisation of equipment, the Group recognises revenue over time if the equipment does not have an alternative use and the Group has an enforceable right to payment for performance completed to date. For these projects, the Group recognises revenue over time on a basis reflecting the costs incurred to date relative to the total costs expected to be incurred because costs incurred best reflect the pattern of transfer of control of the asset to the customer.

The Group may offer warranties on equipment. For warranties that are separately priced or offered as extended warranties, the Group recognises revenue on a straight-line basis over the duration of the warranty period. Using a straight-line measure of progress most faithfully depicts the Group's performance due to the nature of the Group's stand ready obligation during the warranty period. The Group also offers standard warranties with contract durations which are typically one year and represent assurance-type warranties. Standard warranties do not represent performance obligations separate from the related equipment, and revenue related to standard warranties is recognised at the same time as the related equipment.

Subscription revenue
The subscription revenue related to HD Plus services is recorded on a linear basis over the term of the subscription agreement.

Proceeds from sale of transponders
The proceeds of transponder sales are recognised in the period of the transaction at the time the Group transfers control of the transponders, which generally corresponds to the timing of transfer of title and risks and rewards associated with the holding of the transponders.

Revenue generated by engineering services
For engineering services, the Group recognises revenue over time on a basis reflecting the costs incurred to date relative to the total costs expected to be incurred since this best reflects the pattern of transfer of control of the services to the customer.

LEASE INCOME

Lease income from operating leases where the Group is lessor is recognised on a straight-line basis over the lease term. The respective right-of-use assets are included in the consolidated statement of financial position together with other assets of the same category.

C-BAND REPURPOSING INCOME

Income from successfully meeting the separate Phase 1 and Phase 2 C-band Accelerated Relocation Payment deadlines is recognised when the Group has successfully completed Phase 1 and Phase 2 Accelerated Relocations, respectively, and has received validation of the respective relocation certifications from the U.S. Federal Communications Commission's ("FCC") Wireless Telecommunications Bureau.

Income arising from settlements from the Relocation Payment Clearinghouse ('the Clearinghouse') are recognised when the expenses have been incurred and the Group has obtained reasonable assurance that the costs will be reimbursed and that it will comply with the requirements attached to the reimbursement. The Group believes it obtains such reasonable assurance either when the Clearinghouse specifically validates the costs as being reimbursable, or where the costs fall within applicable cost ranges published by the Clearinghouse in its cost catalogue. More details are given in >> Note 33.

OTHER INCOME

Other income arising from settlements under insurance claims and decreases in provisions for in-orbit incentives are recognised when they are virtually certain of being realised. Other income is presented as part of revenue due to its relative insignificance.

CONTRACT ASSETS AND CONTRACT LIABILITIES

Assets and liabilities related to contracts with customers include trade receivables, unbilled accrued revenue, deferred customer contract costs, and deferred income.

Customer payments received in advance of the provision of service are recorded as contract liabilities and presented as 'deferred income' in the statement of financial position, and for significant advance payments, interest is accrued on the amount received at the effective interest rate at the time of receipt. Our contracts at times contain prepayment terms that range from one month in advance to one year in advance of providing the service. Since the period of time between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service is one year or less, the Group does not make an adjustment to the transaction price for the effects of a significant financing component.

The unbilled portion of recognised revenues is recorded as a contract asset and presented as 'unbilled accrued revenue' within 'Trade and other receivables', allocated between current and non-current as appropriate.

Customer payments are generally due in advance or by the end of the month of capacity service.

DIVIDENDS

The Company declares dividends after the consolidated financial statements for the year have been approved. Accordingly, dividends are recorded in the subsequent year's consolidated financial statements.

PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as origination costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

CURRENT TAXES

Current tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from, or paid to, the tax authorities. The tax rates and laws used to compute these amounts are those enacted, or substantively enacted, at the reporting date.

DEFERRED TAXES

Deferred tax is determined using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws which have been enacted, or substantively enacted, at the reporting date.

Deferred taxes are classified according to the classification of the underlying temporary difference either as income or as an expense included in profit or loss, or in other comprehensive income or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

TRANSLATION OF FOREIGN CURRENCIES

The consolidated financial statements are presented in euro (€), which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the entity's functional currency at the exchange rate prevailing at the date of the transaction. The cost of non-monetary assets is translated at the rate applicable at the date of the transaction. All other assets and liabilities are translated at closing rates of the period. During the year, expenses and income expressed in foreign currencies are recorded at exchange rates which approximate the rate prevailing on the date they occur or accrue. All exchange differences resulting from the application of these principles are included in the consolidated income statement.

The Group considers that monetary long-term receivables or loans with a subsidiary that is a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, a part of the entity's net investment in that foreign operation. The related foreign exchange differences and income tax effect of the foreign exchange differences are included in the foreign currency translation reserve within equity. On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that foreign operation is reclassified to the consolidated income statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

The assets and liabilities of consolidated foreign operations are translated into euro at the year-end exchange rates, while the income and expense items of these foreign operations are translated at the average exchange rate of the year. The related foreign exchange differences are included in the foreign currency translation reserve within equity. On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that foreign operation is reclassified to the consolidated income statement as part of the gain or loss on disposal.

The US dollar exchange rates used by the Group during the year were as follows:

$ Exchange Rate

	Average rate for 2021	Closing rate for 2021	Average rate for 2020	Closing rate for 2020
$	1.1894	1.1326	1.1384	1.2271

BASIC EARNINGS PER SHARE

The Company's capital structure consists of Class A and Class B shares, entitled to the payment of annual dividends as approved by the shareholders at their annual meetings. Holders of Class B shares participate in earnings and are entitled to 40% of the dividends payable per Class A share. Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders, adjusted by deducting the assumed coupon, net of tax, on the perpetual bonds, by the weighted average number of common shares outstanding during the period as adjusted to reflect the economic rights of each class of shares.

DILUTED EARNINGS PER SHARE

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to reflect the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

HEDGE OF A NET INVESTMENT IN A FOREIGN OPERATION

Changes in the fair value of a derivative or non-derivative instrument that is designated as a hedge of a net investment are recorded in the foreign currency translation reserve within equity to the extent that it is deemed to be an effective hedge. The ineffective portion is recognised in the consolidated income statement as finance income or cost.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, the hedge no longer qualifies for hedge accounting, or the Group revokes the designation. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity is kept in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the period.

The Group formally documents all relationships between hedging instruments and hedged items, as well as its risk-management objective and strategy for undertaking various hedge transactions. This process includes allocating all derivatives that are designated as net investment hedges to specific assets and liabilities in the consolidated statement of financial position. The Group also formally assesses both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item. If it is determined that a derivative is not highly effective as a hedge, or if a derivative ceases to be a highly effective hedge, the Group will discontinue hedge accounting prospectively. The ineffective portion of hedge is recognised in profit or loss.

DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

1) Financial assets

A financial asset is derecognised where:

- the right to receive cash flows from the asset has expired;
- the Group retains the right to receive cash flows from the asset but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement;
- the Group has transferred its rights to receive cash flows from the asset and either:
  a) has transferred substantially all the risks and rewards of the asset; or
  b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of that asset.

2) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the consolidated statement of financial position, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

ACCOUNTING FOR PENSION OBLIGATIONS

The Company and certain subsidiaries operate defined contribution pension plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions to a third-party financial institution. The Group has no legal or constructive obligation to pay further contributions if the financial institution's pension fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

SHARE-BASED PAYMENTS

1) Equity-settled share-based compensation plans

Employees (including senior executives) of the Group receive remuneration in the form of share-based compensation transactions, whereby employees render services as consideration for equity instruments ('equity-settled transactions'). The cost of equity-settled transactions is measured by reference to the fair value at the date on which they are granted. The fair value is determined by an external valuer using a binomial model for the Stock Appreciation Rights Plan ('STAR Plan') and Equity Based Compensation Plan comprising options ('EBCP Option Plan'), and a Black Scholes Model for the Equity Based Compensation Plan comprising performance shares ('EBCP PS') and restricted shares ('EBCP RS'). Further details are given in >> Note 22. In valuing equity-settled transactions, no account is taken of any non-market performance conditions, the valuation being linked only to the price of the Company's shares, if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting date). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The consolidated income statement charge or credit for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share >> Note 10.

2) Cash-settled share-based compensation plans

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The fair value is determined using a binomial model, further details of which are given in >> Note 22.

DEEPLY SUBORDINATED FIXED RATE RESETTABLE SECURITIES ("PERPETUAL BOND")

The deeply subordinated fixed rate securities issued by the Company are classified as equity since the Company has no contractual obligation to redeem the securities, and coupon payments may be deferred under certain circumstances (more details are given in >> Note 20 and recorded at fair value. Subsequent changes in fair value are not recognised in equity. Coupons become payable whenever the Company makes dividend payments. Coupon accruals are considered in the determination of earnings for calculating earnings per share >> Note 10.

LEASES

The determination as to whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, primarily whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the Group as lessee has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate. At the commencement of a lease the Group recognises a lease asset and a lease liability. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease. Lease payments are apportioned between the finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are charged directly to expense.

In its accounting policies the Group applies the following practical expedients:

- using a single discount rate for a portfolio of leases with similar characteristics; and
- not accounting for leases ending within 12 months of the date of the initial application, or where the underlying asset has a low value.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards and amendments to standards and interpretations are relevant for the Group and effective for annual periods beginning on or after 1 January 2022, and have not been early adopted in preparing these consolidated financial statements:

1) Amendments to IAS 1 on classification of liabilities as current or non-current

On 23 January 2020, the IASB issued "Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)". The amendment will affect the presentation of liabilities in the consolidated statement of financial position. The amendment clarifies that the classification of a liability as current or non-current should be based on rights in existence at the end of the reporting period to defer settlement of a liability by at least 12 months. The amendment also clarifies that the classification of a liability should be unaffected by the entity's expectations regarding whether it will exercise its rights to defer payment. The amendment is effective for annual reporting periods beginning on or after 1 January 2023. The amendment was not yet endorsed by the EU. The Group does not expect any significant impact of these amendments on its consolidated financial statements.

2) Amendment to IFRS 3, IAS 16, IAS 37 and annual improvements 2018-2020

Amendments to IFRS 3, "Business combinations" update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

Amendments to IAS 16, "Property, plant and equipment" prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

Amendments to IAS 37, "Provisions, contingent liabilities and contingent assets" specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to o IFRS 1, "First-time adoption of IFRS", IFRS 9. "Financial instruments", IAS 41. "Agriculture" and the illustrative examples accompanying IFRS 16, 'Leases'.

The amendments were endorsed by the EU and are effective for annual reporting periods beginning on or after 1 January 2022. The Group does not expect any significant impact of these amendments on its consolidated financial statements.

3) Amendments to IAS 1 and IAS 8

On 12 February 2021, the IASB issued amendments to IAS 1 "Presentation of Financial Statements" regarding the disclosure of accounting policies and as well amendments to IAS 8 "Accounting policies, changes in accounting estimates and errors" on the definition of accounting estimates. Both amendments aim to improve accounting policy disclosure and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. The amendments were not yet endorsed by the EU and are effective for annual periods beginning on or after 1 January 2023. The Group does not expect any significant impact of these amendments on its consolidated financial statements.

4) Amendments to IAS 12 related to assets and liabilities arising from a single transaction

On 6 May 2021, the IASB published the amendments to IAS 12 “Income taxes” regarding the deferred tax related to assets and liabilities arising from a single transaction, that clarifies how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments were not yet endorsed by the EU and are effective for annual periods beginning on or after 1 January 2023. The Group does not expect any significant impact of these amendments on its consolidated financial statements.

NOTE 3 – SEGMENT INFORMATION

The Group does business in one operating segment, namely the provision of satellite-based data transmission capacity, and ancillary services, to customers around the world.

The Senior Leadership Team (‘SLT’), which is the chief operating decision-making committee in the Group’s corporate governance structure, reviews the Group’s financial reporting and generates those proposals for the allocation of the Group’s resources which are submitted for validation to the Board of Directors. The main sources of financial information used by the SLT in assessing the Group’s performance and allocating resources are:

- analyses of the Group’s revenues from its business units SES Video and SES Networks (comprising the sales verticals Fixed Data, Mobility and Government);
- cost and overall Group profitability development;
- internal and external analyses of expected future developments in the markets into which capacity is being delivered and of the commercial landscape applying to those markets.

When analysing the performance of the operating segment against the prior period figures, these are presented both as reported and at ‘constant FX’, whereby they are recomputed using the prevailing exchange rates for each corresponding month of the current period.

The segment’s financial results for 2021 are set out below:

Operating Profit Reported

€ MILLION	2021	2020	Change Favourable +/- Adverse
Revenue	**1,782**	**1,876**	**-5.0%**
C-band repurposing income	901	10	N/m
Operating expenses	(821)	(807)	-1.7%
EBITDA	1,862	1,079	72.6%
EBITDA margin (%)	69.4%	57.2%	12.2% pts
Depreciation and impairment	(626)	(808)	22.5%
Amortisation and impairment	(768)	(189)	N/m
Operating profit	**468**	**82**	**N/m**
Adjusted EBITDA	**1,091**	**1,152**	**-5.2%**
Adjusted EBITDA margin	61.2%	61.4%	-0.3% pts
C-band repurposing income	901	10	N/m
C-band operating expenses	(122)	(43)	N/m
Restructuring expenses	(8)	(40)	80.0%
EBITDA	1,862	1,079	72.6%

Operating Profit at Constant FX

€ MILLION	2021	Constant FX 2020	Change Favourable +/- Adverse
Revenue	**1,782**	**1,835**	**-2.9%**
C-band repurposing income	901	11	N/m
Operating expenses	(821)	(789)	-4.1%
EBITDA	1,862	1,057	76.2%
EBITDA margin (%)	69.4%	57.6%	11.8% pts
Depreciation and impairment	(626)	(802)	21.9%
Amortisation and impairment	(768)	(190)	N/m
Operating profit	**468**	**65**	**N/m**
Adjusted EBITDA	**1,091**	**1,128**	**-3.3%**
Adjusted EBITDA margin	61.2%	61.4%	-0.3% pts
C-band repurposing other income	901	11	N/m
C-band operating expenses	(122)	(42)	N/m
Restructuring expenses	(8)	(40)	80.0%
EBITDA	1,862	1,057	76.2%

REVENUE BY BUSINESS UNIT

As reported and at constant FX, the revenue allocated to the relevant business units developed as follows:

Revenue by Business Unit 2021 and 2020

€ MILLION	2021	2020	Constant FX 2020	Change Favourable +/- Adverse	Change Favourable +/- Adverse (constant FX)
SES Video	1,046	1,108	1,097	-5.6%	-4.6%
Underlying[1]	1,046	1,108	1,097	-5.6%	-4.6%
Periodic[2]	–	–	–	N/m	N/m
SES Networks	735	767	737	-4.2%	-0.4%
Underlying[1]	734	759	730	-3.3%	0.5%
Periodic[2]	1	8	7	-86.3%	-85.0%
Sub-total	**1,781**	**1,875**	**1,834**	**-5.0%**	**-2.9%**
Underlying[1]	1,780	1,867	1,827	-4.7%	-2.6%
Periodic[2]	1	8	7	-86.3%	-85.0%
Other[3]	1	1	1	N/m	N/m
Group Total	**1,782**	**1,876**	**1,835**	**-5.0%**	**-2.9%**

Revenue by Business Unit 2020 and 2019

€ MILLION	2020	2019	Constant FX 2019	Change Favourable +/- Adverse	Change Favourable +/- Adverse (constant FX)
SES Video	1,108	1,213	1,208	-8.6%	-8.3%
Underlying[1]	1,108	1,210	1,205	-8.4%	-8.0%
Periodic[2]	–	3	3	N/m	N/m
SES Networks	767	762	747	+0.6%	+2.6%
Underlying[1]	759	734	720	+3.4%	+5.3%
Periodic[2]	8	28	27	-71.5%	-70.3%
Sub-total	**1,875**	**1,975**	**1,955**	**-5.1%**	**-4.1%**
Underlying[1]	1,867	1,944	1,925	-4.0%	-3.0%
Periodic[2]	8	31	30	-74.3%	-73.3%
Other[3]	1	9	9	N/m	N/m
Group Total	**1,876**	**1,984**	**1,964**	**-5.4%**	**-4.5%**

1 "Underlying" revenue represents the core business of capacity sales, as well as associated services and equipment. This revenue may be impacted by changes in launch schedule and satellite health status.
2. "Periodic" revenue separates revenues that are not directly related to or would distort the underlying business trends. Periodic revenue includes: the outright sale of transponders or transponder equivalents; accelerated revenue from hosted payloads during the course of construction; termination fees; insurance proceeds; certain interim satellite missions and other such items when material
3 Other includes revenue not directly applicable to SES Video or SES Networks

REVENUE BY CATEGORY

The Group's revenue analysis from the point of view of category and timing can be found below:

Revenue by Category 2021

€ MILLION	Revenue recognised at a point in time	Revenue recognised over time	Total
Revenue from contracts with customers	28	1,722	1,750
Lease income	–	32	32
Total	**28**	**1,754**	**1,782**

Revenue by Category 2020

€ MILLION	Revenue recognised at a point in time	Revenue recognised over time	Total
Revenue from contracts with customers	20	1,816	1,836
Lease income	–	40	40
Total	**20**	**1,856**	**1,876**

Revenue from contracts with customers recognised at a point in time is related to sales of equipment and amounts to € 28 million in 2021 (2020: € 20 million).

REMAINING PERFORMANCE OBLIGATIONS

Our remaining performance obligations, which the Group refers to as revenue "backlog," represent our expected future revenues under existing customer contracts and include both cancellable and non-cancellable contracts. The backlog was € 5.8 billion as of December 31, 2021 (2020: € 6.1 billion), € 5.2 billion (2020: € 5.6 billion) of which related to 'protected' backlog and € 0.6 billion (2020: € 0.5 billion) of which related to 'unprotected' backlog. Approximately 25% of the backlog is expected to be recognised as revenue in 2022, approximately 21% in 2023, and approximately 17% in 2024, with the remaining thereafter.

Protected backlog includes non-cancellable contracts and cancellable contracts with substantive termination fees. For contracts with termination options that do not have substantive termination fees, protected backlog also includes contract periods up to the first optional termination date. Unprotected backlog includes revenue from contracts that are cancellable and not subject to substantive termination fees.

REVENUE BY COUNTRY

The Group's revenue from external customers analysed by country using the customer's billing address is as follows:

Revenue by Country

€ MILLION	2021	2020
Luxembourg (SES country of domicile)	54	54
United States of America	554	590
Germany	355	368
United Kingdom	212	232
France	78	94
Others – Europe	203	196
Others	326	342
Total	**1,782**	**1,876**

No single customer accounted for 10%, or more, of total revenue in 2021, or 2020.

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS BY LOCATION

The Group's property, plant and equipment and intangible assets are located as set out in the following table. Note that satellites are allocated to the country where the legal owner of the asset is incorporated.

Property, Plant and Equipment and Intangible Assets by Location

€ MILLION	2021	2020
Luxembourg (SES country of domicile)	5,767	4,754
United States of America	2,036	2,808
The Netherlands	1,206	1,183
Isle of Man	–	900
Sweden	145	160
Germany	45	48
Israel	27	30
Others	125	130
Total	**9,351**	**10,013**

NOTE 4 – OPERATING EXPENSES

The operating expense categories disclosed include the following types of expenditure:

1) Cost of sales, which excludes staff costs and depreciation, represents expenditures which generally vary directly with revenue. They are incurred in delivering services to customers and include a variety of expenses such as rental of third-party satellite capacity, third-party teleports, connectivity, equipment and equipment rental, customer support costs such as hosting, monitoring, implementation, engineering work as well as commissions. Other cost of sales detailed below include an amount of € 51 million (2020: € 12 million) for C-band repurposing related expenses >> Note 33.

Cost of Sales

€ MILLION	2021	2020
Rental of third-party satellite capacity	(68)	(82)
Customer support costs	(72)	(55)
Other cost of sales	(179)	(154)
Total cost of sales	**(319)**	**(291)**

2) Staff costs of € 304 million (2020: € 330 million) include gross salaries and employer's social security payments, payments into pension schemes for employees, charges arising under share-based payment schemes, as well as staff-related restructuring charges of € 8 million (2020: € 38 million) and C-band repurposing related expenses of € 36 million (2020: € 15 million). At the year-end the total full-time equivalent number of members of staff was 2,037 (2020: 2,095).

3) Other operating expenses of € 198 million (2020: € 186 million) are, by their nature, less variable to revenue development. Such costs include office-related and technical facility costs, in-orbit insurance costs, marketing expenses, general and administrative expenditure, consulting charges, travel-related expenditure and movements in provisions for debtors. Other operating expenses also include an amount of nil (2020: € 2 million) of restructuring charges in connection with the Group's ongoing optimisation programme >> Note 24 and as well an amount of € 35 million (2020: € 16 million) C-band repurposing related expenses >> Note 33.

NOTE 5 – AUDIT AND NON-AUDIT FEES

For 2021 and 2020 the Group recorded charges, billed and accrued, from its independent auditors, and affiliated companies thereof, as set out below:

Audit and Non-Audit Fees

€ MILLION	2021	2020
Fees for statutory audit of annual and consolidated accounts	2.1	2.2
Fees charged for other assurance services	0.1	0.1
Fees charged for other non-audit services	–	–
Total audit and non-audit fees	**2.2**	**2.3**

'Other assurance services' represent primarily comfort letters issued in connection with treasury funding operations and interim dividend reviews.

NOTE 6 – FINANCE INCOME AND COSTS

Finance Income and Costs

€ MILLION	2021	2020
Finance income		
Interest income	–	1
Net foreign exchange gains[1]	37	–
Fair value increases on financial assets[2]	13	–
Total	**50**	**1**
Finance costs		
Interest expense on borrowings (excluding amounts capitalised)	(95)	(123)
Loan fees and origination costs and other	(26)	(30)
Net foreign exchange losses[1]	–	(32)
Total	**(121)**	**(185)**

1 Net foreign exchange gains/losses are mostly related to revaluation of bank accounts, deposits and other monetary items denominated in US dollars.
2 Represents fair value increases on assets included as part of 'Other financial assets' in the consolidated statement of financial position and required to be measured at fair value following recent third-party transactions

NOTE 7 – INCOME TAXES

Taxes on income comprise the taxes paid or owed in the individual countries, as well as deferred taxes. Current and deferred taxes can be analysed as follows:

Income Taxes

€ MILLION	2021	2020
Current income tax		
Current income tax charge on result of the year	(163)	(38)
Adjustments in respect of prior periods	9	(4)
Foreign withholding taxes	(7)	(9)
Total current income tax	**(161)**	**(51)**
Deferred income tax		
Relating to origination and reversal of temporary differences	(23)	73
Relating to tax losses carried forward	251	7
Changes in tax rate	6	(12)
Adjustment of prior years	(24)	(10)
Total deferred income tax	**210**	**58**
Income tax benefit per consolidated income statement	**49**	**7**
Consolidated statement of changes in equity		
Current and Deferred Income tax related to items (charged) or credited directly in equity		
Post-employment benefit obligation	(1)	1
Impact of currency translation	(36)	35
Net investment hedge – current tax	26	(29)
Tax impact of the treasury shares impairment recorded in the stand-alone financial statements	1	6
Tax impact on perpetual bond	20	18
Current and deferred income taxes reported in equity	**10**	**31**

A reconciliation between the income tax benefit and the profit before tax of the Group multiplied by a theoretical tax rate of 25.69% (2020: 25.69%) which corresponds to the Luxembourg domestic tax rate for the year ended 31 December 2021 is as follows:

Income Tax Reported in the Consolidated Income Statement

€ MILLION	2021	2020
Profit/(loss) before tax from continuing operations	**397**	**(102)**
Multiplied by theoretical tax rate	102	(26)
Effect of different foreign tax rates	14	4
Investment tax credits	(44)	(64)
Tax exempt income	–	–
Non-deductible expenditures	2	9
Taxes related to prior years	3	4
Effect of changes in tax rate	(5)	15
Other changes in group tax provision not included in separate lines	(3)	–
Impairment on investments in subsidiaries and other assets	(107)	14
Impact of deferred taxes	(23)	31
Foreign withholding taxes	7	9
Other	5	(3)
Income tax reported in the consolidated income statement	**(49)**	**(7)**

EFFECT OF CHANGES IN TAX RATE

During 2021, the Dutch government decided to increase the general corporate income tax rate from 25% to 25.8% as of 1 January 2022 and the deferred tax assets and liabilities balances have been re-measured on this revised basis. The total impact of this re-measurement was an income tax expense of € 3 million. The above re-measurement was considered a change in accounting estimate in accordance with IAS 8.

During 2021, the commune of Betzdorf hosting SES corporate headquarters decided to increase the municipal business tax rate from 7.5% to 9% bringing the total corporate income tax rate for Luxembourg from 25.69% to 27.19% as from 1 January 2022. The deferred tax assets and liabilities balances have been re-measured on this basis. The total impact of this re-measurement was a tax income of € 8 million. The above re-measurement was considered a change in accounting estimate in accordance with IAS 8.

FOREIGN WITHHOLDING TAX

The foreign withholding tax of € 7 million includes a provision of € 4 million for Indian withholding tax retained by customers and paid to the Indian tax authorities. A final decision on Indian withholding taxes is still pending at the level of the Supreme Court.

The remaining € 3 million relates to withholding tax retained by customers in other jurisdictions.

INVESTMENT TAX CREDITS

In 2021, the continuing investment in the O3b mPOWER and SES-17 triggered the recognition of deferred tax assets for investment tax credits of € 19 million (2020: € 55 million) and € 14 million (2020: € 6 million) respectively. In 2021, SES started the procurement of 19.2° replacement satellites triggering the recognition of deferred tax assets for investment tax credits of € 9 million (2020: € 0 million).

The remaining € 2 million of deferred tax assets for investment tax credits was recognised in connection with other investments by Group companies in Luxembourg.

According to Luxembourg tax law, unused investment tax credits can be carried forward for ten years. SES believes that it is probable that sufficient taxable profits will be available in the Luxembourg fiscal unity in the future to use all the available investment tax credits.

IMPACT OF DEFERRED TAXES

GovSat-1 was launched in January 2018 and entered in operational service in March 2018. A deferred tax asset for investment tax credits of € 26 million was recognised by its owner LuxGovSat S.A. in the same year. LuxGovSat S.A. is not part of the Luxembourg fiscal unity. As a result of management's analysis of the recoverability of this deferred tax asset, an additional amount of € 11 million was reversed during 2021 (2020: € 4 million).

On the basis of a recoverability analysis, an additional net deferred tax asset of € 41 million was recognised in relation to prior year tax losses in Luxembourg, Israel and Germany.

An additional deferred tax liability of € 6 million was recorded following the transfer of the business assets of SES Satellite Leasing Ltd to SES Astra S.A.

IMPAIRMENT ON SUBSIDIARIES AND OTHER ASSETS

The aggregate impact of € 107 million comprises the following:

- The impairment charge of € 903 million (2020: € 64 million) recorded on the carrying value of subsidiary investments and other assets held by entities in Luxembourg resulting in a positive effective tax rate ('ETR') impact of € 232 million (2020: € 17 million).
- The impairment charge of € 62 million taken on the carrying value of intercompany receivables held by entities in Luxembourg resulting in a positive ETR impact of € 16 million.
- The impairment charge of € 673 million (2020: nil) recorded in connection with the goodwill attributed to the GEO North America cash-generating unit >> Note 14 resulting in a negative ETR impact of € 141 million (2020: nil).

NOTE 8 – DEFERRED INCOME TAX

The deferred tax positions included in the consolidated financial statements can be analysed as follows:

Deferred Income Tax

€ MILLION	Deferred tax assets 2021	Deferred tax assets 2020	Deferred tax liabilities 2021	Deferred tax liabilities 2020
Losses carried forward	301	73	–	–
Tax credits	259	227	–	–
Intangible assets	23	27	(239)	(219)
Tangible assets	–	–	(160)	(123)
Trade receivables	19	13	–	–
Other	5	9	(39)	(27)
Total deferred tax assets/(liabilities)	607	349	(438)	(369)
Offset of deferred taxes	(39)	(36)	39	36
Net deferred tax assets/(liabilities)	**568**	**313**	**(399)**	**(333)**

Deferred tax assets have been offset against deferred tax liabilities where they relate to the same tax authority and the entity concerned has a legally enforceable right to set off current tax assets against current tax liabilities.

In 2021 the Group recognised additional deferred tax assets for tax losses carried forward in Luxembourg for € 247 million (2020: nil). Tax losses can be carried forward in Luxembourg for 17 years. Using the estimated future taxable income based on the most recent business plan information approved by the Board of Directors, the Company has concluded that the deferred tax assets for the remaining tax losses carried forward are recoverable (€ 281 million).

In addition to the recoverable tax losses for which the Group has recognised deferred tax assets, the Group has further tax losses of € 488 million as at 31 December 2021 (31 December 2020: € 497 million) which are available for offset against future taxable profits of the companies in which the losses arose. € 329 million (31 December 2020: 431 million) of these tax losses were generated in the US. Deferred tax assets have not been recognised in respect of these losses as they cannot be used to offset taxable profits elsewhere in the Group and they have arisen in subsidiaries which are not expected to generate taxable profits against which they could be offset in the foreseeable future.

No deferred income tax liabilities have been recognised for withholding tax and other taxes which would be payable on the unremitted earnings of certain subsidiaries. Such amounts are permanently reinvested or not subject to taxation.

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances, is as follows:

Movement in deferred Income Tax Assets

DEFERRED TAX ASSETS	Losses carried forward	Tax credits	Intangible assets	Receivables	Other	Total
At 1 January 2020	**71**	**168**	**30**	**23**	**10**	**302**
(Charged)/credited to the income statement	3	60	(4)	(9)	1	51
Charged directly to equity	–	–	–	–	1	1
Exchange difference[1]	(2)	–	–	(1)	(2)	(5)
At 31 December 2020	**72**	**228**	**26**	**13**	**10**	**349**
(Charged)/credited to the income statement	227	31	(3)	5	(5)	255
Charged directly to equity	–	–	–	–	–	–
Exchange difference[1]	2	–	–	1	–	3
At 31 December 2021	**301**	**259**	**23**	**19**	**5**	**607**

Movement in deferred Income Tax Liabilities

DEFERRED TAX LIABILITIES	Intangible assets	Tangible assets	Other	Total
At 1 January 2020	**207**	**169**	**25**	**401**
Charged/(credited) to the income statement	29	(38)	2	(7)
Exchange difference[1]	(17)	(8)	–	(25)
At 31 December 2020	**219**	**123**	**27**	**369**
Charged/(credited) to the income statement	2	31	12	45
Exchange difference[1]	18	6	–	24
At 31 December 2021	**239**	**160**	**39**	**438**

1 A foreign exchange impact arises due to the translation of Group's operations with a different functional currency than euro. This amounts to € 21 million as at 31 December 2021 (2020: € 20 million)

NOTE 9 – COMPONENTS OF OTHER COMPREHENSIVE INCOME

Components of Other Comprehensive Income

€ MILLION	2021	2020
Impact of currency translation	471	(624)
Income tax effect	(36)	35
Total impact of currency translation, net of tax	**435**	**(589)**

The impact of currency translation in other comprehensive income relates to exchange gains or losses arising on the translation of the net assets of foreign operations from their functional currency to the euro, which is the Company's functional and presentation currency.

The unrealised gain in 2021 of € 471 million (2020: unrealised loss of € 624 million) reflects the impact on the valuation of SES's net US dollar assets due to the strengthening of the US dollar against the euro from $ 1.2271 to $ 1.1326 (2020: the weakening of the US dollar against the euro from $ 1.1234 to $ 1.2271). This effect is partially offset by the impact of the net investment hedge >> Note 18.

NOTE 10 – EARNINGS PER SHARE

Earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders of each class of shares by the weighted average number of shares outstanding during the year as adjusted to reflect the economic rights of each class of share. The net profit or loss for the year attributable to ordinary shareholders has been adjusted to include an assumed coupon, net of tax, on the Perpetual Bonds.

For 2021, a basic earnings per share of € 0.92 per Class A share (2020: basic loss per share of € 0.30), and € 0.37 per Class B share (2020: basic loss per share of € 0.12) have been calculated as follows:

Profit attributable to the owners of the parent for calculating basic earnings per share:

Profit Attributable to Owners

€ MILLION	2021	2020
Profit attributable to owners of the parent	453	(86)
Assumed coupon on perpetual bond (net of tax)	(41)	(49)
Total	**412**	**(135)**

Assumed coupon accruals of € 41 million (net of tax) for the year ended 31 December 2021 (2020: € 49 million) related to the Perpetual Bonds in issue have been considered for the calculation of the basic and diluted earnings available for distribution.

The weighted average number of shares based on the capital structure of the Company as described in >> Note 20, net of own shares held, for calculating basic earnings per share was as follows:

A- and B-shares

	2021	2020
Class A shares (in million)	369.7	378.4
Class B shares (in million)	189.2	191.7
Total	**558.9**	**570.1**

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares which are primarily related to the share-based compensation plans. A calculation is done to determine the number of shares that could have been acquired at fair value based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options and the difference, if it results in a dilutive effect, is considered to adjust the weighted average number of shares.

For 2021, a diluted earnings per Class A share of € 0.92 (2020: diluted loss of € 0.30), and € 0.37 per Class B share (2020: diluted loss of € 0.12) have been calculated as follows:

Diluted Earnings per Share

€ MILLION	2021	2020
Profit attributable to owners of the parent	453	(86)
Assumed coupon on perpetual bond (net of tax)	(41)	(49)
Total	**412**	**(135)**

The weighted average number of shares, net of own shares held, for calculating diluted earnings per share was as follows:

Weighted Average Number of Shares

	2021	2020
Class A shares (in million)	372.9	381.3
Class B shares (in million)	189.2	191.7
Total	**562.1**	**573.0**

NOTE 11 – DIVIDENDS PAID AND PROPOSED

Dividends declared are paid net of any withholding tax (2021: € 20 million, 2020: € 20 million).

Dividends declared and paid during the year:

Dividends Declared and Paid

€ MILLION	2021	2020
Class A dividend for 2020: € 0.40 (2019: € 0.40)	153	153
Class B dividend for 2020: € 0.16 (2019: € 0.16)	31	31
Total	**184**	**184**

Dividends proposed for approval at the annual general meeting to be held on 1 April 2022, which are not recognised as a liability as at 31 December 2021:

Dividend Proposed

€ MILLION	2022	2021
Class A dividend for 2021: € 0.50 (2020: € 0.40)	192	153
Class B dividend for 2021: € 0.20 (2020: € 0.16)	38	31
Total	**230**	**184**

NOTE 12 – PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment 2021

€ MILLION	Land and buildings	Space segment	Ground Segment	Other fixtures and fittings, tools and equipment	Total
Cost					
As at 1 January 2021	**278**	**11,091**	**811**	**229**	**12,409**
Additions	6	–	7	3	16
Disposals	(3)		(1)	(1)	(5)
Retirements[1]	(6)	(850)	(3)	(1)	(860)
Transfers from assets in course of construction (>> Note 13)	3	–	17	41	61
Transfers from intangible assets (>> Note 14)	–	–	3	–	3
Impact of currency translation	11	468	38	6	523
As at 31 December 2021	**289**	**10,709**	**872**	**277**	**12,147**
Depreciation					
As at 1 January 2021	**(186)**	**(7,321)**	**(562)**	**(170)**	**(8,239)**
Depreciation	(15)	(478)	(53)	(29)	(575)
Impairment expense	–	(73)	–	–	(73)
Impairment reversal	–	22	–	–	22
Disposals	–	–	1	1	2
Retirements[1]	6	850	3	1	860
Impact of currency translation	(6)	(332)	(29)	(4)	(371)
As at 31 December 2021	**(201)**	**(7,332)**	**(640)**	**(201)**	**(8,374)**
Net book value as at 31 December 2021	**88**	**3,377**	**232**	**76**	**3,773**

1 Satellites ASTRA 2B, ASTRA 1D, AMC-2, AMC-16, NSS-806 and NSS-5 were retired in 2021

Property, Plant and Equipment 2020

€ MILLION	Land and buildings	Space segment	Ground Segment	Other fixtures and fittings, tools and equipment	Total
Cost					
As at 1 January 2020	**290**	**12,054**	**834**	**215**	**13,393**
Additions	5	–	8	2	15
Disposals	(2)	–	(1)	(1)	(4)
Retirements[1]	(6)	(285)	(1)	(2)	(294)
Transfers from assets in course of construction (>> Note 13)	3	–	15	23	41
Transfers between categories	–	–	1	(1)	–
Impact of currency translation	(12)	(678)	(45)	(7)	(742)
As at 31 December 2020	**278**	**11,091**	**811**	**229**	**12,409**
Depreciation					
As at 1 January 2020	**(178)**	**(7,335)**	**(536)**	**(158)**	**(8,207)**
Depreciation	(21)	(527)	(57)	(20)	(625)
Impairment expense	–	(229)	–	–	(229)
Impairment reversal	–	46	–	–	46
Disposals	–	–	1	1	2
Retirements[1]	6	285	1	2	294
Impact of currency translation	7	439	29	5	480
As at 31 December 2020	**(186)**	**(7,321)**	**(562)**	**(170)**	**(8,239)**
Net book value as at 31 December 2020	**92**	**3,770**	**249**	**59**	**4,170**

1 Satellites AMC-7 and ASTRA 1F were retired in 2020

The Group's policy in setting the useful economic life of its satellites is to initially use the satellite design life and then, once sufficient time has passed to allow for initial anomalies to be investigated and future fuel projections to be stabilised, to adjust the depreciation life to take into account factors such as the technical condition of the satellite, its projected remaining fuel life, and replacement or redeployment plans.

The review in 2021 resulted in revisions to the remaining useful economic lives of three GEO satellites resulting in a net decrease in the depreciation expense for 2021 of € 9 million. The corresponding review in 2020 resulted in revisions to the remaining useful economic lives of four GEO satellites and five MEO satellites resulting in a net decrease in the depreciation expense for 2020 of € 17 million.

As at 31 December 2021, the amount of the property, plant and equipment pledged in relation to the Group's liabilities is nil (2020: nil).

For further information related to right-of-use assets, >> Note 29.

IMPAIRMENT OF SPACE SEGMENT ASSETS

In 2021, the net impairment expense for space segment assets recorded was € 51 million (2020: € 183 million), comprising impairment expenses of € 73 million offset by impairment reversals of € 22 million. The charges and reversals are the aggregation of impairment testing procedures on specific satellites, or combinations of co-located satellites, in the Group's geostationary fleet.

The following table discloses the applicable amounts and discount rates used in the impairment test for those geostationary satellites subject to impairment expenses or reversals during the year.

Impairment expenses and reversals

€ MILLION	Carrying value	Value in use	Discount rate	Impairment expense
2021 – Expense	333	260	4.9% - 8.9%	73
2021 – Reversal	66	114	4.9% - 8.9%	(22)
2021 – Net impact				51
2020 – Expense	814	585	5.8% - 7.1%	229
2020 – Reversal	140	186	5.8% - 7.1%	(46)
2020 – Net impact				183

The impairment expenses and reversals recorded reflect updated business assumptions for the satellites through to the end of their useful economic lives. In general, these updated assumptions reflect a combination of revised commercial developments and expectations, updated assessments of the regulatory environment impacting certain assets (and hence the Group's ability to achieve the forecast commercial exploitation), changes in the competitive environment in which the Group operates, and certain changes in the operation of the satellites (for example the decision to place a particular satellite into inclined orbit, or changes to the timing thereof) or associated ground segment infrastructure.

Specific developments, largely in the second half of 2021, in these areas contributed to the weakening of cash flow projections for certain satellites and contributed to the recording of the impairment expenses noted above.

As part of standard impairment testing procedures, the Group assesses the impact of changes in the discount rates and reductions in EBITDA. Discount rates are simulated up to 1% below and above the CGU's specific rate used in the base valuation and EBITDA projections are simulated up to 5% below and above the base valuation. In this way a matrix of valuations is generated, which reveals the potential exposure to impairment expenses based on movements in the valuation parameters which are within the range of outcomes foreseeable at the valuation date.

The most recent testing showed that for this category of geostationary space segment assets, then under the least favourable combination of the circumstances above (namely a 1% higher discount rate in conjunction with a 5% lower EBITDA projection) an incremental impairment of € 68 million would be recorded. A 1% increase in the discount rate at a constant EBITDA level would increase satellite impairments by € 28 million. Taken separately, a 5% decrease in EBITDA would increase satellite impairments by € 31 million.

NOTE 13 – ASSETS IN THE COURSE OF CONSTRUCTION

Assets in the Course of Construction 2021

€ MILLION	Land and Buildings	Space segment	Ground segment	Fixtures, tools & equipment	Total
Cost and net book value as at 1 January 2021	**1**	**1,529**	**90**	**31**	**1,651**
Movements in 2021					
Additions[1]	7	360	63	9	439
Transfers to assets in use (>> Note 12)	(3)	–	(17)	(41)	(61)
Transfer to intangible assets (>> Note 14)	–	–	(10)	–	(10)
Transfer between categories	2	–	(12)	10	–
C-band repurposing (>> Note 33)[2]	–	(305)	(8)	–	(313)
Impact of currency translation	–	80	1	1	82
Cost and net book value as at 31 December 2021	**7**	**1,664**	**107**	**10**	**1,788**

1 Additions related to O3b mPOWER, SES-17, Astra 19.2E (including € 237 million non-cash transactions)
2 C-band reimbursable space segment and ground cost (non-cash)

Assets in the Course of Construction 2020

€ MILLION	Land and Buildings	Space segment	Ground segment	Fixtures, tools & equipment	Total
Cost and net book value as at 1 January 2020	**1**	**842**	**60**	**21**	**924**
Movements in 2020					
Additions[1]	–	766	69	26	861
Transfers to assets in use (>> Note 12)	(3)	–	(15)	(23)	(41)
Transfer to intangible assets (>> Note 14)	–	–	(5)	(1)	(6)
Transfer between categories	3	–	(12)	9	–
Impact of currency translation	–	(79)	(7)	(1)	(87)
Cost and net book value as at 31 December 2020	**1**	**1,529**	**90**	**31**	**1,651**

1 Additions related to O3b mPOWER, SES-17, C-band repurposing (including € 702 million non-cash transactions)

Borrowing costs of € 6 million (2020: € 5 million) arising from financing specifically relating to satellite procurements were capitalised during the year and are included in additions to 'Space segment' in the above table.

A weighted average effective rate of 2.92% (2020: 3.34%) was used, representing the Group's average weighted cost of borrowing. Excluding the impact of the loan origination costs and commitment fees the average weighted interest rate was 2.76% (2020: 3.14%).

In connection with space segment additions in 2021, the Group recognised € 164 million (2020: € 405 million) in respect of the O3b mPOWER arrangement described >> Note 27, € 140 million (2020: € 47 million) in respect of the SES-17 construction and € 56 million in respect of procurement of satellites in connection with Astra 19.2°E replacement.

Due to the nature of the arrangements, these transactions are included in the Group's assets in the course of construction space segment and included in 'Payments for purchases of tangible assets' within the consolidated statement of cash flows only to the extent that payments were made to the suppliers.

NOTE 14 – INTANGIBLE ASSETS

Intangible Assets 2021

€ MILLION	Orbital slot licence rights (indefinite-life)	Goodwill	Orbital slot licence rights (definite life)	Other definite life intangibles	Internally generated development costs	Total
Cost						
As at 1 January 2021	**1,930**	**2,173**	**771**	**470**	**58**	**5,402**
Additions	–	–	9	–	37	46
Retirement	–	–	(567)[1]	(70)	–	(637)
Transfers from assets in course of construction	–	–	–	49	(49)	–
Transfers between categories	4	–	–	(4)	–	–
Transfers to property, plant and equipment (>> Note 12)	–	–	–	(3)	–	(3)
Transfers from assets under constructions, property, plant and equipment (>> Note 13)	–	–	–	10	–	10
Impact of currency translation	147	203	–	17	–	367
As at 31 December 2021	**2,081**	**2,376**	**213**	**469**	**46**	**5,185**
Amortisation						
As at 1 January 2021	**(14)**	**(147)**	**(630)**	**(419)**	**–**	**(1,210)**
Amortisation	–	–	(38)	(57)	–	(95)
Impairment	–	(673)	–	–	–	(673)
Retirement	–	–	567[1]	70	–	637
Impact of currency translation	(2)	(36)	–	(16)	–	(54)
As at 31 December 2021	**(16)**	**(856)**	**(101)**	**(422)**	**–**	**(1,395)**
Net book value as at 31 December 2021	**2,065**	**1,520**	**112**	**47**	**46**	**3,790**

1 Concession agreement with Luxembourg government 2001 to 2021

Intangible Assets 2020

€ MILLION	Orbital slot licence rights (indefinite-life)	Goodwill	Orbital slot licence rights (definite life)	Other definite life intangibles	Internally generated development costs	Total
Cost						
As at 1 January 2020	**2,095**	**2,398**	**776**	**458**	**39**	**5,766**
Additions	–	–	–	2	45	47
Retirement	–	–	–	(6)	–	(6)
Transfers from assets in course of construction	–	–	–	24	(24)	–
Transfers from assets under constructions, property, plant and equipment (>> Note 13)	–	–	–	7	(1)	6
Impact of currency translation	(165)	(225)	(5)	(15)	(1)	(411)
As at 31 December 2020	**1,930**	**2,173**	**771**	**470**	**58**	**5,402**
Amortisation						
As at 1 January 2020	**–**	**(134)**	**(587)**	**(360)**	**–**	**(1,081)**
Amortisation	–	–	(44)	(51)	–	(95)
Impairment	(14)	(51)	–	(29)	–	(94)
Retirement	–	–	–	6	–	6
Impact of currency translation	–	38	1	15	–	54
As at 31 December 2020	**(14)**	**(147)**	**(630)**	**(419)**	**–**	**(1,210)**
Net book value as at 31 December 2020	**1,916**	**2,026**	**141**	**51**	**58**	**4,192**

INDEFINITE-LIFE INTANGIBLE ASSETS

The Group's indefinite-life intangible assets comprise goodwill and orbital slot licence rights.

Impairment testing procedures are performed annually, or whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. The annual impairment tests are performed as of 31 October each year. The recoverable amounts are determined based on a value in use calculation >> Note 2 using the most recent business plan information approved by the Board of Directors, which covers a period of five years.

The calculations of value in use are most sensitive to:

1) **Movements in the underlying business plan assumptions**
Business plans are drawn up annually and provide an assessment of the expected developments for a five-year period beyond the end of the year when the plan is drawn up. These business plans reflect both the most up-to-date assumptions concerning the CGU's markets and also developments and trends in the business of the CGU. For the provision of satellite capacity these will particularly take into account the following factors:
- the expected developments in transponder fill rates, including the impact of replacement capacity;
- any changes in the expected capital expenditure cycle, for example due to the technical degradation of a satellite or the need for replacement capacities; and
- any changes in satellite procurement, launch or cost assumptions, including launch schedule.

2) **Changes in discount rates**
Discount rates reflect management's estimate of the risks specific to each CGU. Management uses a pre-tax weighted average cost of capital as discount rate for each CGU. This reflects market interest rates of twenty-year bonds in the market concerned, the capital structure of businesses in the Group's business sector, and other factors, as necessary, applied specifically to the CGU concerned.

3) **Changes in perpetuity growth rates assumptions**
Growth rate assumptions used to extrapolate cash flows beyond the business planning period are based on the commercial experience relating to the CGUs concerned and the expectations for developments in the markets which they serve.

REVISION TO DEFINITION OF CASH-GENERATING UNITS FOR INTANGIBLE ASSETS

With effect from 1 January 2021 the Company has revised the identification of the cash-generating units which are applied in the impairment testing of both goodwill and orbital slot rights. These changes, and the rationale for each are as set out below:

1) **Discontinuation of 'MX1' as a separate cash-generating unit for goodwill impairment testing**
As noted in the Group's 2020 consolidated financial statements, the goodwill for this cash-generating unit has been fully written off and hence no further impairment exposure remains. With effect from January 2021 the tangible fixed assets and working capital of MX1 have been integrated into the Group's wider Video business.

2) **Disaggregation of current 'SES GEO operations' cash generating unit**
The gross goodwill as at 31 December 2021 of € 2,376 million derives primarily from the acquisition of two significant GEO businesses: GE Americom in 2001 and New Skies Satellites in 2006.

Since 2012, and following on from the integration of these businesses into a single operational unit alongside the more Europe-centric SES ASTRA operations, the Group's approach to segmental reporting moved away from the former presentation of two GEO-related segments 'ASTRA' and 'World Skies' (being broadly the legacy GE Americom and New Skies Satellites business combined) to a single operating segment defined as 'the provision of satellite-based data transmission capacity, and ancillary services to customers around the world'.

From 2013 this integrated model was also adopted in the identification of cash-generating units for the purpose of goodwill impairment testing for GEO operations, with the more regionally derived components of goodwill arising in the purchase price allocation exercises for those two GEO acquisitions being grouped and monitored at the level of a single group of cash-generating units; an approach which was maintained for the eight years between 2013 and 2020.

Beginning in 2021, management has disaggregated this single cash-generating unit to revert to a regionally based reporting and monitoring of goodwill, realigning it with the approach taken for the impairment testing of orbital slot rights. This reflects the developments in the business environment of the Group, triggered by the increasing demand from market participants in various business areas (primarily telecommunications companies) for bandwidth to support the provision of data connectivity services.

These developments mean that there are increasingly two economic paths available to the Group in commercialising the valuable portfolio of orbital slot rights it has generated over many years, including through the two GEO business acquisitions noted above:

- utilising these rights in the provision of services on its own satellite fleet; and
- generating economic value through entering into transactions with third parties to make these rights available to them in return for an appropriate financial compensation.

A specific example is the ongoing C-band repurposing project in the U.S. following the adoption by the Federal Communications Commission of its Report and Order and Order of Proposed Modification to clear a 300 MHz band of C-band downlink spectrum between 3,700 and 4,000 MHz by December 2025 >> Note 33.

Since the opportunities, and hence potential cash flows, arising from this expanding area of commercialisation of orbital slot rights other than through conventional on-fleet operations, are by their nature arrangements with regional regulatory authorities and market participants, and since the linkage to the orbital slot rights is so strong, it seems appropriate to management to re-align the approach to impairment testing by looking at both areas using on a regional basis and disaggregating the cash-generating units again for the purpose of goodwill testing.

The goodwill has been allocated between the three cash-generating units (as defined below) based on the assets acquired in the above acquisitions, with materially all the assets acquired in the GE Americom acquisition being allocated to 'North America' and materially all the assets acquired in the New Skies Satellites acquisition being allocated to 'International'. See the goodwill table below for the allocation of goodwill to the new CGUs.

3) Reduction in regional cash-generating units for impairment testing of orbital slot rights from six to three

Three regions ('Europe', 'North America' and 'International') have been defined for impairment testing procedures for both goodwill and orbital slot rights, compared to the six regions ('Europe', 'US', 'Canada', 'Mexico', 'Brazil' and 'International') used between 2012 and 2020 for procedures on orbital slot rights. Whilst there is no change to the 'Europe' region, the cash-generating units 'US', 'Canada' and 'Mexico' have been grouped into a new 'North America' unit, and 'Brazil' has been grouped with 'International'.

In the case of 'North America' this aggregation reflects the current inter-operability of spacecraft and orbital locations which can be used to serve customers in the U.S., Canada and Mexico, as well as the increasing interdependency of the contractual arrangements for significant customers in those markets which mean that the associated cash flows can no longer be seen as largely independent of each other.

Concerning 'International' then this aggregation again reflects the increasing interdependency of cash flows between regions with an increasing use of Brazilian spectrum by assets, such as SES-10 and the recently launched SES-17 satellite, which are also serving 'International' customers, and the fact that the Group is now also serving the Brazilian market from orbital slots other than those allocated to the unit.

As the Group extends its global connectivity offering integrating both GEO and MEO capacity, the level of interdependency of cash flows between the GEO International and MEO is expected to increase.

The Group's business plan is approved by the Board of Directors based on consolidated data. The consolidated data is based on separate data prepared for each legal entity of the Group >> Note 36. To prepare business plans for the regional CGUs, the following assumptions are made:

- GEO revenue from satellites is allocated to the GEO region primarily covered by the satellite. Non-satellite revenue is included in each CGU based on the legal entity expected to generate the revenue. MEO revenue, including GEO revenue expected to be used servicing primarily MEO contracts, is included in MEO.
- Operating expenses are allocated based on the underlying legal entity expected to incur the expense. Reallocations were performed when costs in one CGU clearly support the business of a different CGU.
- Intercompany transactions between CGUs included in the business plans of the individual legal entities were included, except where the above allocation methodologies made them no longer relevant.
- The Accelerated Relocation Payments related to the C-band repurposing >> Note 33 were allocated between the GEO North America and GEO International CGUs based on the Group's internal allocation of the proceeds, and considering the likely allocation agreed with the relevant regulatory authorities.

DISCOUNT RATES APPLIED

The pre-tax discount rates for each CGU are presented below:

Pre-Tax discount Rates for CGU

	2021	2020
GEO Europe	6.40%	–
GEO North America	10.18%	–
GEO International	8.14%	–
GEO	–	8.04%
MEO	8.04%	7.97%
MX1	–	8.43%

These discount rates were computed using market interest rates and commercial spreads, the capital structure of businesses in the Group's business sector, and the specific risk profile of the businesses concerned. Generally, lower market risk premiums offset an increase in risk-free rates, especially on rates that are calculated with USD-based inputs.

PERPETUAL GROWTH RATE ('PGR') ASSUMPTIONS

As a result of GEO disaggregation mentioned above, separate GEO terminal growth rates by region were calculated for the first time. The terminal growth rate used in the valuations is -0.4% for GEO Europe, -4.5% for GEO North America, and +3.0% for GEO International. In 2020, a +0.5% terminal growth rate was used for GEO. The terminal growth rate used for MEO was +3.0% (2020: +2.0%).

These rates reflect the most recent long-term planning assumptions approved by the Board of Directors and can be supported by reference to the trading performance over a longer period and incorporate also projected growth rates for wide-beam and high-throughput satellites markets from external data sources. A cap has been applied to the PGRs in the case of GEO International and MEO. On a weighted-average basis, the terminal growth rate used for the GEO CGUs is comparable with the prior-year rate used for GEO. For MEO, the higher rate reflects higher the projected growth expectations approaching the end of the business planning period, which, again, is supported by external data sources.

IMPAIRMENT CHARGES RECORDED FOR 2021

1) Goodwill

As a result of the impairment tests conducted as of 31 December 2021, an impairment expense of € 673 million was recorded on GEO North America. The impairment is mainly driven by the impact of the disaggregation of the CGUs with the lower resulting attributable perpetual growth rate and, to a large extent, the recognition and receipt of the Phase I Accelerated Relocation Payment in 2021 >> Note 33.

No impairment expense was recorded on the carrying value of goodwill in GEO Europe, GEO International, or MEO.

- For GEO Europe, which mainly represents the organically grown Astra business, no impairment was necessary due to steady cash flows, low discount rates, and a minimal goodwill amount (see below).
- For GEO International, no impairment was necessary. This CGU encompasses most of the Group's GEO high-throughput satellites, which are expected to contribute to future revenue growth, although part of the value in use is also attributable to future proceeds receivable in the framework of the FCC Order as set out in more detail >> Note 33 below.
- For MEO, the valuation has increased due mainly to the increase in the PGR.

For all three CGUs, the updated business plan approved by the SES Board of Directors in December 2021 already reflects the impact of COVID-19.

Arising from the impairment reviews above, the Group's remaining goodwill has a net book value as at 31 December 2021 and 2020 by CGU as presented below:

Goodwill: Net Book Value

€ MILLION	2021	2020
GEO Europe	19	19
GEO North America	1,120	1,657
GEO International	224	207
MEO	152	138
Other (SES GS)	5	5
Total	**1,520**	**2,026**

The decrease in GEO North America reflects the € 673 million impairment mentioned above.

As part of standard impairment testing procedures, the Group assesses the impact of changes in the discount rates and growth assumptions of the valuation surplus, or deficit as the case may be. Both discount rates and terminal values are simulated up to 1% below and above the specific rate used in the base valuation. In this way, a matrix of valuations is generated which reveals the potential exposure to impairment expenses for each CGU based on movements in the valuation parameters which are within the range of outcomes foreseeable at the valuation date.

The most recent testing showed that:

- Neither GEO Europe or GEO International would record an impairment applying the most adverse combination of developments (a 1% increase in discount rates and 1% decrease in the perpetual growth rate).

- For GEO North America, the recorded impairment would increase by € 13 million in the case of a 1% decrease in the perpetual growth rate, by € 54 million in the case of a 1% increase in the discount rate, and by € 65 million in the case of both a 1% decrease in the perpetual growth rate and a 1% increase in the discount rate.
- For MEO, whilst an impairment would not be required in the case of a 1% decrease in the perpetual growth rate, it would require an impairment of € 49 million in the case of a 1% increase in the discount rate and of € 329 million were there to be a combination of a 1% higher discount rate and a 1% lower perpetual growth rate.

Taken separately from changes in discount and perpetuity growth rates, a 5% reduction in EBITDA would not lead to an impairment expense in the GEO Europe, GEO International, or MEO CGUs. The recorded impairment in GEO North America would increase by € 44 million.

2) Orbital slot licence rights

The rights conveyed by orbital slot licences in different jurisdictions can have varying characteristics that make them separate and distinct from the orbital slot licence rights in other jurisdictions. The MEO orbital rights are not separable and do not generate separate cash flows, and thus are considered a single CGU, which is tested for impairment together with the related corresponding goodwill and the MEO satellites constellation.

The pre-tax discount rates for each CGU are presented below:

Orbital Slots Licence Rights: Pre-Tax discount Rates for CGU

	2021	2020
GEO Europe	7.40%	9.04%
GEO North America	11.18%	9.15%
GEO International	9.14%	9.15%
MEO	8.04%	7.97%

Similar to the pre-tax discount rates used for goodwill testing, these rates were selected to reflect market interest rates and commercial spreads; the capital structure of businesses in the Group's business sector; and the specific risk profile of the businesses concerned. The terminal growth rates used in the valuations are identical to those used in goodwill testing. The Group did not record any impairment expenses related to orbital slot licence rights for the year ending 31 December 2021 (2020: € 14 million).

The orbital slot license rights have a net book value as at 31 December 2021 and 2020 by CGU as presented below:

Orbital Slot Licence Rights: Net Book Value

€ MILLION	2021	2020
Europe	168	146
North America (including U.S., Canada, and Mexico in 2020)	325	300
International	447	432
MEO	1,125	1,038
Total	**2,065**	**1,916**

As part of standard impairment testing procedures, as with goodwill, the Group assesses the impact of changes in the discount rates and growth assumptions of the valuation surplus, or deficit as the case may be. Both discount rates and terminal values are simulated up to 1% below and above the CGU's specific rate used in the base valuation. In this way a matrix of valuations is generated which reveals the potential exposure to impairment expenses for each CGU based on movements in the valuation parameters which are within the range of outcomes foreseeable at the valuation date.

For orbital slot licence rights, the least favourable case – a combination of lower terminal growth rates and higher discount rates – would not lead to any impairment expenses of any orbital slot licence right CGU.

DEFINITE-LIFE INTANGIBLE ASSETS

The definite-life intangible assets as at 31 December 2021 have a net book value by country as presented below:

Definite Life Intangible Assets 2021

€ MILLION	2021	
	Orbital slot licence rights	Other
Luxembourg	105	25
Israel	–	2
Brazil	7	–
Other	–	20
Total	**112**	**47**

The definite-life intangible assets as at 31 December 2020 have a net book value by country as presented below:

Definite Life Intangible Assets 2020

€ MILLION	2020	
	Orbital slot licence rights	Other
Luxembourg	130	24
Israel	–	2
Brazil	7	–
Other	4	25
Total	**141**	**51**

The Group's primary definite life intangible asset has been the agreement concluded by SES ASTRA with the Luxembourg government in relation to the usage of Luxembourg frequencies in the orbital positions of the geostationary arc from 45˚ West to 50˚ East for the period from 1 January 2001 to 31 December 2021. Given the finite nature of this agreement, these usage rights – valued at € 550 million at the date of acquisition – were amortised on a straight-line basis over the 21-year term of the agreement and were retired as of 31 December 2021.

In November 2019, SES and the Luxembourg government reached an agreement to renew SES's concession to operate satellites operating under Luxembourg's jurisdiction for 20 years, effective from January 2022 when the current concession expires, with an annual fee of € 1 million payable from 2025 onwards. Under the agreement, and starting from 2022, SES will also contribute a maximum of € 7 million per year into a space sector fund.

The Group also holds orbital slot licence rights in Brazil, which were awarded to a Group subsidiary at auction in 2014 for a 15-year term. These rights are being amortised over a 30-year period, reflecting the Group's ability to renew the rights once in 2029 at a minimal cost, assuming they are being utilised.

As at 31 December 2021, the amount of the intangible assets pledged in relation to the Group's liabilities is nil (2020: nil).

NOTE 15 – ASSETS AND LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS

The Group has recognised the following assets and liabilities related to contracts with customers:

Assets and Liabilities Related to Contracts With Customers

€ MILLION	2021	2020
Current contract assets		
Trade receivables	357	393
Provision for trade receivables	(93)	(93)
Trade receivables, net of provisions	**264**	**300**
Unbilled accrued revenue	138	127
Provision for unbilled accrued revenue	(4)	(2)
Unbilled accrued revenue, net of provisions	**134**	**125**
Deferred customer contract costs	**3**	**10**
	401	435
Non-current contract assets		
Unbilled accrued revenue	254	275
Provision for unbilled accrued revenue	(9)	(7)
Unbilled accrued revenue, net of provisions	**245**	**268**
Deferred customer contract costs	**9**	**9**
	254	277
Current contract liabilities		
Deferred income	404	454
Non-current contract liabilities		
Deferred income	314	296

The following table shows the movement in deferred income recognised by the Group:

Movement in Deferred Income 2021

€ MILLION	Non-current	Current
As at 1 January 2021	**296**	**454**
Revenue recognised during the year	–	(1,132)
New billings	–	1,092
Other movements*	8	(20)
Impact of currency translation	10	10
As at 31 December 2021	**314**	**404**

* Other movements include reclassifications (between current and non-current, upfront and deferred, as well as against trade receivables)

Movement in Deferred Income 2020

€ MILLION	Non-current	Current
As at 1 January 2020	**317**	**467**
Revenue recognised during the year	–	(1,184)
New billings	–	1,236
Other movements*	(12)	(50)
Impact of currency translation	(9)	(15)
As at 31 December 2020	**296**	**454**

* Other movements include reclassifications (between current and non-current, upfront and deferred, as well as against trade receivables)

NOTE 16 – TRADE AND OTHER RECEIVABLES

Trade and Other Receivables

€ MILLION	2021	2020
Trade receivables, net of provisions	264	300
Unbilled accrued revenue, net of provisions	379	393
Other receivables	1,348	63
Total trade and other receivables	**1,991**	**756**
Of which:		
Non-current	245	268
Current	1,746	488

Unbilled accrued revenue represents revenue recognised, but not billed, under long-term customer contracts. Billing will occur based on the terms of the contracts. The non-current balance represents entirely unbilled accrued revenue. Other receivables include € 1,273 million (2020: € 21 million) to be received as part of the C-band repurposing project >> Note 33.

An amount of € 27 million (2020: € 35 million) was expensed in 2021 reflecting an increase in the impairment of trade and other receivables. This amount is recorded in 'Other operating expenses'. As at 31 December 2021, trade and other receivables with a nominal amount of € 106 million (2020: € 102 million) were impaired. Movements in the provision for the impairment of trade and other receivables were as follows:

Movement in the Provision for the Impairment of Trade and other Receivables

€ MILLION	2021	2020
As at 1 January	**102**	**113**
Increase in provision	43	77
Reversals of provision	(16)	(42)
Utilised	(32)	(39)
Other movements	3	
Impact of currency translation	6	(7)
As at 31 December	**106**	**102**

NOTE 17 – FINANCIAL INSTRUMENTS

FAIR VALUE ESTIMATION AND HIERARCHY

The Group uses the following hierarchy levels for determining the fair value of financial instruments by valuation technique:

- Level 1 – Quoted prices in active markets for identical assets or liabilities;
- Level 2 – Other techniques for which all inputs which have a significant effect on the recorded fair value are observable either directly or indirectly;
- Level 3 – Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's-length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models.

In line with 2020, as at 31 December 2021, the Group does not have any financial derivatives outstanding.

FAIR VALUES

The fair value of borrowings has been calculated with the quoted market prices except for COFACE, the LuxGovSat Fixed Term Loan Facility and the floating tranche of the Schuldschein Loan for which the discounted expected future cash flows at prevailing interest rates has been used. The fair value of foreign currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

All borrowings are measured at amortised cost. Financial assets and other financial liabilities measured at amortised cost, have a fair value that approximates their carrying amount.

Set out below is a comparison by category of carrying amounts and fair values of all the Group's financial instruments that are carried in the financial statements.

As at 31 December 2021 – Fair Values

€ MILLION	Fair value hierarchy	Carried at amortised cost: Carrying amount	Carried at amortised cost: Fair value	Carried at fair value: Carrying amount	Total: Balance Sheet
As at 31 December 2021					
Financial assets					
Non-current financial assets:					
Other financial assets	2	26	26	–	26
Trade and other receivables		245	245	–	245
Total non-current financial assets		**271**	**271**	**–**	**271**
Current financial assets:					
Trade and other receivables		1,746	1,746	–	1,746
Cash and cash equivalents		1,049	1,049	–	1,049
Total current financial assets		**2,795**	**2,795**	**–**	**2,795**
Financial liabilities					
Borrowings:					
At floating rates:					
Syndicated loan 2019*	2	–	–	–	–
COFACE	2	40	40	–	40
German Bond 2024 (€ 150 million), non-listed	2	150	152	–	150
At fixed rates:					
US Bond 2023 ($ 750 million)	2	662	682	–	662
German Bond 2025 (€ 250 million), non-listed	2	250	260	–	250
Eurobond 2026 (€ 650 million)	2	654	680	–	654
Euro Private Placement 2027 (€ 140 million) under EMTN	2	140	160	–	140
Eurobond 2027 (€ 500 million)	2	497	500	–	497
Eurobond 2028 (€ 400 million)	2	395	417	–	395
Fixed Term Loan Facility (LuxGovSat)	2	99	115		99
German Bond 2032 (€ 50 million), non-listed	2	50	60	–	50
US Bond 2043 ($ 250 million)	2	214	246	–	214
US Bond 2044 ($ 500 million)	2	430	493	–	430
Total borrowings		**3,581**	**3,805**		**3,581**
Non-current financial liabilities:		**4,101**	**4,323**	**–**	**4,101**
Non-current borrowings		3,524	3,746	–	3,524
Lease liabilities		22	22	–	22
Fixed assets suppliers		472	472	–	472
Other long-term liabilities		83	83	–	83
Current financial liabilities:		**1,914**	**1,916**	**–**	**1,914**
Current borrowings		57	59	–	57
Lease liabilities		11	11	–	11
Fixed assets suppliers		1,554	1,554	–	1,554
Trade and other payables		292	292	–	292

* As at 31 December 2021 no amount has been drawn down under this facility. As a consequence, the remaining balance of loan origination cost of the Syndicated Loan has been disclosed under prepaid expenses for an amount of € 2.2 million.

As at 31 December 2020 – Fair Values

		Carried at amortised cost		Carried at fair value	Total
€ MILLION	Fair value hierarchy	Carrying amount	Fair value	Carrying amount	Balance Sheet
As at 31 December 2020					
Financial assets					
Non-current financial assets:					
Other financial assets		14	14	–	14
Trade and other receivables		268	268	–	268
Total non-current financial assets		**282**	**282**	**–**	**282**
Current financial assets:					
Trade and other receivables		488	488	–	488
Cash and cash equivalents		1,162	1,162	–	1,162
Total current financial assets		**1,650**	**1,650**	**–**	**1,650**
Financial liabilities					
Borrowings:					
At floating rates:					
Syndicated loan 2019*	2	–	–	–	–
COFACE	2	81	81	–	81
German Bond 2024 (€ 150 million), non-listed	2	150	152	–	150
At fixed rates:					
Eurobond 2021 (€ 650 million)	2	555	560	–	555
US Bond 2023 ($ 750 million)	2	610	648	–	610
German Bond 2025 (€ 250 million), non-listed	2	249	266	–	249
Eurobond 2026 (€ 500 million)	2	496	529	–	496

		Carried at amortised cost		Carried at fair value	Total
€ MILLION	Fair value hierarchy	Carrying amount	Fair value	Carrying amount	Balance Sheet
Euro Private Placement 2027 (€ 140 million) under EMTN	2	140	167	–	140
Eurobond 2027 (€ 500 million)	2	497	508	–	497
Eurobond 2028 (€ 400 million)	2	395	426	–	395
Fixed Term Loan Facility (LuxGovSat)	2	115	139		115
German Bond 2032 (€ 50 million), non-listed	2	50	63	–	50
US Bond 2043 ($ 250 million)	2	197	211	–	197
US Bond 2044 ($ 500 million)	2	395	429	–	395
Total borrowings		**3,930**	**4,179**		**3,930**
Non-current financial liabilities:		**4,779**	**5,020**	**–**	**4,779**
Non-current borrowings		3,317	3,558	–	3,317
Lease liabilities		25	25	–	25
Fixed assets suppliers		1,310	1,310	–	1,310
Other long-term liabilities		127	127	–	127
Current financial liabilities:		**992**	**1,000**	**–**	**992**
Current borrowings		613	621	–	613
Lease liabilities		12	12	–	12
Fixed assets suppliers		67	67	–	67
Trade and other payables		300	300	–	300

* As at 31 December 2020 no amount has been drawn down under this facility. As a consequence, the remaining balance of loan origination cost of the Syndicated Loan has been disclosed under prepaid expenses for an amount of € 3 million.

NOTE 18 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial instruments, other than derivatives, comprise: a syndicated loan, Eurobonds, US dollar bonds (144A), a Euro-dominated Private Placement, German Bonds ('Schuldschein'), drawings under Coface and under a committed credit facility for specified satellites under construction, cash and short-term deposits.

The main purpose of the debt instruments is to raise funds to finance the Group's day-to-day operations, as well as for other general business purposes. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are liquidity risks, foreign currency risks, interest rate risks and credit risks. The general policies are periodically reviewed and approved by the board.

LIQUIDITY RISK

The Group's objective is to efficiently use cash generated to maintain borrowings at an appropriate level. In case of liquidity needs, the Group can call on uncommitted loans, commercial paper programs and a committed syndicated loan. In addition, if deemed appropriate based on prevailing market conditions, the Group can access additional funds through the European Medium-Term Note programme. The Group's debt maturity profile is tailored to allow the Company and its subsidiaries to cover repayment obligations as they fall due.

The Group operates a centralised treasury function which manages, amongst others, the liquidity of the Group to optimise the funding costs. This is supported by a daily cash pooling mechanism.

Liquidity is monitored regularly through a review of cash balances, the drawn and issued amounts and the availability of additional funding under committed credit lines, the two commercial paper programmes and the EMTN Programme (€ 5,010 million as at 31 December 2021 and € 4,260 million as at 31 December 2020 – more details in >> Note 23).

The table below summarises the projected contractual undiscounted cash flows based on the maturity profile as at 31 December 2021 and 2020.

Projected Contractual Undiscounted Cash Flows based on Maturity Profile as at 31 December 2021

€ MILLION	Within 1 year	Between 1 and 5 years	After 5 years	Total
As at 31 December 2021:				
Borrowings	57	1,778	1,768	3,603
Future interest commitments	98	295	641	1,034
Trade and other payables	292	–	–	292
Other long-term liabilities	–	83	–	83
Lease liabilities	12	19	8	39
Fixed assets suppliers	472	1,554	–	2,026
Total maturity profile	**931**	**3,729**	**2,417**	**7,077**
As at 31 December 2020:				
Borrowings	613	1,117	2,234	3,964
Future interest commitments	119	305	656	1,080
Trade and other payables	300	–	–	300
Other long–term liabilities	–	127	–	127
Lease liabilities	13	26	4	43
Fixed assets suppliers	67	1,310	–	1,377
Total maturity profile	**1,112**	**2,885**	**2,894**	**6,891**

FOREIGN CURRENCY RISK

SES is active in markets outside the Eurozone, with business operations in many locations throughout the world. Consequently, SES uses certain financial instruments to manage its foreign currency exposure. Derivative financial instruments are used mainly to reduce the Group's exposure to market risks resulting from fluctuations in foreign exchange rates by creating offsetting exposures. SES is not a party to leveraged derivatives and, as a matter of policy, does not use derivative financial instruments for speculative purposes.

The Group has significant foreign operations whose functional currency is not the euro. The primary currency exposure in terms of foreign operations is the US dollar and the Group has designated certain US dollar-denominated debt as net investment hedges of these operations. The Group has a corresponding exposure in the consolidated income statement, excluding the impacts of C-band repurposing, of 50.8% (2020: 51.1%) of the Group's revenue and 52.5% (2020: 56.0%) of its operating expenses being denominated in US dollars. The Group does not enter into derivative instruments to hedge these currency exposures.

The Group may enter into forward currency contracts to eliminate or reduce the currency exposure arising from individual capital expenditure projects, such as satellite procurements, tailoring the maturities to each milestone payment to maximise effectiveness. Depending on the functional currency of the entity with the capital expenditure commitment, the foreign currency risk might be in euro or in the US dollar. The forward contracts are in the same currency as the hedged item and can cover up to 100% of the total value of the contract. It is the Group's policy not to enter into forward contracts until a firm commitment is in place.

Hedge of net investment in foreign operations

As at 31 December 2021 and 2020, certain borrowings denominated in US dollars were designated as hedges of the net investments in SES Global Americas Inc. and its subsidiaries ('SES Americas'), SES Holdings (Netherlands) BV and its subsidiaries ('SES Netherlands'), SES Satellite Leasing Limited and MX1 Ltd to hedge the Group's exposure to foreign exchange risk on these investments.

As at 31 December 2021, all designated net investment hedges were assessed to be highly effective and a total loss of € 76 million, stated net of tax of € 26 million is included as part of other comprehensive income for the period (2020: gain of € 84 million, stated net of tax of € 29 million).

The following table sets out the hedged portion of $ statement of financial position exposure as at 31 December:

Hedged Portions of $ Statement of Financial Position Exposure

$ MILLION	2021	2020
$ statement of financial position exposure:		
SES Americas	2,359	2,729
SES Netherlands	4,617	4,733
SES Satellite Leasing Limited, Isle of Man	–	984
MX1 Ltd, Israel	37	47
Total	**7,013**	**8,493**
Hedged with:		
US Bonds	1,500	1,500
Total	**1,500**	**1,500**
Hedged proportion	**21%**	**18%**

The following table demonstrates the sensitivity to a +/- 20% change in the US dollar exchange rate on the nominal amount of the Group's US dollar net investment, with all other variables held constant. All value changes are eligible to be recorded in other comprehensive income with no impact on profit and loss.

Sensitivity to a +/– 20% change in US Dollar Exchange Rate 2021

31 December 2021	Amount in $ million	Amount in € million at closing rate of 1.1326	Amount in € million at rate of 1.36	Amount in € million at rate of 0.91
$ statement of financial position exposure:				
SES Americas	2,359	2,083	1,735	2,592
SES Netherlands	4,617	4,076	3,395	5,074
SES Satellite Leasing Limited	–	–	–	–
MX1 Ltd, Israel	37	33	27	41
Total	**7,013**	**6,192**	**5,157**	**7,707**
Hedged with:				
US Bonds	1,500	1,324	1,103	1,648
Other external borrowings	–	–	–	–
Total	**1,500**	**1,324**	**1,103**	**1,648**
Hedged proportion	21%			
Absolute difference without hedging			(1,035)	1,515
Absolute difference with hedging			(814)	1,191

Sensitivity to a +/– 20% change in US Dollar Exchange Rate 2020

31 December 2020	Amount in $ million	Amount in € million at closing rate of 1.2271	Amount in € million at rate of 1.47	Amount in € million at rate of 0.98
$ statement of financial position exposure:				
SES Americas	2,729	2,224	1,856	2,785
SES Netherlands	4,733	3,857	3,220	4,829
SES Satellite Leasing Limited	984	802	669	1,004
MX1 Ltd, Israel	47	38	32	48
Total	**8,493**	**6,921**	**5,777**	**8,666**
Hedged with:				
US Bonds	1,500	1,222	1,020	1,531
Other external borrowings	–	–	–	–
Total	**1,500**	**1,222**	**1,020**	**1,531**
Hedged proportion	18%			
Absolute difference without hedging			(1,144)	1,745
Absolute difference with hedging			(942)	1,437

INTEREST RATE RISK

The Group's exposure to market interest rate risk relates primarily to the Group's debt portion at floating rates. In order to mitigate this risk, the Group is generally seeking to contract as much as possible of its debt outstanding at fixed interest rates, and is carefully monitoring the evolution of market conditions, adjusting the mix between fixed and floating rate debt if necessary. To mitigate the Group's interest rate risk in connection with near-term debt refinancing needs, the Group may from time to time enter into interest rate hedges through forward contracts denominated in € and $.

As per 31 December 2021 and 31 December 2020, the Group had no interest rate hedges outstanding.

The table below summarises the split of the carrying amount of the Group's debt between fixed and floating rate.

Split of the Nominal Amount of the Group's Debt between Fixed and Floating Rate

€ MILLION	At fixed rates	At floating rates	Total
Borrowings at 31 December 2021	**3,391**	**190**	**3,581**
Borrowings at 31 December 2020	3,699	231	3,930

In 2021, the Group repaid a maturing Eurobond 2021 of € 556 million, € 41 million related to Coface instalments and € 16 million of the Lux-GovSat Facility.

The following table demonstrates the sensitivity of the Group's pre-tax income to reasonably possible changes in interest rates affecting the interest charged on the floating rate borrowings. All other variables are held constant. The Group believes that a reasonably possible development in the Eurozone interest rates would be an increase of nil basis points or an increase of 12 basis points (2020: decrease of 9 basis points).

Euro interest rates

€ MILLION	Floating rate borrowings	Increase in rates Pre-tax impact	Decrease in rates Pre-tax impact
Borrowings at 31 December 2021	**190**	**0.4**	**–**
Borrowings at 31 December 2020	231	–	0.2

CREDIT RISK

Risk management

The Group has the following types of financial assets that are subject to the expected credit loss model: trade receivables, unbilled accrued revenue, and C-band repurposing receivables.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. To measure expected credit losses on trade receivables and unbilled accrued revenue, they are grouped based on shared credit risk characteristics, country and days past due. The unbilled accrued revenues have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the unbilled accrued revenue.

The credit verification procedures in relation to trade receivables and unbilled accrued revenue include the assessment of the creditworthiness of the customer by using sources of quality information such as external specialist reports, audited annual reports, press articles or rating agencies. Should the customer be a governmental entity, the official debt rating of the respective country is a key driver in determining the appropriate credit risk category.

Following this credit analysis, the customer is classified into a credit risk category which can be as follows: 'Prime' (typically publicly rated and listed entities), 'Market' (usually higher growth companies with higher leverage), 'Sub-prime' (customers for which viability is dependent on continued growth with higher leverage), or Government (governments or governmental institutions, subject to the corresponding country meeting minimum credit rating criteria). The credit profile is updated at least once a year for all key customers with an ongoing contractual relationship.

Impairment of trade receivables and unbilled accrued revenue

The Group applies the IFRS 9 simplified approach to measuring expected credit losses for trade receivables and unbilled accrued revenue by measuring the loss allowance at an amount equal to lifetime expected credit losses. To measure the expected credit losses, trade receivables and unbilled accrued revenue have been grouped in portfolios based on shared credit risk characteristics (credit risk profile: Prime, Market, Sub-prime, and Government), country and the days past due.

In order to compute the provision, the gross trade receivables balance is reduced for any portion representing deferred revenue and any securities held. Trade receivables are written off when there is no reasonable expectation of recovery. The Group's largest customers are large media companies and government agencies, and hence the credit risk associated with these contracts is assessed as low.

The Company calculates loss expectancy rates based on the history of losses and forward-looking information to create a provision matrix. On that basis, the provision as at 31 December 2021 and 31 December 2020 is as follows:

Impairment of Trade Receivables and Unbilled Accrued Revenues 2021

€ MILLION	Current	Less than 1 month	Between 1 and 3 months	More than 3 months	Total
31 December 2021					
Average expected loss rate (by portfolio)	3.8%	4.9%	6.6%	10.9%	
Gross carrying amount – trade receivables	131	24	32	170	357
Provision	**–**	**–**	**1**	**6**	**7**

Impairment of Trade Receivables and Unbilled Accrued Revenues 2020

€ MILLION	Current	Less than 1 month	Between 1 and 3 months	More than 3 months	Total
31 December 2020					
Average expected loss rate (by portfolio)	4.1%	5.1%	7.5%	12.1%	
Gross carrying amount – trade receivables	164	40	33	156	393
Provision	**–**	**–**	**1**	**8**	**9**

The provision in respect of unbilled accrued revenue as at 31 December 2021 amounts to € 13 million and the corresponding expected credit loss is 3.4% (31 December 2020: € 9 million and the corresponding expected credit losses is 2.2%).

An amount of € 0.5 million (2020: € 6.3 million) was expensed in 2021 reflecting an increase in the IFRS 9 related provision for trade and other receivables.

Additional provisions are recorded for trade receivables balances if specific circumstances or forward-looking information lead the Group to believe that additional collectability risk exists with respect to customers that are not reflected in the loss expectancy rates. A cumulative provision for trade receivables of € 86 million has been recorded as of 31 December 2021 (31 December 2020: € 84 million).

The movement in provisions for trade receivables and unbilled accrued revenue as at 31 December 2021 and 2020 are as follows:

Movement in Provisions for Trade Receivables and Unbilled Accrued Revenue

	Provisions for trade receivables		Provisions for unbilled accrued revenue	
€ MILLION	2021	2020	2021	2020
At 1 January	**93**	**94**	**9**	**19**
Increase in provision recognised in profit or loss during the year	39	75	4	2
Receivables written off during the year as uncollectible	(32)	(28)	–	(11)
Unused amount reversed	(13)	(41)	(3)	(1)
Other movements	–	–	3	–
Impact of currency translation	6	(7)	–	–
At 31 December	**93**	**93**	**13**	**9**

C-band repurposing receivables

The Group recorded C-band repurposing receivables upon receiving validation that the Group successfully met the Phase 1 Accelerated Relocation deadline and for costs incurred related to C-band spectrum clearing for which the Group expects to be reimbursed. The Group considered the credit risk related to the C-band repurposing receivables at the end of 2021 and 2020 and concluded that an estimate of zero expected credit losses is appropriate.

The U.S. government, through the FCC, developed the rules of the C-band auction to ensure incumbent satellite operators such as the Group are paid in full even if one or more individual overlay license winners fails to pay the Group its assigned portion of the Group's relocation costs. An independent third-party Relocation Payment Clearinghouse is administering the C-band transition and related payments with FCC oversight. If an auction winner defaults on an obligation to pay the Group, the FCC could require a license to be re-auctioned with the same payment condition, or the FCC could require the other auction winners to collectively pay the Group for the shortfall as a condition for them to maintain their licenses.

Therefore, as it expects the U.S. government to regulate and ensure the auction winners' compliance with their payment obligations to the Group, the Group has estimated zero expected credit losses on the C-band repurposing receivables. Additional disclosure on the C-band clearing project is included in >> Note 33.

FINANCIAL CREDIT RISK

With respect to the credit risk relating to financial assets, this exposure relates to the potential default of the counterparty, with the maximum exposure being equal to the carrying amount of these instruments. The counterparty risk from a cash management perspective is reduced by the implementation of several cash pools, accounts and related paying platforms with different counterparties.

To mitigate the counterparty risk, the Group only deals with recognised financial institutions with an appropriate credit rating – generally 'A' and above – and in adherence of a maximum trade limit for each counterparty which has been approved for each type of transactions. All counterparties are financial institutions which are regulated and controlled by the national financial supervisory authorities of the associated countries. The counterparty risk portfolio is analysed on a quarterly basis. Moreover, to reduce this counterparty risk the portfolio is diversified as regards the main counterparties ensuring a well-balanced relation for all categories of products (derivatives as well as deposits).

CAPITAL MANAGEMENT

The Group's policy is to attain and retain an investment grade rating from at least two reputable rating agencies. These investment grade ratings serve to maintain investor, creditor, and market confidence. Within this framework, the Group manages its capital structure and liquidity in order to reflect changes in economic conditions to keep its cost of debt low, maintain the confidence of debt investors at a high level and to create added value for the shareholder. The Group's dividend policy takes into account the financial performance of the year, cash flow developments and other factors such as yield and pay-out ratio.

NOTE 19 – CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents

€ MILLION	2021	2020
Cash at bank and in hand	872	708
Short-term deposits	177	454
Total cash and cash equivalents	**1,049**	**1,162**

Cash at banks is subject to interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods between one day and three months – depending on the immediate cash requirements of the Group – and earn interest at the respective short-term deposit rates. Short-term deposits and cash at bank and in hand are held at various financial institutions meeting the credit rating criteria set out in >> Note 18 above. See also >> Note 33 in connection with the receipt of C-band Accelerated Relocation Payments around the year end.

As at 31 December 2021, there were no investments in money market funds, consistent with the year-end 2020 position.

NOTE 20 – SHAREHOLDERS' EQUITY

ISSUED CAPITAL

SES has a subscribed capital of € 719 million (2020: € 719 million), represented by 383,457,600 class A shares (2020: 383,457,600 class A shares) and 191,728,800 class B shares (2020: 191,728,800 class B shares) with no par value.

The movement between the opening and closing number of shares issued per class of share can be summarised as follows:

Issued Capital

	Class A shares	Class B shares	Total shares
As at 1 January 2021	**383,457,600**	**191,728,800**	**575,186,400**
Shares issued during the year	–	–	–
As at 31 December 2021	**383,457,600**	**191,728,800**	**575,186,400**

	Class A shares	Class B shares	Total shares
As at 1 January 2020	**383,457,600**	**191,728,800**	**575,186,400**
Shares issued during the year	–	–	–
As at 31 December 2020	**383,457,600**	**191,728,800**	**575,186,400**

Fiduciary Deposit Receipts ('FDRs') with respect to Class A shares are listed on the Luxembourg Stock Exchange and on Euronext Paris. They can be traded freely and are convertible into Class A shares at any time and at no cost at the option of the holder under the conditions applicable in the Company's articles of association and in accordance with the terms of the FDRs.

All Class B shares are currently held by the State of Luxembourg, or by Luxembourg public institutions. Dividends paid for one share of Class B equal 40% of the dividend for one share of Class A.

A shareholder, or a potential shareholder, who seeks to acquire, directly or indirectly, more than 20% of the shares of the Company must inform the Chairman of the Board of Directors of the Company of such intention. The Chairman of the Board of Directors of the Company shall forthwith inform the government of the Grand Duchy of Luxembourg of the envisaged acquisition which may be opposed by the government within three months from such information should the government determine that such acquisition would be against the general public interest. In case of no opposition from the government, the Board shall convene an extraordinary meeting of shareholders which may decide at a majority provided for in article 450-3 of the law of 10 August 1915, as amended, regarding commercial companies, to authorise the shareholder, or potential shareholder, to acquire more than 20% of the shares. If it is an existing shareholder of the Company, it may attend the general meeting and will be included in the count for the quorum but may not take part in the vote.

SHARE BUYBACK PROGRAMME

On 6 May 2021 the Company announced a share buyback programme to be executed by 31 December 2021 under the authorisation given by the Annual General Meeting of shareholders held on 1 April 2021.

During the year the Group acquired 12 million Class A shares at a weighted average price of € 6.56 per A-share and 6 million Class B shares at a price of € 2.62 per B-share, resulting in a total cost of the programme of € 94 million. The shares acquired under the programme are expected to be cancelled before the end of 2022 to reduce the total number of voting and economic shares in issue on completion of the programme, subject to the receipt of the relevant shareholder approval.

Subject to the agreement of the shareholders, the Company purchases FDRs in respect of 'Class A' shares in connection with executives' and employees' share-based payment plans. At the year-end, the Company held FDRs relating to the above schemes as set out below. These FDRs are disclosed as treasury shares in the consolidated statement of financial position and are carried at acquisition cost as a deduction from equity.

Buy-Back of Treasury Shares

	2021	2020
FDRs held as at 31 December	19,748,429	4,559,818
Carrying value of FDRs held (€ million)	174	77
Class B shares held as at 31 December	6,000,000	–
Carrying value of Class B shares held (€ million)	15	–

€ 750,000,000 DEEPLY SUBORDINATED FIXED RATE RESETTABLE SECURITIES

In 2016 SES issued € 750,000,000 Deeply Subordinated Fixed Rate Resettable Securities (the '€ 750 million perpetual bond') at a coupon of 4.625 percent to the first call date, a price of 99.666 and a yield of 4.7 percent. Transaction costs related to this transaction amounted to € 20 million and have been deducted from 'Other reserves'. Based on the terms of issuance, the Company was entitled to call the € 750 million perpetual bond on 2 January 2022 and on subsequent coupon payment dates.

On 18 May 2021, SES announced a capped tender offer for the bond at a fixed purchase yield of -0.10% which was accepted by the required number of bondholders such that the Company was able to repurchase 84.5% of the existing bonds on 28th May at a price representing 102.838% of nominal value, and the remaining 15.5% at par, with a settlement date of 30 June 2021.

€ 625,000,000 DEEPLY SUBORDINATED FIXED RATE RESETTABLE SECURITIES

On 20 May 2021 the Company announced the successful launch and pricing of new Deeply Subordinated Fixed Rate Resettable Securities for a total amount of € 625 million, with a first reset date on 27 August 2026. The securities bear a coupon of 2.875% per annum and were priced at 99.409% of their nominal value. The proceeds of the new issuance were received on 27 May 2021.

Tender premium and transaction costs for these transactions amounted to € 26 million and have been deducted from "Other reserves".

€ 550,000,000 DEEPLY SUBORDINATED FIXED RATE RESETTABLE SECURITIES

In 2016 SES issued a second perpetual bond of € 550,000,000 (the '€ 550 million perpetual bond') at a coupon of 5.625 percent to the first call date, a price of 99.304 and a yield of 5.75 percent. Transaction costs related to this transaction amounted to € 8 million and have been deducted from 'Other reserves'. This brought the aggregate perpetual bond issued by the Group to € 1,300 million. SES is entitled to call the € 550 million perpetual bond on 29 January 2024 and on subsequent coupon payment dates.

As the Company has no obligation to redeem either of the bonds, and the coupon payments are discretionary, it classified the net proceeds from the issuance of the securities (together € 1,121 million net of transaction costs and tax) as equity. The perpetual bonds are guaranteed on a subordinated basis by SES Global Americas Holdings GP. SES used the net proceeds from the offerings for the repayment of O3b debt, the repayment of certain existing indebtedness of the Group, as well as for general corporate purposes.

Coupon payments in respect of the perpetual bonds occurred on 4 January 2021 (€ 35 million), 29 January 2021 (€ 31 million), 27 May 2021 (€ 11 million), 21 June 2021 (€ 3 million) and 27 August 2021 (€ 5 million) and have been deducted from 'Other reserves'. The corresponding payments in 2020 were on 2 January 2020 (€ 35 million) and 29 January 2020 (€ 31 million) and were also deducted from 'Other reserves'.

Tax on the perpetual bond coupon accrual of € 20 million (2020: € 18 million) has been credited to 'Other reserves".

OTHER RESERVES

In accordance with Luxembourg legal requirements, a minimum of 5% of the yearly statutory net profit of the Company is transferred to a legal reserve which is non-distributable. This requirement is satisfied when the reserve reaches 10% of the issued share capital. As at 31 December 2021 a legal reserve of € 72 million (2020: € 72 million) is included within other reserves.

Other reserves include a non-distributable amount of € 189 million (2020: € 77 million) linked to treasury shares, and an amount of € 181 million (2020: € 228 million) representing the net worth tax reserve for 2015-2018, for which the distribution would result in the payment of net worth tax at a rate of up to 20% of the distributed reserve in accordance with Luxembourg law requirement.

NOTE 21 – NON-CONTROLLING INTEREST

Set out below is the summarised financial information for each subsidiary that has non-controlling interests (NCI) that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised Financial Information for each subsidiary that has Non-Controlling Interests, material to the Group: Balance Sheet

€ MILLION	LuxGovSat S.A. (50% NCI)*		Al Maisan Satellite Communications LLC, UAE (65% NCI)*	
Summarised balance sheet	**2021**	**2020**	**2021**	**2020**
Current assets	18	39	14	12
Current liabilities	(18)	(27)	(3)	(4)
Current net assets	**–**	**12**	**11**	**8**
Non-current assets	159	178	27	28
Non-current liabilities	(83)	(100)	–	–
Non-current net assets	**76**	**78**	**27**	**28**
Net assets	**76**	**90**	**38**	**36**
Accumulated NCI	38	45	25	24
Transactions with non-controlling interests	–	–	–	–

* Refer to Note 2

Summarised Financial Information for each subsidiary that has Non-Controlling Interests, material to the Group: Statement of Comprehensive Income

€ MILLION	LuxGovSat S.A. (50% NCI)		Al Maisan Satellite Communications LLC, UAE (65% NCI)	
Summarised statement of comprehensive income	**2021**	**2020**	**2021**	**2020**
Revenue	23	21	9	7
Operating expenses	(15)	(16)	(4)	(8)
Profit/(loss) for the period	**(15)**	**(13)**	**1**	**(4)**
Other comprehensive income	–	–	–	–
Total comprehensive income	**(15)**	**(13)**	**1**	**(4)**
Profit/(loss) allocated to NCI	(7)	(6)	1	(3)
Dividend paid to NCI	–	–	–	–

Summarised Financial Information for each subsidiary that has Non-Controlling Interests, material to the Group: Cash Flows

€ MILLION	LuxGovSat S.A. (50% NCI)		Al Maisan Satellite Communications LLC, UAE (65% NCI)	
Summarised cash flows	**2021**	**2020**	**2021**	**2020**
Cash flows from/(absorbed by) operating activities	6	8	4	3
Cash flows from/(absorbed by) investing activities	(1)	–	(3)	–
Cash flows from/(absorbed by) financing activities	(38)	6	–	–
Net foreign exchange movements	–	–	–	–
Net increase/(decrease) in cash and cash equivalents	**(33)**	**14**	**1**	**3**

NOTE 22 – SHARE-BASED COMPENSATION PLANS

The Group has four share-based compensation plans which are detailed below. In the case of the Stock Appreciation Rights Plan and Equity Incentive Compensation Plan the relevant strike price is defined as the average of the market price of the underlying shares over a period of 15 trading days before the date of the grant.

1) The Stock Appreciation Rights Plan ('STAR Plan')

The STAR Plan is an equity-settled plan available to non-executive staff of Group subsidiaries, where share options are granted. In January 2011, the STAR Plan was amended and, for all options granted 2011 onwards, a third of the share options vest and can be exercised each year. After being fully vested, the share options have a four-year exercise period.

Stock Appreciation Rights Plan

	2021	2020
Outstanding options at the end of the year	700,553	1,134,170
Weighted average exercise price in euro	27.61	27.31

All of the 700,553 outstanding options as at 31 December 2021 (2020: 1,134,170), are fully vested and exercisable. No options were exercised in 2021 or in 2020.

Movements in the number of share options outstanding and their related weighted average exercise prices in euro are as follows:

Stock Appreciation Rights Plan: Movements in the Number of Share Options Outstanding and their Related Weighted Average Exercise Price

	2021		2020	
	Average exercise price per share option	**Number of options**	**Average exercise price per share option**	**Number of options**
As at 1 January	27.31	1,134,170	26.52	1,594,540
Forfeited	26.81	(433,617)	24.58	(460,370)
Exercised	–	–	–	–
At 31 December	**27.61**	**700,553**	**27.31**	**1,134,170**

Share options outstanding at the end of the year have the following expiry date and exercise prices in euro:

Stock Appreciation Rights Plan: Share Options Outstanding at the End of The Year

Grant	Expiry date	Exercise price per share options	Number of options	
			2021	**2020**
2016	2023	24.39	428,639	488,338
2015	2022	32.73	271,914	313,802
2014	2021	26.50	–	332,030
			700,553	**1,134,170**

2) Simulated Restricted Share Units ('SRSU')

In 2017 the Group introduced a new compensation plan which is progressively replacing the STAR Plan. SRSU are cash-settled awards delivered on 1 June following a three-year vesting period. The liability for the cash-settled awards is measured initially and at the end of each reporting period until settled, at the fair value of the share appreciation rights, taking into account the terms and conditions on which the stock appreciation rights were granted and recognised to the extent to which the employees have rendered services to date.

During 2021, 850,783 SRSU have been granted (2020: 864,428). During the same period, 153,050 SRSUs have been forfeited (2020: 98,645) and 307,754 SRSU have been vested (2020: 221,056). A liability of € 5,453,399 has been recognised in the consolidated statement of financial position as of 31 December 2021 (31 December 2020: € 4,591,628) based on the 1,793,435 outstanding SRSUs (31 December 2020: 1,403,456) measured at the Group's share price at the end of the year on a pro-rata basis over 3 years vesting period.

3) Equity Based Compensation Plan comprising options ('EBCP Option')

The EBCP Option is available to Group executives. Under the plan, the "date of Option Grant" means the first business day that follows fifteen (15) market trading days for Shares after the Allocation Period during which the Fair Market Value is fixed. Generally, one-quarter of the entitlement vests on each 1 January of the four years following the Date of Option Grant, but for one grant, one fifth of the entitlement vests on each 1 June of the five years following the Date of Option Grant. Once vested, the options can be exercised until the tenth anniversary of the original grant. For 2021 EBCP Option Plan grants, one third of the options vest on each 1 June of the following three years.

Equity Incentive Compensation Plan

	2021	2020
Outstanding options at the end of the year	18,767,922	18,364,300
Weighted average exercise price in euro	13.17	15.29

Out of 18,767,922 outstanding options as of the end of 2021 (2020: 18,364,300), 9,800,000 options are exercisable (2020: 12,241,571). In 2021 134,836 treasury shares were delivered at a weighted average price of € 5.97 each, while in 2020 no options were exercised. On average, in 2021, the related weighted average share price at the time of exercise was € 6.47 per share.

Movements in the number of share options outstanding and their related weighted average exercise prices in euro are as follows:

Equity Incentive Compensation Plan: Movements in the Number of Share Options Outstanding and their Related Weighted Average Exercise Prices

	2021		2020	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
At 1 January	15.29	18,364,300	18.6	14,908,795
Granted	6.40	3,418,751	5.97	4,824,735
Forfeited	19.00	(2,880,293)	18.61	(1,369,230)
Exercised	5.97	(134,836)	–	–
At 31 December	**13.17**	**18,767,922**	**15.29**	**18,364,300**

Share options outstanding at the end of the year have the following expiry date and exercise prices in euro:

Equity Incentive Compensation Plan: Expiry Date and Exercise Prices

Grant	Expiry date	Exercise price per share options	Number of options 2021	2020
2021	2031	6.40	3,328,751	0
2020	2030	5.97	4,589,286	4,816,869
2019	2029	15.01	1,953,847	2,262,401
2018	2028	18.23	407,000	407,000
2018	2028	12.67	3,657,848	4,294,036
2017	2027	21.15	2,000,274	2,511,089
2016	2026	24.39	1,407,479	1,864,557
2015	2025	32.73	546,735	750,640
2014	2024	26.5	432,030	605,363
2013	2023	23.51	230,955	315,092
2012	2022	18.1	213,717	313,392
2011	2021	17.57	–	223,861
			18,767,922	**18,364,300**

4) Equity Based Compensation Plan ('EBCP')

The EBCP is also a programme for executives, and senior executives, of the Group, comprising performance shares ('EBCP PS') and restricted shares ('EBCP RS'). Under the plan, restricted shares are allocated to executives at the beginning of May each year and these vest on the 1 June following the third anniversary of the grant. Senior executives also have the possibility to be allocated performance shares whose granting is dependent on the achievement of defined performance criteria which are a) individual objectives and b) the economic value added ('EVA') target established by the Board from time to time. These shares also vest on the 1 June following the third anniversary of the original grant. For 2021 EBCP grants, EVA was replaced by the total shareholder return ('TSR') as the financial performance criteria for vesting of performance shares.

Long-term Incentive Programme

	2021	2020
Restricted and performance shares outstanding at the end of the year	2,252,136	2,026,147
Weighted average fair value in euro	6.58	8.65

During 2021, 332,257 restricted shares (2020: 262,731) and 632,226 (2020: 676,743) performance shares were granted; 33,175 restricted shares (2020: 26,298) and 262,959 performance shares (2020: 75,436) were forfeited; and 268,442 performance shares (2020: 266,385) and 173,918 restricted shares (2020: 91,574) were exercised.

The fair value of equity-settled shares (restricted and performance shares) granted is estimated as at the date of grant using a binomial model for STARs and EBCP Option and a Black & Scholes model for EBCP, taking into account the terms and conditions upon which the options (restricted and performance shares) were granted. The following table lists the average value of inputs to the model used for the years ended 31 December 2021 and 31 December 2020.

Long-term Incentive Programme: average Value of Inputs to the Model used for 2021

2021	EBCP Option	EBCP PS and EBCP RS
Dividend yield (%)	7.43%	7.09%
Expected volatility (%)	32.85%	35.53%
Risk-free interest rate (%)	-0.58%	-0.68%
Expected life of options (years)	10	3
Share price at inception (€)	6.22	6.22
Fair value per option/share (€)	0.78	5.00
Total expected cost for each plan (In € M)	**2.25**	**6.01**

Long-term Incentive Programme: average Value of Inputs to the Model used for 2020

2020	EBCP Option	EBCP PS and EBCP RS
Dividend yield (%)	6.89%	6.61%
Expected volatility (%)	30.42%	35.12%
Risk-free interest rate (%)	-0.62%	-0.64%
Expected life of options (years)	10	3
Share price at inception (€)	6.34	6.34
Fair value per option/share (€)	0.77-0.90	5.12-5.53
Total expected cost for each plan (In € M)	**3.64**	**4.38**

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may or may not necessarily be the actual outcome.

The total charge for the year for share-based compensation amounted to € 8 million (2020: € 10 million), out of which equity-settled € 5 million (2020: € 9 million) and cash-settled € 3 million (2020: € 1 million).

NOTE 23 – INTEREST-BEARING BORROWINGS

As at 31 December 2021 and 2020, the Group's interest-bearing borrowings were:

Interest-Bearing Borrowings 2021

€ MILLION	Effective interest rate	Maturity	Amounts outstanding 2021, carried at amortised cost
Non-current			
US Bond ($ 750 million)	3.60%	April 2023	662
German bond (€ 150 million), non-listed	EURIBOR 6M + 0.80%	June 2024	150
German bond (€ 250 million), non-listed	1.71%	December 2025	250
Eurobond 2026 (€ 650 million)	1.625%	March 2026	654
Euro Private Placement 2027 (€ 140 million under EMTN)	4.00%	May 2027	140
Eurobond 2027 (€ 500 million)	0.875%	November 2027	497
Eurobond 2028 (€ 400 million)	2.00%	July 2028	395
Fixed Term Loan (LuxGovSat)	3.30%	December 2027	82
German bond (€ 50 million), non-listed	4.00%	November 2032	50
US Bond ($ 250 million)	5.30%	April 2043	214
US Bond ($ 500 million)	5.30%	March 2044	430
Total non-current			**3,524**
Current			
Coface	EURIBOR 6M + 1.70%	Various in 2021	40
Fixed Term Loan (LuxGovSat)	3.30%	December 2027	17
Total current			**57**

Interest-Bearing Borrowings 2020

€ MILLION	Effective interest rate	Maturity	Amounts outstanding 2020, carried at amortised cost
Non-current			
Coface	EURIBOR 6M + 1.70%	Various 2022	40
US Bond ($ 750 million)	3.60%	April 2023	610
German bond (€ 150 million), non-listed	EURIBOR 6M + 0.80%	June 2024	150
German bond (€ 250 million), non-listed	1.71%	December 2025	249
Eurobond 2026 (€ 500 million)	1.625%	March 2026	496
Euro Private Placement 2027 (€ 140 million under EMTN)	4.00%	May 2027	140
Eurobond 2027 (€ 500 million)	0.875%	November 2027	497
Eurobond 2028 (€ 400 million)	2.00%	July 2028	395
Fixed Term Loan (LuxGovSat)	3.30%	December 2027	98
German bond (€ 50 million), non-listed	4.00%	November 2032	50
US Bond ($ 250 million)	5.30%	April 2043	197
US Bond ($ 500 million)	5.30%	March 2044	395
Total non-current			**3,317**
Current			
Coface	EURIBOR 6M + 1.70%	Various in 2021	41
Eurobond 2021 (€ 650 million)	4.75%	March 2021	556
Fixed Term Loan (LuxGovSat)	3.30%	December 2027	16
Total current			**613**

European Medium-Term Note Programme ('EMTN')

SES has an EMTN Programme enabling SES, or SES Global Americas Holdings GP, to issue as and when required notes up to a maximum aggregate amount of € 4,000 million. As at 31 December 2021, SES had issued € 1,690 million (2020: € 2,096 million) under the EMTN Programme with maturities ranging from 2026 to 2028.

€ 650 million Eurobond (2020)

SES repaid its € 650 million 10-year bond under the Company's European Medium-Term Note Programme issued 2010, with a fixed interest rate of 4.625% on March 9, 2020.

€ 650 million Eurobond (2021)

In 2021 SES fully repaid a € 650 million bond under the Company's European Medium-Term Note Programme, with a fixed rate coupon of 4.75%.

German bond issue of € 400 million (2024/2025)

In 2018 the Group closed the issuance of an aggregated amount of € 400 million in the German bond ('Schuldschein') market. The transaction consists of two individual tranches – a € 150 million tranche with a floating interest rate of a six-month EURIBOR plus a margin of 0.8% and a final maturity date on 18 June 2024 as well as a € 250 million tranche with a fixed interest rate of 1.71% and a final maturity date on 18 December 2025.

€ 650 million Eurobond (2026)

In 2018 SES issued a € 500 million 8-year bond under the Company's European Medium-Term Note Programme. On the 22 June 2021 SES announced the successful lunch and pricing of a tap of its 1.625% Notes in which it has agreed to sell incremental senior unsecured fixed rate notes for a total amount of € 150 million. The new notes were priced at 106.665% of their nominal value. The bond bears interest at a fixed rate of 1.625% and has a final maturity date on 22 March 2026.

€ 500 million Eurobond (2027)

On 4 November 2019, SES issued a € 500 million bond under the Company's European Medium-Term Note Programme. The bond has an 8-year maturity and bears interest at a fixed rate of 0.875% and has a final maturity date on 4 November 2027.

€ 140 million Private Placement (2027)

In 2012 SES issued three individual tranches of a total € 140 million Private Placement under the Company's European Medium-Term Note Programme with ING Bank N.V. The Private Placement has a 15-year maturity, beginning 31 May 2012, and bears interest at a fixed rate of 4.00%.

€ 400 million Eurobond (2028)

On 2 July 2020, SES issued a € 400 million bond under the Company's European Medium-Term Note Programme. The bond has an 8-year maturity and bears interest at a fixed rate of 2.00% and has a final maturity date on 2 July 2028.

German bond issue of € 50 million (2032)

In 2012 the Group signed an agreement to issue € 50 million in the German bond ('Schuldschein') market. The German bond bears a fixed interest rate of 4.00% and matures on 12 November 2032.

144A Bond $ 750 million (2023)

In 2013 SES completed a 144A offering in the US market issuing $ 750 million 10-year bond with a coupon of 3.60% and a final maturity date on 4 April 2023.

144A Bond $ 250 million (2043)

In 2013 SES completed a 144A offering in the US market issuing $ 250 million 30-year bond with a coupon of 5.30% and a final maturity date on 4 April 2043.

144A Bond $ 500 million (2044)

In 2014 SES completed a 144A offering in the US market issuing $ 500 million 30-year bond with a coupon of 5.30% and a final maturity date of 25 March 2044.

Syndicated loan 2019

The facility is being provided by 19 banks and has been structured as a 5-year multi-currency revolving credit facility. In 2021 the Company extended the Termination date from 26 June 2025 to 26 June 2026. The facility is for € 1,200 million and the interest payable is linked to a ratings grid. At the current SES credit rating of BBB- / Baa2, the interest rate is 45 basis points over EURIBOR/LIBOR.

As at 31 December 2021 and 2020, no amount has been drawn under this facility.

€ 523 million Coface facility

In 2009 SES signed a financing agreement with Compagnie Française d'Assurance pour le Commerce Extérieur ('Coface') in respect of the investment in four geostationary satellites (ASTRA 2E, ASTRA 2F, ASTRA 2G, ASTRA 5B). The facility is divided into five loans. The drawings under the facility are based on invoices from the supplier of the satellites.

The first drawing was done on 23 April 2010 and all loan tranches became fully drawn in November 2014. Each Coface tranche is repayable in 17 equal semi-annual instalments where Coface A has a final maturity date of 1 August 2022, Coface F matured on 21 May 2021 and Coface C and D will mature on 3 October 2022. The entire facility bears interest at a floating rate of six-month EURIBOR plus a margin of 1.7%. In November 2017, SES opted to execute voluntary prepayment clauses pursuant to the Agreement and repaid the remaining outstanding amount of Coface tranche B as per 21 November 2017. All other Coface tranches remain in place as contracted.

€ 115 million Credit Facility (LuxGovSat)

In 2015 LuxGovSat S.A. signed a financing agreement with BGL BNP Paribas for € 115 million at a fixed rate coupon of 3.30%. The facility is repayable in 14 semi-annual installments and has a final maturity date of 1 December 2027.

As at 31 December 2021, total borrowings of € 99 million were outstanding under the fixed term facility.

Negotiable European Commercial Paper "NEU CP" (formerly French Commercial paper programme)

In 2005 SES put in place a € 500 million 'NEU CP' programme in accordance with articles L.213-1 to L213-4 of the French Monetary and Financial Code and article 6 of the order of 30 May 2016 and subsequent amendments. The maximum outstanding amount of 'NEU CP' issuable under the programme is € 500 million or its counter value at the date of issue in any other authorised currency. On 21 May 2021, this programme was extended for one further year.

As at 31 December 2021 and 2020, no borrowings were outstanding under this programme.

European Commercial paper programme

In 2012 SES signed the documentation for the inception of a joint € 1,000 million guaranteed European commercial paper programme of SES S.A. and SES Global Americas Holdings GP. Issuances under the programme represent senior unsecured obligations of the issuer and any issuance under the programme is guaranteed by the non-issuing entity. The programme is rated by Moody's Investors Services and is compliant with the standards set out in the STEP Market Convention. On 9 July 2021, this programme was updated and extended.

As at 31 December 2021 and 2020, no borrowings were outstanding under this programme.

IBOR Reform

Certain benchmark rates used in financing agreements and financial derivatives are currently being modified and either have been terminated (GBP LIBOR or CHF LIBOR) or are planned to be terminated during the next few years (EURIBOR, USD LIBOR). The Group has financing arrangements which are based on two of these benchmark rates (EURIBOR or USD LIBOR). These changes did not have any material impact on the Group's consolidated financial statements.

NOTE 24 – PROVISIONS

Provisions

€ MILLION	2021	2020
Non-current	6	12
Current	56	60
Total	**62**	**72**

Movements in each class of provision during the financial year are set out below:

Movements in Each Class of Provisions

€ MILLION	Group tax provision	Restructuring provision	Other provisions	Total
As at 1 January 2021	**46**	**23**	**3**	**72**
Additional provisions recognised	2	8	–	10
Unused amounts reversed	(7)	–	–	(7)
Used during the year	–	(15)	(1)	(16)
Reclassification to income tax payable	–	–	–	–
Impact of currency translation	3	–	–	3
As at 31 December 2021	**44**	**16**	**2**	**62**
Non-current	4	–	2	6
Current	40	16	–	56
As at 1 January 2020	**52**	**8**	**3**	**63**
Additional provisions recognised	11	40	–	51
Unused amounts reversed	(3)	(5)	–	(8)
Used during the year	(8)	(18)	–	(26)
Reclassification to income tax payable	–	(1)	–	(1)
Impact of currency translation	(6)	(1)	–	(7)
As at 31 December 2020	**46**	**23**	**3**	**72**
Non-current	9	–	3	12
Current	37	23	–	60

GROUP TAX PROVISION

Group tax provision mainly relates to Indian withholding taxes and potential associated interest charges. The decrease in the Group tax provision was mainly due to the reversal of provisions following the elimination of the uncertainties that gave rise to the recognition of these provisions.

RESTRUCTURING PROVISION

Expenses of the period include an amount of € 8 million (2020: € 40 million) of charges associated with the reorganisation of the Group's operations, mainly in the framework of the Group's 'Simplify & Amplify' programme. These comprise primarily personnel measures such as the implementation of an incentive programme for early retirement and measures to adjust staffing levels and structures in certain areas, as well as the cessation of operations in certain locations.

Reflecting these activities, the consolidated statement of financial position includes a provision of € 16 million (2020: € 23 million). No new initiatives are expected under the current restructuring programme which would result in additional charges in the following years.

NOTE 25 – TRADE AND OTHER PAYABLES

Trade and Other Payables

€ MILLION	2021	2020
Trade creditors	91	94
Payments received in advance (please also see >> Note 26)	1	40
Interest on borrowings	31	51
Personnel-related liabilities	75	35
Tax liabilities other than for income tax	20	19
Other liabilities	74	61
Total	**292**	**300**

Tax liabilities mainly relate to VAT payables in the amount of € 14 million as of 31 December 2021 (2020: € 11 million).

NOTE 26 – OTHER LONG-TERM LIABILITIES

Other Long-Term Liabilities

€ MILLION	2021	2020
Employee benefits obligations	17	27
Payments received in advance	48	80
Other long-term liabilities	18	20
Total	**83**	**127**

EMPLOYEE BENEFITS OBLIGATIONS

In the Group's US operations certain employees benefit from an externally insured post-retirement health benefit plan. During 2021, changes to the plan's rules resulted in a reduction in the corresponding employee benefit obligation provision of € 10 million, included under 'Staff costs' in the consolidated income statement. As at 31 December 2021, accrued premiums of € 9 million (2020: € 19 million) are included in this position.

Contributions made in 2021 to Group pension schemes totalled € 2 million (2020: € 2 million), which are recorded in the consolidated income statement under 'staff costs'.

In addition, certain employees of the US operations benefit from defined contribution pension plans. A liability of € 10 million has been recognised as at 31 December 2021 (2020: € 11 million) in this respect, out of which € 3 million is included under 'Trade and other payables' (2020: € 3 million).

PAYMENTS RECEIVED IN ADVANCE

In the framework of receivables securitisation transactions completed in June 2018 and June 2019 the Group received a net cash amount of € 88 million and € 59 million, respectively, from a financial institution as advance settlement of future receivables arising until 2022 under contracts with a specific customer.

A corresponding aggregate liability of € 82 million (2020: € 119 million), representing SES's obligation towards the financial institution to continue to provide services to the customer in accordance with the terms of the customer contract, is recorded in the consolidated statement of financial position as at 31 December 2021 under 'Other long-term liabilities' for € 48 million (2020: € 80 million) and under 'Trade and other payables' for € 34 million (2020: € 39 million).

OTHER LONG-TERM LIABILITIES

The other long-term liabilities include customer collateral deposits amounting to € 18 million (2020: € 20 million).

NOTE 27 – FIXED ASSETS SUPPLIERS

Fixed Assets Suppliers

€ MILLION	2021	2020
Non-current	472	1,310
Current	1,554	67

Fixed assets suppliers represent liabilities for assets being either acquired directly through procurement contracts with asset manufacturers, or in the framework of agreements whereby the asset is being acquired by an intermediary but where in substance SES bears the risks and rewards of the procurement.

In the latter case the Company accrues for construction-related liabilities on the basis of pre-determined milestones agreed between the manufacturer and the relevant parties, see also >> Note 28. Non-current fixed assets suppliers are initially recognized at fair value and subsequently measured at amortised cost using the effective interest method.

The main procurements under this caption are:

- The O3b mPOWER medium-Earth orbit constellation: € 1,046 million (2020: € 860 million);
- The SES-17 satellite programme: € 248 million (2020: € 189 million);
- Six satellites being procured in connection with the C-band repurposing activities: € 655 million (2020: € 313 million) >> Note 33;
- Two satellites for the replacement of Astra 19.2°E satellites: € 56 million (2020: € nil)

Acquisition of the SES O3b mPOWER medium-Earth orbit constellation and launchers

On 11 September 2017, the Company, jointly with its subsidiary O3b Networks Limited, entered as Procurement Agents into a Master Procurement Agency and Option Agreement with a financial institution in connection with the procurement by that financial institution of seven medium-Earth orbit satellites from a satellite manufacturer. The satellites were divided into 2 sub-blocks (sub-Block 1 A consisting of four satellites and sub-block 1B consisting of three satellites) currently under construction. At the end of the satellite construction period, which is foreseen in 2021, the Group will have the right to acquire, or lease, the satellites from the financial institution or to direct their sale to a third-party.

In August 2020 the Company exercised the option under the Purchase and Sale agreement to procure four additional O3b mPOWER satellites. The Company, jointly with its subsidiary O3b Networks Limited, entered as Procurement Agent into a second Master Procurement Agency and Option Agreement with a financial institution in connection with the procurement by that financial institution of the additional satellites. At the end of the satellite construction period, foreseen in 2022, the Group will have the right to acquire, or lease, the satellites from the financial institution or to direct their sale to a third-party.

Since the underlying Satellite Purchase and Sale Agreements are directly between the financial institutions and the satellite manufacturer, there is no contractual obligation on the side of the Procurement Agents during the satellite construction process. However, SES management takes the view that there is a constructive obligation arising over the procurement period and hence the Group is accruing for the costs of this programme. SES has the right to nominate shortly before the end of the construction period the entity within the Group which will acquire or lease those assets. SES management expects that the satellites will be acquired or leased in due course by the company SES mPOWER S.à r.l. in Luxembourg.

NOTE 28 – COMMITMENTS AND CONTINGENCIES

CAPITAL EXPENDITURE COMMITMENTS

The Group had outstanding commitments in respect of contracted capital expenditure totalling € 712 million as at 31 December 2021 (2020: € 948 million). These commitments largely reflect the procurement of satellites and satellite launchers and are stated net of liabilities under these programmes which are already disclosed under “Fixed assets suppliers”, >> Note 27. The commitments as at 31 December 2021 also include € 87 million (2020: € 87 million) in connection with the renewal of the agreement with Luxembourg government in respect of SES’s concession to operate satellites under Luxembourg’s jurisdiction, as disclosed in >> Note 14 –“Intangible assets”.

The capital expenditure commitments arising under these agreements as at 31 December are as follows:

Capital Expenditure Commitments

€ MILLION	2021	2020
Within one year	512	497
After one year but not more than five years	147	395
After more than five years	53	56
Total	**712**	**948**

OTHER COMMITMENTS

The Group’s other commitments mainly comprise transponder service agreements for the purchase of satellite capacity from third parties under contracts with a maximum life of eight years, as well as € 70 million capital contribution into a Luxembourg space sector fund in connection with the renewal of the agreement with Luxembourg government in respect of SES’s concession to operate satellites under Luxembourg’s jurisdiction.

Other Commitments

€ MILLION	2021	2020
Within one year	68	150
After one year but not more than five years	126	160
After more than five years	75	60
Total	**269**	**370**

The total expense recognised for transponder service agreements in 2021 was € 68 million (2020: € 82 million).

LITIGATION

There were no significant litigation claims against the Group as at 31 December 2021, or as at 31 December 2020.

GUARANTEES

On 31 December 2021 the Group had outstanding bank guarantees of € 67 million (2020: € 89 million) with respect to performance and warranty guarantees for services of satellite operations.

NOTE 29 – LEASES

1) LESSOR

During 2021 the Group recognised leasing income of € 32 million (2020: € 40 million) related to one (2020: one) customer lease contract. The lease matured in November 2021, so there is no related carrying amount of property, plant and equipment leased as at 31 December 2021 (31 December 2020: € 69 million).

2) LESSEE

The Group has recognised right-of-use assets, and associated liabilities, in relation to contracts previously classified as “operating leases” under the provision of IAS 17. These assets and liabilities were measured at the present value of the remaining lease payments, discounted using the Group's weighted average incremental borrowing rate of 2.76% as at 31 December 2021 (3.14% as at 31 December 2020). The difference between the operating lease commitments and the right-of-use assets recognised represents impact of discounting over the outstanding lease term.

i) Amounts recognised in the consolidated statement of financial position

The Group leases office buildings, ground segment assets and other fixtures and fittings, tools and equipment, information about which is presented below.

Group leases of Offices, Ground Segment, Assets and other Fixtures, Tools and Equipment, Information 2021

€ MILLION	Buildings	Ground segment	Other fixtures and fittings, tools and equipment	31 December 2021
Right-of-use assets				
Cost	42	15	3	60
Accumulated depreciation	(19)	(9)	(2)	(30)
Total	**23**	**6**	**1**	**30**

Group leases of Offices, Ground Segment, Assets and other Fixtures, Tools and Equipment, Information 2020

€ MILLION	Buildings	Ground segment	Other fixtures and fittings, tools and equipment	31 December 2020
Right-of-use assets				
Cost	39	13	4	56
Accumulated depreciation	(14)	(6)	(2)	(22)
Total	**25**	**7**	**2**	**34**

There were no material additions to the right-of-use assets during 2021, depreciation charge for the year was € 11 million (2020: € 15 million).

Lease liabilities are presented below as at 31 December:

Lease Liabilities

€ MILLION	2021	2020
Maturity analysis – contractual undiscounted cash flows		
Within one year	12	13
After one year but not more than five years	19	26
More than five years	8	4
Total	**39**	**43**
Lease liabilities included in the statement of financial position at 31 December		
Current	11	12
Non-current	22	25
Total	**33**	**37**

The leases of office buildings typically run for a period of 2-10 years and leases of ground segment assets for 5 years. Some leases include an option to renew the lease for an additional period after the end of the contract term. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension option. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

ii) Amounts recognised in the consolidated income statement

Depreciation charge of right-of-use assets:

Depreciation Charge of Right-of-Use Assets

€ MILLION	2021	2020
Buildings	7	11
Ground segment	3	3
Other fixtures and fittings, tools and equipment	1	1
Total	**11**	**15**

Finance cost:

Finance Cost

€ MILLION	2021	2020
Interest expense	1	1
Total	**1**	**1**

The total cash outflow for leases in 2021 was € 14 million (2020: € 15 million).

NOTE 30 – CASH FLOW INFORMATION

NON-CASH INVESTING ACTIVITIES

Purchases of property, plant and equipment or intangible assets not included as a cash outflow in the consolidated statement of cash flows are disclosed in >> Notes 12, 13 and 14.

NET DEBT RECONCILIATION

This section sets out an analysis of net debt and the movements in net debt for 2021 and 2020.

Net debt 2021 and 2020

€ MILLION	2021	2020
Cash and cash equivalents	1,049	1,162
Borrowings – repayable within one year	(57)	(613)
Borrowings – repayable after one year	(3,524)	(3,317)
Net debt [1]	**(2,532)**	**(2,768)**
Cash and cash equivalents	1,049	1,162
Borrowings – floating rates	(190)	(231)
Borrowings – fixed interest rates	(3,391)	(3,699)
Net debt [1]	**(2,532)**	**(2,768)**

[1] Net debt excludes current and non-current lease liabilities. Including these, net debt as at 31 December 2021 was € 2,565 million (2020: € 2,805 million)

Movements in Net Debt for 2021 and 2020

€ MILLION	Cash and cash equivalents	Borrowings – repayable within one year	Borrowings – repayable after one year	Total
Net debt as at 1 January 2021	**1,162**	**(613)**	**(3,317)**	**(2,768)**
Cash flows (net)	(116)	614	(159)	339
Foreign exchange adjustments	3	–	(101)	(98)
Transfers	–	(57)	57	–
Other non-cash movements*	–	(1)	(4)	(5)
Net debt as at 31 December 2021	**1,049**	**(57)**	**(3,524)**	**(2,532)**
Net debt as at 1 January 2020	**1,155**	**(691)**	**(3,737)**	**(3,273)**
Cash flows (net)	19	785	(395)	409
Foreign exchange adjustments	(12)	–	113	101
Transfers	–	(707)	707	–
Other non-cash movements*	–		(5)	(5)
Net debt as at 31 December 2020	**1,162**	**(613)**	**(3,317)**	**(2,768)**

* related to loan origination costs

During 2021 the Group issued European Commercial Paper for € 275 million (2020: € 159 million) and reimbursed € 275 million (2020: € 159 million). These have been presented net in the consolidated statement of cash flows.

NOTE 31 – RELATED PARTIES

The state of Luxembourg holds a direct 11.58% voting interest in the Company and two indirect interests, both of 10.88% each, through two state owned banks, Banque et Caisse d'Epargne de l'Etat and Société Nationale de Crédit et d'Investissement. These shares constitute the Company's Class B shares, as described in >> Note 20.

The total remuneration to directors for attendance at board and committee meetings in 2021 amounted to € 1.1 million (2020: € 1 million). These amounts are computed on a fixed and variable basis, the variable part being based upon attendance at board and committee meetings.

The key management of the Group, defined as the Senior Leadership Team, received compensation as follows:

Group Management Compensation

€ MILLION	2021	2020
Remuneration including bonuses and other benefits	7	5
Pension benefits	1	1
Share-based compensation plans	2	2
Total	**10**	**8**

The total outstanding amount in respect of share-based payment instruments allocated to key management as at 31 December 2021 were 4,916,470 (2020: 3,843,944).

NOTE 32 – IMPLICATIONS OF COVID-19

The continuing COVID-19 pandemic has had, and continues to have, widespread economic implications across nearly all economic sectors, including our own, and management continues to monitor carefully the impact on different aspects of our financial performance and to respond accordingly to protect the financial interests of the Group.

We have set out our analysis below into four areas of current, or potential, impact:

OPERATIONAL RISK

Overall, COVID-19 has continued to have a pronounced short and medium-term impact, significantly challenging the contract base, renewals and dampening growth across Mobility, Energy, Government, as well as stretching cash flows across much of the industry, and accelerating a restructuring / consolidation process in some parts of the sectors the Group serves.

While the pandemic has impeded the Group's short-term growth, the second half of 2021 has shown the first signs of improvement, with customer's returning to normal service as well as a validation of early indications of a consumer bounce-back with strong appetite for reliable and high-performance connectivity. This has been seen across the Mobility segment as well as in Fixed Data, including interest in ubiquitous rural connectivity, and in Government where connectivity for morale, welfare and recreation has received renewed focus.

The overall revenue decrease versus prior year which can be directly attributed to COVID-19 was € 22 million, all attributed to Networks.

- **Video**
  For Video, the COVID-19 impact was not significant and was mainly related to Sports & Events activities due to the cancellation or postponement of some tournaments and events. However, year-on-year revenues in this area are increasing again in 2021 versus prior year reflecting the return of main tournaments in 2021.
- **Networks**
  For Networks, a year-on-year reduction of € 22 million of revenue is attributable to COVID-19, mainly driven by aero and maritime customers in the Mobility area.

In its business planning, which serves as a basis for the computation of value-in-use amounts in the framework of impairment testing, the revenue and cost projections have been adjusted to reflect the 2021 impact on the Group's operating results of the pandemic and management's best estimate of a likely recovery profile based on the information available at the time of the approval of those plans in December 2021.

RISK TO THE MEASUREMENT OF ASSETS AND LIABILITIES

As noted above, the pandemic has impacted customers in both Video and Networks operations and, in the early stages of the pandemic, the Group worked constructively as a business partner with specific customers to support their financial operations during the periods of enforced restriction of their businesses whilst maintaining and developing the respective business relationships for the longer term. While the impact on the Group's operating cash flow in 2020 was, in aggregate circa € 72 million, the impact in 2021 was relatively insignificant.

LIQUIDITY RISK

After a severe impact on credit spreads in 2020 due to the unknown impact of COVID-19, credit spreads were favourable to investment grade issuers throughout 2021, which has allowed SES to refinance borrowings at favourable rates, as set out >> Note 23. While interest rate increases are possible over the 2022-2024 time horizon, there is currently no elevated refinancing risk for SES related to COVID-19.

The Group manages its liquidity by monitoring the available cash holdings and the forecast cash-flow projections for the business. As of 31 December 2021, the Group has cash and cash equivalents of € 1,049 million, a solid contribution to the 2022 operational cash needs of the Group. Phase 1 C-Band Accelerated Relocation Payments of $ 391 million have been received in December 2021 and the remaining $ 586 million in January 2022 >> Note 33 further bolstering liquidity profile for 2022 and 2023. In addition, the Group has a revolving credit facility for € 1,200 million in place until 2026 which is currently undrawn. Together these sources of immediately available funds represent € 2,249 million.

The continuing strong operating cash flows, the current cash holdings, including C-Band Phase 1 proceeds received in December 2021 and January 2022, the availability of the full revolving credit facility and the continuing access to liquid debt markets indicate to management that there is no significant liquidity risk for the Group at the date of the issuance of these financial statements.

GOING CONCERN RISK

Based on the information presented above, management does not believe that the impact on the Group's activities is such that there is any reason to cast doubt on the Group's ability to continue as a going concern or that there would be a material uncertainty in this regard.

NOTE 33 – C-BAND REPURPOSING

At its Open Commission Meeting held on 28 February 2020, the Federal Communications Commission ('FCC') adopted a Report and Order and Order of Proposed Modification ('the FCC Order') in connection with the clearing of a 300 MHz band of C-band downlink spectrum between 3,700 and 4,000 MHz by December 2025 to support the rapid deployment of terrestrial 5G services in the contiguous United States ('CONUS').

On 26 May 2020, SES officially committed to an accelerated version of the C-band clearing programme proposed in the FCC Order, which aims at ensuring a faster deployment of 5G capabilities in the United States. On 1 June 2020, the FCC's Wireless Telecommunications Bureau confirmed that a sufficient number of eligible space station operators had filed similar accelerated relocation elections, triggering the adoption of the accelerated programme pursuant to the schedule set out below:

- Phase I: By 5 December 2021, SES will relocate all of its commercial services out of the 3,700-3,820 MHz band over the CONUS. This will require making equipment changes on all associated incumbent earth stations located in 46 of the top 50 Partial Economic Areas, supplementing telemetry, tracking and control ("TT&C") operations to enhance two earth stations located in Hawley (Pennsylvania, U.S.A.) and Brewster (Washington, U.S.A.) and beginning the consolidation of gateway services currently located at other SES locations, as well as any customer or user gateway services, to Hawley and / or Brewster.
- Phase II: By 5 December 2023, SES will relocate all its CONUS commercial services out of the full 3,700-4,000 MHz band, making necessary equipment changes on all associated incumbent earth stations located in all CONUS Partial Economic Areas, completing its gateway consolidation to the Hawley and Brewster sites and completing TT&C upgrades across SES teleports.

SES filed its Phase I Certification of Accelerated Relocation with the FCC on 1 October 2021 and an amended certificate on 26 October 2021. The FCC validated the amended certificate on 24 November 2021, at which time the € 839 million ($ 977 million) of Accelerated Relocation Payments were fully earned. SES received the Accelerated Relocation Payments on 29 December 2021 and 3 January 2022.

The Group will receive a further $ 2,991 million (€ 2,641 million) for Phase II if it successfully completes the clearing of the spectrum as described above. In the case of delays in achieving the Phase II spectrum clearing milestone, then the Accelerated Relocation Payments will decrease on a sliding scale to zero over the six-month period beginning 5 December 2023.

The FCC held a public auction for the repurposed spectrum which began on 8 December 2020 with the winning bidders being announced on 24 February 2021.

To facilitate the clearing of the spectrum SES is procuring six C-band satellites and launch vehicles and is consolidating and upgrading its ground facilities to comply with the provisions of the FCC Order. In parallel, customers and affiliated earth stations are being equipped with special filters, new antennae and/or other technology capabilities so that they can be migrated to work with services operating in the remaining 200 MHz of spectrum (between 4,000 MHz and 4,200 MHz) available to satellite operators.

The SES Board of Directors approved an investment envelope of € 1.4 billion ($ 1.6 billion) for the implementation of the accelerated clearing programme including the procurement and launch of the new satellites and other equipment and services described above. SES expects these spectrum clearing costs to be reimbursed by the Clearinghouse which is administering the transition and related payments with FCC oversight.

The C-band spectrum clearing operational activities are headed by a member of the Group's Senior Leadership Team supported by a team of dedicated functional managers and full-time and part-time resources. The financial impact of these operations is monitored as part of the ongoing financial reporting to the Group's management and Board.

The C-band repurposing project is not the result of a contract with a customer and therefore proceeds from the contract are not accounted for as revenue under IFRS 15 – 'Revenue from contracts with customers', but rather as C-band repurposing income. The FCC is a U.S. governmental agency that developed the rules of the auction, including requiring the Group to clear the lower 300 MHz of C-band spectrum and requiring overlay license auction winners to reimburse the Group for reasonable relocation costs and pay the Group accelerated relocation payments if earned in accordance with the FCC Order. In consideration of the substance of the FCC's rulemaking, the Group believes the payments the FCC requires auction winners to make to the Group are akin to a government grant. Accordingly, the Group is applying the requirements of IAS 20 ('Accounting for Government Grants and Disclosure of Government Assistance') to account for the C-band repurposing income related to reimbursements of reasonable relocation costs and accelerated relocation payments.

For capitalised costs related to the procurement of the C-band satellites, launches, and upgraded ground facilities, the Group records credits to the recorded book values of the related asset when the costs have been incurred and the Group has obtained reasonable assurance that the costs will be reimbursed and that it will comply with the requirements attached to the reimbursement. The costs and expected reimbursements recorded in the consolidated statement of financial position under "Assets in the course of construction" >> Note 13 are presented in the table below:

Assets in the course of construction

€ MILLION	Space segment	Ground segment	Total
Cost as at 1 January 2021	**316**	**8**	**324**
Additions	309	28	337
Impact of currency translation	43	1	44
Cost as at 31 December 2021	**668**	**37**	**705**
Expected reimbursements as at 1 January 2021	**(11)**	**–**	**(11)**
Additions	(642)	(36)	(678)
Impact of currency translation	(15)	(1)	(16)
Expected reimbursements as at 31 December 2021	(668)	(37)	(705)
Net balance as at 31 December 2021	**–**	**–**	**–**

In 2021 the Group expended € 337 million of capital expenditures which have been fully offset by expected reimbursements as per the above. Additionally, as per >> Note 13, the Group reclassified € 313 million of assets under construction to other receivables due to the expected reimbursements.

The Group records operating expenses as incurred for both equipment transferred to customers and affiliated earth stations to facilitate their migration to the upper 200 MHz of the C-band and other associated spectrum clearing costs. The Group records C-band repurposing reimbursement income related to these expenses when the expenses have been incurred and the Group has obtained reasonable assurance that the costs will be reimbursed and that it will comply with the requirements attached to the reimbursement.

In both cases, the Group believes it obtains such reasonable assurance when either the Clearinghouse validates the costs as being reimbursable or the costs fall within cost ranges for the applicable costs as published by the FCC in a cost catalogue.

In 2021 the Group recorded C-band repurposing income of € 901 million (2020: € 10 million) including € 839 million of accelerated relocation payments recognised pursuant to the FCC's confirmation of Phase 1 completion. C-band-related expenses of € 122 million (2020: € 43 million) represent cost of sales of € 51 million (2020: € 12 million), accumulated staff costs of € 36 million (2020: € 15 million) and other operating expenses (including travel and consulting charges) of € 35 million (2020: € 16 million).

As at 31 December 2021, in connection with the accelerated relocation payments, operating expenses, and capital expenditures above, the Group has other receivables of € 1,273 million (2020: € 21 million) related to the C-band repurposing project >> Note 16.

Once the accelerated clearing programme had been confirmed, the Group began the amortisation of the remaining balance of deferred charges in connection with the C-band repurposing of € 10 million (31 December 2020: € 14 million). These deferred charges, which are presented under 'Prepayments' in the Statement of Financial Position are to be amortised on a straight-line basis through to the completion of Phase II in December 2023.

SES has entered into procurement agreements with three satellite manufacturers to acquire the six satellites needed to facilitate the repurposing of the C-band spectrum representing an aggregate commitment of € 755 million, out of which € 655 million (2020: € 313 million) is presented under non-current 'Fixed assets suppliers' in the consolidated statement of financial position >> Note 27.

SES's other commitments for C-band repurposing expenditures represent € 8 million (2020: € 52 million).

NOTE 34 – POST-BALANCE SHEET EVENTS

Management notes the recent developments in the Ukraine, and the sanctions being imposed on Russia by many countries as a result. Given the Group's limited direct activities in the region, management's view is that these developments and sanctions are unlikely to have a significant direct adverse impact on the financial results of the Group going forward. Nonetheless, since the situation continues to evolve it remains difficult at this stage to estimate all the direct and indirect impacts which may arise from these emerging developments. Management continues to monitor the developments closely and to take all necessary actions.

There have been no other material events occurring between the reporting date and the date when the consolidated financial statements were authorised by the Board of Directors.

NOTE 35 – ALTERNATIVE PERFORMANCE MEASURES

SES regularly uses alternative performance measures to present the performance of the Group.

These measures may not be comparable to similarly titled measures used by other companies and are not measurements under IFRS or any other body of generally accepted accounting principles, and thus should not be considered substitutes for the information contained in the Group's financial statements.

1) Net debt

Net debt is defined as current and non-current borrowings less cash and cash equivalents, all as disclosed on the consolidated statement of financial position. The Group believes that net debt is relevant to investors, since it gives an indication of the absolute level of non-equity funding of the business. This can be compared to the income and cash flows generated by the business, and available undrawn facilities.

The following table reconciles net debt to the relevant balance sheet line items:

Net Debt

€ MILLION	2021	2020
Borrowings – non-current	3,524	3,317
Borrowings – current	57	613
Borrowings, less	3,581	3,930
Cash and equivalents	1,049	1,162
Net debt	**2,532**	**2,768**

2) EBITDA and EBITDA margin

EBITDA is defined as profit for the period before the impact of depreciation, amortisation, net financing cost and income tax. EBITDA Margin is defined as EBITDA divided by the sum of revenue and C-band repurposing income. The Group believes that EBITDA and EBITDA margin are useful supplemental indicators that may be used to assist in evaluating a Company's operating performance.

The following table reconciles EBITDA to the consolidated income statement line items from which it is derived:

EBITDA

€ MILLION	2021	2020
Profit/(loss) before tax	397	(102)
Add: Depreciation and impairment expense	626	808
Add: Amortisation and impairment expense	768	189
Add: Net financing costs	71	184
EBITDA	**1,862**	**1,079**

The following table provides a reconciliation of EBITDA margin:

EBITDA Margin

€ MILLION	2021	2020
Revenue	1,782	1,876
C-band repurposing income	901	10
EBITDA	1,862	1,079
EBITDA Margin (%)	**69.4%**	**57.2%**

3) Adjusted EBITDA and Adjusted EBITDA margin

Adjusted EBITDA is defined as EBITDA adjusted to exclude significant special items. Significant special items exceeding the threshold of € 5 million at first recognition need to be approved by management and primarily consist of restructuring charges announced in the framework of the Group's 'Simplify and Amplify' programme, and other special factors or distortions linked to the C-band repurposing.

Adjusted EBITDA

€ MILLION	2021	2020
EBITDA	1,862	1,079
Deduct: C-Band repurposing income (>> Note 33)	(901)	(10)
Add: C-Band repurposing expenses (>> Note 33)	122	43
Add: Restructuring expenses (>> Note 24)	8	40
Adjusted EBITDA	**1,091**	**1,152**

Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by revenue. The following table provides a reconciliation of the Adjusted EBITDA Margin:

Adjusted EBITDA Margin

€ MILLION	2021	2020
Revenue	1,782	1,876
Adjusted EBITDA	1,091	1,152
Adjusted EBITDA Margin (%)	**61.2%**	**61.4%**

4) Operating profit and operating profit margin

Operating profit is defined as profit for the year before the impact of net financing charges, income tax, the Group's share of the results of associates and includes any extraordinary line item between revenue and profit before tax in the Group's consolidated income statement. The Group uses operating profit to monitor its financial return after both operating expenses and a charge representing the cost of usage of both its property, plant and equipment and definite-life intangible assets.

The following table reconciles operating profit to the income statement line items from which it is derived:

Operating Profit

€ MILLION	2021	2020
Profit/(loss) before tax	397	(102)
Add: Net financing costs	71	184
Operating profit	**468**	**82**

Operating profit margin is defined as operating profit as a percentage of revenue. SES believes that operating profit margin is a useful measure to demonstrate the proportion of revenue that has been realised as operating profit, and therefore an indicator of profitability.

The following table provides a reconciliation of the operating profit margin:

Operating Profit Margin

€ MILLION	2021	2020
Revenue	1,782	1,876
Operating profit	468	82
Operating profit margin	**26.3%**	**4.4%**

5) Adjusted Net Debt

Adjusted Net Debt is defined as current and non-current borrowings less cash and cash equivalents, all as disclosed on the consolidated financial position and also includes 50% of the Group's € 1.3 billion of the perpetual bonds (consistent with rating agencies' methodology). The Group believes that Adjusted Net Debt is relevant to investors, since it gives an indication of the absolute level of non-equity funding of the business. This can be compared to the income and cash flows generated by the business, and available undrawn facilities.

The following table reconciles Adjusted Net Debt to the relevant line items on the statement of financial position from which it is derived:

Adjusted Net Debt

€ MILLION	2021	2020
Borrowings – non-current	3,524	3,317
Borrowings – current	57	613
Total borrowings	3,581	3,930
50% of the Group's € 1.2 billion (2020: € 1.3 billion) of perpetual bonds	588	650
Less: Cash and cash equivalents	1,049	1,162
Adjusted Net Debt	**3,120**	**3,418**

6) Adjusted EBITDA ratio

The Adjusted Net Debt to Adjusted EBITDA ratio is defined as Adjusted Net Debt divided by Adjusted EBITDA. The Group believes that the Adjusted Net Debt to Adjusted EBITDA ratio is a useful measure to demonstrate to investors its ability to generate the recurring income needed to be able to settle its loans and borrowings as they fall due.

Adjusted Net Debt to Adjusted EBITDA ratio

€ MILLION	2021	2020
Adjusted Net Debt	3,120	3,418
Adjusted EBITDA	1,091	1,152
Adjusted Net debt to Adjusted EBITDA ratio	**2.86 times**	**2.97 times**

7) Adjusted Net Profit and Adjusted Earnings per Share

Adjusted Net Profit is defined as profit or loss of the period attributable to shareholders of the group adjusted to exclude the after-tax impact of significant special items. Significant special items exceeding the threshold of € 5 million on first recognition, need to be approved by management and primarily consist of restructuring charges announced in the framework of the Group's 'Simplify and Amplify' programme, and other special factors or distortions linked to the C-band repurposing, as well as the impairment expenses, including the tax impact of impairment charges on shareholdings arising at SES S.A. or at the subsidiary level.

The tax rate applied to the pre-tax impact of the C-band operating expenses is the US tax rate and the tax rate applied to the restructuring expenses and impairment expenses represents the computed weighted average tax rate of the jurisdictions where the expenses occurred:

Adjusted Net Profit

€ MILLION	2021	2020
Profit/ (loss) of the group attributable to share-holders of the parent	453	(86)
C-band net of income / operating expenses	(779)	33
Restructuring expenses	8	40
Impairment expenses	724	277
(Less)/Add: Total significant special items	**(47)**	**350**
Tax on C-Band operating expenses (net of income), at 21%	164	(7)
Tax on restructuring expenses, at 24% (2020: 22%)	(2)	(9)
Tax on impairment expenses, at 1.8% (2020: 14.4%)	(13)	(40)
Add/(Less): Tax on significant special items	**149**	**(56)**
Less: Tax benefit in respect of impairment expenses on the carrying value of subsidiary investments and other assets eliminated at consolidation level	(232)	(17)
Adjusted Net Profit	**323**	**191**

Adjusted Earnings per Share is the reported earnings share adjusted for the after-tax impact of significant special items as described above. For the year 2021, Adjusted Earnings per Share of € 0.63 per Class A share (2020: € 0.31), and € 0.25 per Class B share (2020: € 0.13) have been calculated on the following basis:

Adjusted Earnings for computation of adjusted earnings per share

€ MILLION	2021	2020
Adjusted Net Profit	323	191
Assumed coupon on perpetual bond (net of tax)	(41)	(49)
Total	**282**	**142**

The weighted average number of shares, net of own shares held, for calculating Adjusted Earnings per Share – unchanged from the numbers of shares applied in the calculation of basic earnings per share:

Weighted average number of shares

€	2021	2020
Class A shares (in million)	369.7	378.4
Class B shares (in million)	189.2	191.7
Total	**558.9**	**570.1**

Adjusted Earnings per Share

€	2021	2020
Class A shares	0.63	0.31
Class B shares	0.25	0.13

8) Free cash flow before dividend and treasury activities

Free cash flow before financing activities is defined as net cash generated by operating activities, adjusted for the net cash absorbed by investing activities. In addition, free cash flow before dividend and treasury activities considers the effect of the coupon paid on perpetual bond, interest paid on borrowings and lease payments on the computed free cash flow before financing activities. The Group believes that the free cash flow before dividend and treasury activities is relevant to the investors, since it gives an indication of the Group's ability to generate cash after payment taxes and other committed financing charges.

Free Cash Flow

€ MILLION	2021	2020
Net cash generated by operating activities	1,294	1,049
Net cash absorbed by investing activities	(283)	(217)
Free cash flow before financing activities	**1,011**	832
Interest paid on borrowings	(121)	(152)
Lease payments	(14)	(15)
Free cash flow before equity distributions and treasury activities	**876**	**665**

NOTE 36 – CONSOLIDATED SUBSIDIARIES, ASSOCIATES

The consolidated financial statements include the financial statements of the Group's subsidiaries and associates listed below:

Group's Subsidiaries and Associates

	Economic interest (%)		Method of consolidation	
	2021	2020	2021	2020
SES ASTRA S.A., Luxembourg	100	100	Full	Full
SES Global-Americas Inc., U.S.A.	100	100	Full	Full
SES Global Americas Holdings General Partnership, U.S.A.	100	100	Full	Full
SES Participations S.A., Luxembourg	100	100	Full	Full
SES Finance S.à r.l., Luxembourg	100	100	Full	Full
SES Holdings (Netherlands) B.V., Netherlands	100	100	Full	Full
SES Astra Services Europe S.à r.l., Luxembourg[3]	100	100	Full	Full
SES Latin America S.à r.l., Luxembourg[3]	100	100	Full	Full
SES Belgium S.p.r.l, Belgium[2]	–	100	–	Full
SES Insurance International (Luxembourg) S.A., Luxembourg	100	100	Full	Full
SES Insurance International Re (Luxembourg) S.A., Luxembourg	100	100	Full	Full
SES Networks Lux S.à r.l., Luxembourg	100	100	Full	Full
Ciel Satellite Holdings Inc., Canada[2]	–	100	–	Full
Ciel Satellite Limited Partnership, Canada[2]	–	100	–	Full
Northern Americas Satellite Ventures, Inc., Canada	100	100	Full	Full
SES TechCom S.A., Luxembourg	100	100	Full	Full
Redu Operations Services S.A., Belgium	48	48	Equity	Equity
Redu Space Services S.A., Belgium	52	52	Full	Full
HD Plus GmbH, Germany	100	100	Full	Full
SES Germany GmbH, Germany	100	100	Full	Full
SES Media Solutions GmbH, Germany	100	100	Full	Full
MX1 (Thailand) Ltd, Thailand[2]	100	100	Full	Full
PT MX1 Smartcast Indonesia, Indonesia	100	100	Full	Full
ASTRA Deutschland GmbH, Germany	100	100	Full	Full
SES ASTRA Iberica S.A., Spain[2]	–	100	–	Full

	Economic interest (%)		Method of consolidation	
	2021	2020	2021	2020
ASTRA France S.A., France	100	100	Full	Full
ASTRA (GB) Limited, United Kingdom	100	100	Full	Full
ASTRA CEE Sp. z o.o, Poland[2]	100	100	Full	Full
SES ASTRA (Romania) S.r.l., Romania	100	100	Full	Full
SES HD Plus Ghana Limited Company), Ghana	84.7	84.7	Full	Full
SES ENGINEERING (Luxembourg) S.à r.l., Luxembourg	100	100	Full	Full
SES ASTRA AB, Sweden	100	100	Full	Full
Sirius Satellite Services SIA, Latvia	100	100	Full	Full
SES SIRIUS Ukraina, Ukraine	100	100	Full	Full
SES-10 S.à r.l., Luxembourg	100	100	Full	Full
LuxGovSat S.A., Luxembourg	50	50	Full	Full
SES Satellite Leasing Ltd, Isle of Man[2]	100	100	Full	Full
Al Maisan Satellite Communications Company LLC, UAE	35	35	Full	Full
Satellites Ventures (Bermuda) Ltd, Bermuda	50	50	Full	Full
SES ASTRA Africa Proprietary Limited, South Africa	100	100	Full	Full
SES AMERICOM Inc., U.S.A.	100	100	Full	Full
SES Telecomunicações do Brasil Ltda., Brazil	100	100	Full	Full
SES Government Solutions, Inc., U.S.A.	100	100	Full	Full
Sistemas Satelitales de Mexico, S. de R.L. de C.V., Mexico	100	100	Full	Full
SES Telecommunicaciones de Mexico S. de R.L. de C.V., Mexico	100	100	Full	Full
SES Satellites International, LLC, U.S.A.	100	100	Full	Full
SES Satellites (Gibraltar) Ltd., Gibraltar	100	100	Full	Full
SES AMERICOM (Asia 1A) LLC, U.S.A.	100	100	Full	Full
AMERICOM Asia Pacific LLC, U.S.A.	100	100	Full	Full
QuetzSat Directo S. de R.L. de C.V., Mexico	100	100	Full	Full
SES Engineering (US) Inc., U.S.A.	100	100	Full	Full

	Economic interest (%)		Method of consolidation	
	2021	2020	2021	2020
AOS Inc., U.S.A.[2]	–	100	–	Full
QuetzSat S. de R.L. de C.V., Mexico	100	100	Full	Full
Satelites Globales S. de R.L. de C.V., Mexico	100	100	Full	Full
SES Satelites Directo Ltda, Brazil	100	100	Full	Full
SES DTH do Brasil Ltda, Brazil	100	100	Full	Full
SES Satélites Ibérica, S.L. (formerly SES Global South America Holding, S.L.), Spain	100	100	Full	Full
New Skies Satellites B.V., The Netherlands	100	100	Full	Full
SES Engineering (Netherlands) B.V., The Netherlands	100	100	Full	Full
New Skies Satellites, LLC, U.S.A.	100	100	Full	Full
New Skies Satellites Mar B.V., The Netherlands	100	100	Full	Full
New Skies Satellites Ltda, Brazil	100	100	Full	Full
SES New Skies Marketing B.V., The Netherlands	100	100	Full	Full
New Skies Satellites Argentina B.V., The Netherlands	100	100	Full	Full
New Skies Satellites Australia Pty Ltd, Australia	100	100	Full	Full
New Skies Satellites Licensee B.V., The Netherlands	100	100	Full	Full
SES Asia S.à r.l., Luxembourg[3]	100	100	Full	Full
SES Finance Services AG, Switzerland	100	100	Full	Full
SES World Skies Singapore Pte Ltd, Singapore	100	100	Full	Full
O3b Networks Limited, Jersey, Channel Islands	100	100	Full	Full
O3b Limited, Jersey, Channel Islands	100	100	Full	Full
O3b Africa Limited, Mauritius[2]	100	100	Full	Full
O3b Sales B.V., The Netherlands	100	100	Full	Full
O3b Networks USA LLC, U.S.A.	100	100	Full	Full
O3b Teleport Services (Australia) Pty Limited, Australia	100	100	Full	Full
O3b Teleport Serviços (Brasil) Ltda, Brasil	100	100	Full	Full
O3b Networks (Brasil) Ltda, Brasil	100	100	Full	Full
O3b Services (Portugal) Ltda, Portugal	100	100	Full	Full
O3b Teleport Services (Peru) SAC, Peru	100	100	Full	Full
SES mPOWER S.à r.l., Luxembourg	100	100	Full	Full
SES Networks Satellites S.à r.l., Luxembourg	100	100	Full	Full

	Economic interest (%)		Method of consolidation	
	2021	2020	2021	2020
West Africa Platform Services Ltd, Ghana	49	49	Full	Full
MX1 Ltd, Israel	100	100	Full	Full
MX1 LLC, U.S.A.[4]	100	100	Full	Full
GSN GoSat Distribution Network Ltd, Cyprus[2]	100	100	Full	Full
EMP Media Port Ltd, Cyprus[2]	100	100	Full	Full
SES Services Romania S.R.L., Romania	100	100	Full	Full
MX1 Korea Ltd., Korea[2]	–	100	–	Full
SES-17 S.à r.l., Luxembourg	100	100	Full	Full
SES Defence UK Ltd, United Kingdom	100	100	Full	Full
SES Techcom Afrique S.A. S.U., Burkina Faso	100	100	Full	Full
SES Satellite Nigeria Limited, Nigeria	100	100	Full	Full
SES Networks GmbH, Germany	100	100	Full	Full
SES Satellites India Private Limited, India	100	100	Full	Full
SES 5G Customer Services LLC, U.S.A.	100	100	Full	Full
SES US Satellite Holdings LLC, U.S.A.	100	100	Full	Full
SES Telecomunicaciones de Colombia S.A.S., Colombia	100	100	Full	Full
SES Telecomunicaciones de Colombia Zona Franca S.A.S., Colombia[2]	100	100	Full	Full
SES Telecomunicaciones de Chile SpA, Chile	100	100	Full	Full
SES LU Satellite Holdings S.à r.l., Luxembourg	100	100	Full	Full
Luxembourg Space Sector Development General Partner S.à r.l, Luxembourg[1]	100	–	Full	–
Luxembourg Space Sector Development SCSp, Luxembourg[1]	50	–	Full	–
SES LU US Holdings S.à r.l, Luxembourg[1]	100	–	Full	–

1 Entity created in 2021
2 Entity sold, merged, liquidated, or merger or liquidation process initiated, in 2021
3 Change in legal form of entity in 2021 from S.A. to S.à r.l.
4 Change in legal form of entity in 2021 from Inc to LLC.

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SES S.A. ANNUAL ACCOUNTS

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This version of the SES S.A. annual accounts has been prepared based on the ESEF version, which is the only authoritative one.

AUDIT REPORT

To the Shareholders of SES S.A.

REPORT ON THE AUDIT OF THE ANNUAL ACCOUNTS

OUR OPINION

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of SES S.A. (the "Company") as at 31 December 2021, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Our opinion is consistent with our additional report to the Audit and Risk Committee.

What we have audited

The Company's annual accounts comprise:

- the balance sheet as at 31 December 2021;
- the profit and loss account for the year then ended;
- the statement of changes in shareholders' equity as at 31 December 2021; and
- the notes to the annual accounts, which include a summary of significant accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of the EU Regulation No 537/2014.

The non-audit services that we have provided to the Company and its controlled undertakings, if applicable, for the year then ended, are disclosed in Note 19 to the annual accounts.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of the shares in affiliated undertakings

The Company has investments in shares in affiliated undertakings in net amount of 5,032 million EUR (see >> Note 3), which includes 2,187 million EUR of value adjustments recorded during the year then ended.

Management's assessment of the recoverable amount of investments in subsidiaries requires significant judgement in the determination of the level at which the investments in affiliated undertakings are tested for impairment taking into account the substance of the business activity, interdependency of the cash flows between the different subsidiaries and their level of integration.

Moreover, the determination of the recoverable value requires significant estimates as it relates to the estimation of the forecasted cash flows and of the discount rates and long-term growth rates.

We focused on this area due to the inherent complexity and judgement in the estimate for the recoverable amount of the investments in affiliated undertakings and the materiality of the balance.

How our audit addressed the key audit matter

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Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256) R.C.S. Luxembourg B 65 477 - TVA LU25482518

- We tested the design and implementation of relevant internal controls;
- We evaluated Management's methodology used to estimate the recoverable amount of the investments in affiliated undertakings. To that effect, we noted that Management has grouped certain undertakings together for the purposes of testing them for impairment in order to appropriately reflect the substance of the activity, interdependency of cash flows and the level of integration of their operations;
- We evaluated, where Management planned a divestiture/restructuring at undertaking level, the impact on the recoverable amount determined at the individual affiliated undertaking level;
- When Management has grouped certain undertakings together for the purposes of testing them for impairment, we involved valuation specialists and independently recalculated the weighted average cost of capital based on the use of market date and challenged the long-term growth rate applied based on market data;
- We agreed the forecasted cash flows used for the determination of the recoverable value to the 2022 Business Plan as approved by the Board of Directors;
- We evaluated the forecasted revenue and costs assumptions, considering our expectations in terms of significant developments during the forecast period (significant new contracts or loss thereof) and corroborated these with market data in respect of demand for satellite capacity and pricing;
- We evaluated the capital expenditure assumptions, considering our expectations in terms of significant developments during the forecast period (capital expenditure programs, replacement of satellites) and the expected capital expenditure level in terminal period in order to maintain the current assets base;
- We performed sensitivity analysis of the models to changes in the key assumptions;
- When Management has undertaken the testing for impairment at individual affiliated undertaking level, we have obtained the related independent valuation reports and evaluated the related value adjustment calculations where required;
- We considered the appropriateness of the disclosures in >> Note 3 to the annual accounts.

OTHER INFORMATION

The Board of Directors is responsible for the other information. The other information comprises the information stated in the management report and the Corporate Governance Statement but does not include the annual accounts and our audit report thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE ANNUAL ACCOUNTS

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

The Board of Directors is responsible for presenting the annual accounts in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

RESPONSIBILITIES OF THE "RÉVISEUR D'ENTREPRISES AGRÉÉ" FOR THE AUDIT OF THE ANNUAL ACCOUNTS

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

We assess whether the annual accounts have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the management report. The information required by Article 68ter Paragraph (1) Letters c) and d) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We have been appointed as "Réviseur d'Entreprises Agréé" by the General Meeting of the Shareholders on 1 April 2021 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 9 years.

We have checked the compliance of the annual accounts of the Company as at 31 December 2021 with relevant statutory requirements set out in the ESEF Regulation that are applicable to annual accounts.

For the Company it relates to the requirement that annual accounts are prepared in a valid XHTML format.

In our opinion, the annual accounts of the Company as at 31 December 2021, identified as "SES Annual report -2021-12-31-en", have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

PricewaterhouseCoopers, Société coopérative
Represented by

François Mousel Luxembourg, 2 March 2022

BALANCE SHEET

As at 31 December 2021

Assets

EUR MILLION	Note	2021	2020
Fixed Assets			
Intangible assets		0.4	0.7
Payments on account and intangible assets under development	2.2.1	4.1	–
Financial assets	2.2.2, 3		
Shares in affiliated undertakings	3 a	5,032.0	7,171.0
Loans to affiliated undertakings	3 b	3,252.7	3,430.5
		8,289.2	10,602.2
Current Assets			
Debtors	2.2.6		
Amounts owed by affiliated undertakings			
becoming due and payable within one year	4 a	3,416.3	1,288.4
becoming due and payable after one year	4 a	287.1	773.5
Other debtors			
becoming due and payable within one year	4 b	16.6	1.7
Investments			
Own shares	2.2.3, 5	54.0	35.1
Cash at bank and cash in hand		935.1	1,020.6
		4,709.1	3,119.3
Prepayments	2.2.4	35.3	45.7
Total assets		**13,033.6**	**13,767.2**

The accompanying notes form an integral part of the annual accounts.

Liabilities

EUR MILLION	Note	2021	2020
Capital and reserves			
Subscribed capital	6	719.0	719.0
Share premium account		1,890.2	1,890.2
Reserves			
Legal reserve	7	71.9	71.9
Reserve for own shares	8	54.0	35.1
Profit brought forward		2,776.8	2,471.0
Profit for the financial year		(428.7)	508.8
		5,083.2	5,696.0
Creditors	2.2.8		
Debenture loans - Non convertible loans	9		
becoming due and payable within one year		65.9	669.3
becoming due and payable after more than one year		4,639.4	4,512.4
Amounts owed to credit institutions	9		
becoming due and payable within one year		40.2	40.7
becoming due and payable after more than one year		–	40.2
Trade creditors			
becoming due and payable within one year		1.0	0.7
Amounts owed to affiliated undertakings	9		
becoming due and payable within one year		1,626.8	1,423.5
becoming due and payable after more than one year		587.3	614.7
Other creditors			
Tax authorities	10	–	0.3
Social security authorities		0.4	0.5
Other creditors	11		
becoming due and payable within one year		711.8	4.8
payable after more than one year		277.6	764.1
		7,950.4	8,071.2
Total liabilities (Capital, Reserves, Liabilities)		**13,033.6**	**13,767.2**

The accompanying notes form an integral part of the annual accounts.

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2021

Profit and Loss Account

EUR MILLION	Note	2021	2020
Other operating income	12	27.3	18.5
Raw material and consumables and other external expenses			
Other external expenses	12	(28.8)	(34.0)
Staff costs	13		
Wages and salaries		(15.6)	(15.2)
Social security costs			
relating to pensions		(1.7)	(1.5)
other social security costs		(0.6)	(0.2)
Other staff costs		(0.1)	(0.2)
Other operating expenses		(3.0)	(6.0)
Income from participating interest			
derived from affiliated undertakings	2.2.5, 14	1,896.8	959.0
Income from other investments and loans forming part of fixed assets			
derived from affiliated undertakings	15	85.0	98.9
Other interest receivable and similar income			
derived from affiliated undertakings	16 a	40.5	32.3
other interest and similar income	16 b	228.6	164.0
Value adjustment in respect of financial assets and of investments held as current assets	17	(2,252.2)	(240.2)
Interest payable and similar expenses			
concerning affiliated undertakings	18 a	(29.5)	(28.5)
other interest and similar expenses	18 b	(375.0)	(437.9)
Tax on profit or loss		(0.4)	–
Other tax not shown under the previous items		–	(0.2)
Profit or loss for the financial year		**(428.7)**	**508.8**

The accompanying notes form an integral part of the annual accounts.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

As at 31 December 2021

Statement of Changes in Shareholders' Equity

EUR MILLION	Subscribed capital	Share premium	Legal reserve	Other reserves*	Result for the year	Total
At 1 January 2020	719.0	1,890.2	71.9	2,180.4	509.8	**5,371.3**
Allocation of result	–	–	–	509.8	(509.8)	**–**
Distribution of dividends	–	–	–	(184.1)	–	**(184.1)**
Other movements	–	–	–	–	–	**–**
Profit for the financial year	–	–	–	–	508.8	**508.8**
At 31 December 2020	**719.0**	**1,890.2**	**71.9**	**2,506.1**	**508.8**	**5,696.0**
At 1 January 2021	719.0	1,890.2	71.9	2,506.1	508.8	**5,696.0**
Allocation of result	–	–	–	508.8	(508.8)	**–**
Distribution of dividends	–	–	–	(184.1)	–	**(184.1)**
Profit for the financial year	–	–	–	–	(428.7)	**(428.7)**
At 31 December 2021	**719.0**	**1,890.2**	**71.9**	**2,830.8**	**(428.7)**	**5,083.2**

* Including reserves for own shares, other non available reserves and profit brought forward.

The accompanying notes form an integral part of the annual accounts.

NOTES TO THE ANNUAL ACCOUNTS

As at 31 December 2021

NOTE 1 – GENERAL INFORMATION

SES S.A. (hereafter 'SES' or 'the Company') was incorporated on 16 March 2001 as a limited liability company (Société Anonyme) under the laws of the Grand-Duchy of Luxembourg for an unlimited period.

The registered office of the Company is established at the Château de Betzdorf, L-6815 Betzdorf, Luxembourg.

The purpose of the Company is to take generally any interest whatsoever in electronic media and to be active, more particularly, in the communications area via satellites and to invest, directly or indirectly, in other companies that are actively involved in the satellite communication industry.

The accounting period of the Company is from 1 January to 31 December.

The Company has a 99.94% interest in a partnership, SES Global Americas Holdings GP, whose accounts are integrated into those of the Company to the level of its share in the partnership.

The Company prepares consolidated financial statements for the SES Group which are drawn up in accordance with International Financial Reporting Standards as endorsed by the European Union ('IFRS') and are published according to the provisions of the Luxembourg law.

Article 65, Paragraph (1) 2° of the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings (the "Law") requires the disclosure of the amount of capital and reserves and profit and loss for the last financial year of each affiliated undertaking. In conformity with Art.67 (3) of the Law, these details have been omitted as the Company prepares consolidated accounts and these consolidated accounts, and the related consolidated management report and auditors' report thereon, have been lodged with the Luxembourg Trade Registry.

The Company's Fiduciary Deposit Receipts ('FDRs') have been listed on the Luxembourg Stock Exchange since 1998 and on Euronext Paris since 2004 under the symbol SESG. FDRs can be traded freely and are convertible into an equal number of Class A shares at any time, and at no cost, at the option of the holder under the conditions applicable in the Company's articles of association, and in accordance with the terms of the FDRs.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND VALUATION RULES

2.1. BASIS OF PREPARATION

The annual accounts are prepared in accordance with the Luxembourg legal and regulatory requirements under the historical cost convention relating to the preparation and presentation of the annual accounts.

Accounting policies and valuation rules are, besides the ones laid down by the amended Law of 19 December 2002, determined and applied by the Board of Directors.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions are changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

Management makes estimates and assumptions that may affect the reported amounts of assets and liabilities in the next financial year(s). Estimates and judgments are regularly re-evaluated, and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.2. SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies and valuation rules applied by the Company are the following:

2.2.1. Intangible assets
Amounts related to the development of software and other related expenses, are included in the balance sheet when incurred. Development expenditure is capitalised when its future recoverability can be regarded as assured. The expenditure is transferred to assets in use, and depreciation commences, when the resulting asset is put into service.

2.2.2. Financial assets
Shares in affiliated undertakings held by the Company are recorded at acquisition cost.

In the case of a permanent diminution in the value of a financial fixed asset in the opinion of the Board of Directors, a value adjustment is made such that the investment is valued at the lower figure. Value adjustments are not maintained if the reasons for which they were made have ceased to apply.

In some instances, where the Board of Directors believes that it is more appropriate under the circumstances and better reflects the substance of the activity, the interdependency of cash flows between SES subsidiaries, and their level of integration, have been considered in assessing the carrying value of the financial assets.

However, as set out in >> Note 3, where a contractual disposal of an investment included in one of the cash-generating units triggers the recognition of a book loss then this loss is recorded by the Company in the result of the period when the transaction was approved and the magnitude of the loss was ascertained.

In those instances, investments in certain undertakings have been grouped together for the purposes of testing them for impairment – similarly to cash generating units ('CGUs') as defined in IAS 36 "Impairment of Assets" under IFRS.

Loans to affiliated undertakings are valued at their nominal value. Value adjustments are recorded on loans which appear to be partly or wholly irrecoverable. These value adjustments are not maintained if the reasons for which they were made have ceased to apply.

2.2.3. Investments – own shares

Own shares are recorded at acquisition cost, including expenses incidental thereto. At the balance sheet date, own shares are valued at the lower of acquisition cost and a valuation calculated based on weighted average cost or market value.

A value adjustment is recorded where the market value is lower than the acquisition cost. These value adjustments are not maintained if the reasons for which the value adjustments were made have ceased to apply.

2.2.4. Prepayments

Prepayments represent expenditures incurred during the financial year but relating to a subsequent financial year.

Loan origination costs are recorded at their nominal value, and are presented as prepayments. These costs are amortised over the remaining estimated loan periods based on the Company's financing strategy.

2.2.5. Dividends paid and received

Dividends are declared after the annual accounts for the year have been approved. Accordingly, dividends payable are recorded in the subsequent year's annual accounts. Dividends receivable on own shares are recorded as income in the year in which the dividend is approved.

Dividends receivable from affiliated undertakings are recorded as income in the year in which they are approved by the subsidiary.

2.2.6. Debtors

Debtors are recorded at their nominal value. They are subject to value adjustments where their recovery is uncertain. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

2.2.7. Foreign currency translation

The Company maintains its books and records in euro (EUR). Transactions expressed in currencies other than the euro are translated into euros at the exchange rates effective at the time of the transaction.

Except for fixed assets, all assets and liabilities denominated in foreign currencies are converted at the rate of exchange ruling at the balance sheet date. Realised and unrealised gains and losses are recognised in the profit and loss account.

Fixed assets acquired in currencies other than euro, except for the loans to affiliated undertakings, which are classified as fixed assets, are translated into euro at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historical exchange rates.

The foreign exchange result for the year has been presented on a net basis.

2.2.8. Creditors

Debenture loans and amounts owed to credit institutions are recorded at their reimbursement value. Where the amount repayable is greater than the amount received, then the difference is shown as an asset and is written off over the period of the debt based on a straight-line basis over the term of the borrowing.

2.2.9. Share-based compensation

Employees of the Company receive remuneration in the form of share-based compensation payments, whereby employees render services to the Company as consideration for equity instruments.

Four share-based payment schemes have been established by the Company and are available to members of the Company's staff and to employees of the SES Group:

Equity settled plans:

- The Stock Appreciation Rights Plan ('STAR Plan')
- Executive Incentive Compensation Plan ('EICP')
- Long-Term Incentive Programme ('LTIP')

Cash settled plan:

- Simulated Restricted Stock Units plan ('SRSU Plan')

A charge, representing the difference between the acquisition cost of own shares and exercise price is recognised in the profit and loss account on the exercising of share option/shares.

The SRSU Plan was inaugurated in 2017 and is replacing prospectively the Star Plan. SRSUs are delivered on 1 June following a three-year vesting period. Delivery occurs through a gross cash payment in the June payroll cycle instead of in SES FDR's.

For the cash settled plan, a charge corresponding to the number of SRSUs outstanding at the share price on 31 December 2021 is recognised in the profit and loss account on a pro-rata basis over the vesting period and is presented as wages and salaries in the profit and loss account. A corresponding liability is recorded and presented in the balance sheet as other creditors.

NOTE 3 – FINANCIAL ASSETS

A) SHARES IN AFFILIATED UNDERTAKINGS

Movement in Shares in Affiliated Undertakings

EUR MILLION	2021	2020
Historic cost:		
As at 1 January:	7,275.7	7,761.1
Increase	97.0	–
Decrease	(49.3)	(485.4)
As at 31 December	**7,323.4**	**7,275.7**
Accumulated value adjustments		
As at 1 January	(104.7)	(104.7)
Increase	(2,186.7)	–
As at 31 December	**(2,291.4)**	**(104.7)**
Net book value:		
As at 1 January	7,171.0	7,656.4
As at 31 December	**5,032.0**	**7,171.0**

In 2021, the increase in historic cost represents a share premium contribution to SES Holdings (Netherlands) B.V. in the amount of EUR 76.5 million and a contribution in kind to SES Global – Americas, Inc. of EUR 20.5 million. The decrease represents a share premium reduction in SES Finance S.à r.l in the amount of EUR 28.8 million and in SES Holdings (Netherlands) B.V. of EUR 20.5 million.

In 2021, the increase in accumulated value adjustments represents an impairment of investments in SES Global – Americas, Inc. of EUR 578.9 million, in SES Finance S.à r.l of EUR 1,502.1 million, in SES Participations S.A. of EUR 85.5 million and in SES Astra A.B. of EUR 20.2 million.

In 2020, the decrease in historic cost represents a share premium reduction in SES Holdings (Netherlands) B.V. in the amount of EUR 418.8 million, and a share capital reduction in SES Astra Services Europe in the amount of EUR 66.6 million.

As at 31 December 2021, the Company held the following investments:

Net book value

Net book value	Incorporation in		2021	2020
SES Global – Americas, Inc.	United States	99.94%	2,919.2	3,477.6
SES Finance S.à r.l	Luxembourg	100%	12.1	1,543.0
SES Holdings (Netherlands) B.V. [1]	Netherlands	100%	878.6	822.6
SES Astra S.A.	Luxembourg	100%	1,046.8	1,046.8
SES Participations S.A.	Luxembourg	100%	21.3	106.8
SES Insurance International Re (Luxembourg) S.A.	Luxembourg	100%	90.3	90.3
SES Astra A.B.	Sweden	32.34%	29.9	50.1
SES Insurance International (Luxembourg) S.A.	Luxembourg	100%	15.2	15.2
SES Latin America S.A.	Luxembourg	100%	18.6	18.6
Total			**5,032.0**	**7,171.0**

EUR MILLION

1 SES Holdings (Netherlands) B.V. has a 100% direct ownership of the entity New Skies Satellites B.V. and 100% indirect ownership of the entity O3b Networks Limited. Therefore for impairment testing purposes the investment is allocated between the SES GEO and SES MEO cash generating units.

Management identified the following CGUs for the purpose of impairment testing:

- SES GEO operations ('SES GEO') and
- SES MEO operations ('SES MEO').

Compared to 2020, MX1 and other service businesses ('Services') have been integrated within the 'SES GEO' CGU since MX1 as a business has been increasingly integrated with the Video element of the Group's 'SES GEO operations' over the last two years. Entities not directly connected to a CGU have been considered out of scope: SES Participations S.A., SES Insurance International Re (Luxembourg) S.A. and SES Insurance International (Luxembourg) S.A..

The investment in SES Holdings (Netherlands) B.V., amounting to EUR 878.6 million (2020: EUR 822.6 million), includes both SES GEO and SES MEO operations and was considered accordingly for impairment testing purposes.

Impairment testing for SES GEO

Affiliated undertakings listed under "SES GEO" form part of the "SES GEO operations" business of the SES Group. They are aggregated into one CGU for the purpose of testing their carrying values for impairment, considering the interdependency of their cash flows and their level of integration >> see Note 2. Loans to and from affiliated undertakings which are part of SES GEO are added to the carrying values of the shares in affiliated undertakings for impairment testing.

The value-in-use of this CGU is determined based on a calculation using the most recent business plan information approved by the Board of Directors which covers a period of five years.

The Company holds a 99.94% interest in a partnership, SES Global Americas Holdings GP ("the DGP"), whose accounts are integrated into those of the Company to the level of its share in the partnership. The DGP is the 100% owner of the Company's interest in SES Global – Americas, Inc.. In 2021, management decided to convert the DGP from a partnership into a separate U.S. corporate entity ("Inc."). This transaction will likely occur with an effective date in H1 2022 and an independent valuation of the DGP was performed in this respect.

Based on this valuation it is expected that the conversion of the DGP, and subsequent disposal of the Company's interest in the new corporate vehicle to an intermediate holding company, will result in a value adjustment on the disposal of the interest being recorded by the Company. As this transaction had been formally approved by SES management before the year end, and a specific permanent impairment has been identified, management has recorded a corresponding impairment charge as at 31 December 2021.

Whilst the interest is part of the Company's portfolio of shareholdings included in the SES GEO CGU, SES management believes that because this loss arises from an actual share transaction, the loss should be recorded in the books of the Company, rather than the alternative treatment of attributing the previous carrying value of the interest to the Company's shareholding in the new intermediate holding company.

As such EUR 578.9 million value adjustment was recorded against the Company's interest in SES Global-Americas Inc.. The independent valuation included a valuation of the DGP's 32.34% equity interest in SES Astra A.B, resulting in an additional EUR 20.2 million value adjustment being recorded on the Company's interest in that affiliated undertaking.

Also in 2021, SES Satellite Leasing Limited, a subsidiary of SES Finance S.à r.l, transfered its business from the Isle of Man to Luxembourg. Following the transfer, SES Satellite Leasing Limited reduced its share premium and distributed it together with the gain on the sale of its business in form of a dividend via SES Finance S.à r.l up to the Company >> see Note 14. Following the distribution, the investment in SES Finance S.à r.l was impaired in the amount of EUR 1,502.1 million.

Impairment testing for SES MEO operations

SES MEO operations, representing the O3b Networks business acquired in 2016, is considered a separate CGU, as the business currently generates cash inflows that are largely independent from SES GEO operations.

For the SES MEO CGU, the impairment test period was extended beyond the five-year business plan period, to 2034. This extension was deemed necessary to fully capture the contracted capital expenditure and expected growth of the business in connection with the O3b mPOWER constellation, which is scheduled to launch during the period 2022 - 2024, as well as to properly reflect the timing of replacement capital expenditure.

The pre-tax discount rate applied for 2021 was 8.13% (2020: 7.97%) and was selected to reflect market interest rates and commercial spreads; the capital structure of businesses in the CGU's business sector; and the specific risk profile of the businesses concerned. The terminal growth rate used in the valuations was 2.0% (2020: 2.0%), which reflects the most recent long-term planning assumptions approved by the Board of Directors and can be supported by reference to the trading performance of the companies concerned over a longer period.

B) LOANS TO AFFILIATED UNDERTAKINGS

Loans to affiliated undertakings as of 31 December 2021 consist of:

Loans to Affiliated Undertakings as of 31 December 2021

Counterparty	Principal and accrued interest 31 December 2021 (EUR million)	Maturity	Interest rate
SES Astra S.A.	800.0	October-30	0.64%
SES-10 S.à r.l.	60.0	Jan-32	0.41%
SES Networks Lux S.à r.l.	874.9	October-29	3.33%
SES Networks Satellites S.à r.l.	424.6	October-29	3.33%
New Skies Satellites B.V.	199.5	November-23	3.14%
New Skies Satellites B.V.	367.7	November-23	3.14%
New Skies Satellites B.V.	4.9	December-24	3.14%
New Skies Satellites B.V.	229.4	December-32	3.14%
SES Holdings (Netherlands) B.V.	170.3	October-24	3.14%
SES Holdings (Netherlands) B.V.	90.5	December-24	3.14%
SES Holdings (Netherlands) B.V.	30.9	December-24	3.14%
Total	**3,252.7**		

The Company does not consider any balances on its loans to affiliates as being irrecoverable as at 31 December 2021.

Loans to affiliated undertakings as of 31 December 2020 consist of:

Loans to Affiliated Undertakings as of 31 December 2020

Counterparty	Principal and accrued interest 31 December 2020 (EUR million)	Maturity	Interest rate
SES Astra S.A.[1]	900.0	October-30	0.64%
HD Plus GmbH	30.5	October-22	4.50%
SES-10 S.à r.l.	66.7	November-22	0.41%
SES Americom Inc.	268.7	June-22	2.93%
SES Networks Lux S.à r.l.	782.1	October-29	3.33%
SES Networks Satellites S.à r.l.	379.6	October-29	3.33%
New Skies Satellites B.V.	179.6	November-23	3.87%
New Skies Satellites B.V.	331.0	November-23	3.87%
New Skies Satellites B.V.	4.6	December-24	3.87%
New Skies Satellites B.V.	214.5	December-24	3.87%
SES Holdings (Netherlands) B.V.	156.3	October-24	3.87%
SES Holdings (Netherlands) B.V.	84.4	December-24	3.87%
SES Holdings (Netherlands) B.V.	28.6	December-32	3.87%
SES DTH do Brasil Ltda	1.3	May-23	5.77%
SES DTH do Brasil Ltda	0.3	May-23	4.38%
SES DTH do Brasil Ltda	0.3	May-22	4.10%
SES DTH do Brasil Ltda	0.6	June-22	3.97%
SES DTH do Brasil Ltda	0.5	September-22	4.23%
SES DTH do Brasil Ltda	0.3	June-23	5.01%
SES DTH do Brasil Ltda	0.3	August-23	5.32%
SES DTH do Brasil Ltda	0.3	November-23	5.48%
Total	**3,430.5**		

1 In the framework of a corporate restructuring exercise, ten Luxembourg satellite companies were merged into SES Astra S.A. on 1 October 2020. All loans between those satellite entities and the Company were settled and replaced on 1 October 2020 by a new loan between the Company and SES Astra S.A., with a principal amount of EUR 1,000 million.

NOTE 4 – DEBTORS

A) AMOUNTS OWED BY AFFILIATED UNDERTAKINGS

The SES Group operates a centralised treasury function at the level of the Company, including a cash-pooling mechanism, which manages the Group's liquidity and optimises its funding costs.

Amounts owed by affiliated undertakings as at 31 December 2021 consist of:

Amounts owed by Affiliated Undertakings

EUR MILLION	2021	2020
Becoming due and payable within one year		
Intercompany current accounts	2,381.2	1,153.5
Forward Sale Agreement with SES mPower S.à r.l.	704.2	–
Short term loan to Luxembourg satellite companies	6.7	6.7
Short term loan to SES Astra S.A.	101.5	101.7
Short term loan to SES Americom	262.3	–
Short term loan to MX1 Ltd	–	4.3
Short term loan to HD Plus GmbH	30.2	30.0
Short term loan to SES Media Solutions GmbH	210.0	210.0
Value adjustments	(279.8)	(217.8)
Total	**3,416.3**	**1,288.4**
Becoming due an payable after one year		
Forward Sale Agreement with SES mPower S.à r.l.	277.6	764.1
Long term advance to SES DTH do Brasil Ltda	9.5	9.4
Total	**287.1**	**773.5**

Intercompany current accounts represent short-term advances bearing interest at market rates.

The Company performed an analysis of the amounts owed by affiliated undertakings and no longer considers the following balances to be recoverable:

- Intercompany current account with SES ASTRA Services Europe of EUR 4.3 million (2020: EUR 6.0 million);
- Intercompany current account with MX1 Limited of EUR 40.7 million (2020: EUR 28.6 million);
- Short-term loan to SES Media Solutions GmbH of EUR 210.0 million (2020: EUR 183.2 million) and intercompany current account with SES Media Solutions GmbH in the amount of EUR 24.8 million (2020: EUR nil).

As at 31 December 2021 the Company recorded an overall value adjustment of EUR 279.8 million (2020: EUR 217.8 million) in this respect see also >> Note 17.

In 2018, SES entered into a forward sale agreement with SES mPower S.à r.l >> see Note 11 in connection with the fleet of seven mPower satellites currently under construction, divided into 2 sub-blocks (1A of four satellites and 1B three satellites). In August 2020 an option to procure four additional satellites divided into 2 sub-blocks (2A and 2B, each of two satellites) was exercised.

As at 31 December 2021, SES had a receivable from SES mPower S.à r.l of USD 1,112.0 million (EUR 981.8 million) in the framework of this agreement (divided by Block 1A and 1B for USD 797.6 million (EUR 704.2 million) and Block 2A and 2B for USD 314.4 million (EUR 277.6 million).

B) OTHER DEBTORS

Other debtors as at 31 December 2021 consist of:

Other debtors

EUR MILLION	2021	2020
Becoming due and payable within one year		
Trade debtors	3.1	1.7
Other receivable related to VAT	4.2	–
Tax Authorities (see Note 10)	9.3	–
Total	**16.6**	**1.7**

NOTE 5 – INVESTMENTS – OWN SHARES

Own shares refer to the Company's own Fiduciary Deposit Receipts. All FDRs in respect of Class A shares owned by the Company are for use in connection with the share-based compensation plans for executives and staff of the SES Group. FDRs are valued at the lower of the weighted average cost and the market price.

As at 31 December 2021, the Company owned FDRs 7,748,429 (2020: 4,559,818) representing a carrying value of EUR 54.0 million (2020: EUR 35.1 million).

NOTE 6 – SUBSCRIBED CAPITAL

SES has a subscribed capital of EUR 719.0 million (2020: EUR 719.0 million), represented by 383,457,600 Class A shares (2020: 383,457,600) and 191,728,800 Class B shares (2020: 191,728,800) with no par value. Although they constitute separate classes of shares, Class A and Class B shares have the same rights except that Class B shares, which are held by the State of Luxembourg and by two entities wholly-owned by the State of Luxembourg, entitle their holders to only 40% of the dividend, or in case the Company is dissolved, to 40% of the net liquidation proceeds paid to shareholders of Class A. Class B shares are not freely traded. Each share, whether of Class A or Class B, is entitled to one vote.

The movement between the opening and closing number of shares issued per class of share can be summarised as follows:

Movement between the Opening and Closing Number of Shares

	Class A shares	Class B shares	Total shares
As at 1 January 2021	**383,457,600**	**191,728,800**	**575,186,400**
Shares issued during the year	–	–	–
As at 31 December 2021	**383,457,600**	**191,728,800**	**575,186,400**

	Class A shares	Class B shares	Total shares
As at 1 January 2020	**383,457,600**	**191,728,800**	**575,186,400**
Shares issued during the year	–	–	–
As at 31 December 2020	**383,457,600**	**191,728,800**	**575,186,400**

NOTE 7 – LEGAL RESERVE

In accordance with Luxembourg legal requirements, a minimum of 5% of the annual net profit is transferred to a legal reserve. This requirement is satisfied when the reserve reaches 10% of the issued share capital. This reserve may not be distributed.

NOTE 8 – RESERVE FOR OWN SHARES

In accordance with the Law, the Company has created a non-distributable "reserve for own shares" for an amount of EUR 54.0 million (2020: EUR 35.1 million), corresponding to the balance of the own shares held as of year end.

ACQUISITION OF TREASURY SHARES

SES has historically, in agreement with its shareholders, purchased FDRs in connection with executives' and employees' share-based payments plans, as well as for cancellation.

NOTE 9 – CREDITORS

A) DEBENTURE LOANS – NON CONVERTIBLE LOANS

The maturity profile of notes and bonds is as follows as at 31 December 2021.

Maturity Profile of Notes and Bonds as at 31 December 2021

Creditors – Financial liabilities	Interest rate	Maturity	EUR million
a) Debenture loans – Non convertible loans			
becoming due and payable within one year			**65.9**
Non convertible bonds due >1 Y: Accrued interest			65.9
becoming due and payable between 2 and 5 years			**1,712.2**
144A Bond USD 750.0 million (2023)	3.60%	April-23	662.2
German Bond issue of EUR 150.0 million (2024)	Floating	June-24	150.0
German Bond issue of EUR 250.0 million (2025)	1.71%	December-25	250.0
EUR 650 million Eurobond (2026)	1.625%	March-26	650.0
becoming due and payable after 5 years			**2,927.2**
EUR 140.0 million Private Placement (2027)	4.00%	May-27	140.0
144A Bond USD 250.0 million (2043)	5.30%	April-43	220.7
144A Bond USD 500.0 million (2044)	5.30%	March-44	441.5
German Bond issue of EUR 50.0 million (2032)	4.00%	November-32	50.0
EUR 550 million deeply subordinated fixed rate resettable securities	5.625%	N/A*	550.0
EUR 625 million deeply subordinated fixed rate resettable securities	2.875%	N/A**	625.0
EUR 500 million Eurobond (2027)	0.875%	November-27	500.0
EUR 400 million Eurobond (2028)	2.00%	July-28	400.0

* First reset date January – 24
** First reset date August – 26

The maturity profile of notes and bonds is as follows as at 31 December 2020.

Maturity Profile of Notes and Bonds as at 31 December 2020

Creditors – Financial liabilities	Interest rate	Maturity	EUR million
a) Debenture loans – Non convertible loans			
becoming due and payable within one year			**669.3**
EUR 650 million Eurobond (2021)	4.75%	March-21	556.0
Non-convertible bonds due >1 Y: Accrued interest			113.3
becoming due and payable between 3 and 5 years			**1,011.2**
144A Bond USD 750.0 million (2023)	3.60%	April-23	611.2
German Bond issue of EUR 150.0 million (2024)	Floating	June-24	150.0
German Bond issue of EUR 250.0 million (2025)	1.71%	December-25	250.0
becoming due and payable after 5 years			**3,501.2**
EUR 140.0 million Private Placement (2027)	4.00%	May-27	140.0
144A Bond USD 250.0 million (2043)	5.30%	April-43	203.7
144A Bond USD 500.0 million (2044)	5.30%	March-44	407.5
German Bond issue of EUR 50.0 million (2032)	4.00%	November-32	50.0
EUR 750 million deeply subordinated fixed rate resettable securities	4.625%	N/A*	750.0
EUR 550 million deeply subordinated fixed rate resettable securities	5.625%	N/A**	550.0
EUR 500 million Eurobond (2026)	1.625%	March-26	500.0
EUR 500 million Eurobond (2027)	0.875%	November-27	500.0
EUR 400 million Eurobond (2028)	2.00%	July-2028	400.0

* First reset date January - 22
** First reset date January - 24

European Medium-Term Note Programme (‘EMTN Programme’)
SES has an EMTN Programme enabling SES, or SES Global Americas Holdings GP, to issue as and when required notes up to a maximum aggregate amount of EUR 4,000 million. As at 31 December 2021, SES had issued 1,690 EUR million (2020: EUR 2,096 million) under the EMTN Programme with maturities ranging from 2022 to 2028.

EUR 650 million Eurobond (2021)
In 2021 SES fully repaid a EUR 650 million bond under the Company’s EMTN Programme.

EUR 750.0 million Deeply Subordinated Fixed Rate Resettable Securities (2022)
On 10 June 2016, SES issued EUR 750.0 million Deeply Subordinated Fixed Rate Resettable Securities (‘perpetual bond’) at a coupon of 4.625% to the first call date, a price of 99.666% and a yield of 4.7%. SES is entitled to call the securities on 2 January 2022 and on subsequent coupon payment dates.

On 18 May 2021, SES announced a capped tender offer for its outstanding EUR 750 million 4.625% perpetual bond at a fixed purchase yield of -0.10% to refinance the existing perpetual bond callable in January 2022 in advance of the first call date. The tender offer was accepted by the required number of bondholders such that the Company was able to repurchase 84.5% of the existing bonds on 28th May at a price representing 102.838% of nominal value, and the remaining 15.5% at par, with a settlement date of 30 June 2021.

144A Bond USD 750 million (2023)
In 2013 SES completed a 144A offering in the US market issuing USD 750 million 10-year bond with a coupon of 3.60% and a final maturity date on 4 April 2023.

EUR 650 million Eurobond (2026)
In 2018, SES issued a EUR 500 million 8-year bond under the Company’s EMTN Programme. On the 22 June 2021 SES announced the successful lunch and pricing of a tap of its 1.625% Notes in which it has agreed to sell incremental senior unsecured fixed rate notes for a total amount of EUR 150 million. The new notes were priced at 106.665% of their nominal value. The bond bears interest at a fixed rate of 1.625% and has a final maturity date on 22 March 2026.

EUR 500 million Eurobond (2027)
On 4 November 2019, SES issued a EUR 500 million bond under the Company’s EMTN Programme. The bond has an 8-year maturity and bears interest at a fixed rate of 0.875% and has a final maturity date on 4 November 2027.

EUR 550.0 million Deeply Subordinated Fixed Rate Resettable Securities (2024)
In November 2016, SES issued a second perpetual bond of EUR 550.0 million at a coupon of 5.625% to the first call date, a price of 99.304% and a yield of 5.75%. SES is entitled to call the second perpetual bond on 29 January 2024 and on subsequent coupon payment dates.

EUR 140 million Private Placement (2027)
In 2012, SES issued three individual tranches of a total EUR 140 million Private Placement under the Company’s EMTN Programme with ING Bank N.V.. The Private Placement has a 15-year maturity, beginning 31 May 2012, and bears interest at a fixed rate of 4.00%.

EUR 400 million Eurobond (2028)
On 2 July 2020, SES issued a EUR 400 million bond under the Company’s EMTN Programme. The bond has an 8-year maturity and bears interest at a fixed rate of 2.00% and has a final maturity date on 2 July 2028.

German bond issue of EUR 50 million (2032)
In 2012, the Group signed an agreement to issue EUR 50 million in the German bond (‘Schuldschein’) market. The German bond bears a fixed interest rate of 4.00% and matures on 12 November 2032.

144A Bond USD 250 million (2043)
In 2013, SES completed a 144A offering in the US market issuing USD 250 million 30-year bond with a coupon of 5.30% and a final maturity date on 4 April 2043.

144A Bond USD 500 million (2044)
In 2014, SES completed a 144A offering in the US market issuing USD 500 million 30-year bond with a coupon of 5.30% and a final maturity date of 25 March 2044.

German bond issue of EUR 400 million (2024/2025)
In 2018, the Group closed the issuance of an aggregated amount of EUR 400 million in the German bond (‘Schuldschein’) market. The transaction consists of two individual tranches – a EUR 150 million tranche with a floating interest rate of a six-month EURIBOR plus a margin of 0.8% and a final maturity date on 18 June 2024 as well as a EUR 250 million tranche with a fixed interest rate of 1.71% and a final maturity date on 18 December 2025.

B) AMOUNTS OWED TO CREDIT INSTITUTIONS

Amounts owed to credit institutions as of 31 December 2021 were:

Amounts owed to Credit Institutions as of 31 December 2021

Creditors – Financial liabilities	Interest rate	Maturity	EUR million
b) amounts owed to credit institutions			
becoming due and payable within one year			**40.2**
COFACE facility	EURIBOR +1.70%	various in 2022	40.2

Amounts owed to credit institutions as of 31 December 2020 were:

Amounts owed to Credit Institutions as of 31 December 2020

Creditors – Financial liabilities	Interest rate	Maturity	EUR million
b) amounts owed to credit institutions			
becoming due and payable within one year			**40.7**
COFACE facility	EURIBOR +1.70%	various in 2020	40.7
becoming due and payable after more than one year			**40.2**
COFACE facility	EURIBOR +1.70%	various from 2021 to 2022	40.2

Syndicated loan 2019

The syndicated loan facility contracted in 2019 is being provided by 19 banks and has been structured as a 5-year multi-currency revolving credit facility. In 2021 the Company extended the Termination date from 26 June 2025 to 26 June 2026. The facility is for EUR 1,200.0 million and the interest payable is linked to a ratings grid. At the current SES credit rating of BBB- / Baa2, the interest rate is 45 basis points over EURIBOR/LIBOR. As at 31 December 2021 and 2020, no amount has been drawn under this facility.

EUR 522.9 million COFACE facility

In 2009 SES signed a financing agreement with Compagnie Française d'Assurance pour le Commerce Extérieur ('Coface') in respect of the investment in four geostationary satellites. The facility is divided into five loans. The drawings under the facility were based on invoices from the supplier of the satellites. The first drawing was done on 23 April 2010 and all loan tranches became fully drawn in November 2014.

The Coface tranches outstanding as at 31 December 2021 have maturity dates as follows: Coface A on 1 August 2022; Coface C and D on 3 October 2022.

The entire facility bears interest at a floating rate of six-month EURIBOR plus a margin of 1.7%. During 2021, SES repaid floating rate obligations totalling EUR 40.7 million (2020: EUR 41.2 million) related to various Coface instalments.

European commercial paper programme

In 2012 SES incepted a joint EUR 1,000.0 million guaranteed European commercial paper programme of SES S.A. and SES Global Americas Holdings GP. Issuances under the programme represent senior unsecured obligations of the issuer and are guaranteed by the non-issuing entity. The programme is rated by Moody's Investors Services and is compliant with the standards set out in the STEP Market Convention. On 9 July 2021, this programme was updated and extended. As at 31 December 2021 and 2020, no borrowings were outstanding under this programme.

Negotiable European Commercial Paper "NEU CP" (previous French Commercial paper programme)

In 2005 SES put in place a EUR 500.0 million 'NEU CP' programme in accordance with articles L.213-1 to L213-4 of the French Monetary and Financial Code and article 6 of the order of 30 May 2016 and subsequent amendments. The maximum outstanding amount of 'NEU CP' issuable under the programme is EUR 500.0 million or its counter value at the date of issue in any other authorised currency. On 21 May 2021, this programme was extended for one further year. As at 31 December 2021 and 2020, no borrowings were outstanding under this programme.

Committed and uncommitted loan facilities

As at 31 December 2021, and as at 31 December 2020, the Company had no outstanding balances under uncommitted loan facilities.

C) AMOUNTS OWED TO AFFILIATED UNDERTAKINGS

Amounts owed to affiliated undertakings of 2,214.1 EUR million (2020: EUR 2,038.2 million) include the following:

Amounts owed to Affiliated Undertakings

EUR MILLION	2021	2020
Long term loans (maturity after five years)	–	41.7
Long term loans (less than five years)	587.3	573.0
Current accounts	1,626.8	1,423.5
Total	**2,214.1**	**2.038.2**

"Current accounts" are linked to the daily cash pooling mechanism and represent short term debts bearing interest at market rates. The daily cash pooling mechanism supports, among others, the liquidity of the Group in order to optimize the funding costs.

During 2021 the Company repaid a long term loan for a total amount of USD 51.4 million (EUR 45.3 million) from SES Satellites Gibraltar Ltd. with a maturity date of May 2025 and bearing interest at a rate of 4.2%.

As at 31 December 2021, long term loans included:

- A loan for a total amount of USD 615.4 million (EUR 543.4 million) from SES Americom Inc. with a maturity date of March 2024 and bearing interest at a rate of 3.7%;
- A loan for a total amount of SEK 450.3 million (EUR 43.9 million) from SES Astra AB with a maturity date of November 2023 and bearing interest at a rate of 0.72%.

NOTE 10 – OTHER CREDITORS – TAX AUTHORITIES

The Company is subject to the tax regulations in Luxembourg, in the U.S. for the partnership and till October 2020 in Switzerland for the Swiss branch. In accordance with Article 164bis of the Luxembourg income tax law, SES S.A. is the head of the Luxembourg tax unity with its direct and indirect subsidiaries as follows:

- SES Astra S.A.
- SES Asia S.A.
- SES-10 S.à r.l.
- SES Participations S.A.
- SES Engineering S.à r.l.
- SES Astra Services Europe S.A.
- SES Lux Finance S.à r.l.
- SES Networks Lux S.à r.l.
- SES Techcom S.A.
- SES Latin America S.A.
- SES Insurance International (Luxembourg) S.A.
- SES Insurance International Re (Luxembourg) S.A.
- SES-17 S.à r.l.
- SES mPower S.à r.l.
- SES Networks Satellites S.à r.l.
- SES LU Satellite Holdings S.à r.l.

The balance sheet tax position represents the net amount payable to, or receivable from, the Luxembourg tax authorities by the Company in its role as head of the tax unity. The total net tax receivable of EUR 9.3 million as at 31 December 2021 is recorded within caption "Other debtors" and includes a payable for corporate income tax of EUR 7.4 million, municipal business tax receivable of EUR 16.6 million and a Net Wealth Tax receivable of EUR 0.1 million (2020: a net tax liability of EUR 0.3 million).

The respective tax charge/income of each subsidiary is computed on a stand-alone basis and it is recorded for the entire Luxembourg tax unity by the Company.

NOTE 11 – OTHER CREDITORS

ACQUISITION OF SES mPOWER MEDIUM-EARTH ORBIT CONSTELLATION

In September 2017, the Company, jointly with O3b Networks Limited, entered as Procurement Agents into a Master Procurement Agency and Option Agreement with a financial institution in connection with the procurement by that financial institution of seven medium-Earth orbit satellites from The Boeing Company.

Under the satellite Purchase and Sale agreement seven satellites were procured divided into 2 sub-blocks (Sub-Block 1 A consisting of four satellites and sub-block 1B consisting of three satellites) currently under construction. At the end of the satellite construction period, which is foreseen in 2022, the SES Group will have the right to acquire, or lease, the satellites from the financial institution or to direct their sale to a third-party.

SES has the right to nominate the entity within the SES Group which will acquire or lease those assets shortly before the end of the construction period.

SES management expects that the satellites will be acquired or leased in due course by the company SES mPower S.à r.l. in Luxembourg. To this end the Company entered into a forward sale agreement with that entity as at 29 May 2018 whereby as the satellite construction process proceeds, and the Procurement Agents confirm that construction milestones are achieved, then the underlying asset-under-construction is transferred by the Company to that entity against an intercompany receivable.

Since the underlying Satellite Purchase and Sale Agreement is directly between the financial institution and The Boeing Company then there is no contractual obligation on the side of the Procurement Agents during the satellite construction process.

However, SES management takes the view that there is a constructive obligation arising over the construction period and hence the SES Group is accruing for the costs of this programme.

In August 2020 the priced option under the Purchase and Sale agreement to procure 4 additional satellites divided into 2 sub-blocks (Sub-block 2A consisting of two Satellites and sub-block 2B consisting of 2 Satellites) was exercised. At the end of the satellite construction period, foreseen in 2023 for sub-block 2A and 2024 for sub-block 2B, the SES Group will have the right to acquire, or lease, the satellites from the financial institution or to direct their sale to a third-party.

As at 31 December 2021 the total amount of EUR 981.8 million (USD 1,112.0 million) 2020: EUR 764.1 million (USD 937.7 million), corresponding to the constructive obligation by the Company towards the financial institution procuring the satellites, was recorded under the caption 'Other creditors – becoming due and payable within one year' for Bloc 1A and 1B in the amount of EUR 704.2 million (USD 797.6 million) and under the caption 'Other creditors – becoming due and payable after one year' for Bloc 2A and 2B in the amount of EUR 277.6 million (USD 314.4 million). Corresponding amount due to the Company from SES mPower S.à r.l. under a forward purchase agreement, was disclosed on the balance sheet under the caption 'Amounts owed by affiliated undertakings – becoming due and payable within one year' for Bloc 1A and 1B in the amount of EUR 704.2 million (USD 797.6 million) and 'Amounts owed by affiliated undertakings – becoming due and payable after one year' for Bloc 2A and 2B in the amount of EUR 277.6 million (USD 314.4 million) >> see also Note 4.

Other Creditors as at 31 December 2021 consist of:

Other Creditors

EUR MILLION	2021	2020
Becoming due and payable within one year		
SES mPower acquisition	704.2	–
Personnel-related accruals	7.6	4.8
Total	**711.8**	**4.8**
Becoming due and payable after one year		
SES mPower acquisition	277.6	764.1
Total	**277.6**	**764.1**

NOTE 12 – OTHER OPERATING INCOME AND OTHER EXTERNAL EXPENSES

Other operating income of EUR 27.3 million (2020: EUR 18.5 million) consists mainly of intra-group recharge income from advisory support services rendered to various affiliates.

Other external expenses of EUR 28.8 million (2020: EUR 34.0 million) consists mainly of intra-group recharge expenses for advisory support services rendered to the Company by various affiliates.

NOTE 13 – STAFF COSTS

As at 31 December 2021, the number of full-time equivalent employees was 102 (2020: 93) and the average number of employees in the workforce for 2021 was 103 (2020: 86). Staff costs can be analysed as follows:

Staff Costs

EUR MILLION	2021	2020
Wages and salaries	15.6	15.2
Social security costs relating to pension	1.7	1.5
Other social security costs	0.6	0.2
Other staff costs	0.1	0.2
Total	**18.0**	**17.1**

NOTE 14 – INCOME FROM PARTICIPATING INTERESTS

Income from participating interests concerning affiliated undertakings consists of the following:

Income from Participating Interests

EUR MILLION	2021	2020
Dividends received SES Finance S.à.r.l. (see >> Note 3)	1,887.3	–
Dividends received SES Astra S.A.	–	950.0
Dividends received SES Astra A.B.	6.4	7.0
Dividends received on own shares	3.1	2.0
Total	**1,896.8**	**959.0**

NOTE 15 – INCOME FROM OTHER INVESTMENTS AND LOANS

Income from other investments and loans forming part of fixed assets:

Income from Other Investments and Loans

EUR MILLION	2021	2020
Interest income from affiliated undertakings	85.0	98.9
Total	**85.0**	**98.9**

NOTE 16 – OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

A) DERIVED FROM AFFILIATED UNDERTAKINGS

Other interest receivable and similar income derived from affiliated undertakings in the amount of EUR 40.5 million (2020: EUR 32.3 million) represent interest income on intercompany current accounts.

B) OTHER INTEREST AND SIMILAR INCOME

Other Interest Receivable and Similar Income

EUR MILLION	2021	2020
Interest income on bank accounts	0.1	0.6
Foreign exchange gain	228.1	163.4
Gain on disposal on own shares	0.4	–
Total	**228.6**	**164.0**

NOTE 17 – VALUE ADJUSTMENTS IN RESPECT OF FINANCIAL ASSETS AND INVESTMENTS HELD AS CURRENT ASSETS

Value adjustments of financial assets and investments held as current assets were recorded in respect of:

Value adjustments of financial assets and investments

EUR MILLION	2021	2020
Shares in affiliated undertakings	2,186.7	–
Amounts owed by affiliated undertakings	62.0	217.8
Net loss on SES FDRs	3.5	22.4
Total	**2,252.2**	**240.2**

As at 31 December 2021 the Company recorded value adjustments in respect of shares in affiliated undertakings of EUR 2,186.7 million (2020: EUR nil) >> see also Note 3 and a value adjustment of EUR 62.0 million in respect of amounts owed by affiliated undertakings (2020: EUR 217.8 million) >> see Note 4.

A net loss of EUR 3.5 million (2020: loss of EUR 22.4 million) was recorded on FDRs comprising a loss on disposals of EUR 3.9 million (2020: loss of EUR 12.3 million) and a revaluation gain on FDRs held as at 31 December 2021 of EUR 0.4 million (2020: EUR 10.1 million [loss]) to account for the FDRs at the lower of the weighted average cost and the market price. The price of the SES FDR listed on Euronext in Paris was EUR 6.97 as at 31 December 2021 (2020: EUR 7.72).

NOTE 18 – INTEREST PAYABLE AND SIMILAR EXPENSES

A) CONCERNING AFFILIATED UNDERTAKINGS

Interest payable and similar expenses with affiliated undertakings in the amount of EUR 29.5 million (2020: EUR 28.5 million) represent interest charges on intercompany current accounts.

B) OTHER INTEREST AND SIMILAR EXPENSES

Other interest and similar financial expenses include the following:

Other Interest Payable and Similar Expenses

EUR MILLION	2021	2020
Interest charges on loans and bank accounts	186.7	216.7
Loan fees and origination costs	31.0	15.4
Loss on disposal on own shares	–	2.3
Foreign exchange loss	157.3	203.5
Total	**375.0**	**437.9**

NOTE 19 – AUDIT FEES

Art. 65 Paragraph (1) 16° of the Law requires the disclosure of the independent auditor fees.

In conformity with the Law these details have been omitted as the Company prepares consolidated accounts in which this information is disclosed, and these consolidated accounts and the related consolidated management report and auditors' report thereon have been lodged with the Luxembourg Trade Registry.

Fees incurred in connection with other assurance and non-audit services rendered to the Company and its controlled undertakings as defined by the Regulation (EU) N°537/2014 amounted to EUR 88,000 (2020: EUR 35,000) and represented comfort letters issued in connection to the Company's treasury funding operations.

NOTE 20 – BOARD OF DIRECTORS' REMUNERATION

Total payments to directors for attendance at board and committee meetings in 2021 amounted to EUR 1.1 million (2020: EUR 1.1 million). These payments are computed on a fixed and variable basis, the variable part being based upon attendance at board and committee meetings.

NOTE 21 – OFF BALANCE SHEET COMMITMENTS

CAPITAL COMMITMENTS

On 11 September 2017, SES S.A., jointly with O3b Networks Limited, entered as Procurement Agents into a Master Procurement Agency and Option Agreement with a financial institution in connection with the procurement by that financial institution of seven medium-Earth orbit satellites from The Boeing Company. In August 2020 the company procured additional 4 satellites. The outstanding commitments of the Company in respect of the related contracted capital expenditure as at 31 December 2021 amounting to USD 62.3 million (EUR 55.0 million).

GUARANTEES

On 31 December 2021 the Company had outstanding bank guarantees provided for an amount of EUR 66.8 million (2020: EUR 89.1 million) with respect to performance and warranty guarantees for services of satellite operations.

PARENTAL GUARANTEES

SES S.A. issued a letter of guarantee to one of its subsidiaries to provide sufficient financial support to meet its obligations in full for at least two years after the issuance date of the 31 December 2021 standalone financial statements of the subsidiary.

LITIGATION

SES S.A. is not currently subject to any material legal proceedings or litigation arising in the normal course of business.

NOTE 22 – SUBSEQUENT EVENTS

There were no other significant events between the balance sheet date and the approval of the annual accounts which would have influenced the results of the Company as at 31 December 2021.

As set out in more detail in >> Note 3, management has decided to convert the DGP from a partnership into a separate U.S. corporate entity ("Inc.") in H1 2022.

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ADDITIONAL INFORMATION

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FINANCIAL CALENDAR

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Q1 2022 RESULTS
5 MAY 2022

2022 HALF YEAR RESULTS
4 AUGUST 2022

Q3 2021 RESULTS
3 NOVEMBER 2022

IMPRINT

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