SES

Société Anonyme
RCS Luxembourg B 81267

La Société, SES, société anonyme, convoque par le présent avis à son

Assemblée Générale Ordinaire

qui se tiendra

le jeudi 2 avril 2020 à 10h30, heure de Luxembourg

au siège social de SES, société anonyme, (la « Société ») Château de Betzdorf, 6815 Betzdorf, Luxembourg.

ORDRE DU JOUR

1. Liste de présences, quorum et adoption de l'ordre du jour
2. Désignation d'un secrétaire et de deux scrutateurs
3. Présentation par le Président du Conseil d'administration du rapport de gestion du Conseil pour l'année 2019
4. Présentation des principaux développements de la Société pendant l'année 2019 et perspectives
5. Présentation des résultats financiers pour l'exercice 2019
6. Présentation du rapport du réviseur d'entreprises
7. Approbation du bilan au 31 décembre 2019 et du compte de profits et pertes pour l'exercice 2019
8. Affectation du résultat net de l'exercice 2019 et transferts entre comptes de réserves
9. Décharge à donner aux administrateurs
10. Fixation du nombre d'administrateurs
11. Confirmation de la co-optation de trois administrateurs et fixation de la durée de leurs mandats
12. Nomination de trois administrateurs pour une durée de trois ans et de deux administrateurs pour une durée de deux ans
13. Approbation de la Politique de Rémunération
14. Fixation de la rémunération des membres du Conseil d'administration
15. Approbation du Rapport de Rémunération
16. Election statutaire du réviseur d'entreprises pour l'année 2020 et fixation de sa rémunération
17. Résolution permettant à la société l'acquisition de ses propres FDRs et/ou actions de la catégorie A ou B
18. Divers

Assister à l'assemblée

Les droits d'un actionnaire de participer à l'assemblée générale ordinaire et d'exercer le vote attaché à ses actions sont déterminés en fonction des actions détenues par cet actionnaire le quatorzième jour qui précède l'assemblée générale ordinaire, à savoir le 19 mars 2020 à minuit (la date d'enregistrement). Si un détenteur de Fiduciary Depositary Receipts (FDRs) souhaite assister à l'assemblée en personne, il devra se faire inscrire comme actionnaire dans le registre des actionnaires de la Société avant la date d'enregistrement. Une personne qui n'est pas actionnaire à la date d'enregistrement ne peut pas assister à l'assemblée générale ordinaire.

Conversion en actions de la catégorie A

Le détenteur de FDRs qui souhaite convertir ses FDRs en actions A doit faire cette demande conformément aux clauses 12 et 16 des *Terms and Conditions* du *Amended and Restated Fiduciary Deposit Agreement* du 26 septembre 2001. Ce document est disponible auprès de la Banque et Caisse d'Epargne de l'Etat, Luxembourg. Aucune commission de conversion ne sera exigée des personnes physiques qui ne sont pas déjà actionnaires de la catégorie A et qui procèdent à la conversion d'un maximum de 10.000 FDRs en actions A, leur permettant de participer en personne à l'assemblée générale ordinaire du 2 avril 2020.

Pour assister en personne à l'assemblée, la conversion de FDRs en actions de la catégorie A devra être effectuée le 19 mars 2020 à 16 heures 30 heure de Luxembourg au plus tard. Pour plus d'information à ce sujet, merci de bien vouloir contacter la Banque et Caisse d'Epargne de l'Etat, Luxembourg à l'adresse suivante : corporateactions.sec@bcee.lu

Instructions de vote

Le détenteur de FDRs est en droit, sous réserve des dispositions applicables (la loi luxembourgeoise, statuts de la Société, seuils de participation et contrat de concession) d'instruire le Fiduciaire en tant que mandataire en vue d'exercer son droit de vote au moyen d'un certificat de vote disponible sur demande à la banque auprès de laquelle les FDRs sont détenus.

Pour que les instructions de vote soient valables, le certificat de vote devra être complété et dûment signé par le détenteur de FDRs ou le cas échéant par le bénéficiaire économique. Pour plus d'informations à ce sujet, merci de bien vouloir contacter la Banque et Caisse d'Epargne de l'Etat, Luxembourg à l'adresse suivante : corporateactions.sec@bcee.lu

A la réception du certificat de vote comportant les déclarations et documents requis par le Fiduciaire ou la Société, avant ou à la date déterminée par le Fiduciaire (à savoir le 30 mars 2020 à 17 heures, heure de Luxembourg), celui-ci devra transmettre à la Société ledit certificat de vote accompagné des déclarations et documents requis pour vérifier si les détenteurs de FDRs ou les bénéficiaires économiques peuvent acquérir la qualité d'actionnaires de la catégorie A de la Société si à la place des FDRs ils détenaient un nombre correspondant d'actions A.

Si dans un délai de huit jours ouvrables au Luxembourg à partir de la réception du certificat de vote avec les déclarations et documents requis, la Société n'a pas notifié au Fiduciaire son rejet de la demande du détenteur de FDRs, elle est présumée l'avoir acceptée.

Après réception de l'accord écrit de la Société quant aux instructions de vote, le Fiduciaire votera ou fera en sorte qu'il soit voté conformément à ces instructions. Le Fiduciaire pourra désigner et nommer des représentants dûment autorisés afin que ceux-ci assistent à l'assemblée et votent au nom et pour compte des détenteurs de FDRs.

Les instructions de vote sont considérées comme étant irrévocables et définitives 48 heures avant l'heure d'ouverture de l'assemblée, à savoir le 31 mars 2020 à 10 heures 30, heure de Luxembourg au plus tard.

Dans le cas où le Fiduciaire n'aurait pas reçu des instructions de vote des détenteurs de FDRs, le Fiduciaire sera supposé avoir été instruit de voter conformément aux propositions de vote du Conseil d'administration définies lors de sa réunion y afférente.

Aucune résolution ne sera soumise au vote sous le point 18. Divers.

Modifications de l'ordre du jour

Un ou plusieurs actionnaires disposant ensemble d'au moins 5% du capital social de SES, ont le droit d'inscrire des points à l'ordre du jour de l'assemblée générale ordinaire et de déposer des projets de résolution concernant des points inscrits ou à inscrire à l'ordre du jour de l'assemblée générale ordinaire. Cette demande devra être formulée par écrit et adressée par voie postale (à SES, attn. Mme Sarah Gavin, Château de Betzdorf, L-6815 Betzdorf) ou par voie électronique (shareholders@ses.com) et doit parvenir à la Société au plus tard le vingt-deuxième jour qui précède l'assemblée générale ordinaire (à savoir le 11 mars 2020). Cette demande doit inclure une justification ou un projet de résolution à adopter lors de l'assemblée générale ordinaire, ainsi qu'une adresse postale ou électronique à laquelle la Société peut transmettre l'accusé de réception de cette demande endéans 48 heures.

La Société publiera alors un ordre de jour révisé au plus tard le quinzième jour qui précède la date de l'assemblée générale ordinaire (le 18 mars 2020).

Documents mis à disposition par SES

Les documents mis à disposition par la Société pour les besoins de la présente assemblée (y inclus les propositions du Conseil d'administration) peuvent être consultés par les détenteurs de FDRs auprès du Fiduciaire - Banque et Caisse d'Epargne de l'Etat, Securities Department, 1, rue Zithe, L-2954 Luxembourg, BGL BNP Paribas Luxembourg S.A., 50, avenue J. F. Kennedy, L-2951 Luxembourg et Société Générale, GSSI/GIS/CMO/AGL, 32, rue du Champ de Tir, F-44312 Nantes Cedex 3, pendant les heures d'ouverture et sont disponibles sur les sites internet suivants www.ses.com et www.bcee.lu/SES. N'hésitez pas à contacter SES pour de plus amples informations à l'adresse suivante: shareholders@ses.com

Société Anonyme
RCS Luxembourg B 81267

Notice is hereby given of the

Annual General Meeting

of SES, Société Anonyme, to be held at the Company's registered office at Château de Betzdorf, 6815 Betzdorf (the "Company"), Luxembourg, on

Thursday 2 April 2020 at 10:30 a.m. CET

AGENDA

1. Attendance list, quorum and adoption of the agenda
2. Nomination of a secretary and of two scrutineers
3. Presentation by the Chairman of the Board of Directors of the 2019 activities report of the Board
4. Presentation of the main developments during 2019 and of the outlook
5. Presentation of the 2019 financial results
6. Presentation of the audit report
7. Approval of the balance sheet as of 31 December 2019 and of the 2019 profit and loss accounts
8. Allocation of 2019 profits and transfers between reserve accounts
9. Discharge of the members of the Board of Directors
10. Determination of the number of Board members
11. Confirmation of the co-optation of three Directors and determination of their mandate
12. Election of three Directors for a three-year term and two Directors for a two-year term
13. Approval of Remuneration Policy
14. Determination of the remuneration of Board members
15. Approval of Remuneration Report
16. Appointment of the auditor for the year 2020 and determination of its remuneration
17. Resolution on Company acquiring own FDRs and/or own A-, or B-shares
18. Miscellaneous

Attendance

The right of a shareholder to attend the Annual General Meeting ("AGM") and to participate in the vote will be determined at midnight on the fourteenth day preceding the AGM, i.e. 19 March 2020 (the "Registration Date"). If a Fiduciary Depositary Receipts ("FDR") holder wishes to attend the meeting in person, he has to be recorded as a shareholder in the share register of the Company prior to the Registration Date. Anyone not being a shareholder on the Registration Date may not attend or vote at the AGM.

Withdrawal of FDRs and Conversion into A-shares

An FDR holder who wants to convert FDRs into A-shares has to request this conversion in accordance with conditions 12 and 16 of the Terms and Conditions of the Amended and Restated Fiduciary Deposit Agreement dated 26 September 2001. This document is available at the Banque et Caisse d'Epargne de l'Etat, Luxembourg, where the FDRs are held. No charge for conversion will be requested for natural persons who are not yet shareholders of category A and who proceed to a conversion of a maximum of 10,000 FDRs into A-shares, allowing them to participate in the AGM of 2 April 2020.

The latest date for withdrawing FDRs and converting into A-shares for personal attendance at the AGM is 19th March 2020 at 4:30 p.m. CET. Please feel free to contact Banque et Caisse d'Epargne de l'Etat, Luxembourg, for further queries in this respect, at the following address: corporateactions.sec@bcee.lu

Voting instructions

The FDR holder is entitled, subject to any applicable provisions (e.g. Luxembourg law, Articles of association, shareholders' thresholds and concession agreement) to instruct the Fiduciary as proxyholder as to the exercise of the voting rights by means of a voting certificate available on request at the bank where the FDRs are held.

In order for the voting instructions to be valid, the voting certificate form must be completed and duly signed by the FDR holder or, as the case may be, the beneficial owner. Please feel free to contact Banque et Caisse d'Epargne de l'Etat, Luxembourg, for further queries in this respect at the following address: corporateactions.sec@bcee.lu

Upon receipt of the voting certificate on or before the date determined by the Fiduciary (being 30th March 2020 at 5:00 p.m. CET) with such certification and evidence as requested by the Fiduciary or by the Company, the Fiduciary shall transmit to the Company the relevant certifications and supporting evidence and the Company shall verify whether the relevant holders of FDRs or the beneficial owners thereof would qualify as an A-shareholder of the Company if in lieu of FDRs they would hold the corresponding number of A-shares.

If within eight Luxembourg business days from the receipt of such certification and supporting evidence, the Company has not notified the Fiduciary of its rejection of the request of a holder to exercise its voting rights pertaining to the A-shares underlying its FDRs, the Company shall be deemed to have accepted the relevant voting request.

After receipt of the written approval of the voting request by the Company, the Fiduciary shall vote or cause to be voted in accordance with the instructions set forth in such requests. The Fiduciary may designate and appoint authorized representatives to attend the meeting and vote on behalf of the FDR holders.

The voting instructions are deemed to be irrevocable and definitive 48 hours prior to the time for which the meeting has been convened, i.e. at the latest on 31st March 2020 at 10:30 a.m. CET. If the Fiduciary has not received voting instructions from the FDR holder, the Fiduciary shall be deemed to have been instructed to vote in the manner proposed by the Board of Directors in the relevant meeting.

There will be no vote under item 18. Miscellaneous

Amendments to the Agenda

One or more shareholders owning together at least 5% of the share capital of SES have the right to add items to the agenda of the AGM and may deposit draft resolutions regarding items listed on the agenda or proposed to be added to the agenda. This request will need to be received at the latest the twenty–second day (i.e. 11th March 2020) preceding the AGM and made in writing via mail (to: SES, attn. Ms Sarah Gavin, Château de Betzdorf, L-6815 Betzdorf) or e-mail (to: shareholders@ses.com) and will need to include a justification or draft resolution to be adopted at the AGM. The written request will need to include a contact address (mail or e-mail) to which the Company can confirm receipt within 48 hours from the receipt of the request.

At the latest fifteen days (i.e. 18th March 2020) preceding the AGM, the Company will then publish a revised agenda.

Documents made available by SES

Documents made available by the Company (including the recommendations of the Board of Directors) for the purpose of this meeting may be inspected during normal working hours by the FDR holders at the offices of the Fiduciary, Banque et Caisse d'Epargne de l'Etat, Luxembourg, Securities Department, 1, rue Zithe, L-2954 Luxembourg, or alternatively at the offices of the Listing Agents, BGL BNP Paribas S.A., 50, avenue J.F. Kennedy, L-2951 Luxembourg and Société Générale, GSSI/GIS/CMO/AGL, 32, rue du Champ de Tir, F-44312 Nantes Cedex 3, and are available on the following websites www.ses.com and www.bcee.lu/SES

Please feel free to contact SES for further queries in this respect at the following address: shareholders@ses.com

Assemblée Générale Ordinaire

1 Liste de présences, quorum et adoption de l'ordre du jour

D’après l’article 24 des statuts, « l’Assemblée ne peut valablement délibérer que si la moitié des actions des catégories A et la moitié des actions de la catégorie B sont représentées ».

Il sera demandé à l’Assemblée d’approuver l’ordre du jour.

2 Désignation d'un secrétaire et de deux scrutateurs

Selon l’article 23 des statuts « Le président de l’Assemblée désigne un secrétaire. L’Assemblée choisit deux scrutateurs ».

3 Présentation par le Président du Conseil d’administration du rapport de gestion du Conseil pour l’année 2019

Présentation par le Président du Conseil d’administration du rapport de gestion du Conseil pour l’année 2019.

Annual General Meeting

1 Attendance list, quorum and adoption of the agenda

According to article 24 of the Articles of Association, “The Meeting may deliberate validly only if at least half of the shares of Class A and at least half of the shares of Class B are represented”.

The Meeting will be asked to adopt the agenda.

2 Nomination of a secretary and of two scrutineers

According to article 23 of the Articles of Association “The Chairperson shall appoint a secretary. The Meeting shall appoint two scrutineers”.

3 Presentation by the Chairman of the Board of Directors of the 2019 activities report of the Board

Presentation by the Chairman of the Board of Directors of the 2019 activities report of the Board.

CORPORATE GOVERNANCE

CHAIRMAN’S REPORT ON CORPORATE GOVERNANCE AND INTERNAL CONTROL PROCEDURES

INTRODUCTION

SES has been listed on the Luxembourg Stock Exchange since 1998 and on Euronext Paris since 2004. The company follows the ‘Ten Principles of Corporate Governance’ adopted by the Luxembourg Stock Exchange (its home market), as revised in 2017, a copy of which can be found at www.bourse.lu/corporate-governance. 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.

SES meets all the recommendations made by the ‘Ten Principles’ except with regard to Recommendation 3.9, which states that the committees created by the Board should only have advisory powers. The SES Board has delegated some decision-making powers to the Remuneration Committee. For the full details of these powers, see the charter of the Remuneration Committee on the SES website (www.ses.com). After each meeting of the Remuneration Committee, its Chairman reports to the Board about the latest Remuneration Committee discussions and decisions.

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. This section 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.

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’s 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 shareholder who is recorded in the company's shareholder register 14 business 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 company has issued two classes of shares: A-shares and B-shares.

The State of Luxembourg holds a direct 11.58% voting interest in the company and two indirect interests, both of 10.88%, 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 B-shares.

Although they constitute separate classes of shares, A- and B-shares have the same rights, except that the B-shares 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 A-shareholders. B-shares are not freely traded. Each share, whether A- or B-share, is entitled to one vote. In accordance with the company's articles of incorporation, no A-shareholder may hold, directly or indirectly, more than 20%, 33% or 50% of the company's shares unless it has obtained prior approval from a meeting of the shareholders. Such limit is calculated by taking into account the shares of all classes held by an A-shareholder.

An A-shareholder or a potential shareholder who plans to acquire by whatever means, directly or indirectly, more than 20%, 33% or 50% of the shares of the company must inform the Chairman of the Board of such intention. The Chairman will then inform the government of Luxembourg of the planned acquisition, which may only be opposed by the government within three months of receiving such information, should it determine that such an acquisition is 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 as 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%, 33% or 50% of the shares.

In accordance with article 8 of the Luxembourg law of January 11, 2008, as subsequently amended, any shareholder or FDR holder acquiring or disposing of shares or FDRs is required to inform the company and the Commission de Surveillance du Secteur Financier within four business days of the proportion of voting rights held as a result of such acquisition or disposal where that proportion reaches, exceeds or falls below the thresholds of 5%, 10%, 15%, 20%, 25%, 33.33%, 50% or 66.66%. The company did not receive any threshold notifications during 2019.

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 annual general meeting, 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 annual general meeting of shareholders in person, that shareholder will need to convert at least one FDR into an A-share. In order to facilitate the attendance of the meeting by FDR holders, the company will pay the applicable charge for a conversion of up to 10,000 FDRs for a short period prior to the annual general meeting.

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 annual general meeting.

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. The annual general meeting held on 4 April 2019 was attended by 98.788% of the company's shareholders, excluding the 5,486,094 FDRs held by the company.

For the past few years, the shareholders have used an electronic voting system during the meeting. The shareholders approved the 2018 financial results and the allocation of the 2018 profits, granted discharge to the external auditor and to the directors, re-elected PricewaterhouseCoopers ('PwC') as the company's external auditor for another year, granted an authorisation to SES to buy back its own shares and decided to reduce the number of directors from 15 to 14. The shareholders also approved the directors' fees, which remained unchanged in comparison to 2018. Finally, shareholders re-elected five directors for a term of three years with a majority of at least 78.600%.

All of the Board's other proposals were carried by a majority of at least 99.777% of the votes cast. In accordance with article 450-3 of the Luxembourg company law, abstentions are not considered when determining whether a resolution has been passed or not. The detailed results of the shareholders' votes are available in the corporate governance section of the company's website.

THE BOARD OF DIRECTORS AND ITS COMMITTEES

MISSION

The Board of Directors is responsible for defining the company's strategic objectives as well as its overall corporate plan. The Board approves, upon proposal from the Executive Committee, 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. It also approves major investments and is responsible vis-à-vis shareholders and third parties for the management of the company, which it delegates to the Executive Committee in accordance with the company's internal regulations.

COMPOSITION

At the annual general meeting in April 2019, the shareholders decided to reduce the Board to 14 members. Following the decision by Conny Kullman to resign from his mandate in June, the Board of SES has been composed, as od 31 December 2019, of 13 non-executive directors, four 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 annual general meeting of shareholders in April 2020, 2021 and 2022, respectively. Mr Romain Bausch, former President and CEO until 3 April 2014, is the Chairman of the Board of Directors. He is assisted by two Vice Chairpersons, Mrs Tsega Gebreyes and Mrs Anne-Catherine Ries, each one elected on the basis of proposals submitted by directors representing A-shareholders and B-shareholders, respectively. The chairs of the Committees are Mrs Anne-Catherine Ries (Nomination

Committee), Mrs Katrin Wehr-Seiter (Audit and Risk Committee) and Ms Françoise Thoma (Remuneration Committee). Their mandates as the mandates of the Chair and Vice Chair of the Board are annual mandates.

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 annual general meeting of shareholders will definitively elect the new director, who will complete the term of the director whose seat became vacant. Following the resignation of Jean-Paul Zens and Jean-Paul Senninger effective June 2019, the SES Board co-opted Paul Konsbruck and Marc Serres in the same meeting.

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:

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

At 31 of December 2019, six of the board members are considered independent: Mrs Tsega Gebreyes, Mrs Katrin Wehr-Seiter, Mr Romain Bausch, Mr Victor Casier, Mr Ramu Potarazu and Mr Kaj-Erik Relander.

Five of the current directors are not considered independent as they represent a significant shareholder owning more than 5% of the company's shares. In its September meeting, the Board decided to amend the internal regulations and to limit the maximum tenure to 12 years, a period after which Directors could previously continue, but were no longer considered independent. In light of the new rules, the two directors who have set on the Board for longer (François Tesch and Hadelin de Liedekerke Beaufort) will leave the Board at the 2020 annual general meeting. Until then, the Company does not consider them to be independent.

Mr Pierre Margue, Vice President Legal and Corporate Affairs, acts as secretary of 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. The candidates should present most of the following competencies: (i) balanced international experience; (ii) satellite communication industry knowledge; (iii) non-satellite communication industry knowledge; (iv) video and data-centric products knowledge; (v) financial expertise (for Audit and Risk Committee); (vi) legal, regulatory and compliance expertise (for Audit and Risk Committee); (vii) HR expertise (for Remuneration and Nomination Committees); and (viii) experience in running a business amidst a changing business environment.

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 2019, the sole two transaction between the company and a shareholder owning at least 5% of the company's shares directly or indirectly related to the Company's investment in the Luxembourg Space fund and the renewal of the concession agreement between SES Astra (a direct subsidiary of SES S.A.) and the Luxembourg State. According to applicable conflict of interest rules, the relevant B-Directors did not participate in the discussion nor in the vote of these topics.

ACTIVITIES OF THE BOARD OF DIRECTORS IN 2019

The Board of Directors held six meetings in 2019, with an attendance rate of more than 97.5%, as well as one Board call. After endorsement by the Audit and Risk Committee, the Board approved the 2018 audited accounts, including the proposed dividend, as well as the financial results for the first half of 2019. During the year, and after an internal evaluation led by the Chairman at the end of 2018, the Board used the services of an outside firm for an external review of its governance with the overall objective to improve the efficiency of the Board and of its Committees. These initiatives have led to several adaptions of the corporate governance framework, in particular through the creation of a Strategy and Investment Committee that provides support to the Board and to Management on strategic matters and acts as a conduit for regular exchange of information between Management and the Board. As a result of the same Board evaluation exercise, each Board meeting now includes on its agenda, a restricted session, without the presence of Management.

At its first meeting of the year, the Board approved the final version of the 2019 budget and the 2019-2023 business plan. It also reviewed the Strategic Plan and was briefed on the strategic plan implementation. The Board met for a Strategy Day held ahead of the June Board meeting. The Board reviewed the remuneration policy and adopted the proposed discontinuation of the existing binary vesting condition for performance shares and its replacement by a linear ratchet table to define the final pay-out for the three-year compounded adjusted EVA.

During 2019, the Board also decided to launch a new share buyback programme, implementing through the filing of a 'notice d'information' on 9 April 2019 a decision taken by the shareholders during the annual general meeting of 4 April 2019. The 2019 programme executed on Euronext Paris was limited to the following two objectives:

(i) to operate under the framework of a liquidity contract signed with Rothschild, and
(ii) to meet the company's obligations under its executive share ownership and stock option plans.

Under this programme, the company is authorised to buy back up to 20 million A-shares and 10 million B-shares at prices between EUR 5 and EUR 25 per A-share and EUR 2 and EUR 10 per B-share.

The Board was regularly updated on the US C-band developments and possible implications for the Company. It further noted updates on the company's risk management report and the Executive Committee 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 2019 Business Objectives; (iii) company's approach to ESG; (iv) the Company's launch strategy; (v) the Group's Business Continuity Plans; and (vi) relevant HR matters.

At each meeting, directors receive a report on ongoing matters and the Chairpersons of the three 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 part of its on-going training, the Board received a presentation by an investment bank on the satellite industry and SES's position in the relevant markets. The Board was also briefed by outside counsel on the role of a Director under Luxembourg corporate law.

As of 31 December 2019, the 13 members of the Board of Directors were:

Romain Bausch
Chairman of the Board

Mr Bausch became a director on 4 April 2013. Following a career in the Luxembourg civil service (Ministry of Finance) where he occupied key positions in the banking, media and telecommunications sectors including a five-year term as a Director and Vice Chairman of SES, Mr Bausch has been President and CEO of the Company from May 1995 to April 2014. Mr Bausch is the Chairman of the Board of Directors of SES and a Director of SES ASTRA. He is also a member of the Boards of Directors of Aperam, Banque Raiffeisen Société Coopérative, Compagnie Financière La Luxembourgeoise and the Luxembourg Future Fund, as well as the Chairman of the CNFP (Conseil National des Finances Publiques) of Luxembourg. He graduated with a degree in economics (specialisation in business administration) from the University of Nancy. He holds an honorary doctorate from the Sacred Heart University in Luxembourg. He is a member of the Company's Remuneration Committee, the Nomination Committee and the Strategy and Investment Committee.

Mr Bausch is a Luxembourg national. He is an independent director.

Tsega Gebreyes
Vice-Chairperson of the Board

Mrs 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 New Africa Opportunity Fund, LLP and has worked with Mc Kinsey and Citicorp. Mrs Gebreyes is a director of Satya Capital Limited and Sonae. She is a Senior Advisor to TPG Growth. She has a double major in Economics and International Studies from Rhodes College and holds an M.B.A. from Harvard Business School. She is Vice-Chairperson of the Board and a member of the Remuneration Committee and of the Nomination Committee of SES.

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 First Advisor to the Prime Minister and Minister for Media and Telecommunications in Luxembourg, in charge of media, telecom and digital policy. Anne-Catherine Ries holds a law degree from the Université de Paris II and the University of Oxford, and a postgraduate LL.M degree with honours from the London School of Economics, where she specialised in Telecommunications, Information Technology and European Competition Law. After starting her professional career in a law firm in Paris, she joined the Permanent Representation of Luxembourg to the EU in Brussels. Upon her return to Luxembourg and for over 15 years, her focus was on attracting and developing tech companies in Luxembourg. She sits on the Board of Directors of POST Luxembourg. Mrs Anne-Catherine Ries is the Chairperson of the Nomination Committee of SES and a member of its Strategy and Investment Committee.

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 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.

Victor Casier

Mr Casier became a director on 7 April 2016. Mr Victor Casier is a member of the Executive Committee of Sofina S.A. and a board member of various companies within Sofina's portfolio, including Veepee, Drylock Technologies and Wynd. Prior to joining Sofina, Mr Casier worked for Roland Berger Strategy Consultants, Transwide Ltd and Banco Urquijo. Mr Casier holds an MBA from the University in Chicago, a Master in Business

Engineering (Ingénieur de Gestion) from the Université Catholique de Louvain and a certificate from the INSEAD International Directors Programme (IDP). Mr Casier is a member of the Audit and Risk Committee of SES.

Mr Casier is a Belgian national. He is an independent director.

Hadelin de Liedekerke Beaufort

Mr de Liedekerke Beaufort became a director on 17 April 2000. He is currently a director of Santander Telecommunications, a privately held company, as well as a director of other private companies with interests in various fields such as financial and real estate developments. Mr de Liedekerke Beaufort graduated from the Ecole Hôtelière de Lausanne. Mr de Liedekerke Beaufort is a member of the Remuneration Committee of SES.

Mr de Liedekerke Beaufort is a French national. He is not an independent director because he has been a director for more than 12 years.

Paul Konsbruck

Mr Konsbruck became a director on 13th June 2019. He is currently Chief of Staff to the Prime Minister and Minister for Media and Communications in Luxembourg. Paul Konsbruck holds a master's degree in Literature and Linguistics from the University of Heidelberg, and participated in the Senior Executive Fellow Programme at the Harvard Kennedy School. He is a Director of ENCEVO SA and is the government commissioner to CLT-UFA/RTL Luxembourg. After starting his professional career as Journalist and News Presenter at RTL, he became Editor in Chief at Eldoradio. Mr Konsbruck entered the public service in 2014 as communications adviser to the Luxembourg government and was named Chief of Staff and First Government Councillor at the Ministry of State on 1 January 2016. He is a member of the Strategy and Investment Committee of SES.

Mr Konsbruck is a Luxembourg national. He is not an independent director because he represents an important shareholder.

Ramu Potarazu

Mr Potarazu became a director on 20 February 2014. He is 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 Audit and Risk Committee, the Remuneration Committee and the Strategy and Investment 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. He is Senior Independent Advisor of Mubadala Development Company. 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 Committees. 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. He is

Chairman of the Investment Committee at the private equity fund Apis.pe and a board director of Starzplay Arabia and Emirates Integrated Telecommunications Company PJSC in Dubai. He is a member of the Audit and Risk Committee, the Nomination Committee and the Strategy and Investment Committee of SES.

Mr Relander is a Finnish national. He is an independent director.

Marc Serres

Mr Serres became a director on 13 June 2019. He is currently the CEO of the Luxembourg Space Agency. Previously he served as Director of Space Affairs at the Ministry of the Economy and as coordinator of the relations with the European Space Agency at the Ministry of Higher Education and Research. Prior to working for the Luxembourg Government, Mr Serres held several engineering positions at Hitec SA. He is an electrical engineer and holds a PhD in optoelectronics from the Université Catholique de Louvain. Mr Serres is also Vice-Chairman of the Council of the European Space Agency and a Member of the International Academy of Astronautics.

Mr Serres is a Luxembourg national. He is not an independent director because he represents an important shareholder.

François Tesch

Mr Tesch became a director on 15 April 1999. He is Executive Chairman of Luxempart S.A. He graduated with a degree in economics from the Faculté d'Aix en Provence and holds an M.B.A. from INSEAD (Institut Européen d'Administration des Affaires). He is also Chairman of the Board of Foyer S.A., of Wealins S.A., and of Financière de Tubize S.A, and Vice-Chairman of CapitalatWork Foyer Group. Mr. Tesch is a member of the Nomination Committee of SES.

Mr Tesch is a Luxembourg national. He is not an independent director because he has been a director for more than 12 years.

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 Nomination Committee, and 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

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 SA. 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 the Chairperson of the Audit and Risk Committee and a member of the Strategy and Investment Committee of SES.

Mrs Wehr-Seiter is a German national. She is an independent director.

OUR GOVERNANCE STRUCTURE

THE REMUNERATION COMMITTEE The Remuneration Committee determines the remuneration of the members of the Executive Committee and advises on the overall remuneration policies applied throughout the company. It acts as administrator of the company's long-term equity plans.
THE AUDIT AND RISK COMMITTEE 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.
THE NOMINATION COMMITTEE The Nomination Committee identifies and nominates suitable candidates for the Board of Directors, for election by the annual general meeting of shareholders. It also identifies and nominates suitable candidates for the Executive Committee.
THE STRATEGY AND INVESTMENT COMMITTEE The Strategy and Investment Committee is an informal advisory committee of the Board whose purpose is to provide support to the Board and to Management on strategic matters and to provide a conduit for regular exchange of information between Management and the Board.

COMMITTEES OF THE BOARD OF DIRECTORS

As a result of the latest internal assessment, the Board decided to abolish the Chairman's Office which had been in charge of preparing the Board agenda, effective 4 April 2019. The agenda is now prepared in close cooperation between the Chairman and the CEO.

THE REMUNERATION COMMITTEE

In accordance with general corporate governance standards, the company's Board established a Remuneration Committee, which determines the remuneration of the members of the Executive Committee and which advises on the overall remuneration policies applied throughout the company. It reports to the Board at each meeting through its Chairman. The Remuneration Committee is comprised of six members, at least a third of whom are independent board members in line with SES's internal regulations. As of 31 December 2019, the Remuneration Committee was composed of the following six non-executive directors:

Ms Françoise Thoma (Chair of the Remuneration Committee),
Mr Serge Allegrezza
Mr Romain Bausch (independent)
Mr Hadelin de Liedekerke Beaufort
Mrs Tsega Gebreyes (independent)
Mr Ramu Potarazu (independent)

The Remuneration Committee held five meetings, with an attendance rate of more than 96%. Matters addressed related to the determination of the bonuses and the vesting of performance shares allocated to the members of the Executive Committee for their performance in 2018. The Remuneration Committee further adopted the 2019 corporate objectives, which are used as one element in the determination of their bonuses for 2019 as well as for the 2019 stock option grant. Furthermore, the Remuneration Committee discussed the replacement of the current binary vesting condition of Performance Shares by a linear ratchet table to define the final pay-out for the three-year compounded adjusted EVA. The proposed change was subsequently adopted by the SES Board.

The Remuneration Committee also oversees the implementation of the decision under which the members of the Executive Committee must hold at least the equivalent of an annual salary's worth of registered shares in the company (with the CEO of SES having to hold shares of at least two years' worth of his or her annual salary).

THE AUDIT AND RISK COMMITTEE

As part of its overall corporate governance, the Board established an Audit and Risk Committee, which 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. The Committee has an oversight function and provides a link between the internal and external auditors and the Board. The Audit and Risk Committee is composed of six members, four of whom are independent board members, in line with the SES internal regulations.

As of 31 December 2019, the Audit and Risk Committee was composed of the following six non-executive directors:

Mrs Katrin Wehr-Seiter Chair of the Audit and Risk Committee (independent)
Mr Serge Allegrezza
Mr Victor Casier (independent)
Mr Ramu Potarazu (independent)
Mr Kaj-Erik Relander (independent)
Ms Françoise Thoma

The Audit and Risk Committee held four meetings, with an attendance rate of 100%. Beyond the four regular meetings, the Audit and Risk Committee also had two additional calls (with an attendance rate of 91.7%),

The meetings were dedicated in particular to the review of the 2018 financial results before their submission to the Board and their subsequent approval by the shareholders at the statutory annual general meeting and to the review of the H1 2019 financial results of the company. Members of the Board also had the opportunity to communicate any comments they had on the company's quarterly results through the Chair of the Audit and Risk Committee prior to the publication of these results.

The Audit and Risk Committee 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 2018 PwC Management letter.

The Audit and Risk Committee proposed to the Board and to the shareholders to appoint PwC as external auditor for 2019 and it approved its compensation.

The Audit and Risk Committee received bi-annual updates on risk management from the SES risk management committee and was briefed on ongoing compliance matters. Finally, the Audit and Risk Committee discussed the review of WACC parameters for remuneration purposes, customer credit risk and the restructuring of the Finance team. After each meeting, the Board is briefed in writing about the work of the Audit and Risk Committee.

THE NOMINATION COMMITTEE

In line with best practice in corporate governance, the Board established a Nomination Committee, whose role is to identify and nominate suitable candidates for the Board of Directors, for election by the annual general meeting of shareholders. Such 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. The Nomination Committee also proposes candidates for Executive Committee membership for election by the Board. The Nomination Committee is composed of six non-executive members, at least a third of whom are independent board members in line with the SES internal regulations. On 31 December 2019, they were:

Mrs Anne-Catherine Ries (Chair of the Nomination Committee)
Mr Romain Bausch (independent)

Mrs Tsega Gebreyes (independent)
Mr Kaj-Erik Relander (independent)
Mr François Tesch
Ms Françoise Thoma

The Nomination Committee met eight times with an attendance rate of 95.833%. Some of the members of the Nomination Committee participated via Skype in one or more meetings. Following the results of the external Board assessment, the Nomination Committee had an extensive discussion on the size and the composition of the Board. Having reviewed the criteria for Board membership and the resulting changes to the Corporate Governance charter, the Nomination Committee closely worked with an outside consultant to find several new directors. It also discussed the renewal of existing directors and proposed to the Board a list of candidates for election by the shareholders in April 2020 for a 2- or 3-year mandate.

The Nomination Committee also met with several candidates for the position of Chief Financial Officer and submitted a proposal to the Board.

After each meeting, the Board is briefed in writing about the work of the Nomination Committee.

STRATEGY AND INVESTMENT COMMITTEE

As a result of discussions held by the Board on how to improve the Company's Corporate Governance, the Board decided in April 2019 to create an informal advisory body of the Board to provide support to the Board and to Management on strategic matters and to provide a conduit for regular exchange of information between Management and the Board. It supports Management in planning, preparing and implementing the corporate strategy and the 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 Strategy and Investment 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.

At 31 December 2019 it was composed of

Mr Steve Collar Chair
Mr Romain Bausch (independent)
Mr Paul Konsbruck
Mr Ramu Potarazu (independent)
Mr Kaj-Erik Relander (independent)
Mrs Anne-Catherine Ries
Mrs Katrin Wehr-Seiter (independent)

It meets at least once a month, with meetings being scheduled at the request of the CEO, who will provide a written summary to the Board at each meeting,

THE EXECUTIVE COMMITTEE

MISSION

The Executive Committee of SES is known as the Senior Leadership Team and is in charge of the daily management of the group. It functions as a collegial body. The Senior Leadership Team 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 EUR 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 EUR 30 million.

The Senior Leadership Team 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 Senior Leadership Team informs the Board at its next meeting of each such increase.

The Senior Leadership Team 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 Senior Leadership Team submits to the Board a consolidated budget for approval.

The Senior Leadership Team is in charge of implementing all decisions taken by the Board and by the committees specially mandated by the Board. The Senior Leadership Team 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 Senior Leadership Team 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 Senior Leadership Team in due time.

COMPOSITION

On 31 December 2019, the following eight individuals were members of the Executive Committee:

the CEO (who assumes the chairmanship of the Executive Committee)
the CEO SES Networks
the CEO SES Video
the Chief Human Resources Officer
the Chief Legal Officer
the Chief Services Officer
the Chief Strategy and Development Officer and
the Chief Technology Officer

Following the resignation of Andrew Browne as Chief Financial Officer during the course of the year, the Company has mandated an external search firm to find a new Chief Financial Officer who will become a member of the Executive Committee. In February 2020, the Company announced the appointment of Sandeep Jalan as Chief Financial Officer, in succession to Andrew Browne.

Martin Halliwell, previously Chief Technology Officer, became Strategic Advisor to the CEO on 1 January 2019 until his retirement in May.

Members of the Executive Committee are appointed by the Board of Directors upon a proposal from the Nomination Committee.

As of 31 December 2019, the members of the Executive Committee are:

Steve Collar
CEO

Mr Steve Collar was appointed CEO in April 2018. He had been the CEO of SES Networks since April 2017. He is a member of the Board of SES ASTRA. Prior to SES Networks, Mr Collar was CEO of O3b Networks and guided the company through the successful build and launch of its constellation of state-of-the-art satellites. In 2015, O3b Networks became the fastest growing satellite operator in history. In 2016, O3b was fully acquired by SES and now forms an integral part of SES Networks. Mr Collar is a satellite industry veteran, having previously worked in a variety of commercial, business development and technical roles at SES WORLD SKIES, New Skies

Satellites, Astrium and Matra Marconi Space (now Airbus). Mr Collar holds a degree in Mechanical Engineering from Brunel University in London.

Mr Collar is a British national.

Ferdinand Kayser
CEO, SES Video

Mr Ferdinand Kayser was appointed Chief Executive Officer, SES Video in April 2017. Previously, he had been Chief Commercial Officer of SES since 2011. He is Chairman of the Board of SES ASTRA and a member of the Board of YahLive. Mr Kayser joined SES in 2002 as President and Chief Executive Officer of SES ASTRA. He has worked in senior roles in media companies such as Premiere Medien GmbH & Co. KG and CLT Multimedia. Mr Kayser holds a Master of Economics from the University of Paris 1, Panthéon-Sorbonne, and has concluded specialised university studies in Media Law and Management of Electronic Media.

Mr Kayser is a Luxembourg national.

John-Paul Hemingway
CEO, SES Networks

John-Paul (JP) Hemingway was appointed Chief Executive Officer of SES Networks in April 2018. Prior to this, Mr Hemingway served as the Executive Vice President, Product, Marketing and Strategy of SES Networks where he led Product Management, Marketing, Business Development and Corporate Strategy and was responsible for driving the development of the company's products and vertical market segments. Before SES acquired O3b and formed SES Networks, Mr Hemingway was Chief Marketing Officer for O3b Networks, where he oversaw the company’s Product Management, Product Marketing, Business Development, Marketing Communications and Strategy teams, and was integral in O3b’s success. Mr Hemingway held a variety of senior management roles in the networking industry within Ciena, a leading network specialist that includes Regional General Manager Sales and Operations, Regional CTO and VP Product Management. Mr Hemingway started off his career at Corning Cables and Netscient. Mr Hemingway 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 Strategy and Development Officer

Mr Christophe De Hauwer was appointed Chief Development Officer of SES as of 1 August 2015. He is a member of the Board of SES ASTRA. Mr De Hauwer joined SES in 2003, holding 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, Mr De Hauwer worked in the Strategy Consulting practice of the European Telecommunication and Media Industry with Arthur Andersen. He 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

Mr Ruy Pinto was appointed Chief Technology Officer (CTO) at SES in January 2019. He had been the Deputy Technology Officer since 2017 and took on the additional role of Chief Information Officer (CIO) at SES in 2018, responsible for starting a Digital Transformation program at SES. Mr Pinto joined SES from Inmarsat where he covered various technical and managerial roles between 1990 to 2016, including two years as CTO of the company. His last position at Inmarsat, from December 2013, was Group Chief Operations Officer (COO), responsible for all Inmarsat operational functions. His external positions portfolio included two years as the Chairman of UKSpace, the UK space industry trade association, and four years as a Director and VP of Space for the Association of Defence, Security and Aerospace Companies (ADS). Mr Pinto has just completed a six-year appointment as Non-Executive Director of the Space Application Catapult, established by the UK government to foster the development of space applications in the UK. Previously, Mr Pinto worked with VSAT data communication networks and data communications software. Mr. Pinto 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 Purvis
Chief Legal Officer

Mr John Purvis was appointed Chief Legal Officer in February 2017. He has served as EVP & General Counsel of SES since 2007. Mr Purvis joined SES in 2001 as part of SES's acquisition of GE Americom. Previously, he had been a lawyer in GE Lighting and Rowe & Maw, a City law firm in London. Mr Purvis qualified as a solicitor of England & Wales in 1986. He holds a law degree from Jesus College, Cambridge.

Mr Purvis is a British national.

Evie Roos
Chief Human Resources Officer

Mrs Evie Roos was appointed Chief Human Resources Officer in February 2017. Prior to that, Mrs Roos held the position of Executive Vice-President Human Resources of SES. She is a member of the Board of SES ASTRA, as well as an elected member of the Luxembourg Chamber of Commerce. Before joining SES, Mrs Roos 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 Baughn
Chief Services Officer

Mr John Baughn was appointed Chief Services Officer (CSO) in January 2019. He had been EVP, Global Services at SES Networks since 2017, responsible for the delivery of end-to-end services to customers and proving to be a change agent and innovator, driving modernization and monetization of networks. Mr Baughn joined SES Networks from O3b Networks, where, as a key member of the O3b Senior Management team since early 2015, he led the Global Services team, driving service strategy. Previously, between 2008 and 2015, Mr. Baughn was VP Global Services at Ciena, where he was responsible for regional and global managed services and consulting. His vast Telco experience included leadership roles in Motorola between 1992 and 2008 where he led the company's strategy towards continuous profitable business growth in managed, professional service operations. Mr Baughn holds an MBA from the University of Warwick.

Mr Baughn is a British national.

COMPANY STOCK OWNED BY MEMBERS OF THE BOARD OF DIRECTORS AND OF THE EXECUTIVE COMMITTEE

On 31 December 2019, the members of the Board of Directors and their closely associated family members owned a combined total of 773,165 shares and FDRs (representing 0.13% of the company's share capital).

At the same date, the eight members of the Executive Committee owned a combined total of 210,238 shares and FDRs (representing 0.04% of the company's share capital), 327,240 unvested restricted and performance shares and 3,240,305 options.

Transactions made by members of the Board of Directors or the Executive Committee are disclosed in line with the transparency law and are published on the company's website under Management Disclosures. In accordance with the company's dealing code, directors and Executive Committee members require prior permission before dealing in SES shares or FDRs.

REMUNERATION

Following the coming in to force of the Shareholder Rights Law of 1 August 2019, the SES Board, during 2019, adopted a Remuneration Policy that will be formally submitted to the shareholders at the AGM on 2 April 2020 for approval.

A remuneration report will be published separately and will also be submitted to the shareholders at the same meeting for approval. It will be made available on the Company's website together with all preparatory documents for the AGM.

EXTERNAL AUDITOR

In accordance with the Luxembourg law on commercial companies, the company's annual and consolidated accounts are certified by an external auditor appointed by the annual general meeting of shareholders. On 4 April 2019, and based upon a proposal from the Board, the shareholders re-elected PwC as the company's external auditor for one year and approved its remuneration, with a majority of more than 99.777%. The mandate of PwC will expire at the annual general meeting on 2 April 2020.

BUSINESS RISKS AND THEIR MITIGATION

This section contains a summary of the main risks that SES may face during the normal course of its business. However:

- this section does not purport to contain an exhaustive list of the risks faced by SES and SES may be significantly affected by risks that it has not identified or considered not to be material;
- some risks faced by SES, whether they are mentioned in this section or not, may arise from external factors beyond SES's control; and
- 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 the risk.

1. RISKS RELATING TO PROCUREMENT

Risk of launch delays and/or launch failures
SES is planning to launch the SES-17 satellite as well as seven O3b mPOWER satellites (on two launch vehicles) during 2021. The launch of these satellites carries a risk of delay for a variety of reasons, including the late availability of the launch service or last-minute technical problems arising on the satellites or the launcher.

A launch delay or failure could have a material negative effect on revenue. Satellite launch and in-orbit insurance policies do not compensate for lost revenues due to the loss of customers or for consequential losses resulting from any launch delay or failure.

SES attempts to mitigate the risk of a launch delay interrupting existing services by leaving adequate time margins in procurement schedules for replacement satellites.

There is always an inherent risk of launch failure, or failure of the satellites during the launch and early operations phase, resulting in a reduced satellite lifetime (in case of incorrect orbit injection or satellite propulsion anomalies during transfer orbit), reduced functionality of the satellite or the total loss of a mission.

SES attempts to mitigate the risk of launch failure in several ways, including by detailed technical risk management of each satellite and launch vehicle programme and asset insurance for each launch.

Risk of dependency on launch service providers
SES is currently largely dependent on Arianespace (for SES-17) and SpaceX (for mPOWER) to launch its satellites into space. SES may incur significant delays in launching new satellites in the event of a prolonged unavailability of one of these two launch vehicles.

Risk of dependency on satellite manufacturers and secondary suppliers
SES is dependent on five major satellite manufacturers for the construction of its satellites.

Dependency on a small number of satellite manufacturers may reduce SES's negotiating power and access to advanced technologies (which may only be available to certain suppliers). It may also result in a higher concentration of risk; SES may incur significant delays in procuring new satellites in the event of prolonged problems at one of these satellite manufacturers. Further, the difficulties caused by any technical problems with the design of a particular model of satellite may be multiplied if several satellites of that design are purchased.

In addition, there are a limited number of second tier suppliers of certain key components for communication satellites. SES may incur significant delays in procuring new satellites in the event of prolonged problems at one of these secondary suppliers.

SES attempts to mitigate these risks relating to procurement by a constant monitoring of its supplier base, maintaining multiple procurement sources and developing relationships with new suppliers where possible.

2. RISKS RELATING TO SATELLITES

Risk of in-orbit failure
One or more of SES's satellites may suffer in-orbit failures, ranging from a partial impairment of its commercial capabilities to a total loss of the asset. In the event of such a failure, SES may not be able to continue to provide service to some of its customers.

SES attempts to mitigate the risk of in-orbit failure by careful vendor selection and high quality in-orbit operations. SES's fleet is diversified by manufacturer and satellite type, which reduces the likelihood of widespread technical problems. The impacts of such failures on customer service and related revenues may be mitigated by an in-orbit backup strategy, pursuant to which customers on an impaired satellite may possibly be transferred to another satellite in the fleet. In addition, SES has a restoration agreement in place with another satellite operator pursuant to which customers on an impaired geostationary satellite may possibly be transferred to another satellite in that operator's fleet in order to protect continuity of service. For the MEO fleet it is possible to "pair" satellites to carry traffic following failures or, depending on the anomaly, to rebalance the customer traffic to provide continuity of service. However, there is no guarantee that these mitigations will be entirely effective, especially in the event of the failure of several satellites.

In-orbit insurance constitutes an additional financial mitigation against the risk of impairments, subject to the limitations of such insurance.

A number of SES's satellites have experienced various technical anomalies either before or during 2019.

Some of SES's satellites experiencing technical anomalies are operating beyond the end of their design lives. These satellites have already completed the primary missions for which they were designed and have been redeployed for secondary missions. Satellites in secondary missions are used for various reasons, such as developing new orbital locations, safeguarding spectrum rights and providing redundant capacity for satellites in their primary missions. These satellites' technical capabilities do not generally need to be fully utilised in operating their secondary missions, which potentially mitigates the effects of further technical failures.

The O3b satellites operate as a constellation in a non-geostationary orbit with each satellite covering a service region as it orbits the equator. Because the satellites are non-geosynchronous, each satellite provides service to all O3b customers over each complete orbit around the Earth. Accordingly, a beam failure could affect all customers using that beam in each region served by O3b, which could affect all customers and require O3b to remove the satellite or beam from commercial operation. This would reduce the number of beams or regions served by the constellation unless a spare satellite could be utilised to replace the failed satellite or beam. Four of the current 20 satellites are used as spares to provide back-up for other satellites in the constellation.

Risk of short operational life
The design life of SES's geostationary satellites is typically 15 years and the design life of O3b's current satellites is 12 years. In the event of changes in the expected fuel life of the satellite, in-orbit anomalies or other technical factors, its actual life may be shorter than this. This could lead to the satellite being depreciated faster than anticipated and the lifetime revenue generated by the satellite being reduced, diminishing the overall return on investment for the asset. SES attempts to mitigate the risk of a reduced operational life by careful vendor selection and high quality in-orbit operations.

3. RISKS RELATING TO INSURANCE

Insurance coverage risk
SES's satellites may be subject to damage or loss from events that might not be covered by insurance policies. SES maintains (i) pre-launch insurance, (ii) launch and initial in-orbit insurance, (iii) in-orbit insurance and (iv) third-party liability insurance for its satellites. The insurance policies generally contain exclusions for losses resulting from:

- military or similar action;
- any anti-satellite device;
- electromagnetic and radio interference (except for physical damage to a satellite directly resulting from this interference);
- confiscation by any governmental body;
- insurrection and similar acts or governmental action to prevent such acts;
- nuclear reaction or radiation contamination;
- wilful or intentional acts causing the loss or failure of satellites;
- cyber attacks; and
- terrorism.

The insurance policies do not provide compensation for business interruption, loss of market share, reputational damage, loss of revenue, incidental and consequential damages and similar losses that might arise from the loss of a satellite during transportation to the launch site or launch site operations, the failure of a satellite launch, incorrect orbital placement or the failure of a satellite to perform according to specifications. In addition, SES's in-orbit insurance only covers losses in excess of the risk retention level selected by SES.

The in-orbit insurance policies may exclude from coverage failures arising from pre-existing defects, such as defects in solar array and battery anomalies on some existing satellites. In addition, SES will not be fully reimbursed if the cost of a replacement satellite exceeds the sum insured. As a consequence, the loss, damage or destruction of any satellites as a result of any of these events could result in material increases in costs or reductions in expected revenues or both.

SES has adopted a policy of limited self-insurance. Premiums relating to its satellite fleet are paid to a wholly-owned subsidiary, thus reducing the amount of insurance premiums paid to external insurance companies.

If any event occurs that is covered by the in-orbit insurance, the payment of the sum insured could result in material increases in costs.

SES has third party liability insurance that covers damage suffered by third parties resulting from accidents such as launch failures and satellite collisions. It is subject to an annual combined single limit of EUR 500 million. The entire SES fleet is covered by this policy.

Insurance availability risk
Satellite insurance is a cyclical market subject to the laws of supply and demand and the space insurance market has seen a reduction of capacity, combined with a significant increase of insurance rates during 2019. This will likely result in increases in the amount of insurance premiums paid by SES to cover its risks and affect its ability to obtain the desired level of coverage going forward. SES's self-insurance programme improves its flexibility to accommodate variations in insurance market conditions.

4. RISKS RELATING TO CUSTOMERS

Risk of key customer loss

SES depends on a number of key customers whose loss (or non-renewal) would reduce SES's revenues. SES's five largest customers represented 22.4% of SES's total revenues in 2019.

If key customers reduce their reliance on SES by developing or increasing relationships with other satellite operators, or moving to other telecommunications solutions, and such key customers cannot be replaced on time, SES's revenues may be impacted negatively.

It is important that SES's main, and long-term, satellite capacity agreements for the direct-to-home business in Europe are renewed on commercial terms similar to those reflected in the existing agreements. If SES would be materially unsuccessful in obtaining such renewals, revenues could be substantially adversely affected, with limited possibilities for mitigation.

SES's business is vulnerable to increasing presence from non-traditional Video distributors such as Netflix and Amazon and other OTT players. While relying on a distribution architecture that does not include satellites, in many cases, these players compete directly with SES's customers and increasingly drive up the costs for premium sports and other content for SES's customers.

SES may be forced to reduce prices in respect of its Networks services in current and future agreements. This risk is caused by various factors, including emergence of new technologies, such as LEO systems, which may claim ability to deliver lower pricing in the future, and pricing set in the past in long-term agreements which may no longer allow SES's customers to compete effectively in today's market.

SES's customer base is subject to constant change. Bankruptcy of key customers or customer consolidation resulting from mergers and acquisitions can reduce demand for SES's satellites capacity, thereby affecting SES's revenues.

Risks relating to customer credit

SES may suffer a financial loss if any of its customers fails to fulfil its contractual payment obligations.

The level of customer credit risk may increase as SES, and/or its customers, grow revenues in emerging markets because credit risk tends to be higher in these markets (compared to the markets of Europe and North America).

This risk is mitigated principally through a customer credit policy that includes credit checks, credit profiles, deposits or other forms of security, monitoring of payment performance and the application of a provisioning policy. In some cases, customer credit risks are mitigated by credit insurance.

Further details are provided in Note [18] to the consolidated financial statements.

Risks inherent in international business

SES conducts business around the world. It is exposed to issues such as financial, regulatory, geopolitical, tax, sanctions and trade risks in many jurisdictions. Political and financial stability in some jurisdictions may impact SES's business in that country. In practice, it may be difficult for SES to enforce its legal rights in some jurisdictions.

The inherent uncertainties in doing business in certain jurisdictions may have a negative impact on SES's results.

Risks inherent in doing business with the US Government

As a result of US national security laws and regulations, SES Government Solutions, Inc. is subject to a proxy agreement with the US Government ('the Proxy Agreement'). The proxy structure imposed upon SES Government Solutions is common for businesses contracting with the US Government and is similarly imposed on SES's competitors.

The US Government requires SES Government Solutions to enter into the Proxy Agreement because SES Government Solutions is indirectly owned by SES, a foreign company, and SES Government Solutions has classified contracts with the US Government. As a result of the Proxy Agreement, strict limitations are placed on the information that may be shared between SES Government Solutions and other SES subsidiaries. The Proxy Agreement also imposes restrictions on the control of SES Government Solutions by SES. However, it is important to note that inter-company activities including the provision of satellite capacity to SES Government Solutions for provision to the US Government are permitted under the Proxy Agreement.

5. RISKS RELATING TO THE SATELLITE COMMUNICATIONS MARKET

Competition risk
The telecommunications, connectivity and media market is fiercely competitive and SES faces competition from satellite (GEO and planned LEO) and terrestrial (fixed and wireless) networks.

SES faces competition from international, national and regional GEO satellite operators, as well as from planned LEO constellations. Some national operators receive tax and regulatory advantages in their countries that are not available to SES. The development of national satellite programmes in some countries may limit or prevent SES's ability to compete in those countries. Some planned LEO constellations might have material advantages based on their owners` capability to cross-subsidize and/or fertilize their satellite business with other parts of their business.

In addition, SES competes with operators of terrestrial (fixed and wireless) networks. Any increase in the technical effectiveness or geographic spread of these terrestrial networks could result in a reduction in demand for SES's satellite capacity. Some terrestrial operators may receive state aid and subsidies not available to SES.

Developments and competition in the media market could result in a demand reduction for SES's satellite services and/or pricing changes resulting in a significant negative impact on SES's revenues. Changing consumer behaviour and the emergence of terrestrial technological substitution, particularly non-linear over the top services, could lead to horizontal consolidation among satellite service providers and to a reduction in demand for satellite based distribution.

Technology risk
The satellite communications industry is subject to increasing technological change. SES's satellites and associated technology could become less suited to meet requirements due to unforeseen advances in communications technology, leading to a reduction in demand for its services and a negative impact on revenues.

The use of new technology to improve the signal compression rate could lead to a reduction in demand for SES's satellite services on the Video side, which could lead to a negative impact on the financial results.

6. RISKS RELATING TO SES'S STRATEGIC DEVELOPMENT

Emerging market risk
SES's development strategy includes targeting new geographical areas and emerging markets and developing joint ventures or partnerships with local telecommunications, media and financial businesses in order to improve market access for its services.

SES may be exposed to the inherent instability of doing business in those regions. Such inherent instability could have an adverse impact on SES's revenues and operational costs.

Please also see 'Risks inherent in international business' above.

In some emerging markets, customers may be less financially secure and run a higher risk of insolvency than in more developed markets. The failure of a customer could have an adverse impact on SES's revenues.

Investment risk
SES regularly evaluates opportunities to make strategic investments. These opportunities may not yield the expected benefits due to a number of factors, such as evolving market conditions, antitrust changes, financing costs and regulatory approvals. If an investment is made, it may adversely affect SES's results due to financing costs or the economic performance of the investment following acquisition. The success of any such investment is not guaranteed.

SES has a number of strategic investments in businesses that it does not fully control. As a result, SES is dependent in part on the cooperation of other investors and partners in protecting and realising the full potential of certain investments. SES may not be able to prevent strategic partners from taking actions that are contrary to SES's business interests.

SES also invests in new and innovative projects, which often feature new and unproven technology or uncertain market demand. If the technology is not successful or demand does not materialise as planned, the economic value of SES's investment may be reduced.

SES has also earmarked certain funds for investment, which includes the replacement of existing satellites (often with increased capacity) and the launching of new satellites. The successful marketing and sale of new capacity is dependent on the underlying demand for satellite services in the targeted regional markets. If that demand does not materialise as anticipated, SES's financial forecasts may not be met.

7. RISKS RELATED TO LEGAL, REGULATORY, SPECTRUM, AND CORPORATE

Legal risk
SES cannot always predict the impact of laws, regulations and politics on its operations. The operation of the business is and will continue to be subject to the laws, regulations and political will of the various governmental authorities of the countries in which SES operates, uses radio spectrum or offers satellite capacity and services, as well as to the frequency coordination process of the International Telecommunication Union (the 'ITU'.) Legal, regulatory and political changes are outside SES's direct control. New or modified rules, regulations, legislation, or decisions by a relevant governmental entity or the ITU could materially and adversely affect operations.

The international nature of SES's business means that it is subject to applicable sanctions, export control, competition and anti-bribery laws and regulations including associated civil and criminal penalties. Risks concerning and violations of applicable compliance laws and regulations may negatively affect future operations or subject SES to criminal or civil enforcement actions.

Disputes concerning SES's business arise from time to time and can result in legal or arbitration proceedings. The outcome of these proceedings cannot be predicted. A negative outcome in a substantial litigation or arbitration case could have a material impact on SES's business and financial position.

Spectrum access risk
Access to orbital slots and frequencies is required for SES to develop and maintain its satellite fleet and services.

The ITU is responsible for the allocation of spectrum for particular uses and the allocation of orbital locations and associated frequencies. Use of the spectrum and orbital positions is in accordance with the ITU Radio Regulations. SES can only access spectrum through ITU filings made by a national administration.

Orbital slots, satellite systems and associated frequencies are a limited resource. The ITU may reallocate spectrum from satellite to terrestrial or other uses. In addition, national administrations are increasingly charging for access to spectrum by the use of fees and auctions.

Any reallocation of spectrum from satellite to terrestrial or other uses or fees and charges assessed by national administrations may have a significant adverse effect on SES's current results and future prospects.

Spectrum coordination risk
SES is required to coordinate the operation of its satellites with other satellite operators through the relevant national administrations and in accordance with the ITU process so as to prevent or reduce interference between satellites. SES may also be required to coordinate any replacement satellite that has performance characteristics that differ from the satellite it replaces.

As a result of such coordination, SES may be required to modify the proposed coverage areas of its satellites, satellite design or transmission plans in order to eliminate or minimise interference with other satellites or ground-based facilities. Those modifications may mean that use of a particular orbital position is significantly restricted, possibly to the extent that it may not be economical to place a new satellite in that location. In addition, interference concerns of a country may affect the ability of SES's satellite network to generate revenues, due to the operational restrictions that the country may impose.

Similarly, the performance of SES's satellites in the affected areas could be adversely affected if ITU regulations or other legal constraints fail to prevent competing satellite operators from causing harmful interference by the operation of their satellites.

Spectrum use risk
If SES does not occupy unused orbital locations by specified deadlines, does not maintain satellites in the orbital locations it currently uses or does not operate in all the frequency bands for which a licence has been received, then, in accordance with applicable national and ITU regulations, those orbital locations or frequency bands may become available for use by other satellite operators.

SES has access to a large portfolio of orbital locations and frequencies that have been filed at the ITU through various administrations. For each filing, the ITU and the national regulators impose various conditions that must be met in order to secure the spectrum. Operational issues such as satellite launch failure, launch delay or in-orbit failure might compromise the access to the spectrum or orbital locations. SES is committed to the highest quality satellite and launch procurement processes, which helps to reduce this risk. In addition, SES's large fleet of satellites may in some circumstances permit the relocation of in-orbit satellites in order to meet regulatory requirements.

Regulatory risk
SES may need to obtain and maintain approvals from authorities or other entities to operate its satellites and to offer satellite capacity and services. For example, SES must obtain licences, authorisations or market access approvals in certain countries to enable provision of satellite capacity to those countries. The failure to obtain the licences, authorisations or market access approvals necessary to operate satellites or to offer satellite capacity and services could lead to loss of revenues and compliance actions against SES.

Each customer is responsible for obtaining regulatory approval for its operations. As a result, there may be governmental regulations inapplicable to SES that may adversely affect customers' operations. SES could lose revenues if customers are unable to obtain any necessary approvals, if customers' regulatory approvals are insufficient in the view of the relevant regulatory authorities, if the necessary approvals are not granted on a timely basis or if any applicable licencing restrictions become unduly burdensome.

Export control
SES must comply with all applicable export control laws and regulations. For example, the US has comprehensive export compliance regulations. As a result, any US information, products or materials that SES provides to non-US entities relating to communications satellites, equipment, software and data are subject to US export control regulations. SES's US operations may not be able to maintain normal business activities and SES's non-US operations may not be able to source US satellites, hardware, technology and services if:
- export licences are not timely obtained;
- export licences do not permit transfer of all items requested;
- satellite launches are not permitted in the locations that SES prefers; or
- the requisite licence, when approved, contains conditions or restrictions that pose significant commercial or technical problems.

Such occurrences could impede construction and delay the launch of any future satellites, adversely impacting current and/or future revenues. SES must also comply with other applicable national export laws and regulations.

Sanctions compliance risk
As an international company, SES's business is subject to applicable financial and trade sanctions compliance laws and regulations. Sanctions laws and regulations restrict SES's ability to provide services in, export hardware or software to, certain countries or specific entities. In certain cases, SES may be able to obtain authorisation from the relevant sanctioning country in order to provide service that would otherwise be subject to sanctions, however, there is no guarantee that such authorisation will be granted. As a result, SES may be required to forgo commercial opportunities that are subject to sanctions.

SES has policies and systems in place designed to monitor the company's activities and to prevent engaging in prohibited activities or dealing with sanctioned parties. Failure to obtain or maintain required sanctions authorisations or failure to comply with applicable sanctions laws and regulations could have a material adverse effect on business.

External threat risk
In common with other satellite operators, SES is vulnerable to the risk of terrorist acts, sabotage, piracy, attack by anti-satellite devices, jamming, unintentional interference and natural disaster. Such external threats may lead to a temporary or permanent interruption in service and/or the loss of customers. Any such act could have a potentially significant adverse effect on SES's results.

Cyber risk
SES's operations may be subject to hacking, malware and other forms of cyber-attack. Due to the fast-moving pace of new hacking techniques, the high sophistication of certain attackers and an increasingly hostile cyber-attack environment, it may be difficult to detect, determine the scope of, contain and remediate every such event.

Any inability to prevent or to detect the occurrence of cyber-attacks in a timely manner could result in a disruption of services or malfunctions, loss of customers, inadvertent violations of data protection, export control and other relevant laws, damage to SES's reputation, or damage to SES's properties, equipment and data. Furthermore, such event could result in large expenditures necessary to repair or replace such networks or information systems or to protect them from similar events in the future.

SES has protections in place to help protect its networks and continues to work to implement additional protective measures intended to limit the risks associated with such attacks.

People-related risk
SES is competing for talent with large and well-known companies. In the context of low unemployment rates and a shortage of qualified candidates, SES may have difficulties in finding and onboarding diverse and competent talent with the required capabilities. SES attempts to mitigate this risk through the creation of a dedicated Talent Acquisition function, to enhance the sourcing of high-quality candidates, improve the applicant experience, and network more effectively with partners (universities, professional networks, recruitment agencies, referral programmes), as well as strengthening our Employer Brand.

Through its internal Learning and Development programmes, SES fosters the retention and in-house development of talent (Associate Programme, Leadership Programme, Mentoring Programme, Learning and Career Progression Opportunities) in order to reduce the risk of losing key contributors.

In addition, SES continues to nurture a high-performance culture founded on jointly endorsed behaviours aligned around a clear purpose and vision, helping teams to focus and remain energised in order to deliver on its customer promise.

If SES is unable to source, onboard, energise and retain key talent, it could have a negative impact on SES's business, financial situation and results.

Unforeseen high impact risk
SES's operations may be subject to unforeseen events that are both improbable and have a high impact. Due to the unforeseen nature of the event, it is difficult to manage the impact of such events or predict the nature or extent of the damage. Such unforeseen events may have a significant negative impact on SES's business, financial situation and results.

8. RISKS RELATING TO FINANCE

Economic downturn risk
An economic slowdown in the countries where SES operates may have a negative effect on its performance if potential customers face difficulties funding their business plans. This could, in turn, result in decreased profitability, with significant negative consequences for SES's business, financial condition and results of operations.

Cash flow risk
SES operates in accordance with a strong business model. If, for any reason, SES is not successful in implementing its business model then cash flow and capital resources may not be sufficient to repay indebtedness. If SES were unable to meet its debt service obligations, then a default under debt agreements would occur. To avoid such default, SES could be forced to reduce or delay the completion or expansion of the satellite fleet, sell assets, obtain additional equity capital or restructure its debt.

Credit rating risk
A change in SES's credit rating could affect the cost and terms of its newly issued debt, as well as its ability to raise financing. SES's policy is to attain, and retain, a stable investment grade rating with Standard & Poor's and Moody's. If SES's credit rating were downgraded, it may affect SES's ability to obtain financing and the terms associated with that financing. SES cannot guarantee that it will maintain its investment grade credit ratings.

Tax risk
SES's financial results may be materially adversely affected by unforeseen additional tax assessments or other tax liabilities.

SES does business in many different countries and is therefore subject to taxation in multiple jurisdictions. SES makes provisions in its accounts for current and deferred tax assets and liabilities based on a continuous assessment of prevailing tax laws in those jurisdictions.

However, SES cannot always be certain of a tax authority's application and interpretation of the tax law. SES may become subject to unforeseen material tax claims, including late payment interest and/or penalties. Such claims may arise for a number of reasons, including: the identification of a taxable presence of a non-indigenous group company in a taxing jurisdiction; transfer pricing adjustments; application of indirect taxes on certain business transactions after the event; and the disallowance of the benefits of a tax treaty. In addition, SES may be subject to retroactive tax assessments based on changes in laws in a particular tax jurisdiction. SES has implemented a tax risks mitigation charter based on (among other things) a framework of tax opinions for the financially material positions taken, transfer pricing policies and documentation covering the group's important inter-company transactions, and procedures for accurate tax compliance in all jurisdictions.

Asset impairment risk
SES's non-current intangible and tangible assets are valued at historic cost less amortisation, depreciation (where relevant) and accumulated impairment charges. The resulting net book values are subject to validation each year through impairment testing procedures, where they are compared to the higher of fair value or value-in-use of the asset, representing the 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.

In the SES SA annual accounts, impairment testing – using value-in-use procedures similar to those outlined above – is performed on the carrying value of the shares in affiliate undertakings, or on the carrying value of groups of shareholdings where the Board of Directors believes that it is more appropriate under the circumstances, and better reflects the substance of the activities, the interdependency of the associated cash flows and their level of integration. If the carrying value of the relevant investment, or group of investments, is not substantiated by its value-in-use, and any shortfall is assessed as being other than a temporary nature, then this could result in an impairment charge being recorded to the income statement of the SES SA annual accounts in the period concerned.

Liquidity risk
SES requires liquidity to maintain its operations and meet its obligations. Any liquidity problems may have a significant impact on SES's operations and lead to the breach of contractual obligations. In case of liquidity needs, SES can call on a number of committed and uncommitted credit facilities with banks. In addition, if deemed appropriate based on prevailing market conditions, SES can raise funds through its European Medium-Term Note programme or other debt capital market instruments. SES's debt maturity profile is tailored to allow the company to cover repayment obligations as they fall due. SES operates a centralised treasury function, which manages the liquidity of SES and seeks to optimise the funding costs. This is supported by a daily cash pooling mechanism.

Further details are provided in Note [18] to the consolidated financial statements.

Foreign exchange risk
SES's reported financial performance can be impacted by movements in the Euro / US dollar exchange rate, as SES has significant operations, cash flows, assets and liabilities that are denominated in US dollar whereby the Group's functional currency is Euro. Furthermore, SES is exposed to movements in some other foreign currencies in which it generates revenue.

To mitigate this exposure, SES may enter into forward foreign exchange or similar derivatives contracts to hedge the exposure on financial debt or on the net US dollar assets.

Further details are provided in Note [18] to the consolidated financial statements.

Interest rate risk
SES's exposure to the risk of changes in market interest rates relates primarily to SES's 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. The terms of such derivatives are negotiated to match the terms of the hedged item to maximise the effectiveness of the hedge.

Further details are provided in Note [18] to the consolidated financial statements.

Counterparty credit risk
SES's exposure relates to the potential default of a counterparty holding financial assets (cash and cash equivalents, held for trading financial assets, loans, receivables and derivative instruments).

The counterparty credit 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, SES only deals with recognised financial institutions with an appropriate credit rating. All counterparties are financial institutions that are regulated and controlled by the national financial supervisory authorities of the applicable countries. The counterparty credit 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 relationship for all categories of products (derivatives as well as deposits).

Further details are provided in Note [18] to the consolidated financial statements.

INTERNAL CONTROL PROCEDURES

OBJECTIVE

The Board 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 the company.

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 compliance of actions and decisions with applicable laws, regulations, standards, internal rules and contracts;
- the efficiency and effectiveness of operations and the optimal use of the company's resources;
- the correct implementation of the company's internal processes, notably those to ensure the safeguarding of assets;
- the integrity and reliability of financial and operational information, both for internal and external use;
- that management's instructions and directions are properly applied; and
- that material risks are properly identified, assessed, mitigated and reported.

Like all control systems, internal controls cannot provide an absolute guarantee that risks of misstatement, losses or human error 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 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 control environment is an essential element of the company's internal control framework, as it sets the tone for the organisation. This is the foundation of the other components of internal control, providing discipline and structure. The Board has delegated the design, implementation and maintenance of a rigorous and effective system of internal controls to the Executive Committee of SES, which in turn works closely with the other levels of management in establishing control policies and procedures.

Policies and procedures are regularly updated, as appropriate. The aim is to design and implement a common set of policies and procedures that best support the organisation and can be used company-wide. The policies and procedures apply to all employees and officers of the SES group, and where appropriate, to its directors. The policies and procedures take into account the specificities of each business unit and legal entity and are adapted where necessary to their activity, size, organisation and legal and regulatory environment.

A Delegation of Authority Policy is in place and 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' ('the Code') has been in place since 2009. The Code is designed to enable all employees, officers and directors to take a consistent approach to integrity issues and to make sure that SES conducts its business in compliance with all applicable laws and regulations and observes the highest standards of business ethics.

An SES Compliance Committee ('the Committee'), composed of designated Compliance Officers in each main corporate location, is tasked with raising the staff's awareness of the Code and ensures a consistent roll-out and training programme for the Code. 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's offices in Asia, the Middle East and Latin America.

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

SES has implemented a comprehensive compliance training programme. Overall nearly 6,000 trainings have been completed by staff on various compliance topics with the major focus of 2019 trainings having been on cybersecurity, anti-bribery & corruption and sanctions & export controls.

To ensure better compliance with data protection laws and regulations, SES appointed a Data Protection Officer in 2014. 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 descriptions of the main SES functions and processes are electronically documented. Given the many ongoing updates and changes in its processes and systems, SES is standardising its process mapping using a common Business Process Management software.

Another key component of the control environment is the coordination of risk management with internal control. Risk management and internal control systems complement each other in controlling the company's activities.

RISK MANAGEMENT

SES adopted a risk management framework based on principles proposed by COSO and ISO31000. A Risk Management Team has been formed, including a Risk Management Coordinator, in order to ensure the adequate reporting of the risks facing SES and an overall implementation of the risk management policy and procedures by the SES Risk Management Group. The coordination of the implementation of the policy and regular preparation of risk management reports is the responsibility of the Risk Management Group that reports to the Senior Leadership Team. The Risk Management Group has replaced the Risk Management Committee and consists of direct reports of the Senior Leadership Team representing key SES functions. The Senior Leadership Team 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.

In 2019, the Risk Management Team performed a review of the SES risk management framework and is in the process of aligning it with the current structure of SES, and to ensure substantive risk reporting. The risk management policy is being reviewed and updated by the Risk Management Team on a regular basis, including common definitions and measures of risk management, and is shared with the various risk owners to ensure that the risk management policy continues to be properly implemented.
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

Regarding the internal controls in the area of accounting and financial reporting, the following should be noted:

- Staff involved in the company's accounting and financial 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 for transactions, effective segregation of duties and the complete and accurate recording of financial information. This control framework continues to be both extended (as more entities are brought onto the group's ERP platform) and enhanced through the implementation of additional workflow-based controls and validations
- Concerning the revenue recognition process, adequate procedures and controls are in place, such as monthly reviews and data validation procedures, to ensure the correct and timely recognition of revenues.
- 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 the requirements of IFRS, 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 company 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 half-year consolidated financial statements and a full audit of the annual consolidated financial statements.

Regarding the internal controls in the area of space related insurance, the following should be noted:
- The vast majority 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, three committees (Investment, Underwriting and Audit, Compliance & Risk) and four key functions (Risk Management, Compliance, Actuarial and Internal Audit).
- Risk retention levels authorised under launch and in-orbit insurance policies are approved by the SES Board of Directors. Placement of new launch insurance policies as well as the placement or renewal of the SES fleet in-orbit insurance policy are approved by the Senior Leadership Team.

Regarding the internal controls in the area of treasury management, the following should be noted:
- The treasury function uses specific software that helps to ensure the efficiency and control of the implementation of SES's hedging strategy for interest rate and foreign currency fluctuations. This software also aims to centralise the cash management of SES's affiliates.
- In order 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 the SAP accounting system directly to the bank.
- A clear segregation of duties and assignment of bank mandates between members of SES management, treasury and accounting departments has been implemented.
- In order to streamline the cash management process, SES has centralised the in-house bank into one hub. This in-house banking system is fully integrated and managed in SAP.
- SES may use forward currency contracts to eliminate or reduce the currency exposure on single deals, such as satellite procurements, tailoring the maturities to each milestone payment. Such foreign currency risk is predominantly in EUR or USD. 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 company's policy not to enter into forward contracts until a firm commitment is in place, and to match the terms of the hedge derivatives to those of the hedged item to maximise effectiveness.
- Those treasury activities with a significant potential risk, such as financial derivative transactions with external parties and hedging activities, take place within a framework approved by the Board.
- A short treasury report is issued every quarter to the Board as part of the financial reporting.
- To further strengthen these controls, the treasury policy is regularly updated. In addition, a Treasury Roadmap based on SES's strategic and business plans, is also prepared and presented to the Audit and Risk Committee.

Regarding the internal controls in the area of tax management, the following should be noted:
- The main principles of SES's tax risk management are laid down in the SES Tax Charter. 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. The tax department seeks, where possible, to achieve upfront tax clearances with relevant local tax authorities with regard to

the tax ramifications of main business ventures, corporate reorganisations and financing structures of the company.
- Current and deferred tax liabilities are recorded in the SES group accounts on the basis of a key control framework that ensures full transparency and understanding of all underlying data and reconciliation between the important sources of information within the tax and accounting departments.
- The transfer pricing documentation is continuously updated and improved underpinning all significant cross-border inter-company transactions in the company through functional and economic analyses including benchmarking studies. SES's transfer pricing documentation includes a master file, local files and annual country-by-country reporting.

Regarding the internal controls in the area of satellite operations, the following should be noted:
- SES's 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. These procedures are periodically reviewed to ensure that they are up-to-date. Satellite control software is being used and fully validated electronic procedures for station-keeping and other regular operations are being applied across the entire SES fleet.
- SES has designed crisis management systems and supporting infrastructure and tools in order 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.
- The Satellite Contingency and Emergency Response Process reflects the company's current organisational structure.
- LuxGovSat has, a highly secured Network Operation Centre ('NOC') on the Betzdorf campus.
- SES has adequate satellite control primary and backup capabilities utilising the European and US-based Satellite Operations Centres ('SOCs'). A SOC was built in Brazil to control the SES-14 satellite, with Betzdorf having the ability to control it.
- For SES Geostationary Earth Orbit ('GEO') located satellites, primary satellite operations in Europe are operated from the technical facility in Betzdorf and primary satellite operations in North America are operated from Princeton. Both SOCs are in a position to take over the operations of the other in an emergency with the fail-over procedure being tested regularly. Satellite engineering and Flight Dynamics tools, applications and documentation required to support satellite operations are available in the Betzdorf and Princeton SOCs and Data Centres. Backup satellite operations are also located in Redu (Belgium) and Woodbine (US). The backup SOCs in Redu and Woodbine are tested twice a year.
- For SES Medium Earth Orbit ('MEO') located satellites (O3b), primary satellite operations are performed from the SOC in Betzdorf and backup satellite operations are performed from the SOC in Manassas (US).
- For SES Infrastructure Redundancy, adequate backup capabilities are implemented.

Regarding the internal controls in the area of information technology, the following should be noted:
- Management is committed to ensuring that SES's 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 in order to ensure compliance with the GDPR.
- Management is committed to enhancing information security through the established Data Governance and Information Security Committee within SES, comprising representatives from various applicable functions, which reviews practices, policies and procedures in this area.
- As part of continuous organisational improvements, and in line with its commitment to strengthen information and cyber-security, management has rolled out its information security and cyber-security framework across business units. This framework is continuously being aligned with global organisational improvements and security controls and practices within the SES group.

- Electronic information is regularly backed up and copies are stored off-site.
- 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.
- A digital workflow process for managing information technology development projects is in place on a ServiceNow platform. Relevant key performance indicators are reviewed on a weekly basis;
- A service asset and configuration management process and database are in place.

INFORMATION AND COMMUNICATION

All SES's main trading operations are included and operated on a common SAP ERP platform, sharing common IT processes and controls.

A comprehensive SAP security policy has been defined and implemented. This ensures that appropriate SAP access management is in place and is continually enhanced. It also leverages off the implemented SAP Governance Risk and Compliance module, which focuses on access and process controls.

The operation of the SAP hosting platform continues to mature in various areas including data privacy, data encryption and intrusion detection as annually confirmed in the Statement on Standards for Attestation Engagements ('SSAE') report provided by the hosting company. A detailed operational handbook is maintained to safeguard the smooth and secure operation of the company's SAP ERP platform. The hosting company operates a state-of-the-art backup data centre to ensure enhanced continuity of the SAP system operations.

Internal communication ensures the effective circulation of information across the organisation and supports the implementation of internal control and risk management by providing business and functional objectives, instructions and information to all levels of SES. The corporate intranet and collaboration tools such as the Connect platform are instrumental in sharing information and knowledge throughout the company.

MONITORING ACTIVITIES

Monitoring of business policies and procedures is done in one of two ways: 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 mission of the Internal Audit function is to provide independent and objective assurance regarding the effectiveness and efficiency of business operations, the reliability of financial and operational reporting, and the company's compliance with legal and regulatory requirements. In this context, Internal Audit is also tasked with supporting management in identifying, preventing and minimising risks, as well as safeguarding the company's assets.

To ensure an appropriate level of independence and communication, the Internal Audit function has a direct reporting line into the Audit and Risk Committee and functionally reports to the CEO.

The activities of the Internal Audit function are executed in accordance with an annual audit plan, which is reviewed and approved by the Audit and Risk Committee. This plan is prepared in close cooperation with the company's Risk Management Team to dynamically link the audit plan 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 these recommendations. Regular reports are provided to the Senior Leadership Team and to the Audit and Risk Committee summarising Internal Audit's conclusions regarding internal control effectiveness testing and compliance.

Internal Audit also regularly coordinates audit planning and exchanges relevant information with the company's external auditors PwC.

The proxy structure of the SES Government Solutions Inc. entity, 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. The SES Internal Audit function does not perform any direct internal control reviews of this entity in line with those restrictions. However, these restrictions are mitigated through having agreement on a required risk management and internal control framework for SES Government Solutions that is subject to evaluation and testing by a third-party internal audit function. An adequate reporting process of activities of the third-party audit function to the SES Internal Audit function and the Audit and Risk Committee is in place.

It should be further noted that the group's external auditor is also engaged for the audit of the financial statements of SES Government Solutions.

INVESTOR RELATIONS

SES's 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 Executive Committee. The VP, Head of Investor Relations, is responsible for the definition and execution of SES's 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.

SES will publish a separate Environmental, Social and Corporate Governance (ESG) report containing all of its non-financial information for 2019 prior to 30 June 2020. That document will be made available on the company's website: www.ses.com

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 any time 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 2019, prepared in accordance with Luxembourg legal and regulatory requirements, and the consolidated financial statements as of end for the year ended 31 December 2019, 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.

29 February 2020

Romain Bausch	Steve Collar
Chairman of the Board of Directors	CEO

Attachment 1

Main SES Shareholders
as of 31 December 2019

A-shares

Nouvelle Santander Telecommunications S.A.

B-shares

Etat du Grand-Duché de Luxembourg
Banque et Caisse d'Epargne de l'Etat
Société Nationale de Crédit et d'Investissement

SES

Attachment 2

Composition of the Board of Directors
as of 31 December 2019

Chair

Mr Romain Bausch

Vice-Chairs

Mrs Tsega Gebreyes
Mrs Anne-Catherine Ries

Members

Mr Serge Allegrezza
Mr Victor Casier
Mr Paul Konsbruck
Mr Hadelin de Liedekerke Beaufort
Mr Ramu Potarazu
Mr Kaj-Erik Relander
Mr Marc Serres
Mr François Tesch
Ms Françoise Thoma
Mrs Kathrin Wehr-Seiter

Observers

Mr Pierre Goerens, Commissioner of the Government at SES ASTRA
Mrs Maria Kugel, SES ASTRA Employee Representative

Secretary to the Board of Directors

Mr Pierre Margue, VP Legal Services Corporate and Finance

SES

Composition of the Committees set up by the Board as of 31 December 2019

Audit and Risk Committee

Mrs Katrin Wehr-Seiter, Chair
Mr Serge Allegrezza
Mr Victor Casier
Mr Ramu Potarazu
Mr Kaj-Erik Relander
Ms Françoise Thoma

Nomination Committee

Mrs Anne-Catherine Ries, Chair
Mr Romain Bausch
Mrs Tsega Gebreyes
Mr Kaj-Erik Relander
Mr François Tesch
Ms Françoise Thoma

Remuneration Committee

Ms Françoise Thoma, Chair
Mr Serge Allegrezza
Mr Romain Bausch
Mr Hadelin de Liedekerke Beaufort
Mrs Tsega Gebreyes
Mr Ramu Potarazu

Strategy and Investment Committee

Mr Steve Collar, Chair
Mr Romain Bausch
Mr Paul Konsbruck
Mr Ramu Potarazu
Mr Kaj-Erik Relander
Mrs Anne-Catherine Ries
Mrs Katrin Wehr-Seiter

Assemblée Générale Ordinaire

4 Présentation des principaux développements de la Société pendant l'année 2019 et perspectives

Une présentation sur les principaux développements de la société pendant l'année 2019 et les perspectives sera donnée en cours de séance.

Annual General Meeting

4 Presentation of the main developments during 2019 and of the outlook

A presentation of the main developments during 2019 and of the outlook will be given during the meeting.

Présentation des principaux Développements de la Société pendant l’ Année 2019 et Perspectives

Presentation of the Main Developments during 2019 and of the Outlook

Steve Collar
CEO

Highlights

SOLID 2019 FINANCIAL AND OPERATIONAL PERFORMANCE

- Group EBITDA and net debt to EBITDA delivered in line with SES' financial outlook and consistent with commitment to Investment Grade
- SES Networks revenue growing in line with expectations. Strong progress made ahead of O3b mPOWER launch in 2021 with 3 customers signed

A SIGNIFICANT STEP FORWARD IN C-BAND INITIATIVE

- On February 28th, the FCC voted to repurpose 280 MHz of C-Band
- Delivers on SES promise to protect critical broadcast customers and communities across the US
- Incentive payments available for accelerated clearing offering SES the opportunity to recapitalise the business and create shareholder value

NEXT PHASE OF STRATEGIC TRANSFORMATION FOR SES

- Company will consider potential separation of Networks business within SES for greater operational and strategic focus, visibility and flexibility
- Streamlined Board of 12 members, with new additions enhancing strategic and executive insights
- Focus on core strengths combined with operational simplification to drive enhanced EBITDA development in medium term

Solid 2019 Financial Performance

EUR million	2018 FX rate EUR 1 = USD 1.18	2019 FX rate EUR 1 = USD 1.12	Change (YOY)
Revenue	2,010.3	1,983.9	-1.3% (-3.8% at constant FX)
EBITDA	1,255.5	1,216.6	-3.1% (-5.5% at constant FX)
Operating profit	391.1	365.4	-6.6% (-7.6% at constant FX)
Net Profit	292.4	296.2	+1.3%
Net debt to EBITDA(1)	3.29 times	3.22 times	

- Second successive year of underlying(2) Networks growth (+4.5%), with more than 20% growth across two years in Networks business
- Strong focus on cost and discretionary spending reflected in EBITDA margin of 62.4%(3) and lower (YOY) recurring OpEx
- Net debt to EBITDA of 3.22x, lower than 2018 and consistent with SES commitment to Investment Grade
- Profit attributable to SES' shareholders of EUR 296.2 million, up 1.3% as reported

1) Based on rating agency methodology (treats hybrid bonds as 50% debt and 50% equity); 2) Excluding periodic revenues (disclosed separately) that are not directly related to or would distort the underlying business trends; 3) Excluding restructuring charge of EUR 20.6 million in 2019 (2018: EUR 11.1 million)

Networks, EBITDA, Leverage and CapEx In Line With Financial Outlook

EUR million	2019 Financial Outlook (assuming EUR 1 = USD 1.15)	2019 Actual (restated at EUR 1 = USD 1.15)
Video Revenue	1,225 - 1,255	1,208
Networks Revenue	740 - 775	745 ✓
EBITDA(1)	1,220 - 1,265	1,223 ✓
Net debt to EBITDA	At or below 3.3 times	3.22 times ✓

- Video Revenue slightly below financial outlook due to one important contract that did not close
- Networks Revenue outlook and important EBITDA outlook both achieved
- Net debt to EBITDA ratio in line with SES' commitment to maintaining investment grade credit rating
  - Net debt reduced by 5.8% (YOY) and completed highly successful EUR 500 million Euro Bond in Q4 2019
- CapEx of EUR 308 million in 2019 was over 30% less than originally forecast reflecting strong focus on cash flow and disciplined spending

1) Excluding restructuring charge of EUR 20.6 million in 2019 compared with financial outlook of EUR 25 - 30 million

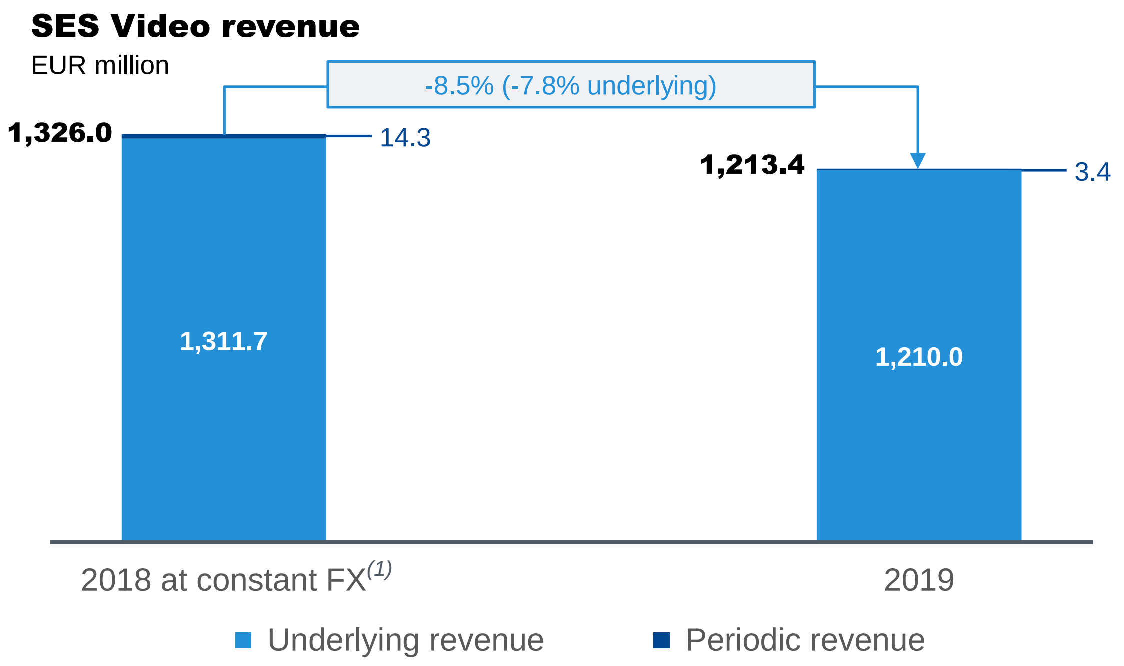
SES

FCC's Landmark C-band Decision Delivers Objective of Win-Win-Win Outcome

Clears spectrum quickly to enable U.S. 5G leadership	Accelerates GDP growth and 5G innovation	Protects current TV and radio broadcasts to 120 million homes	Addresses rural U.S. needs for quality TV and broadband

- C-band Report and Order adopted by U.S. FCC on 28 February 2020
- Delivers substantial value for SES' shareholders
- Focused on efficient and expeditious transition by Q4 2021 and Q4 2023 while protecting critical services
- Accelerated relocation payments will be used to enhance value through pragmatic deleveraging, targeted investments focused on fast-growing Networks business and return to shareholders

Sharpening Focus to Maximise Benefit of Industry-leading Neighbourhoods and Reach



- 2019 Video revenue slightly below financial outlook as missed one important contract
- Expanding the reach of SES' video neighbourhoods
  - 365+ million TV homes now served by SES Video[2], compared with 355+ million TV homes in 2018
- Strengthening market leadership in premium viewing
  - Now delivering 2,956 HD TV channels (+6% YOY) and 48 commercial UHD TV channels (+17% YOY) to viewers around the world
- EUR 3.9 billion fully protected contract backlog
  - Underpins future revenue visibility across core DTH neighbourhoods

1) 2018 revenue of EUR 1,306.3 million as reported; 2) Final outcome for 2019 expected to be announced in March 2020

SES

Enhancing Customer Experience and Driving Customer Success Everywhere

DARING TO DREAM

"EBU entrusted MX1 to take care of the global distribution of the three Eurovision 2019 live broadcasts, as well as the aggregation of the voting summaries coming in from the 41 separate participating countries across Europe and Australia."

EUROVISION SONG CONTEST

BRINGING CONTENT TO LIFE

"Not only will customers enjoy a crystal-clear picture for sports, shows and movies, but also will be able to use the 4K technology with their favorite streaming apps – providing a seamless user experience."

Chris Fenger,
COO of RCN

RCN

SHARING IN THE BEST SPORTS EXPERIENCES

"Having recently secured the exclusive broadcast rights for the UEFA Champions League and Europa League in Indonesia, we want to bring the best European football entertainment to as many fans as possible."

Junus Koswara,
President of Nex Parabola

nex PARABOLA

TRANSFORMING MEDIA DELIVERY WITH CLOUD

"Broadcasters and media companies need solutions to deliver high-quality video services globally with maximum flexibility, scalability and reliability. We look forward to working with SES to deliver these new solutions on Azure."

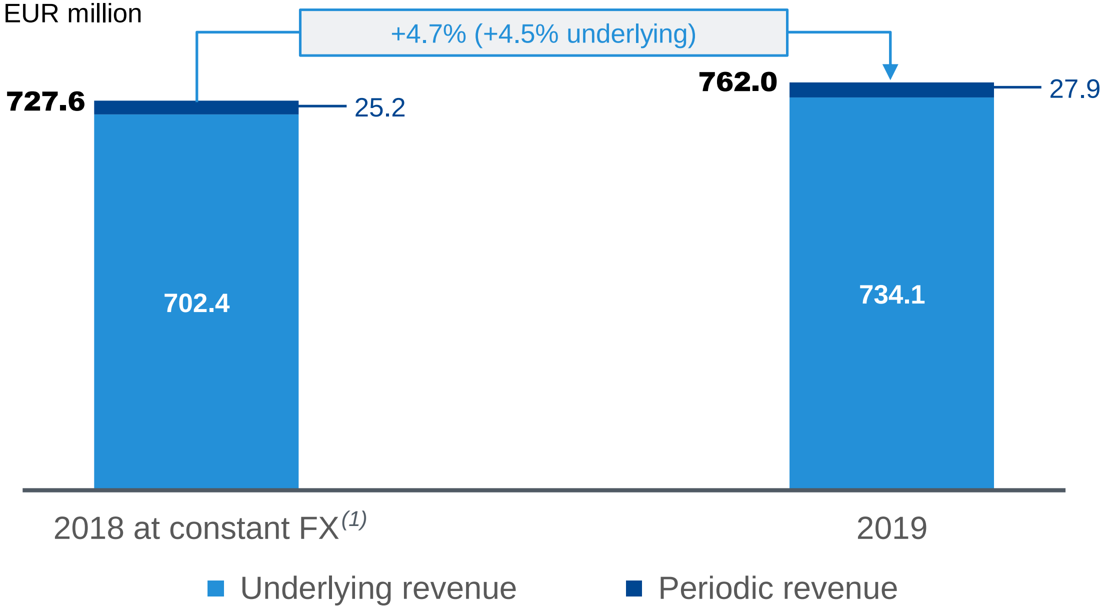
Tad Brockway,
Corporate Vice President of Microsoft

Microsoft Azure

Second Year of Strong Growth Underpinning Networks as the Growth Engine for SES

SES Networks revenue

EUR million



- 2019 Networks revenue in line with financial outlook
  - 21% absolute growth in underlying revenue in the last 2 years
- Re-defining connectivity experiences in the air and at sea
  - Double-digit growth in Aero and Cruise while shaping future in-flight experiences with seamless GEO/MEO connectivity demonstration
- Expanding network connectivity solutions on land
  - New managed services deployed in support of growing government sponsored rural programs, telco and MNO global network expansion
- Important progress with O3b mPOWER, building towards launch in 2021 with SpaceX
  - Customer commitments recently secured including Carnival and Orange and pipeline building

1) 2018 revenue of EUR 695.7 million as reported

Enhancing Customer Experience and Driving Customer Success Everywhere

AT HOME AND THE OFFICE CONNECTIVITY IN THE AIR

"Our agreements with SES secure scalable bandwidth necessary for Gogo 2Ku to continue to provide the best passenger experience in flight."

Oakleigh Thorne,
President & CEO of Gogo

EMPOWERING NEXT-GEN PASSENGER EXPERIENCES

"MedallionNet has significantly elevated the cruise experience for our guests and crew, but more importantly stimulated the creation of leading-edge, cloud-based edge compute models that were previously considered impossible."

John Padgett
Chief Experience Officer of Carnival Corporation

NEW ERA FOR CONNECTING THE UNCONNECTED - O3b mPOWER

"This longstanding partnership fully aligns with our mission of building smarter and open networks to bridge the digital divide in Africa, and to increase the speed and geographic reach of our network."

Jean-Luc Vuillemin,
EVP of Orange

DRIVING THE CLOUD ERA EVERYWHERE

"This new collaboration between SES and Microsoft Azure Express Route further enables us to bring Azure to any business or government site."

Ross Ortega
Partner, Product Manager of Azure

Our Purpose and Ambitions Are Clear

WE DO THE EXTRAORDINARY IN SPACE TO DELIVER AMAZING EXPERIENCES EVERYWHERE ON EARTH

- We believe in content and connectivity everywhere
- We provide cloud-enabled, satellite-based, intelligent connectivity
- We are future-proof, powered by sustainable growth and innovation
- We are passionate about customer experience and focused on customer success
- SES is a great place to work
- We are here to make a difference

Strengthening Positioning and Flexibility Within a Rapidly Evolving Market Environment

VIDEO: linear broadcast is entrenched and profitable but powerful market forces are driving rapid change and the pace is accelerating

- Important shifts in media consumption patterns
- Big media brands driving mega-consolidations
- Cloud-based workflows and applications are entrenched
- Fibre-to-the-home & 5G expansion is accelerating

SES | Video

- **Strongest technical reach (360+ million TV homes)**
- **Leader in HD & UHD TV channel distribution**
- **Modernising satellites with IP & Cloud capabilities**

NETWORKS: growing demand and increasing competition means clear strategy, scale and effective partnerships are keys to success

- Competition from new systems and new entrants
- Cloud adoption driving connectivity-, bandwidth- and latency requirements
- Strong demand for bandwidth but need solutions that close business cases
- Telco-inspired technologies driving changes to satellite network architectures

SES | Networks

- **Global multi-orbit, multi-frequency network**
- **Managed end-to-end services offering**
- **Telco/Cloud architecture (MEF 2.0, ONAP, ARC)**

Positioning SES For Future Growth and Delivering Maximum Value

SIMPLIFY & AMPLIFY | Next phase of SES' strategic transformation

CREATE PURE-PLAY MARKET VERTICALS

Explore creation of two pure-play market verticals via potential separation of Networks within SES

- Strategic and operational focus and increased visibility to the market
- Separate capital structure and potential access to external capital to accelerate growth
- Sharpen focus on value sustaining Video business, leveraging premier neighbourhoods and global reach

Deliver on transformational opportunity to reshape 5G landscape in US, protect our C-band neighbourhoods and customers, and create tremendous shareholder value for SES

- High-visibility, dedicated and high-performing team to execute over three-year period

FOCUS ON CORE STRENGTHS

Double-down on what we're great at

- Reinforce DTH and FTA reach, and taking care of our top customers
- Drive home our leadership position in certain markets such as mobility

… and stop doing what others can do

- Consolidate video playout and embrace the cloud
- Leverage partners to access markets such as commercial shipping, and focus on high-value segments for direct touch

SIMPLIFY OPERATIONS

Realign our resources to support changes in business scope and focus

Simplify operations, maximise efficiency, delayer organisation and become easier to do business with

- Review SES global footprint and consolidate in centres of excellence
- Product simplification and standardisation
- Simplify organisational structures and reduce layers

Deliver EUR 50 million in long-term EBITDA improvements from 2021

INNOVATE FOR THE FUTURE

- Dedicated cross-vertical team to develop solutions for linear video within mobile and wi-fi networks
- Double down on cloud leadership in satellite through the development of a resourced and robust "cloud practice" to support all market verticals
- Investment in architectures and enabling technologies to drive network intelligence, automation, virtualisation and seamless integration across terrestrial networks
- Establish innovation lab to co-create and incubate solutions with customers and partners
- Increase exposure to new technologies and business models through corporate venturing

LEADER IN GLOBAL CONTENT CONNECTIVITY SOLUTIONS

SES

- Solid financial performance with EBITDA and leverage in line with expectations for the second consecutive year
- Networks delivering on the growth potential and focusing on seamless, cloud-scale intelligent connectivity
- Sharpening focus on cash generation and value sustaining priorities within SES' market-leading Video business
- Launching next phase of strategic transformation to position SES for future growth and deliver value for all stakeholders
- FCC's landmark decision delivers objective of win-win-win outcome and substantial value to SES' shareholders

Assemblée Générale Ordinaire

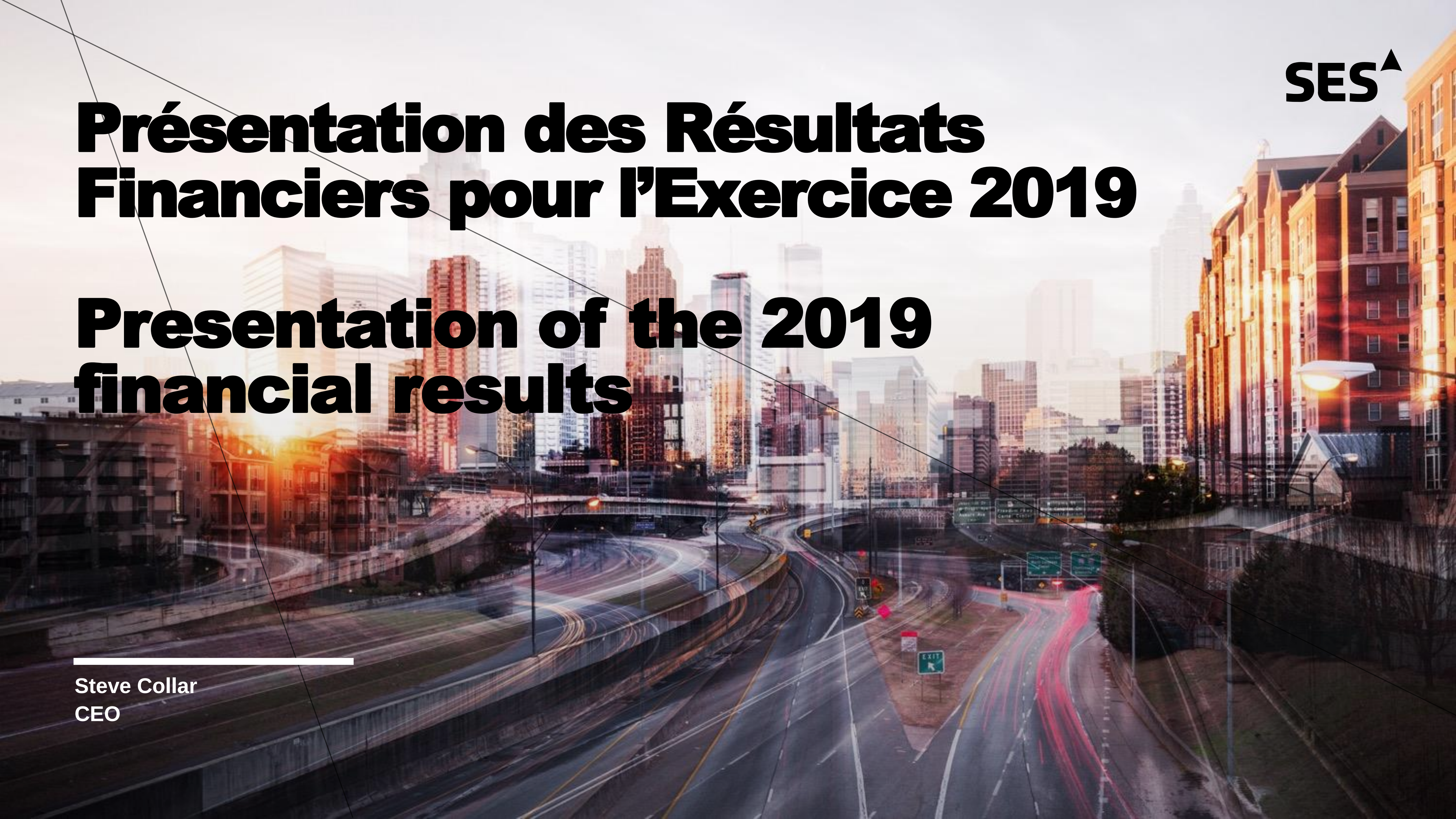
5 Présentation des résultats financiers pour l'exercice 2019

Une présentation sur les résultats financiers pour l'exercice 2019 sera donnée en cours de séance.

Annual General Meeting

5 Presentation of the 2019 financial results

A presentation on the 2019 financial results will be given during the meeting.



SES

Présentation des Résultats Financiers pour l'Exercice 2019

Presentation of the 2019 financial results

Steve Collar
CEO

2019 Financial Highlights (1/2)

- **Revenue of EUR 1,983.9 million** (-1.3% as reported and -3.8% at constant FX compared with 2018)
  - Second successive year of growth in SES Networks, underlying[1] up 4.5% YOY and double digit growth in Mobility segment (+16.6%)
- **EBITDA of EUR 1,216.6 million** (-3.1% as reported and -5.5% at constant FX compared with 2018)
  - EBITDA margin of 62.4% excluding EUR 20.6 million restructuring charge related to cost optimisation programme
- **Net profit attributable to SES shareholders of EUR 296.2 million** (2018: EUR 292.4 million)
  - Depreciation and amortisation decreased EUR 39.9 million YOY at constant FX and includes EUR 96.8 million of impairment expenses reflecting more prudent outlook
- **Free Cash Flow before financing activities at EUR 826.3 million** (2018: 870.5 million)
  - High cash conversion ratio of 93.2% of EBITDA
  - 2019 CapEx of EUR 308 million lower than prior year (2018: EUR 321 million) and 30% less than original forecast reflecting strong focus on cash flow and leverage, underpinned by disciplined spending

2019 Financial Highlights (2/2)

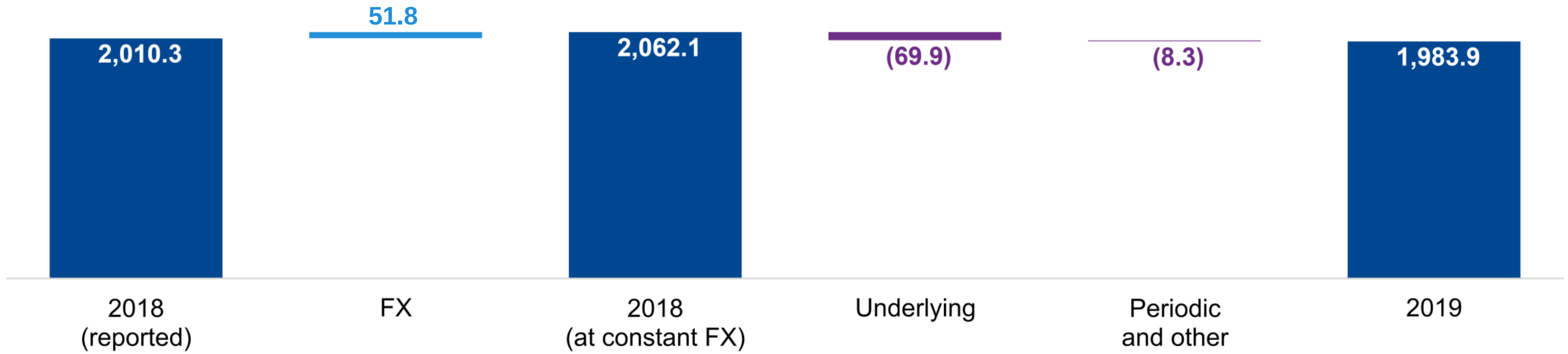
- **Net debt to EBITDA ratio 3.22x**, compared with 3.29x at 31 December 2018, including 5.8% net debt reduction
  - In June 2019, completed renewal of the group's EUR 1.2 billion Committed Revolving Credit Facility
  - In October 2019, successfully priced new 8-year EUR 500 million Euro Bond at 0.875% per annum. Oversubscribed by five times and the lowest coupon in SES' history
  - Investment grade status recently re-affirmed by Moody's and S&P
- **CapEx** outlook in line with previous expectations
  - Including important investments in O3b mPOWER and SES-17, both launching in 2021, with average CapEx less than 500 million across period
- **Financial outlook updated** to reflect additional prudence in view of ongoing developments in Video and a lower growth trajectory exiting 2019 in Networks
  - Over 80% of the 2019 group revenue outlook already secured
  - 2020 outlook reflects largely flat revenue compared with 2019 with strong growth in Networks being offset with expected reductions in Video
  - 2020 Adjusted EBITDA(1) will start to benefit from the core focus and operational simplification with larger benefits in 2021 and beyond
- SES Board proposing **dividend per A share of EUR 0.40** reflecting commitment to Investment Grade and ahead of strong investment in growth in 2021

1) Excluding restructuring charge of EUR 40 million in 2020

Revenue Driven By Second Successive Year of Networks With Reduction in Video

Revenue walk

EUR million



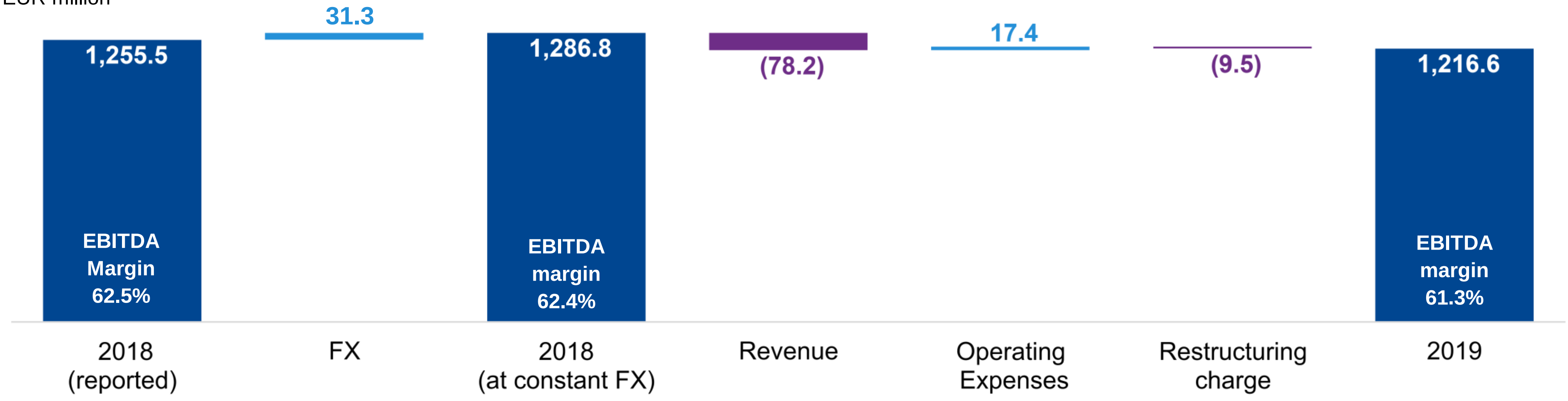
- Group revenue of EUR 1,983.9 million down 1.3% as reported (-3.8% YOY at constant FX)
- Second successive year of underlying[(1)] Networks growth (+4.5%), offset by lower underlying[(1)] Video (-7.8%)

1) Excluding periodic revenues (disclosed separately) that are not directly related to or would distort the underlying business trends

EBITDA Development Reflects Strong Focus on Discretionary Spending

EBITDA walk

EUR million



- Operating expenses 2.3% than 2018 (at constant FX) reflecting strong control over cost and discretionary spending
- Restructuring charge of EUR 20.6 million in 2019 related to ongoing optimisation initiatives (2018: EUR 11.1 million)
- EBITDA margin of 62.4% excluding restructuring charge

Net Profit of EUR 296.2 million Representing an Increase of 1.3%

EUR million	2018	2019
EBITDA	**1,255.5**	**1,216.6**
- EBITDA margin	*62.5%*	*61.3%*
Depreciation & Amortisation[1]	(864.4)	(851.2)
Operating profit	**391.1**	**365.4**
- Operating profit margin	*19.5%*	*18.4%*
Net financing costs	(146.3)	(165.9)
Income tax benefit	41.9	76.5
Non-controlling interests	5.7	20.2
Net Profit	**292.4**	**296.2**

Includes EUR 96.8 million impairment expenses mainly relating to MX1 and reflecting SES' more prudent financial outlook (2018: EUR 156.4 million)

1.9% (YOY) reduction in net interest cost offset by lower capitalised interest of EUR 8.2 million (2018: EUR 28.9 million)

2019 included recognition of certain investment tax credits

Strong Cash Generation Profile

EUR million	2018	2019
Net cash generated by operating activities	**1,191.3**	**1,134.1**
- Cash conversion ratio[(1)]	*94.9%*	*93.2%*
Net cash absorbed by investing activities	(320.8)	(307.8)
Free Cash Flow (FCF) Before Financing Activities	**870.5**	**826.3**
- FCF before financing as a % of revenue	*43.3%*	*41.7%*

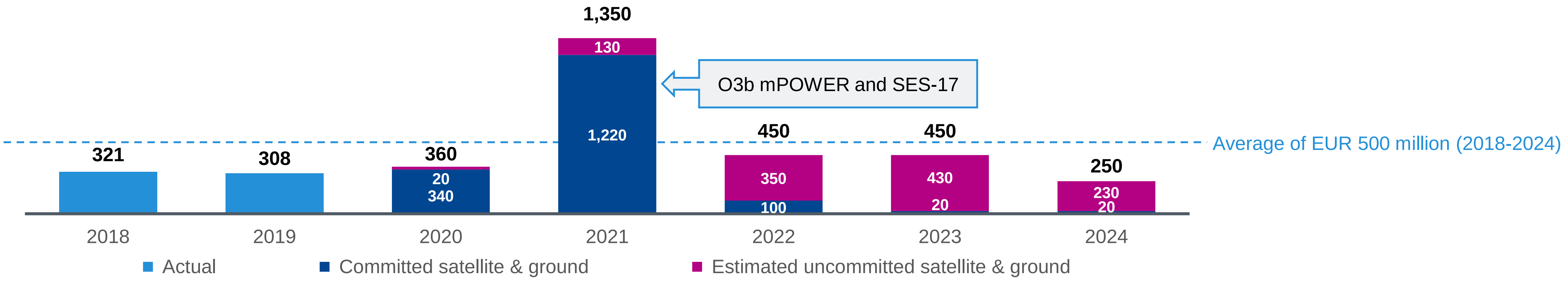
- High Cash Conversion Ratio of 93.2% of EBITDA
- Investing activities 4.1% lower YOY and 30% less than original forecast

1) Net cash generated by operating activities divided by EBITDA

Reducing CapEx Intensity While Differentiated Investments Drive Future Growth

Capital Expenditure (growth and replacement)(1)

EUR million (excludes U.S. C-Band repurposing)



Previous Outlook(2)	450	390	1,200	450	450	n/a
Change	(142)	(30)	+150	-	-	n/a

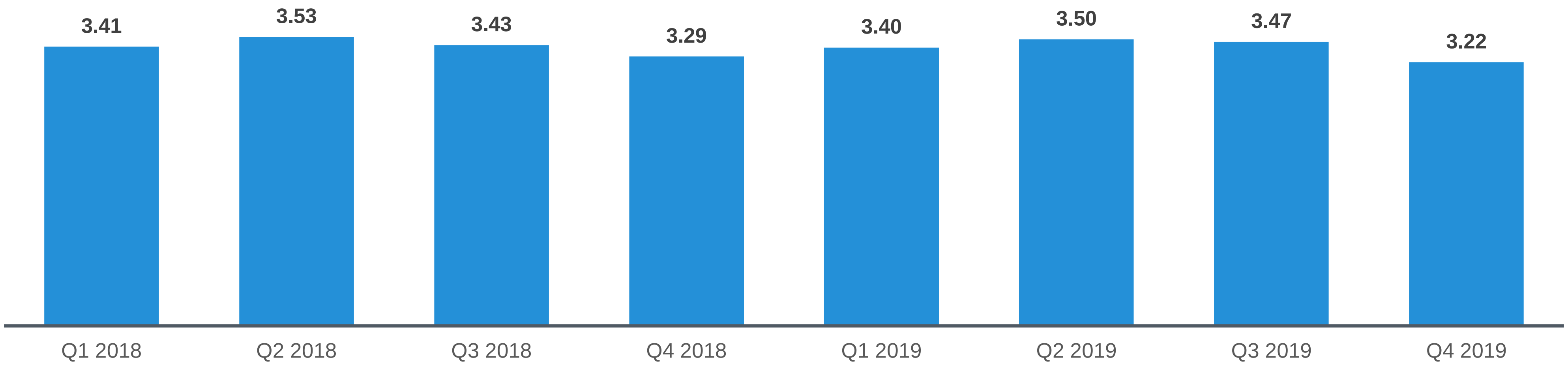
Reduction in total CapEx (2019-2023) as compared with previously given outlook

1) CapEx represents the net cash absorbed by the group's investing activities excluding acquisitions and financial investments. 2020-2024 outlook assumes EUR/USD FX rate of EUR 1 = USD 1.15; 2) As at Q3 2019 (25 October 2019)

Leverage Development In Line With Investment Grade Commitment

Net debt to EBITDA ratio

Times(1)



- Net debt reduced by 5.8% (YOY) to EUR 3,273 million representing net debt to EBITDA ratio of 3.22 times
- SES' investment grade (Baa2/BBB-) rating recently re-affirmed by Moody's and S&P
- Completed 8-year EUR 500 million Euro Bond in Q4 2019 which was five times oversubscribed and achieved SES' lowest annual coupon of 0.875%

1) Based on rating agency methodology (treats hybrid bonds as 50% debt and 50% equity)

Assemblée Générale Ordinaire

6 Présentation du rapport du réviseur d'entreprises

Une présentation du rapport du réviseur d’entreprises sera donnée en cours de séance.

Annual General Meeting

6 Presentation of the audit report

A presentation of the audit report will be given during the meeting.

SES
Société Anonyme
Château de Betzdorf
L-6815 Betzdorf

RCS Luxembourg B 81267

Consolidated financial statements as at and for the year ended 31 December 2019 and Independent auditor's report

Contents

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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 2019, 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 2019;
- 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.

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

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional 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.

Key audit matter	**How our audit addressed the Key audit matter**
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, 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 (1,983.9 million EUR for the year ended 31 December 2019) by the users of the consolidated financial statements.	• We obtained an understanding of the main revenue streams and evaluated the accounting policy for revenue recognition thereof; • 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 certain 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 of a sample of revenue transactions; • We considered the disclosures in the consolidated financial statements and assessed their appropriateness.

Key audit matter	How our audit addressed the Key audit matter
Impairment of goodwill and orbital slots license rights (indefinite life)	
The Group has goodwill of 2,264.3 million EUR and orbital rights with indefinite useful lives of 2,095.0 million EUR. An impairment charge of 64.0 million EUR was recognised for the year ended 31 December 2019 in relation to the MX1 CGU (see Note 14). Management performed the annual impairment test that is based on the value in use determined on the basis of a discounted cash flows model. 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, growth rates, discount rates, etc.).	• 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 2020 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.

Key audit matter	How our audit addressed the Key audit matter
Impairment of satellites	
The Group has a space segment assets balance, representing primarily satellites, of 4,719.0 million EUR as at 31 December 2019. An impairment charge of 32.8 million EUR was recognised for the year ended 31 December 2019 in relation to four satellites, due to the decrease of 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 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.	• 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 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 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 during the normal course of business, including transfer pricing. Moreover, the current tax structure of the Group evolves to consider the recent developments in international taxation. We focused on two specific tax matters relating to the provisions for tax risks, and the recognition and	• 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 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 Group tax provision;

Key audit matter	How our audit addressed the Key audit matter
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.	• 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 Notes 7 and 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.

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, related safeguards.

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.

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" of the Group by the General Meeting of the Shareholders on 4 April 2019 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 7 years.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 29 February 2020

Gilles Vanderweyen

Consolidated income statement
For the year ended 31 December 2019

In millions of euros		**2019**	2018
Revenue	Note 3	**1,983.9**	2,010.3
Cost of sales	Note 4	**(269.1)**	(285.8)
Staff costs	Note 4	**(311.7)**	(305.7)
Other operating expenses	Note 4	**(186.5)**	(163.3)
Operating expenses	Note 4	**(767.3)**	(754.8)
EBITDA		**1,216.6**	1,255.5
Depreciation and impairment expense	Note 12	**(696.9)**	(719.0)
Amortisation and impairment expense	Note 14	**(154.3)**	(145.4)
Operating profit	Note 3	**365.4**	391.1
Finance income	Note 6	**6.6**	16.7
Finance cost	Note 6	**(172.5)**	(163.0)
Net financing costs		**(165.9)**	(146.3)
Profit before tax		**199.5**	244.8
Income tax benefit	Note 7	**76.5**	41.9
Profit after tax		**276.0**	286.7
Profit for the year		**276.0**	286.7
Attributable to:			
Owners of the parent		**296.2**	292.4
Non-controlling interests		**(20.2)**	(5.7)
		276.0	286.7
Basic earnings per share (in euro)			
Class A shares	Note 10	**0.54**	0.54
Class B shares	Note 10	**0.22**	0.22
Diluted earnings per share (in euro)			
Class A shares	Note 10	**0.54**	0.54
Class B shares	Note 10	**0.22**	0.21

The notes are an integral part of the consolidated financial statements.

Consolidated statement of comprehensive income
For the year ended 31 December 2019

In millions of euros		**2019**	2018
Profit for the year		**276.0**	286.7
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligation		**(0.9)**	0.4
Income tax effect		**0.3**	(0.2)
Remeasurements of post-employment benefit obligation, net of tax		**(0.6)**	0.2
Income tax relating to treasury shares impairment charge or reversal		**5.8**	(6.4)
Total items that will not be reclassified to profit or loss		**5.2**	(6.2)
Items that may be reclassified subsequently to profit or loss			
Impact of currency translation	Note 9	**142.5**	345.2
Income tax effect	Note 9	**(2.9)**	(20.8)
Total impact of currency translation, net of tax		**139.6**	324.4
Net investment hedge		**(26.5)**	(79.1)
Income tax effect		**6.8**	21.2
Total net investment hedge, net of tax		**(19.7)**	(57.9)
Net movements on cash flow hedges, net of tax		**0.0**	1.2
Total net movements on cash flow hedges, net of tax		**0.0**	1.2
Total items that may be reclassified subsequently to profit or loss		**119.9**	267.7
Total other comprehensive income for the year, net of tax		**125.1**	261.5
Total comprehensive income for the year, net of tax		**401.1**	548.2
Attributable to:			
Owners of the parent		**420.5**	550.2
Non-controlling interests		**(19.4)**	(2.0)
		401.1	548.2

The notes are an integral part of the consolidated financial statements.

Consolidated statement of financial position
As at 31 December 2019

In millions of euros		**2019**	2018
Non-current assets			
Property, plant and equipment	Note 12	**5,185.9**	5,106.9
Assets in the course of construction	Note 13	**923.7**	907.4
Total property, plant and equipment		**6,109.6**	6,014.3
Intangible assets	Note 14	**4,685.2**	4,720.5
Other financial assets		**11.8**	6.5
Trade and other receivables	Note 16	**285.5**	294.5
Deferred customer contract costs		**17.7**	10.3
Deferred tax assets	Note 8	**260.5**	162.3
Total non-current assets		**11,370.3**	11,208.4
Current assets			
Inventories		**30.5**	35.1
Trade and other receivables	Note 16	**590.1**	614.2
Deferred customer contract costs		**17.9**	17.5
Prepayments		**62.2**	62.8
Derivatives	Note 17	**-**	0.2
Income tax receivable		**6.9**	12.0
Cash and cash equivalents	Note 19	**1,155.3**	909.1
Total current assets		**1,862.9**	1,650.9
Total assets		**13,233.2**	12,859.3
Equity			
Attributable to the owners of the parent	Note 20	**6,173.4**	6,148.4
Non-controlling interests	Note 21	**83.1**	102.2
Total equity		**6,256.5**	6,250.6
Non-current liabilities			
Borrowings	Note 23	**3,737.2**	3,908.5
Provisions	Note 24	**14.0**	16.8
Deferred income	Note 15	**316.6**	370.3
Deferred tax liabilities	Note 8	**359.5**	412.5
Other long-term liabilities	Note 26	**168.2**	133.9
Lease liabilities	Note 29	**29.7**	28.6
Fixed assets suppliers	Note 27	**622.5**	200.9
Total non-current liabilities		**5,247.7**	5,071.5
Current liabilities			
Borrowings	Note 23	**691.1**	476.4
Provisions	Note 24	**48.6**	48.6
Deferred income	Note 15	**467.0**	476.1
Trade and other payables	Note 25	**351.2**	367.5
Lease liabilities	Note 29	**11.2**	9.5
Fixed assets suppliers	Note 27	**134.8**	130.8
Derivatives	Note 17	**0.0**	0.1
Income tax liabilities		**25.1**	28.2
Total current liabilities		**1,729.0**	1,537.2
Total liabilities		**6,976.7**	6,608.7
Total equity and liabilities		**13,233.2**	12,859.3

The notes are an integral part of the consolidated financial statements.

Consolidated statement of cash flows
For the year ended 31 December 2019

In millions of euros		**2019**	2018
Profit before tax		**199.5**	244.8
Taxes paid during the year		**(54.4)**	(37.8)
Interest expense	Note 6	**144.2**	128.0
Depreciation, amortisation and impairment	Notes 12, 14	**851.2**	864.4
Amortisation of client upfront payments		**(88.2)**	(75.8)
Other non-cash items in the consolidated income statement		**43.2**	63.6
Consolidated operating profit adjusted for non-cash items and tax payments and before working capital changes		**1,095.5**	1,187.2
Changes in working capital, net of business combinations effect			
(Increase)/decrease in inventories		**5.7**	(5.2)
Increase in trade and other receivables		**(64.2)**	(39.0)
Increase in prepayments and deferred charges		**(21.7)**	(33.4)
Increase in trade and other payables		**63.0**	70.0
Increase in upfront payments and deferred income		**55.8**	11.7
Changes in working capital		**38.6**	4.1
Net cash generated by operating activities		**1,134.1**	1,191.3
Cash flow from investing activities			
Payments for purchases of intangible assets		**(26.2)**	(37.4)
Payments for purchases of tangible assets		**(279.1)**	(290.8)
Proceeds from disposals of tangible assets		**-**	11.6
Other investing activities		**(2.5)**	(4.2)
Net cash absorbed by investing activities		**(307.8)**	(320.8)
Cash flow from financing activities			
Proceeds from borrowings	Note 30	**496.7**	893.0
Repayment of borrowings	Note 30	**(483.6)**	(541.7)
Coupon paid on perpetual bond	Note 20	**(65.6)**	(65.6)
Dividends paid on ordinary shares[1]	Note 11	**(363.9)**	(362.9)
Interest paid on borrowings		**(153.7)**	(152.3)
Payments for acquisition of treasury shares		**(50.1)**	(15.9)
Proceeds from treasury shares sold and exercise of stock options		**56.5**	28.8
Lease payments	Note 29	**(13.4)**	(9.5)
Other financing activities		**(0.3)**	(5.7)
Net cash absorbed by financing activities		**(577.4)**	(231.8)
Net foreign exchange movements		**(2.7)**	0.8
Net increase in cash		**246.2**	639.5
Cash and cash equivalents at beginning of the year	Note 19	**909.1**	269.6
Cash and cash equivalents at end of the year	Note 19	**1,155.3**	909.1

[1] Dividends are presented net of dividends received on treasury shares of EUR 4.3 million (2018: EUR 5.3 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 2019

	Attributable to owners of the parent									
In millions of euros	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 2019	**719.0**	**1,635.5**	**(132.1)**	**1,300.0**	**2,673.5**	**278.6**	**(326.1)**	**6,148.4**	**102.2**	**6,250.6**
Result for the year	-	-	-	-	-	296.2	-	296.2	(20.2)	**276.0**
Other comprehensive income	-	-	-	-	5.2	-	119.1	124.3	0.8	**125.1**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**5.2**	**296.2**	**119.1**	**420.5**	**(19.4)**	**401.1**
Allocation of 2018 result	-	-	-	-	278.6	(278.6)	-	**-**	-	**-**
Coupon on perpetual bond (Note 20)	-	-	-	-	(65.6)	-	-	**(65.6)**	-	**(65.6)**
Tax on perpetual bond coupon (Note 20)	-	-	-	-	18.0	-	-	**18.0**	-	**18.0**
Dividends provided for or paid[1]	-	-	-	-	(363.9)	-	-	**(363.9)**	-	**(363.9)**
Acquisition of treasury shares	-	-	(50.1)	-	-	-	-	**(50.1)**	-	**(50.1)**
Share-based compensation expense	-	-	-	-	9.6	-	-	**9.6**	-	**9.6**
Exercise of share-based compensation	-	-	18.1	-	(36.0)	-	-	**(17.9)**	-	**(17.9)**
Sale of treasury shares	-	-	74.1	-	-	-	-	**74.1**	-	**74.1**
Other movements	-	-	-	-	0.3	-	-	**0.3**	0.3	**0.6**
At 31 December 2019	**719.0**	**1,635.5**	**(90.0)**	**1,300.0**	**2,519.7**	**296.2**	**(207.0)**	**6,173.4**	**83.1**	**6,256.5**

1 Dividends are presented net of dividends received on treasury shares of EUR 4.3 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 2018

In millions of euros	Attributable to owners of the parent										
	Issued capital	Share premium	Treasury shares	Perpetual bond	Other reserves	Retained earnings	Cash flow hedge reserve	Foreign currency translation reserve	Total	Non-controlling interest	Total equity
At 1 January 2018	**719.0**	**1,635.5**	**(160.0)**	**1,300.0**	**2,487.0**	**596.1**	**(0.8)**	**(588.9)**	**5,987.9**	**124.6**	**6,112.5**
Changes in accounting policies[1]	-	-	-	-	-	(14.3)	-	-	**(14.3)**	-	**(14.3)**
Restated total equity at 1 January 2018	**719.0**	**1,635.5**	**(160.0)**	**1,300.0**	**2,487.0**	**581.8**	**(0.8)**	**(588.9)**	**5,973.6**	**124.6**	**6,098.2**
Result for the year	-	-	-	-	-	292.4	-	-	**292.4**	(5.7)	**286.7**
Other comprehensive income (loss)	-	-	-	-	(6.2)	-	1.2	262.8	**257.8**	3.7	**261.5**
Total comprehensive income (loss) for the year	**-**	**-**	**-**	**-**	**(6.2)**	**292.4**	**1.2**	**262.8**	**550.2**	**(2.0)**	**548.2**
Allocation of 2017 result	-	-	-	-	233.2	(233.2)	-	-	**-**	-	**-**
Coupon on perpetual bond (Note 20)	-	-	-	-	(65.6)	-	-	-	**(65.6)**	-	**(65.6)**
Tax on perpetual bond coupon (Note 20)	-	-	-	-	18.8	-	-	-	**18.8**	-	**18.8**
Dividends provided for or paid[2]	-	-	-	-	-	(362.9)	-	-	**(362.9)**	(6.2)	**(369.1)**
Acquisition of treasury shares	-	-	(15.9)	-	-	-	-	-	**(15.9)**	-	**(15.9)**
Share-based compensation expense	-	-	-	-	12.0	-	-	-	**12.0**	-	**12.0**
Exercise of share-based compensation	-	-	9.4	-	(13.3)	-	-	-	**(3.9)**	-	**(3.9)**
Sale of treasury shares	-	-	34.4	-	-	-	-	-	**34.4**	-	**34.4**
Transactions with non-controlling interests (Note 21)	-	-	-	-	7.6	-	-	-	**7.6**	(14.2)	**(6.6)**
Other movements	-	-	-	-	-	0.5	(0.4)	-	**0.1**	-	**0.1**
At 31 December 2018	**719.0**	**1,635.5**	**(132.1)**	**1,300.0**	**2,673.5**	**278.6**	**-**	**(326.1)**	**6,148.4**	**102.2**	**6,250.6**

1 Represents the impact of the adoption of new International Financial Reporting Standards adopted and applied from 1 January 2018: IFRS 9 "Financial Instruments", IFRS 15 "Revenue from Contracts with Customers" and IFRS 16 "Leases".

2 Dividends are presented net of dividends received on treasury shares of EUR 5.2 million

The notes are an integral part of the consolidated financial statements.

Consolidated financial statements

Notes to the consolidated financial statements
31 December 2019

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 consolidated financial statements of SES as at and for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Board of Directors on 29 February 2020. 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 2019

The consolidated financial statements have been prepared on a historical cost basis, except where fair value is required by IFRS.

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 2019 and adopted by the Group:

1) Amendments to IFRS 9, "Financial instruments" on modification of financial liability

This amendment confirms that when a financial liability measured at amortised cost is modified without this resulting in derecognition, a gain or loss should be recognised immediately in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

The adoption of this amendment did not have any impact on the Group's consolidated financial statements.

2) Amendments to IAS 19, "Employee benefits" on plan amendment, curtailment or settlement

These amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The adoption of this amendment did not have any impact on the Group's consolidated financial statements.

3) Annual improvements to IFRS Standards 2015-2017 applicable for periods on or after 1 January 2019

The annual improvements include minor amendments affecting IFRS 3, "Business combinations", IFRS 11, "Joint arrangements", IAS 12, "Income taxes", and IAS 23, "Borrowing costs". The adoption of these improvements did not have any material impact on the Group's consolidated financial statements.

4) IFRIC 23, Uncertainty over income tax treatments

In June 2017, the IASB issued IFRIC 23 which clarifies how the recognition and measurement requirements of IAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. The adoption of this amendment did not have any material impact on the Group's consolidated financial statements.

5) **Amendments to IAS 28, "Investments in Associates and Joint Ventures" on long-term interests in associates and joint ventures**

The amendments clarify the accounting for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. In such cases, entities must account for these interests under IFRS 9 before applying the loss allocation and impairment requirements in IAS 28.

The adoption of this amendment did not have any material 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 material inter-company transactions. Subsidiaries are fully consolidated from the date the Company obtains control until such time as control ceases. Acquisitions of subsidiaries are accounted for using the purchase method of accounting. 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 see Note 33.

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 purposes 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

The Group accounts for investments in associates using the equity method of accounting. An associate is an entity in which the Group has significant influence but not control or joint control.

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.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's financial statements only to the extent of unrelated investor's 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 application 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, 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 24.

One significant area of management's 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 ('Al Maisan'), even though it holds 35% economic interest in this subsidiary, since it has the majority of the voting rights on the Board of Directors of Al Maisan and there is no other effective control owning potential voting rights that could affect SES' control.

  SES has effective control over the relevant activities of Al Maisan, such as budget approval, appointment and removal of the CEO and senior management team as well as the effective control to appoint or remove the majority of the members of the Board of Directors. The entity is therefore consolidated with a 65% non-controlling interest (see 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. The Luxembourg government and SES subscribed equally in the equity of the new company. Management has concluded that the Group controls LuxGovSat, as SES has effective control over the relevant activities of the entity. It is therefore consolidated with a 50% non-controlling interest (see 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 which is being shared with industries. 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 whose 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, 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 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 also to choose a suitable pre-tax discount rate and terminal growth rate in order 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. As far as this affects the Group's satellite assets, 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.

(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 any deferred tax assets 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 these assets 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 revenue 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 additional collectability risk exists that is not reflected in the loss expectancy rates.

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. Satellites 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 lease 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:

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.

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. Historically, the satellite manufacturers have earned substantially all of these payments. 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. 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 the purpose of 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 charges 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 programmes 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. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer 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 indication exists, the recoverable amount of the asset or CGU is reviewed in order 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 that are 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 cost of equipment provided to customers under the terms of their service agreements and 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 or 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 losses that would typically be carried for each receivable based on the credit risk class upon the initial recognition of the receivables. Expected lifetime losses are estimated based on historical financial information as well as forward-looking data. Additional provisions are recognised when there is objective evidence that the Group will not be able to recover a specific debt. 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 include 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 services generating revenue 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 services, and;

- the price of the contract increases by an amount of consideration that reflects the stand-alone selling prices of the additional 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 services to be provided to the customer under the modified contract are distinct from those already provided.

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.

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.

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.

Non-cash consideration

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 generated by the 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.

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 balance sheet based on their nature.

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 their 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.

The unbilled portion of recognised revenues is recorded as contract assets and presented as ‘unbilled accrued revenue’ within ‘Trade and other receivables’, allocated between current and non-current as appropriate.

Dividends

The Company declares dividends after the financial statements for the year have been approved. Accordingly, dividends are recorded in the subsequent year’s 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 transaction 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) that 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 an asset or a liability, 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 deferred tax 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 (EUR), 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 particular 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:

	Average rate for 2019	**Closing rate for 2019**	Average rate for 2018	Closing rate for 2018
USD	**1.1213**	**1.1234**	**1.1838**	**1.1450**

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 bond, 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 take into account 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 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 balance sheet, 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 into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the 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 Executive Incentive Compensation Plan (‘EICP Plan’), and a Black Scholes Model for the Long-term Incentive Programme (‘LTI’). 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 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 (see 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 (see Note 10).

Leases

The determination as to whether an arrangement is, or contains, a lease is based on the substance of the arrangement at 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 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.

The 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 the lease the Group recognises a lease asset and a lease liability. The lease liability is initially measured at present value of 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 to a portfolio of leases with similar characteristics; and
- not accounting for leases ending within 12 months of the date of the initial application, or 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 after 1 January 2020, and have not been early adopted in preparing these consolidated financial statements:

1) Amendment to IFRS 3 - Definition of a Business

The IASB has issued 'Definition of a Business (Amendments to IFRS 3)' aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets.

The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020. The amendment was not yet endorsed by the EU.

2) Amendment to IAS 1 and IAS 8 on the definition of material

The IASB has issued 'Definition of Material (Amendments to IAS 1 and IAS 8)' to clarify the definition of 'material' and to align the definition used in the Conceptual Framework and the standards themselves.

The amendments are effective for annual reporting periods beginning on or after 1 January 2020.

3) Amendments to References to the Conceptual Framework in IFRS standards

The IASB has published its revised 'Conceptual Framework for Financial Reporting'. Included are revised definitions of an asset and a liability as well as new guidance on measurement and derecognition, presentation and disclosure. The new Conceptual Framework does not constitute a substantial revision of the document as was originally intended when the project was first taken up in 2004. The Group does not expect any significant impact of these amendments on its consolidated financial statements.

4) 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 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 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 1 January 2022. The amendment was not yet endorsed by the EU.

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:

In millions of euros	**2019**	2018
Borrowings - non-current	**3,737.2**	3,908.5
Borrowings - current	**691.1**	476.4
Borrowings, *less*	**4,428.3**	4,384.9
Cash and equivalents	**1,155.3**	909.1
Net debt	**3,273.0**	3,475.8

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 revenue. 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:

In millions of euros	**2019**	2018
Profit before tax	**199.5**	244.8
Add: Depreciation and impairment expense	**696.9**	719.0
Add: Amortisation and impairment expense	**154.3**	145.4
Add: Net financing costs	**165.9**	146.3
EBITDA	**1,216.6**	1,255.5

The following table provides a reconciliation of EBITDA margin:

In millions of euros	**2019**	2018
Revenue	**1,983.9**	2,010.3
EBITDA	**1,216.6**	1,255.5
EBITDA Margin (%)	**61.3%**	62.5%

3) 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:

In millions of euros	**2019**	2018
Profit before tax	**199.5**	244.8
Add: Net financing costs	**165.9**	146.3
Operating profit	**365.4**	391.1

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:

In millions of euros	**2019**	2018
Revenue	**1,983.9**	2,010.3
Operating profit	**365.4**	391.1
Operating profit margin	**18.4%**	19.5%

4) Net debt to EBITDA ratio

Net debt to EBITDA ratio is defined as net debt divided by EBITDA. The Group believes that net debt to EBITDA ratio is a useful measure to demonstrate to investors its ability to generate the income needed to be able to settle its loans and borrowings as they fall due.

The following table reconciles the net debt to EBITDA ratio to net debt and EBITDA:

In millions of euros	**2019**	2018
Net debt	**3,273.0**	3,475.8
EBITDA	**1,216.6**	1,255.5
Net debt to EBITDA ratio	**2.69 times**	2.77 times

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:

- analysis 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 single operating segment, the comparative prior year figures are analysed both as reported and at ‘constant FX’ - recomputed using the exchange rates applying for each month in the current period.

The segment’s financial results for 2019 are set out below:

In millions of euros	**2019**	2018	Change Favourable +/- Adverse
Revenue	**1,983.9**	2,010.3	-1.3%
Operating expenses	**(767.3)**	(754.8)	-1.7%
EBITDA	**1,216.6**	1,255.5	-3.1%
EBITDA margin (%)	**61.3%**	62.5%	-1.9% pts
Depreciation and impairment expense	**(696.9)**	(719.0)	+3.1%
Amortisation and impairment expense	**(154.3)**	(145.4)	-6.1%
Operating profit	**365.4**	391.1	-6.6%

In millions of euros	**2019**	Constant FX 2018	Change Favourable +/- Adverse
Revenue	**1,983.9**	2,062.1	-3.8%
Operating expenses	**(767.3)**	(775.3)	+1.0%
EBITDA	**1,216.6**	1,286.8	-5.5%
EBITDA margin (%)	**61.3%**	62.4%	-1.8% pts
Depreciation and impairment expense	**(696.9)**	(742.6)	+6.2%
Amortisation and impairment expense	**(154.3)**	(148.5)	-3.9%
Operating profit	**365.4**	395.7	-7.7%

Revenue by business unit

As reported and at constant FX, the revenue allocated to the relevant business units developed as follows:

In millions of euros	**2019**	2018	Constant FX 2018	Change Favourable + /- Adverse	Change Favourable +/- Adverse (constant FX)
SES Video	**1,213.4**	1,306.3	1,326.0	-7.1%	-8.5%
Underlying [1]	***1,210.0***	*1,292.1*	*1,311.7*	*-6.4%*	*-7.8%*
Periodic [2]	***3.4***	*14.2*	*14.3*	*-76.1%*	*-76.2%*
SES Networks	**762.0**	695.7	727.5	+9.5%	+4.7%
Underlying [1]	***734.1***	*671.1*	*702.4*	*+9.4%*	*+4.5%*
Periodic [2]	***27.9***	*24.6*	*25.2*	*+13.4%*	*+10.7%*
Sub-total	**1,975.4**	**2,002.0**	**2,053.5**	**-1.3%**	**-3.8%**
Underlying [1]	***1,944.1***	*1,963.2*	*2,014.1*	*-1.0%*	*-3.5%*
Periodic [2]	***31.3***	*38.8*	*39.5*	*-19.3%*	*-20.8%*
Other [3]	**8.5**	8.3	8.6	+2.4%	-1.2%
Group Total	**1,983.9**	**2,010.3**	**2,062.1**	**-1.3%**	**-3.8%**

In millions of euros	**2018**	2017	Constant FX 2017	Change Favourable +/- Adverse	Change Favourable +/- Adverse (constant FX)
SES Video	**1,306.3**	1,383.0	1,356.1	-5.5%	-3.7%
Underlying [1]	***1,292.1***	*1,373.2*	*1,346.3*	*-5.9%*	*-4.0%*
Periodic [2]	***14.2***	*9.8*	*9.8*	*+44.9%*	*+44.9%*
SES Networks	**695.7**	646.1	616.1	+7.7%	+12.9%
Underlying [1]	***671.1***	*606.6*	*579.8*	*+10.6%*	*+15.8%*
Periodic [2]	***24.6***	*39.5*	*36.3*	*-37.7%*	*-32.3%*
Sub-total	**2,002.0**	**2,029.1**	**1,972.2**	**-1.3%**	**+1.5%**
Underlying [1]	***1,963.2***	*1,979.8*	*1,926.1*	*-0.8%*	*+1.9%*
Periodic [2]	***38.8***	*49.3*	*46.1*	*-21.3%*	*-15.9%*
Other [3]	**8.3**	5.9	5.2	+40.7%	+58.7%
Group Total	**2,010.3**	**2,035.0**	**1,977.4**	**-1.2%**	**+1.7%**

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:

2019 *In millions of euros*	**Revenue recognised at a point in time**	**Revenue recognised over time**	**Total**
Revenue from contracts with customers	**17.1**	**1,916.2**	**1,933.3**
Lease income	**-**	**43.0**	**43.0**
Other income	**7.6**	**-**	**7.6**
Total	**24.7**	**1,959.2**	**1,983.9**

2018 *In millions of euros*	**Revenue recognised at a point in time**	**Revenue recognised over time**	**Total**
Revenue from contracts with customers	-	1,906.7	1,906.7
Lease income	-	76.8	76.8
Other income	26.8	-	26.8
Total	26.8	1,983.5	2,010.3

Revenue from contracts with customers, recognised at a point in time is related to sale of transponders and amounts to EUR 17.1 million in 2019 (2018: no revenue).

Revenue by country

The Group's revenue from external customers analysed by country using the customer's billing address is as follows:

In millions of euros	**2019**	2018
Luxembourg (SES country of domicile)	**60.3**	59.5
United States of America	**628.7**	576.0
Germany	**385.0**	408.1
United Kingdom	**253.1**	279.1
France	**90.6**	99.3
Others	**566.2**	588.3
Total	**1,983.9**	2,010.3

No single customer accounted for 10%, or more, of total revenue in 2019, or 2018.

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.

In millions of euros	**2019**	2018
Luxembourg (SES country of domicile)	**4,821.0**	4,566.3
United States of America	**2,790.2**	2,808.1
The Netherlands	**1,511.4**	1,543.5
Isle of Man	**1,178.3**	1,204.7
Sweden	**163.0**	176.7
Germany	**98.1**	94.6
Israel	**83.9**	156.3
Others	**148.9**	184.6
Total	**10,794.8**	10,734.8

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 cost categories which generally vary directly with revenue. Such costs include the rental of third-party satellite capacity, customer support costs, such as uplinking, hosting and monitoring, and other costs of sales such as equipment rental, engineering work, commissions, hardware and implementation costs.

In millions of euros	**2019**	2018
Rental of third-party satellite capacity	(74.5)	(89.8)
Customer support costs	(39.4)	(36.7)
Other cost of sales	(155.2)	(159.3)
Total cost of sales	(269.1)	(285.8)

2) Staff costs of EUR 311.7 million (2018: EUR 305.7 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 EUR 13.6 million (2018: EUR 11.1 million). At the year-end the total full-time equivalent number of members of staff is 2,159 (2018: 2,147).

3) Other operating expenses in the amount of EUR 186.5 million (2018: EUR 163.3 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 EUR 7.0 million (2018: nil) restructuring charges in connection with charges associated with the Group's ongoing optimisation programme.

Note 5 - Audit and non-audit fees

For 2019 and 2018 the Group has recorded charges, billed and accrued, from its independent auditors and affiliated companies thereof, as set out below:

In millions of euros	**2019**	2018
Fees for statutory audit of annual and consolidated accounts	**2.3**	2.4
Fees charged for other assurance services	**0.2**	0.1
Fees charged for other non-audit services	**-**	0.1
Total audit and non-audit fees	**2.5**	2.6

Other assurance services represent primarily interim dividends reviews and contractual audits.

Note 6 - Finance income and costs

In millions of euros	**2019**	2018
Finance income		
Interest income	**3.8**	11.6
Net foreign exchange gains[1]	**2.8**	5.1
Total	**6.6**	16.7
Finance costs		
Interest expense (excluding amounts capitalised)	**(144.2)**	(128.0)
Loan fees and origination costs and other	**(28.3)**	(35.0)
Total	**(172.5)**	(163.0)

1 Net foreign exchange gains are mostly related to revaluation of bank accounts, deposits and other monetary items denominated in US dollars.

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:

In millions of euros	**2019**	2018
Current income tax		
Current income tax charge	**(86.4)**	(72.1)
Adjustments in respect of prior periods	**11.9**	(1.8)
Foreign withholding taxes	**(5.8)**	(9.9)
Total current income tax	**(80.3)**	(83.8)
Deferred income tax		
Relating to origination and reversal of temporary differences	**100.5**	118.0
Relating to tax losses carried forward	**38.7**	(4.2)
Changes in tax rate	**18.0**	8.2
Adjustment of prior years	**(0.4)**	3.7
Total deferred income tax	**156.8**	125.7
Income tax benefit per consolidated income statement	**76.5**	41.9
Consolidated statement of changes in equity		
Current and Deferred Income tax related to items (charged) or credited directly in equity		
Post-employment benefit obligation	**0.3**	(0.2)
Impact of currency translation	**(2.9)**	(20.8)
Net investment hedge - current tax	**6.8**	21.2
Tax impact of the treasury shares impairment recorded in the statutory financial statements	**5.8**	(6.4)
Tax impact on perpetual bond	**18.0**	18.8
Current and deferred income taxes reported in equity	**28.0**	12.6

A reconciliation between the income tax benefit and the profit before tax of the Group multiplied by a theoretical tax rate of 25.69% (2018: 26.76%) which corresponds to the Luxembourg domestic tax rate for the year ended 31 December 2019 is as follows:

In millions of euros	**2019**	2018
Profit before tax from continuing operations	**199.5**	244.8
Multiplied by theoretical tax rate	**51.3**	65.5
Effect of different foreign tax rates	**(19.3)**	7.6
Investment tax credits	**(71.7)**	(109.6)
Tax exempt income	**1.3**	(22.7)
Non-deductible expenditures	**3.6**	14.9
Taxes related to prior years	**(5.0)**	12.8
Effect of changes in tax rate	**(20.2)**	(21.8)
Other changes in group tax provision not included in separate lines	**(1.7)**	4.9
Impairment on investments in subsidiaries and intangible assets	**(25.2)**	(3.1)
Foreign withholding taxes	**5.8**	9.9
Other	**4.6**	(0.3)
Income tax reported in the consolidated income statement	**(76.5)**	(41.9)

Effect of changes in tax rate

As a result of the reduction of Luxembourg corporate income tax rate from 26.76% to 25.69% effective January 2019, the relevant deferred tax assets and liabilities balances have been re-measured. The total impact of the re-measurement is an income tax benefit of EUR 2.3 million.

During 2019, as a result of a change in the Dutch corporate income tax rate from 25% to 21.7% effective as of 1 January 2021, the deferred tax assets and liabilities balances have been re-measured. The total impact of re-measurement was an income tax expense of EUR 6.6 million.

In 2018 New Jersey made significant changes to its corporate income tax law which became effective as of 1 January 2019. Amongst those changes was one to the method of apportioning income to the state of New Jersey whereby the income is now deemed to be sourced based on the jurisdiction in which the customer receives the benefit. This change triggered a decrease of income apportioned to the state of New Jersey and therefore the deferred tax liability as of 31 December 2018 was restated resulting in a net tax income adjustment of EUR 24.1 million.

Other changes in the tax rates resulted in a EUR 0.5 million income tax expense.

All the above re-measurements were considered changes in accounting estimate in accordance with IAS 8.

Foreign withholding tax

The foreign withholding tax of EUR 5.8 million includes a provision of EUR 2.9 million for Indian withholding tax withheld 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 EUR 2.9 million mainly relates to the provision for Brazilian withholding tax.

Investment tax credits

In 2019, the continuing investment in the mPower and SES-17 procurements triggered the recognition of deferred tax assets for investment tax credits of EUR 43.1 million and EUR 28.4 million respectively. The remaining EUR 5.2 million of deferred tax assets for investment tax credits was recognised in connection with other investments by Group companies in Luxembourg.

In May 2018, following the completion of 100% acquisition of O3b Networks in 2016 and its subsequent financial reorganisation, the O3b business assets were transferred from Jersey to Luxembourg. This triggered the recognition of EUR 74.9 million of investment tax credits in Luxembourg of which EUR 23.5 million was recorded as current tax and EUR 51.4 million as a deferred tax asset.

Based on 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.

GovSat-1 was successfully launched on 31 January 2018 and entered in operational service on 28 March 2018. A deferred tax asset for investment tax credits of EUR 25.8 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 amount of EUR 5 million was reversed during 2019.

Impairment on subsidiaries and intangible assets

The impairment on subsidiaries booked in Luxembourg for a total of EUR 153.9 million (2018: EUR 66.5 million) gave rise to a tax benefit of EUR 39.6 million (2018: EUR 17.7 million).

The impairment charge of EUR 64.0 million (2018: EUR 63.3 million) relating to the MX1 CGU resulted in a negative ETR impact of EUR 14.4 million (2018: EUR 14.6 million).

Note 8 - Deferred income tax

The deferred taxes positions included in the consolidated financial statements can be analysed as follows:

In millions of euros	**Deferred tax assets 2019**	Deferred tax assets 2018	**Deferred tax liabilities 2019**	Deferred tax liabilities 2018
Losses carried forward	**71.3**	32.3	**-**	-
Tax credits	**168.0**	96.7	**-**	-
Intangible assets	**30.5**	38.3	**(207.4)**	(215.9)
Tangible assets	**-**	-	**(169.1)**	(213.4)
Trade receivables	**22.8**	17.8	**-**	-
Other	**9.4**	8.5	**(24.5)**	(14.5)
Total deferred tax assets/(liabilities)	**302.0**	193.6	**(401.0)**	(443.8)
Offset of deferred taxes	**(41.5)**	(31.3)	**41.5**	31.3
Net deferred tax assets/(liabilities)	**260.5**	162.3	**(359.5)**	(412.5)

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 2019 the Group recognised additional deferred tax assets for tax losses carried forward in Luxembourg (EUR 28.9 million) and in Germany (EUR 7.7 million). Tax losses can be carried forward in Luxembourg for 17 years and in Germany indefinitely. 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 are recoverable.

In addition to the recoverable tax losses for which the Group has recognised deferred tax assets, the Group has further tax losses of EUR 436.8 million as at 31 December 2019 (31 December 2018: EUR 569.9 million) which are available for offset against future taxable profits of the companies in which the losses arose. EUR 394.7 million (31 December 2018: 478.0 million) of these tax losses are generated in the US. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group and they have arisen in subsidiaries that are not expected to generate taxable profits against which these losses 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:

Deferred tax assets	**Losses carried forward**	**Tax credits**	**Intangible assets**	**Receivables**	**Other**	**Total**
At 1 January 2018	**33.5**	**6.0**	**37.7**	**21.0**	**11.1**	**109.3**
Changes in accounting policies	-	-	-	4.3	-	4.3
(Charged)/credited to the income statement	(2.1)	89.7	0.8	(8.0)	(3.0)	77.4
Charged directly to equity	-	-	-	-	(0.2)	(0.2)
Exchange difference[1]	0.9	1.0	(0.2)	0.5	0.6	2.8
At 31 December 2018	**32.3**	**96.7**	**38.3**	**17.8**	**8.5**	**193.6**
(Charged)/credited to the income statement	38.7	71.1	(7.6)	4.9	0.4	107.5
Charged directly to equity	-	-	-	-	0.3	0.3
Exchange difference[1]	0.3	0.2	(0.2)	0.1	0.2	0.6
At 31 December 2019	**71.3**	**168.0**	**30.5**	**22.8**	**9.4**	**302.0**

Deferred tax liabilities	Intangible assets	Tangible assets	Other	Total
At 1 January 2018	**218.6**	**244.3**	**14.5**	**477.4**
Charged/(credited) to the income statement	(13.0)	(35.3)	-	(48.3)
Exchange difference[1]	10.3	4.4	-	14.7
At 31 December 2018	**215.9**	**213.4**	**14.5**	**443.8**
Charged/(credited) to the income statement	(12.6)	(46.1)	9.4	(49.3)
Exchange difference[1]	4.1	1.8	0.6	6.5
At 31 December 2019	**207.4**	**169.1**	**24.5**	**401.0**

[1] A foreign exchange impact arises due to the translation of Group's operations with a different functional currency than euro. This amounts to EUR 5.9 million as at 31 December 2019 (2018: EUR 11.9 million)

Note 9 - Components of other comprehensive income

In millions of euros	**2019**	2018
Impact of currency translation	**142.5**	345.2
Income tax effect	**(2.9)**	(20.8)
Total impact of currency translation, net of tax	**139.6**	324.4

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 euro, which is the Company's functional and presentation currency. 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 unrealised gain in 2019 of EUR 142.5 million (2018: EUR 345.2 million) reflects the impact on the valuation of SES's net US dollar assets of the strengthening of the US dollar against the euro from 1.1450 to 1.1234 (2018: 1.1993 to 1.1450). 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 for the year attributable to ordinary shareholders has been adjusted to include an assumed coupon, net of tax, on the perpetual bond.

For the year 2019, basic earnings per share of EUR 0.54 per Class A share (2018: EUR 0.54), and EUR 0.22 per Class B share (2018: EUR 0.22) have been calculated on the following basis:

Profit attributable to the owners of the parent for calculating basic earnings per share was as follows:

In millions of euros	**2019**	2018
Profit attributable to owners of the parent	**296.2**	292.4
Assumed coupon on perpetual bond (net of tax)	**(48.8)**	(48.1)
Total	**247.4**	244.3

Assumed coupon accruals of EUR 48.8 million (net of tax) for the year ended 31 December 2019 (2018: EUR 48.1 million) related to the perpetual bonds issued during 2016 have been considered for the calculation of the basic and diluted earnings available for distribution.

Weighted average number of shares, net of own shares held, for calculating basic earnings per share were as follows:

	2019	2018
Class A shares (in million)	**378.0**	376.4
Class B shares (in million)	**191.7**	191.7
Total	**569.7**	568.1

The weighted average number of shares is based on the capital structure of the Company as described in Note 20.

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 the year 2019, diluted earnings per share of EUR 0.54 per Class A share (2018: EUR 0.54), and EUR 0.22 per Class B share (2018: EUR 0.21) have been calculated on the following basis:

In millions of euros	**2019**	2018
Profit attributable to owners of the parent	**296.2**	292.4
Assumed coupon on perpetual bond (net of tax)	**(48.8)**	(48.1)
Total	**247.4**	244.3

The weighted average number of shares, net of own shares held, for calculating diluted earnings per share was as follows:

	2019	2018
Class A shares (in million)	**379.6**	379.0
Class B shares (in million)	**191.7**	191.7
Total	**571.3**	570.7

Note 11 - Dividends paid and proposed

Dividends declared and paid during the year:

In millions of euros	**2019**	2018
Class A dividend for 2018: EUR 0.80 (2017: EUR 0.80)	**306.8**	306.8
Class B dividend for 2018: EUR 0.32 (2017: EUR 0.32)	**61.4**	61.4
Total	**368.2**	368.2

Dividends declared are paid net of any withholding tax (2019: EUR 37.3 million, 2018: EUR 35.7 million).

Dividends proposed for approval at the annual general meeting to be held on 2 April 2020, which are not recognised as a liability as at 31 December 2019:

In millions of euros	**2020**	2019
Class A dividend for 2019: EUR 0.40 (2018: EUR 0.80)	**153.4**	306.8
Class B dividend for 2019: EUR 0.16 (2018: EUR 0.32)	**30.7**	61.4
Total	**184.1**	368.2

Note 12 - Property, plant and equipment

In millions of euros	Land and buildings	Space segment	Ground Segment	Other fixtures and fittings, tools and equipment	Total
Cost					
As at 1 January 2019	**281.5**	**11,676.5**	**752.3**	**200.1**	**12,910.4**
Additions	11.9	8.8[1]	9.2	5.8	35.7
Disposals	(8.0)	(14.9)[2]	(2.9)	(2.1)	(27.9)
Retirements	(0.3)	(361.0)[3]	(2.9)	(1.7)	(365.9)
Transfers from assets in course of construction (Note 13)	0.3	598.8[4]	67.1	7.8	674.0
Transfers from intangible assets	-	-	5.0	2.0	7.0
Transfers between categories	1.4	(2.0)	(1.4)	2.0	-
Impact of currency translation	3.0	148.2	7.5	0.8	159.5
As at 31 December 2019	**289.8**	**12,054.4**	**833.9**	**214.7**	**13,392.8**

In millions of euros	Land and Buildings	Space Segment	Ground Segment	Other fixtures and fittings, tools and equipment	Total
As at 1 January 2019	**(162.9)**	**(7,027.8)**	**(472.9)**	**(139.9)**	**(7,803.5)**
Depreciation	(18.1)	(561.7)	(63.5)	(20.8)	(664.1)
Impairment	-	(32.8)	-	-	(32.8)
Disposals	4.3	14.9[2]	2.9	1.9	24.0
Retirements	0.3	361.0[3]	2.9	1.7	365.9
Impact of currency translation	(1.3)	(88.9)	(5.1)	(1.1)	(96.4)
As at 31 December 2019	**(177.7)**	**(7,335.3)**	**(535.7)**	**(158.2)**	**(8,206.9)**
Net book value as at 31 December 2019	**112.1**	**4,719.1**	**298.2**	**56.5**	**5,185.9**

1 Addition of 17 AMC-8 transponders (including EUR 6.1 million non-cash transaction)

2 Sale of 2 AMC-18 transponders (non-cash transaction)

3 AMC-10 and ASTRA 1H were retired in 2019

4 SES-12 and O3b satellites 17-20 became operational during 2019

In millions of euros	Land and buildings	Space segment	Ground Segment	Other fixtures and fittings, tools and equipment	Total
Cost					
As at 1 January 2018	**239.8**	**10,410.2**	**652.7**	**173.6**	**11,476.3**
Adoption of IFRS 16[1]	36.6	-	8.1	2.1	46.8
Additions	0.7	0.7	16.1	2.3	19.8
Disposals	-	(11.8)	(2.2)	-	(14.0)
Retirements	(1.1)	(0.1)	(18.9)	(2.0)	(22.1)
Transfers from assets in course of construction (Note 13)[2]	-	955.4	85.6	12.5	1,053.5
Transfer	0.1	(1.8)	(13.8)	10.4	(5.1)
Impact of currency translation	5.4	323.9	24.7	1.2	355.2
As at 31 December 2018	**281.5**	**11,676.5**	**752.3**	**200.1**	**12,910.4**

In millions of euros	Land and buildings	Space segment	Ground Segment	Other fixtures and fittings, tools and equipment	Total
As at 1 January 2018	**(144.0)**	**(6,203.9)**	**(414.9)**	**(122.1)**	**(6,884.9)**
Depreciation	(17.4)	(529.4)	(62.8)	(16.3)	(625.9)
Impairment	-	(93.1)	-	-	(93.1)
Disposals	-	-	2.2	-	2.2
Retirements	1.1	0.1	18.9	2.0	22.1
Transfer	-	-	1.5	(1.5)	-
Impact of currency translation	(2.6)	(201.5)	(17.8)	(2.0)	(223.9)
As at 31 December 2018	**(162.9)**	**(7,027.8)**	**(472.9)**	**(139.9)**	**(7,803.5)**
Net book value as at 31 December 2018	**118.6**	**4,648.7**	**279.4**	**60.2**	**5,106.9**

[1] Represents impact of the adoption of the IFRS 16 "Leases" (Note 2).

[2] SES-15, SES-14, SES-16 and O3b satellites 13-16 became operational during 2018.

During 2019, an assessment of the useful life for ASTRA 5B, SES-1, SES-8 and SES-9 satellites was performed, resulting in a net decrease of the depreciation expense for the year of EUR 8.1 million.

As at 31 December 2019, the amount of the property, plant and equipment pledged in relation to the Group's liabilities is nil (2018: nil).

For further information related to right-of use assets, see Note 29.

Impairment for space segment

In 2019, the impairment charge for space segment assets recorded was EUR 32.8 million (2018: EUR 93.1 million).

The following table discloses the impairment charge and related assumptions used in the impairment test for the satellites presenting impairment indicators in 2019.

In millions of euros	Impairment charge	Recoverable Amount		Discount Rate (pre-tax)	Previous estimate of value in use ('VIU')	Nature of the asset
ASTRA 5B	11.2	152.7	VIU	6.27%	177.3	Satellite serving Eastern Europe
Ciel-2	10.8	23.0	VIU	8.09%	41.1	Satellite serving DTH market in North America
YahSat 1A	6.9	34.7	VIU	10.90%	45.2	Satellite serving MENA and Southwest Asia
NSS-10	3.2	-	VIU	8.09%	12.5	Satellite serving Americas, Africa, and Europe
NSS-9	0.7	41.9	VIU	8.09%	51.1	Satellite serving Pacific Ocean Region
Total	**32.8**					

For ASTRA 5B, YahSat 1A, and NSS-9, the impairment was caused by a reassessment of the future cash flows to be achieved in the markets served by those satellites. For Ciel-2, the impairment was caused by a further extension of the contract with Ciel-2's sole customer agreed in August 2019. For NSS-10, the impairment was caused by a reassessment of the future revenues to be achieved on the satellite as it approaches its end of life.

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 charges 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 certain satellites have an impairment, or an additional impairment in the least favourable case - a combination of higher discount rates and lower EBITDA. A 1% increase in the discount rates would increase satellite impairments by EUR 26.0 million. Taken separately, a 5% decrease in EBITDA would increase satellite impairments by EUR 28.8 million.

The following table discloses the impairment charge and related assumptions used in the impairment test for the satellites presenting impairment indicators in 2018.

In millions of euros	Impairment charge	Recoverable Amount		Discount Rate (pre-tax)	Previous estimate of value in use ('VIU')	Nature of the asset
Ciel-2	42.9	41.1	VIU	9.07%	139.1	Satellite serving DTH market in North America
ASTRA 5B	34.3	177.3	VIU	6.79%	236.9	Satellite serving Eastern Europe
YahSat 1A	6.0	45.2	VIU	9.07%	173.5	Satellite serving MENA and Southwest Asia
NSS-10	4.4	12.5	VIU	9.07%	42.6	Satellite serving Americas, Africa, and Europe
Total	**87.6**					

For Ciel-2, the impairment was caused by an extension of the contract with Ciel-2's lone customer agreed in November 2018. For ASTRA 5B and YahSat 1A, the impairment was caused by a reassessment of the future revenues to be achieved in the markets served by those satellites. For NSS-10, the impairment was caused by a reassessment of the future revenues to be achieved on the satellite as it approaches its end of life. In addition, an impairment charge of EUR 5.5 million was recorded on AMC-10 due to technical deterioration of that satellite.

Note 13 - Assets in the course of construction

In millions of euros	Land and Buildings	Space segment	Ground segment	Fixtures, tools & equipment	Total
Cost and net book value as at 1 January 2019	**0.2**	**831.0**	**68.8**	**7.4**	**907.4**
Movements in 2019					
Additions	0.7	600.3	57.1	21.0	679.1
Transfers to assets in use (Note 12)	(0.3)	(598.8)	(67.1)	(7.8)	(674.0)
Impact of currency translation	-	9.5	1.2	0.5	11.2
Cost and net book value as at 31 December 2019	**0.6**	**842.0**	**60.0**	**21.1**	**923.7**

In millions of euros	Land and Buildings	Space segment	Ground segment	Fixtures, tools & equipment	Total
Cost and net book value as at 1 January 2018	**0.2**	**1,388.3**	**81.5**	**10.2**	**1,480.2**
Movements in 2018					
Additions	-	359.5	71.6	9.4	440.5
Transfers to assets in use (Note 12)	-	(955.4)	(85.6)	(12.5)	(1,053.5)
Impact of currency translation	-	38.6	1.3	0.3	40.2
Cost and net book value as at 31 December 2018	**0.2**	**831.0**	**68.8**	**7.4**	**907.4**

Borrowing costs of EUR 8.2 million (2018: EUR 42.3 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 3.73% (2018: 3.90%) 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 3.63% (2018: 3.62%).

During 2019 the Group recognized EUR 290.6 million (2018: EUR 174.1 million) additions in respect of the mPower arrangement and EUR 181.2 million additions in respect of the SES-17 construction, described in Note 27. 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

In millions of euros	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 2019	**2,058.1**	**2,347.5**	**769.8**	**440.6**	**26.6**	**5,642.6**
Additions	0.6	-	6.8	8.5	28.7	44.6
Retirement	-	-	-	(3.9)	-	(3.9)
Transfers from assets in course of construction	-	-	-	9.9	(9.9)	-
Transfers to property, plant and equipment				-	(7.0)	(7.0)
Impact of currency translation	36.3	50.1	-	3.1	0.1	89.6
As at 31 December 2019	**2,095.0**	**2,397.6**	**776.6**	**458.2**	**38.5**	**5,765.9**
Amortisation						
As at 1 January 2019	**-**	**(63.3)**	**(549.0)**	**(309.8)**	**-**	**(922.1)**
Amortisation	-	-	(37.8)	(52.5)	-	(90.3)
Impairment	-	(64.0)	-	-	-	(64.0)
Retirement	-	-	-	3.9	-	3.9
Impact of currency translation	-	(6.0)	(0.4)	(1.8)	-	(8.2)
As at 31 December 2019	**-**	**(133.3)**	**(587.2)**	**(360.2)**	**-**	**(1,080.7)**
Book value as at 31 December 2019	**2,095.0**	**2,264.3**	**189.4**	**98.0**	**38.5**	**4,685.2**

In millions of euros	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 2018	**1,972.1**	**2,243.9**	**772.4**	**387.8**	**26.5**	**5,402.7**
Additions	0.8	-	-	7.7	30.6	39.1
Transfers	-	-	-	3.8	1.3	5.1
Transfers from assets in course of construction	0.8	-	(1.4)	32.6	(32.0)	-
Impact of currency translation	84.4	103.6	(1.2)	8.7	0.2	195.7
As at 31 December 2018	**2,058.1**	**2,347.5**	**769.8**	**440.6**	**26.6**	**5,642.6**
Amortisation						
As at 1 January 2018	**-**	**-**	**(511.4)**	**(260.4)**	**-**	**(771.8)**
Amortisation	-	-	(38.0)	(44.1)	-	(82.1)
Impairment		(63.3)	-	-	-	(63.3)
Transfers	-	-	0.4	(0.4)	-	-
Impact of currency translation	-	-	-	(4.9)	-	(4.9)
As at 31 December 2018	**-**	**(63.3)**	**(549.0)**	**(309.8)**	**-**	**(922.1)**
Book value as at 31 December 2018	**2,058.1**	**2,284.2**	**220.8**	**130.8**	**26.6**	**4,720.5**

Indefinite-life intangible assets

The Group's indefinite-life intangibles include 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 the replacement capacity;
   - any changes in the expected capital expenditure cycle - due to technical degradation of a satellite or through the identified 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) Perpetuity growth rates

   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.

Goodwill

Management identified the following CGUs at the level of which goodwill is allocated: SES GEO operations, SES MEO operations, MX1, and Other.

The level of integration of SES GEO operations has led management to conclude that it represents a single group of CGUs to which the goodwill is allocated for impairment test purposes.

SES MEO operations, representing the O3b Networks business acquired in 2016, is considered a separate CGU, as the business generates cash inflows that are currently largely independent from SES's GEO operations (see Note 2). For the MEO CGU, the impairment test period was extended beyond the five-year period, to 2034. This extension is necessary to fully capture the contracted capital expenditure and expected growth of the business in connection with the O3b mPOWER constellation, which is expected to launch in 2021, as well as properly reflect the timing of the replacement capital expenditure.

Similarly to SES MEO, MX1 generates largely separate cash flows and hence has been considered a separate CGU in 2019.

The pre-tax discount rates for each CGU are presented below:

	2019	2018
SES GEO operations	**8.37%**	8.40%
SES MEO operations	**9.32%**	10.21%
MX1	**8.09%**	8.66%

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 rate used in the valuations is 2% (2018: 2%), 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.

As a result of the impairment tests conducted as of 31 December 2019, the Group recorded an impairment charge of EUR 64.0 million relating to the MX1 CGU (2018: EUR 63.3 million). The MX1 CGU represents SES's media services business, comprised of the legacy SES Platform Services business in Germany and the legacy RR Media business in Israel, which were brought together following the acquisition of RR Media in 2016. The impairment reflects business developments over the past year, most notably increased competition for MX1's services and the profitability of those services. The recoverable amount, represented by the value in use, is EUR 220.1 million, reflecting the pre-tax discount rate 8.09%. The previous estimate of value in use was EUR 292.4 million.

The goodwill has a net book value as at 31 December 2019 and 2018 by CGU as presented below:

In millions of euros	**2019**	2018
SES GEO operations	**2,054.3**	2,016.4
SES MEO operations	**153.4**	150.1
MX1	**51.1**	111.8
Other (SES GS)	**5.5**	5.9
Total	**2,264.3**	2,284.2

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 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 charges 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 the SES MEO and MX1 CGUs would have an impairment in the least favourable case - a combination of lower terminal growth rates and higher discount rates. In this least favourable case, the SES MEO CGU would have an impairment of EUR 60.6 million and the MX1 CGU would have an additional impairment of EUR 49.4 million. There would be no impairment in the SES GEO CGU. Unfavourable changes in the factors listed above under 'Movements in the underlying business plan assumptions', in combination with unfavourable changes in discount rates and perpetuity growth rates, would increase these impairments.

Taken separately from changes in discount and perpetuity growth rates, a 5% reduction in EBITDA would not lead to an impairment charge in the SES GEO or SES MEO CGUs. A 5% reduction in EBITDA would increase the impairment charge in the MX1 CGU by EUR 5.7 million.

Taken separately from changes in discount rates, perpetuity growth rates and EBITDA, for SES MEO, a delay in the launch of the mPOWER constellation by one year would not lead to an impairment charge.

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. For this reason, the Group aggregates the GEO orbital slot licence rights in Europe, the U.S., Canada, and Mexico into separate CGUs. All other GEO orbital slot licence rights are not separable and do not generate separate cash flows, and thus are considered a single CGU, "International". 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:

	2019	2018
SES MEO operations	**9.32%**	10.21%
Europe	**9.37%**	9.40%
U.S., Canada, Mexico, and International	**10.12%**	11.10%

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 rate used in the valuations is 2% (2018: 2%), 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.

There were no impairment charges on orbital slot licence rights recorded for the year ending 31 December 2019 or 2018.

The orbital slot license rights have a net book value as at 31 December 2019 and 2018 by CGU as presented below:

In millions of euros	**2019**	2018
MEO operations	**1,134.3**	1,113.0
Europe	**150.2**	151.1
U.S.	**321.5**	315.4
Canada	**7.0**	6.4
Mexico	**7.2**	6.8
International	**474.8**	465.4
Total	**2,095.0**	2,058.1

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 charges 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 lead to impairment charges of EUR 48.3 million in the International CGU.

Definite-life intangible assets

The definite-life intangible assets as at 31 December 2019 have a net book value by CGU as presented below:

In millions of euros	**2019**	
	Orbital slot licence rights	**Other**
Luxembourg	173.6	24.8
Israel	-	45.2
Brazil	10.9	1.3
Other	4.9	26.7
Total	**189.4**	**98.0**

The definite-life intangible assets as at 31 December 2018 have a net book value by CGU presented below:

In millions of euros	**2018**	
	Orbital slot licence rights	**Other**
Luxembourg	204.1	44.6
Israel	-	53.8
Brazil	11.5	1.1
Other	5.2	31.3
Total	**220.8**	**130.8**

The Group's primary definite life intangible asset is 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 EUR 550.0 million at the date of acquisition - are being amortised on a straight-line basis over the 21-year term of the agreement.

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 EUR 1 million payable from 2025 onwards. Under the agreement, and starting from 2022, SES will also contribute a maximum of EUR 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 2019, the amount of the intangible assets pledged in relation to the Group's liabilities is nil (2018: 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:

In millions of euros	**2019**	2018
Current contract assets		
Trade debtors	**525.5**	509.5
Provision for trade debtors	**(94.0)**	(66.4)
Trade debtors, net of provisions	**431.5**	443.1
Unbilled accrued revenue	**122.1**	111.9
Provision for unbilled accrued revenue	**(13.4)**	(13.6)
Unbilled accrued revenue, net of provisions	**108.7**	98.3
Deferred customer contract costs	**17.9**	17.5
	558.1	558.9
Non-current contract assets		
Unbilled accrued revenue	**290.9**	306.2
Provision for unbilled accrued revenue	**(5.4)**	(11.7)
Unbilled accrued revenue, net of provisions	**285.5**	294.5
Deferred customer contract costs	**17.7**	10.3
	303.2	304.8
Current contract liabilities		
Deferred income	**467.0**	476.1
Non-current contract liabilities		
Deferred income	**316.6**	370.3

The following table shows the movement in deferred income recognised by the Group:

In millions of euros	Non-current	Current
As at 1 January 2019	**370.3**	**476.1**
Revenue recognised during the year	-	(1,309.1)
New billings	-	1,267.6
Other movements*	(56.3)	28.2
Impact of currency translation	2.6	4.2
As at 31 December 2019	**316.6**	**467.0**

* Other movements include reclassifications (between current and non-current, upfront and deferred, as well as against receivables)

In millions of euros	Non-current	Current
As at 1 January 2018	**477.3**	**443.2**
Adoption of IFRS 15	-	14.0
Revenue recognised during the year	-	(1,377.3)
New billings	-	1,285.8
Other movements*	(113.7)	101.1
Impact of currency translation	6.7	9.3
As at 31 December 2018	**370.3**	**476.1**

* Other movements include reclassifications (between current and non-current, upfront and deferred, as well as against receivables)

Note 16 - Trade and other receivables

In millions of euros	**2019**	2018
Trade receivables, net of provisions	**431.5**	443.1
Unbilled accrued revenue, net of provisions	**394.2**	392.8
Other receivables	**49.9**	72.8
Total trade and other receivables	**875.6**	908.7
Of which:		
Non-current	**285.5**	294.5
Current	**590.1**	614.2

Unbilled accrued revenue represents revenue recognised, but not billed, for satellite capacity under long-term contracts. Billing will occur based on the terms of the contracts. The non-current balance represents entirely unbilled accrued revenue.

An amount of EUR 31.9 million (2018: EUR 25.0 million) was expensed in 2019 reflecting an increase in the impairment of trade and other receivables. This amount is recorded in 'Other operating charges'. As at 31 December 2019, trade and other receivables with a nominal amount of EUR 112.8 million (2018: EUR 91.7 million) were impaired. Movements in the provision for the impairment of trade and other receivables were as follows:

In millions of euros	**2019**	2018
As at 1 January	**91.7**	71.8
Adoption of IFRS 9	**-**	6.4
Increase in provision	**43.6**	45.6
Reversals of provision	**(11.7)**	(20.6)
Utilised	**(11.7)**	(14.5)
Impact of currency translation	**0.9**	3.0
As at 31 December	**112.8**	91.7

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.

As at 31 December 2019, the Group does not have any financial derivatives. As at 31 December 2018, the Group had derivative financial instruments included in current assets of EUR 0.2 million and in current liabilities of EUR 0.1 million (all measured at fair value valuation technique Level 2).

Fair values

The fair value of borrowings has been calculated with the quoted market prices except for COFACE, Fixed Term Loan Facility (LuxGovSat) 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 of the Group's financial instruments that are carried in the financial statements.

As at 31 December 2019

In millions of euros		Carried at amortised cost		Carried at fair value	Total
	Fair value hierarchy	Carrying amount	Fair value	Carrying amount	Balance Sheet
As at 31 December 2019					
Financial assets					
Non-current financial assets:					
Other financial assets		11.8	11.8	-	11.8
Trade and other receivables		285.5	285.5	-	285.5
Total non-current financial assets		**297.3**	**297.3**	**-**	**297.3**
Current financial assets:					
Trade and other receivables		590.1	590.1	-	590.1
Derivatives	2	-	-	-	-
Cash and cash equivalents		1,155.3	1,155.3	-	1,155.3
Total current financial assets		**1,745.4**	**1,745.4**	-	**1,745.4**
Financial liabilities					
Borrowings:					
At floating rates:					
Syndicated loan 2021*	2	-	-	-	-
COFACE	2	120.6	120.6	-	120.6
German Bond 2024 (EUR 150 million), non-listed	2	149.5	151.0	-	149.5
At fixed rates:					
Eurobond 2020 (EUR 650 million)	2	649.9	655.5	-	649.9
Eurobond 2021 (EUR 650 million)	2	649.1	685.6	-	649.1
US Bond 2023 (USD 750 million)	2	666.6	683.4	-	666.6
German Bond 2025 (EUR 250 million), non-listed	2	249.1	262.2	-	249.1
Eurobond 2026 (EUR 500 million)	2	494.8	517.4	-	494.8
Euro Private Placement 2027 (EUR 140 million) issued under EMTN	2	139.6	168.4	-	139.6
Eurobond 2027 (EUR 500 million)	2	496.8	485.8	-	496.8
Fixed Term Loan Facility (LuxGovSat)	2	114.6	136.7		114.6
German Bond 2032 (EUR 50 million), non-listed	2	49.9	60.3	-	49.9
US Bond 2043 (USD 250 million)	2	215.6	209.1	-	215.6
US Bond 2044 (USD 500 million)	2	432.2	422.5	-	432.2
Total borrowings		**4,428.3**	**4,558.5**		**4,428.3**
Non-current financial liabilities:		**4,557.6**	**4,667.6**	**-**	**4,557.6**
Non-current borrowings		3,737.2	3,847.2	-	3,737.2
Lease liabilities		29.7	29.7	-	29.7
Fixed assets suppliers		622.5	622.5	-	622.5
Other long term liabilities		168.2	168.2	-	168.2
Current financial liabilities:		**1,188.3**	**1,208.5**	**-**	**1,188.3**
Current borrowings		691.1	711.3	-	691.1
Lease liabilities		11.2	11.2	-	11.2
Fixed assets suppliers		134.8	134.8	-	134.8
Derivatives	2	-	-	-	-
Trade and other payables		351.2	351.2	-	351.2

* As at 31 December 2019 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 EUR 3.8 million.

As at 31 December 2018

In millions of euros	Fair value hierarchy	Carried at amortised cost Carrying amount	Fair value	Carried at fair value Carrying amount	Total Balance Sheet
As at 31 December 2018					
Financial assets					
Non-current financial assets:					
Other financial assets		6.5	6.5	-	6.5
Trade and other receivables		294.5	294.5	-	294.5
Total non-current financial assets		**301.0**	**301.0**	**-**	**301.0**
Current financial assets:					
Trade and other receivables		614.2	614.2	-	614.2
Derivatives	2	-	-	0.2	0.2
Cash and cash equivalents		909.1	909.1	-	909.1
Total current financial assets		**1,523.3**	**1,523.3**	**0.2**	**1,523.5**
Financial liabilities					
Borrowings:					
At floating rates:					
Syndicated loan 2021*	2	-	-	-	-
COFACE	2	160.8	161.1	-	160.8
German Bond 2024 (EUR 150 million), non-listed	2	149.4	145.5	-	149.4
At fixed rates:					
US Bond 2019 (USD 500 million)	2	435.2	434.2	-	435.2
Eurobond 2020 (EUR 650 million)	2	649.1	684.2	-	649.1
Eurobond 2021 (EUR 650 million)	2	648.4	708.5	-	648.4
US Bond 2023 (USD 750 million)	2	653.4	640.0	-	653.4
German Bond 2025 (EUR 250 million), non-listed	2	249.0	244.4	-	249.0
Eurobond 2026 (EUR 500 million)	2	494.1	477.6	-	494.1
US Bond 2043 (USD 250 million)	2	213.6	185.1	-	213.6
US Bond 2044 (USD 500 million)	2	427.5	371.3	-	427.5
German Bond 2032 (EUR 50 million), non-listed	2	49.8	61.0	-	49.8
Euro Private Placement 2027 (EUR 140 million) issued under EMTN	2	139.6	168.5	-	139.6
Fixed Term Loan Facility (LuxGovSat)	2	115.0	122.8	-	115.0
Total borrowings		**4,384.9**	**4,404.2**	**-**	**4,384.9**
Non-current financial liabilities:		**4,271.9**	**4,289.1**	**-**	**4,271.9**
Non-current borrowings		3,908.5	3,925.7	-	3,908.5
Lease liabilities		28.6	28.6		28.6
Fixed assets suppliers		200.9	200.9	-	200.9
Other long-term liabilities		133.9	133.9	-	133.9
Current financial liabilities:		**984.2**	**986.3**	**0.1**	**984.3**
Current borrowings		476.4	478.5	-	476.4
Lease liabilities		9.5	9.5	-	9.5
Fixed assets suppliers		130.8	130.8	-	130.8
Derivatives	2	-	-	0.1	0.1
Trade and other payables		367.5	367.5	-	367.5

* As at 31 December 2018 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 EUR 0.5 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 so as 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, among others, the liquidity of the Group in order 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 (EUR 4,260.0 million as at 31 December 2019 and EUR 4,760.0 million as at 31 December 2018 - more details in Note 23).

The table below summarises the projected contractual undiscounted cash flows based on the maturity profile as at 31 December 2019 and 2018.

In millions of euros	Within 1 year	Between 1 and 5 years	After 5 years	Total
As at 31 December 2019:				
Borrowings	691.2	1,548.6	2,222.6	4,462.4
Future interest commitments	151.3	347.2	747.5	1,246.0
Trade and other payables	351.2	-	-	351.2
Other long-term liabilities	-	168.2	-	168.2
Lease liabilities	12.4	29.1	6.2	47.7
Fixed assets suppliers	134.8	622.5	-	757.3
Total maturity profile	**1,340.9**	**2,715.6**	**2,976.3**	**7,032.8**
As at 31 December 2018:				
Borrowings	477.9	2,126.4	1,810.7	4,415.0
Future interest commitments	151.8	413.0	778.8	1,343.6
Trade and other payables	367.5	-	-	367.5
Other long-term liabilities	-	133.9	-	133.9
Lease liabilities	10.2	25.7	5.3	41.2
Fixed assets suppliers	130.8	200.9	-	331.7
Total maturity profile	**1,138.2**	**2,899.9**	**2,594.8**	**6,632.9**

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: 50.5% (2018: 48.7%) of the Group's sales and 52.9 %(2018: 51.7%) of its operating expenses being denominated in US dollars. The Group does not enter into derivative instruments to hedge these currency exposures.

The Group uses predominantly 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 2019 and 2018, 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, MX1 Ltd in Israel and the operational entities providing the O3b MEO services ('O3b Networks') to hedge the Group's exposure to foreign exchange risk on these investments.

As at 31 December 2019, all designated net investment hedges were assessed to be highly effective and a total loss of EUR 19.7 million, stated net of tax of EUR 6.8 million is included as part of other comprehensive income for the period (2018: loss EUR 57.9 million net of tax of EUR 21.1 million).

The following table sets out the hedged portion of USD statement of financial position exposure as at 31 December:

	2019 USD	2018 USD
USD statement of financial position exposure:		
SES Americas	**2,415.7**	2,369.7
SES Netherlands	**1,502.8**	1,535.7
SES Satellite Leasing Limited	**1,061.8**	1,130.4
MX1 Ltd, Israel	**104.9**	162.3
O3b Networks	**2,816.1**	2,385.7
Total	**7,901.3**	7,583.8
Hedged with:		
US Bonds	**1,500.0**	2,000.0
Total	**1,500.0**	2,000.0
Hedged proportion	**19%**	26%

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 account with no impact on profit and loss.

31 December 2019	Amount in USD million	Amount in EUR million at closing rate of 1.1234	Amount in EUR million at rate of 1.3500	Amount in EUR million at rate of 0.9000
USD statement of financial position exposure:				
SES Americas	2,415.7	2,150.3	1,789.4	2,684.1
SES Netherlands	1,502.8	1,337.7	1,113.2	1,669.8
SES Satellite Leasing Limited	1,061.8	945.2	786.5	1,179.8
MX1 Ltd, Israel	104.9	93.4	77.7	116.6
O3b Networks	2,816.1	2,506.8	2,086.0	3,129.0
Total	**7,901.3**	**7,033.4**	**5,852.8**	**8,779.3**
Hedged with:				
US Bonds	1,500.0	1,335.2	1,111.1	1,666.7
Other external borrowings	-	-	-	-
Total	**1,500.0**	**1,335.2**	**1,111.1**	**1,666.7**
Hedged proportion	19%			
Absolute difference without hedging			(1,180.6)	1,745.9
Absolute difference with hedging			(956.5)	1,414.4

31 December 2018	Amount in USD million	Amount in EUR million at closing rate of 1.1450	Amount in EUR million at rate of 1.3700	Amount in EUR million at rate of 0.9200
USD statement of financial position exposure:				
SES Americas	2,369.7	2,069.6	1,729.7	2,575.8
SES Holdings (Netherlands) BV	1,535.7	1,341.2	1,120.9	1,669.2
SES Satellite Leasing Limited	1,130.4	987.2	825.1	1,228.7
MX1 Ltd, Israel	162.3	141.7	118.5	176.4
SES Networks Lux Sarl	1,701.6	1,486.1	1,242.0	1,849.6
O3b Networks	684.1	597.5	499.3	743.6
Total	**7,583.8**	**6,623.3**	**5,535.5**	**8,243.3**
Hedged with:				
US Bonds	2,000.0	1,746.7	1,459.9	2,173.9
Total	**2,000.0**	**1,746.7**	**1,459.9**	**2,173.9**
Hedged proportion	26%			
Absolute difference without hedging			(1,087.8)	1,620.0
Absolute difference with hedging			(801.0)	1,192.8

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 EUR and USD. As per 31 December 2019 and 31 December 2018, the Group had no interest rate hedges outstanding.

The table below summarises the split of the nominal amount of the Group's debt between fixed and floating rate.

In millions of euros	At fixed rates	At floating rates	Total
Borrowings at 31 December 2019	**4,158.2**	**270.1**	**4,428.3**
Borrowings at 31 December 2018	4,074.7	310.2	4,384.9

In the course of 2019, the Group repaid a maturing USD 500.0 million senior bond and a total amount of EUR 41.2 million related to various Coface instalments.

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 a decrease of 10 basis points (2018: increase of 25 basis points or a decrease of nil basis points).

Euro interest rates *In millions of euros*	Floating rate borrowings	Increase in rates Pre-tax impact	Decrease in rates Pre-tax impact
Borrowings at 31 December 2019	**270.1**	**0.0**	**0.3**
Borrowings at 31 December 2018	310.2	(0.8)	0.0

Credit risk

Risk management

The Group has two types of financial assets that are subject to the expected credit loss model: trade receivables and unbilled accrued revenue.

While cash and cash equivalents are also subject to impairment testing, there was no impairment loss identified as at 31 December 2019.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. To measure the expected credit losses, trade receivables and unbilled accrued revenue have been grouped based on shared credit risk characteristics, country and the 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 the assets above 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) or 'Sub-prime' (customers for which viability is dependent on continued growth with higher leverage). The credit profile is updated at least once a year for all customers with an ongoing contractual relationship with annual revenues over EUR/USD 1 million or the equivalent in any other currency.

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 and Sub-prime), 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, any securities held and any applicable credit limit provided by credit insurance. 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 2019 and 31 December 2018 is as follows:

In millions of euros

31 December 2019	**Current**	**Less than 1 month**	**Between 1 and 3 months**	**More than 3 months**	**Total**
Average expected loss rate (by portfolio)	3.3%	4.0%	6.7%	12.1%	
Gross carrying amount – trade receivables	243.6	55.1	71.0	155.8	525.5
Provision	**0.1**	**0.1**	**0.2**	**5.0**	**5.4**

31 December 2018	**Current**	**Less than 1 month**	**Between 1 and 3 months**	**More than 3 months**	**Total**
Average expected loss rate (by portfolio)	2.8%	3.2%	5.1%	7.2%	
Gross carrying amount – trade receivables	248.5	58.0	63.4	139.6	509.5
Provision	**0.3**	**0.2**	**1.0**	**2.4**	**3.8**

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. An additional provision for trade receivables of EUR 88.6 million has been recorded as at 31 December 2019 (31 December 2018: EUR 62.6 million).

The provision in respect of unbilled accrued revenue as at 31 December 2019 amounts to EUR 18.8 million and the corresponding expected credit loss is 4.6% (31 December 2018: EUR 25.3 million and the corresponding expected credit losses is 6.1%).

The movement in provisions for trade receivables and unbilled accrued revenue as at 31 December 2019 and 2018 are as follows:

In millions of euros	**Provisions for trade receivables**		**Provisions for unbilled accrued revenue**	
	2019	2018	**2019**	2018
Opening provision as at 1 January - calculated under IFRS 9	**66.4**	**57.1**	**25.3**	**21.1**
Increase in provision recognised in profit or loss during the year	38.8	38.5	4.8	7.1
Receivables written off during the year as uncollectible	(4.0)	(14.5)	(7.7)	-
Unused amount reversed	(7.7)	(16.6)	(4.0)	(4.0)
Impact of currency translation	0.5	1.9	0.4	1.1
At 31 December	**94.0**	**66.4**	**18.8**	**25.3**

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, a stable BBB- rating with Standard & Poor’s and a stable Baa2 rating with Moody’s. This investment grade rating serves to maintain investors, creditors, rating agency 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

In millions of euros	**2019**	2018
Cash at bank and in hand	**398.0**	542.2
Short-term deposits	**757.3**	366.9
Total cash and cash equivalents	**1,155.3**	909.1

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.

As at 31 December 2019, an amount of EUR 17.1 million (2018: EUR 15.4 million) is invested in money market funds which qualify as cash and cash equivalents and is included in short-term deposits.

Note 20 - Shareholders' equity

Issued capital

SES has a subscribed capital of EUR 719.0 million (2018: EUR 719.0 million), represented by 383,457,600 class A shares (2018: 383,457,600 class A shares) and 191,728,800 class B shares (2018: 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:

	Class A shares	Class B shares	Total shares
As at 1 January 2019	**383,457,600**	**191,728,800**	**575,186,400**
Shares issued during the year	-	-	-
As at 31 December 2019	**383,457,600**	**191,728,800**	**575,186,400**
	Class A shares	Class B shares	Total shares
As at 1 January 2018	**383,457,600**	**191,728,800**	**575,186,400**
Shares issued during the year	-	-	-
As at 31 December 2018	**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.

Buy-back of treasury shares

SES has historically, in agreement with the shareholders, purchased FDRs in respect of 'Class A' shares in connection with executives' and employees' share-based payments plans as well as for cancellation. 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 balance sheet and are carried at acquisition cost as a deduction of equity.

	2019	2018
FDRs held as at 31 December	4,708,584	5,589,589
Carrying value of FDRs held (in millions of euros)	90.0	132.1

EUR 750,000,000 Deeply Subordinated Fixed Rate Resettable Securities

In 2016 SES issued EUR 750,000,000 Deeply Subordinated Fixed Rate Resettable Securities (the 'EUR 750.0 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 EUR 19.8 million and have been deducted from 'Other reserves'. SES is entitled to call the EUR 750.0 million perpetual bond on 2 January 2022 and on subsequent coupon payment dates.

EUR 550,000,000 Deeply Subordinated Fixed Rate Resettable Securities

In 2016 SES issued a second perpetual bond of EUR 550,000,000 (the 'EUR 550.0 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 EUR 7.6 million and have been deducted from 'Other reserves'. This brought the aggregate perpetual bond issued by the Group to EUR 1,300 million. SES is entitled to call the EUR 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 EUR 1,281.9 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 two perpetual bonds occurred on 2 January 2019 (EUR 34.7 million) and 29 January 2019 (EUR 30.9 million) and have been deducted from 'Other reserves'. The corresponding payments in 2018 were on 2 January 2018 (EUR 34.7 million) and 29 January 2018 (EUR 30.9 million) and were also deducted from 'Other reserves'.

Tax on the perpetual bond coupon accrual of EUR 18.0 million (2018: EUR 18.8 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 2019 a legal reserve of EUR 71.9 million (2018: EUR 70.0 million) is included within other reserves.

Other reserves include a non-distributable amount of EUR 90.0 million (2018: EUR 93.4 million) linked to treasury shares, and an amount of EUR 227.9 million (2018: EUR 229.4 million) representing the net worth tax reserve for 2013-2019, 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 requirements.

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.

In millions of euros	LuxGovSat S.A. (50% NCI)**		Al Maisan Satellite Communications LLC, UAE (65% NCI)*		Ciel Satellite Limited Partnership, Canada (30% NCI in 2018) ***
Summarised balance sheet	**2019**	2018	**2019**	2018	2018
Current assets	**32.4**	31.3	**11.8**	22.6	3.6
Current liabilities	**(4.6)**	(5.8)	**(2.6)**	(5.5)	(4.9)
Current net assets	**27.8**	25.5	**9.2**	17.1	(1.3)
Non-current assets	**191.9**	208.1	**4.7**	51.4	49.0
Non-current liabilities	**(116.3)**	(116.3)	**-**	-	-
Non-current net assets	**75.6**	91.8	**34.7**	51.4	49.0
Net assets	**103.4**	117.3	**43.9**	68.5	47.7
Accumulated NCI	**51.7**	58.6	**28.5**	44.5	14.2
Transactions with non-controlling interests	**-**	-	**-**	-	(14.2)

* The Group, as of 31 December 2019 and 31 December 2018, has majority of the voting rights on the Board of Directors of the Company, i.e. 3 members out of 5 or 60% (Note 2)

** Please refer to Note 2 for more details

*** Please refer to paragraph "Transactions with non-controlling interests" for more details

In millions of euros	LuxGovSat S.A. (50% NCI)		Al Maisan Satellite Communications LLC, UAE (65% NCI)		Ciel Satellite Limited Partnership, Canada (30% NCI)
Summarised statement of comprehensive income	**2019**	2018	**2019**	2018	2018
Revenue	**19.4**	22.2	**7.1**	16.4	39.3
Operating expenses	**(13.3)**	(12.8)	**(15.3)**	(22.1)	(2.3)
Profit/(loss) for the period	**(13.9)**	24.2	**(19.8)**	(18.3)	(23.2)
Other comprehensive income	**-**	-	**-**	-	-
Total comprehensive income	**(13.9)**	24.2	**(19.8)**	(18.3)	(23.2)
Profit/(loss) allocated to NCI	**(6.9)**	12.1	**(12.9)**	(11.9)	(7.0)
Dividend paid to NCI	**-**	-	-	-	6.2

In millions of euros	LuxGovSat S.A. (50% NCI)		Al Maisan Satellite Communications LLC, UAE (65% NCI)		Ciel Satellite Limited Partnership, Canada (30% NCI)
Summarised cash flows	**2019**	2018	**2019**	2018	2018
Cash flows from/(absorbed by) operating activities	**3.5**	8.6	**0.3**	(1.4)	23.4
Cash flows from/(absorbed by) investing activities	**(0.0)**	(17.6)	**0.0**	(0.0)	(0.7)
Cash flows from/(absorbed by) financing activities	**3.7**	10.4	**-**	0.2	(20.8)
Net foreign exchange movements	**-**	-	**0.1**	0.4	-
Net increase/(decrease) in cash and cash equivalents	**7.2**	1.4	**0.4**	(0.8)	1.9

Transactions with non-controlling interests

In 2018 SES put in place an agreement with the minority partner holding 30% interest in Ciel Satellite Limited Partnership, according to which SES will distribute to the minority partner a fixed amount per month over a five-year period. Thus, the variable stream that the minority partner was previously receiving based on Ciel Satellite Limited Partnership's business developments, has been replaced with a fixed stream.

As the minority partner is no longer subject to variable returns and has no interest in the residual assets of Ciel Satellite Limited Partnership, the non-controlling interest amounting to EUR 14.2 million as at 31 December 2018 has been fully reversed.

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.

	2019	**2018**
Outstanding options at the end of the year	1,594,540	2,154,927
Weighted average exercise price in euro	26.52	25.01

All of the 1,594,540 outstanding options as at 31 December 2019 (2018: 2,154,927), are fully vested and exercisable. No options were exercised in 2019, while in 2018 the exercised options resulted in 11,914 treasury shares being delivered at a weighted average price of EUR 17.83. On average, in 2018, the related weighted average share price at the time of exercise was EUR 19.63 per share.

Movements in the number of share options outstanding and their related weighted average exercise prices in euro are as follows:

	2019 Average exercise price per share option	**Number of options**	2018 Average exercise price per share option	Number of options
As at 1 January	**25.01**	**2,154,927**	25.02	2,306,003
Forfeited	**20.71**	**(560,387)**	25.71	(139,162)
Exercised	**-**	**-**	17.83	(11,914)
At 31 December	**26.52**	**1,594,540**	25.01	2,154,927

Share options outstanding at the end of the year have the following expiry date and exercise prices in euro:

Grant	Expiry date	Exercise price per share options	Number of options	
			2019	2018
2016	2023	24.39	**544,459**	603,910
2015	2022	32.73	**350,047**	390,881
2014	2021	26.5	**368,394**	412,864
2013	2020	23.51	**331,640**	366,033
2012	2019	18.1	**0**	256,154
2011	2019	17.57	**0**	125,085
			1,594,540	2,154,927

2) Simulated Restricted Stock Units (SRSU)

In 2017, the Group entered into a new compensation plan, which will progressively replace the STAR Plan. Simulated Restricted Stock Units (SRSU) are cash-settled awards which will be delivered on 1 June following a three-year vesting period and are settled in cash. 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 2019, 333,049 SRSUs have granted (2018: 415,761). During the same period, 91,073 SRSUs have been forfeited (2018: 56,658) and 9,375 SRSUs have been vested (2018: 2,840). An accrual amounting to EUR 5,474,458 has been recognized in the consolidated income statement as ‘staff costs’ as at 31 December 2019 (31 December 2018: EUR 3,558,351) based on the 858,729 outstanding SRSUs (31 December 2018: 626,128) 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 Incentive Compensation Plan (‘EICP’)

The EICP is available to Group executives. Under the plan, options are granted with an effective date of 1 or 6 of January. One-quarter or one fifth of the entitlement vests on each anniversary date of the original grant. Once vested, the options can be exercised until the tenth anniversary of the original grant. In 2019, the plan was renamed to Equity Based Compensation Plan (‘EBCP Option’).

	2019	2018
Outstanding options at the end of the year	**14,908,795**	14,311,080
Weighted average exercise price in euro	**18.60**	19.22

Out of 14,908,795 outstanding options as at 31 December 2019 (31 December 2018: 14,311,080), 9,699,314 options are exercisable (31 December 2018: 7,871,276). Options exercised in 2019 resulted in 358,293 Treasury shares (2018: 143,150) being delivered at a weighted average price of EUR 13.03 each (2018: 13.31).

The related weighted average share price at the time of exercise during 2019 was EUR 16.91 (2018: EUR 15.97) per share.

Movements in the number of share options outstanding and their related weighted average exercise prices in euro are as follows:

	2019 Average exercise price per share option	**Number of options**	2018 Average exercise price per share option	Number of options
At 1 January	**19.22**	**14,311,080**	23.62	9,727,470
Granted	**15.47**	**2,927,606**	12.67	5,796,083
Forfeited	**19.45**	**(1,971,598)**	24.54	(1,069,323)
Exercised	**13.03**	**(358,293)**	13.31	(143,150)
At 31 December	**18.60**	**14,908,795**	19.22	14,311,080

Share options outstanding at the end of the year have the following expiry date and exercise prices in euro:

Grant	Expiry date	Exercise price per share options	Number of options	
			2019	2018
2019	2029	15.01	**2,408,747**	-
2018	2028	18.23	**407,000**	-
2018	2028	12.67	**4,792,760**	5,686,736
2017	2027	21.15	**2,705,797**	3,136,922
2016	2026	24.39	**2,032,260**	2,384,490
2015	2025	32.73	**848,352**	986,269
2014	2024	26.5	**687,230**	791,159
2013	2023	23.51	**354,804**	408,105
2012	2022	18.1	**332,892**	371,738
2011	2021	17.57	**233,387**	259,311
2010	2020	17.96	**105,566**	124,943
2009	2019	13.47	**-**	104,792
2008	2019	14.4	**-**	38,341
2007 non-US	2019	14.32	**-**	5,584
2007 US	2019	15.56	**-**	12,690
			14,908,795	14,311,080

4) Long-term Incentive programme ('LTI')

The LTI Plan is also a programme for executives, and senior executives, of the Group. 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. In 2019, the plan was renamed to Equity Based Compensation Plan, comprising performance shares ('EBCP PS') and restricted shares ('EBCP RS').

	2019	**2018**
Restricted and performance shares outstanding at the end of the year	**1,546,366**	1,578,505
Weighted average fair value in euro	**12.46**	14.02

During 2019, 194,385 restricted shares (2018: 203,890) and 379,305 (2018: 594,645) performance shares have been granted. On the same period, 47,773 restricted shares (2018: 23,113) and 122,844 performance shares (2018: 58,410) have forfeited, 210,984 performance shares (2018: 163,350) and 224,228 restricted shares (2018: 74,817) have been 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 EICP and a Black & Scholes model for LTI, 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 2019, and 31 December 2018.

2019	**EBCP Option**	**EBCP PS and EBCP RS**
Dividend yield (%)	**6.35%**	**5.94%**
Expected volatility (%)	**30.47%**	**34.82%**
Risk-free interest rate (%)	**-0.47%**	**-0.62%**
Expected life of options (years)	**10**	**3**
Share price at inception (EUR)	**15.38**	**15.38**
Fair value per option/share (EUR)	**2.16-2.26**	**12.86**
Total expected cost for each plan (in millions of euros)	**4.98**	**4.89**

2018	**EICP**	**LTI**
Dividend yield (%)	**7.89%,7.99%**	**7.89%**
Expected volatility (%)	**27.37%**	**31.73%**
Risk-free interest rate (%)	**-0.06%, -0.43%**	**-0.43%**
Expected life of options (years)	**10**	**3**
Share price at inception (EUR)	**13.33**	**13.33**
Fair value per option/share (EUR)	**1.31-1.58**	**10.53**
Total expected cost for each plan (in millions of euros)	**7.23**	**7.04**

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 EUR 11.7 million (2018: EUR 14.7 million), out of which equity-settled EUR 9.6 million (2018: EUR 12.0 million) and cash-settled EUR 2.1 million (2018: EUR 2.7 million).

Note 23 - Interest-bearing borrowings

As at 31 December 2019 and 2018, the Group's interest-bearing borrowings were:

In millions of euros	Effective interest rate	Maturity	**Amounts outstanding 2019, carried at amortised cost**
Non-current			
Eurobond 2021 (EUR 650 million)	4.75%	March 2021	649.1
COFACE	EURIBOR 6M + 1.70%	Various 2021 - 2022	79.4
US Bond (USD 750 million)	3.60%	April 2023	666.6
German bond (EUR 150 million), non-listed	EURIBOR 6M + 0.80%	June 2024	149.5
German bond (EUR 250 million), non-listed	1.71%	December 2025	249.1
Eurobond 2026 (EUR 500 million)	1.625%	March 2026	494.8
Euro Private Placement 2027 (EUR 140 million issued under EMTN)	4.00%	May 2027	139.6
Eurobond 2027 (EUR 500 million)	0.875%	November, 2027	496.8
Fixed Term Loan (LuxGovSat)	3.30%	December 2027	114.6
German bond (EUR 50 million), non-listed	4.00%	November 2032	49.9
US Bond (USD 250 million)	5.30%	April 2043	215.6
US Bond (USD 500 million)	5.30%	March 2044	432.2
Total non-current			**3,737.2**
Current			
COFACE	EURIBOR 6M + 1.70%	Various in 2020	41.2
Eurobond 2020 (EUR 650 million)	4.625%	March 2020	649.9
Total current			**691.1**

In millions of euros	Effective interest rate	Maturity	**Amounts outstanding 2018, carried at amortised cost**
Non-current			
Eurobond 2020 (EUR 650 million)	4.625%	March 2020	649.1
Eurobond 2021 (EUR 650 million)	4.75%	March 2021	648.4
COFACE	EURIBOR 6M + 1.70%	Various 2020 - 2022	119.6
US Bond (USD 750 million)	3.60%	April 2023	653.4
German bond (EUR 150 million), non-listed	EURIBOR 6M + 0.80%	June 2024	149.4
German bond (EUR 250 million), non-listed	1.71%	December 2025	249.0
Eurobond 2026 (EUR 500 million)	1.625%	March 2026	494.1
Euro Private Placement 2027 (EUR 140 million issued under EMTN)	4.00%	May 2027	139.6
Fixed Term Loan (LuxGovSat)	3.30%	December 2027	115.0
German bond (EUR 50 million), non-listed	4.00%	November 2032	49.8
US Bond (USD 250 million)	5.30%	April 2043	213.6
US Bond (USD 500 million)	5.30%	March 2044	427.5
Total non-current			**3,908.5**
Current			
COFACE	EURIBOR 6M + 1.70%	Various in 2019	41.2
US Bond (USD 500 million)	2.50%	March 2019	435.2
Total current			**476.4**

European Medium-Term Note Programme ('EMTN')

SES has a 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 4,000.0 million. As at 31 December 2019, SES had issued EUR 2,440.0 million (2018: EUR 1,940.0 million) under the EMTN Programme with maturities ranging from 2020 to 2027.

EUR 500.0 million Eurobond (2018)

SES repaid its EUR 500.0 million bond on 24 October 2018 which was issued under the Company's European Medium-Term Note Programme and was bearing and interest at a fixed rate of 1.875%.

144A Bond USD 500.0 million (2019)

SES repaid its USD 500.0 million 5-year bond with a coupon of 2.50%, on 25 March 2019.

EUR 650.0 million Eurobond (2020)

SES issued a EUR 650.0 million bond under the Company's European Medium-Term Note Programme in 2010. The bond has a 10-year maturity and bears interest at a fixed rate of 4.625%.

EUR 650.0 million Eurobond (2021)

SES issued a EUR 650.0 million bond under the Company's European Medium-Term Note Programme in 2011. The bond has a 10-year maturity and bears interest at a fixed rate of 4.75%.

German bond issue of EUR 400.0 million (2024/2025)

In 2018 the Group closed the issuance of an aggregated amount of EUR 400.0 million in the German bond ('Schuldschein') market. The transaction consists of two individual tranches - a EUR 150.0 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 250.0 million tranche with a fixed interest rate of 1.71% and a final maturity date on 18 December 2025.

EUR 500.0 million Eurobond (2026)

In 2018 SES issued a EUR 500.0 million 8-year bond under the Company's European Medium-Term Note Programme. The bond bears interest at a fixed rate of 1.625% and has a final maturity date on 22 March 2026.

EUR 500.0 million Eurobond (2027)

On 4 November 2019, SES issued a EUR 500.0 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.

EUR 140.0 million Private Placement (2027)

In 2012 SES issued three individual tranches of a total EUR 140.0 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%.

German bond issue of EUR 50.0 million (2032)

In 2012 the Group signed an agreement to issue EUR 50.0 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 750.0 million (2023)

In 2013 SES completed a 144A offering in the US market issuing USD 750.0 million 10-year bond with a coupon of 3.60% and a final maturity date on 4 April 2023.

144A Bond USD 250.0 million (2043)

In 2013 SES completed a 144A offering in the US market issuing USD 250.0 million 30-year bond with a coupon of 5.30% and a final maturity date on 4 April 2043.

144A Bond USD 500.0 million (2044)

In 2014 SES completed a 144A offering in the US market issuing USD 500.0 million 30-year bond with a coupon of 5.30% and a final maturity date of 25 March 2044.

Syndicated loan 2021

In June 2019 the Company renewed its previous syndicated loan facility ('Syndicated loan 2015'). The updated facility is being provided by 20 banks and has been structured as a 5 year multi-currency revolving credit facility with an option to extend until 2026 (two one-year extension options at the discretion of the lenders). 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 2019 and 2018, no amount has been drawn under this facility.

EUR 522.9 million COFACE facility

In 2009 SES signed a financing agreement with COFACE (Compagnie Française d'Assurance pour le Commerce Extérieur) 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 will mature 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.

EUR 115.0 million Credit Facility (LuxGovSat)

In 2015 LuxGovSat S.A. signed a financing agreement with BGL BNP Paribas for a EUR 115.0 million with 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. The first drawing was done on 1 May 2016 and as of 31 December 2019 and 2018, total borrowings of EUR 115.0 million were outstanding under the fixed term facility.

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 18 April 2019, this programme was extended for one further year. As at 31 December 2019 and 2018, no borrowings were outstanding under this programme.

European Commercial paper programme

In 2012 SES signed the documentation for the inception of a joint EUR 1,000.0 million guaranteed European commercial paper programme of SES S.A. and SES Global Americas Holdings GP. The issuance under the programme represents 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 4 July 2017, this programme was updated and extended. As at 31 December 2019 and 2018, no borrowings were outstanding under this programme.

Note 24 - Provisions

In millions of euros	**2019**	2018
Non-current	**14.0**	16.8
Current	**48.6**	48.6
Total	**62.6**	65.4

Movements in each class of provision during the financial year are set out below:

In millions of euros	**Group tax provision**	**Other provisions**	**Total**
As at 1 January 2019	**57.5**	**7.9**	**65.4**
Additional provisions recognised	9.5	20.0	29.5
Unused amounts reversed	(3.9)	(3.6)	(7.5)
Used during the year	(3.9)	(13.2)	(17.1)
Reclassification to income tax payable	(8.2)	(0.1)	(8.3)
Impact of currency translation	0.6	-	0.6
As at 31 December 2019	**51.6**	**11.0**	**62.6**
Non-current	11.2	2.8	14.0
Current	40.4	8.2	48.6

In millions of euros	**Group tax provision**	**Other provisions**	**Total**
As at 1 January 2018	**40.1**	**13.8**	**53.9**
Additional provisions recognised	24.3	2.7	27.0
Unused amounts reversed	(1.1)	-	(1.1)
Used during the year	(6.0)	(8.9)	(14.9)
Impact of currency translation	0.2	0.3	0.5
As at 31 December 2018	**57.5**	**7.9**	**65.4**
Non-current	13.7	3.1	16.8
Current	43.8	4.8	48.6

Group tax provision

Group tax provision mainly relates to Indian withholding taxes and potential associated interest charges. The decrease of the Group tax provision was mainly due to a reclassification from group tax provisions to income tax payable in the US. The US Internal Revenue Service concluded the audit of 2015 and 2016. The main adjustment related to Extraterritorial Income Exclusions ("ETI"). The full adjustment had already been provided for in previous years and the liability of EUR 4.9 million has now been reclassified to the income tax payable account upon the conclusion of the audit.

Other provisions

Additions to 'Other provisions' during the year include restructuring expenses in connection with charges associated with the Group's ongoing optimisation programme (see Note 4). Other provisions used during the year relate primarily to costs associated with these restructuring activities.

On the acquisition of O3b, a liability to its employees amounting to EUR 15.9 million was recognised in respect of outstanding share-based payment awards as at acquisition date. An amount of EUR 1.5 million (2018: EUR 3.2 million) was paid to O3b employees during the year and an amount of EUR 1.4 million was reversed due to forfeiture. As at 31 December 2019 the remaining liability is EUR 0.5 million (2018: EUR 3.4 million).

Note 25 - Trade and other payables

In millions of euros	**2019**	2018
Trade creditors	**81.0**	113.7
Payments received in advance (please also see Note 26)	**40.1**	1.2
Interest on borrowings	**75.2**	77.4
Personnel-related liabilities	**55.6**	53.4
Tax liabilities other than for income tax	**63.8**	65.3
Other liabilities	**35.5**	56.5
Total	**351.2**	367.5

Tax liabilities mainly relate to VAT payables in the amount of EUR 59.3 million as of 31 December 2019 (2018: EUR 61.3 million).

Note 26 - Other long-term liabilities

In millions of euros	**2019**	2018
Employee benefits obligations	**24.7**	24.3
Payments received in advance	**118.1**	96.7
Other long-term liabilities	**25.4**	12.9
Total	**168.2**	133.9

Employee benefits obligations

In US operations, certain employees benefit from a post-retirement health benefits programme which is externally insured. As at 31 December 2019, accrued premiums of EUR 16.5 million (2018: EUR 14.8 million) are included in this position.

Contributions made in 2019 to Group pension schemes totalled EUR 1.2 million (2018: EUR 1.1 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 EUR 11.6 million has been recognised as at 31 December 2019 (2018: EUR 10.0 million) in this respect, out of which EUR 3.4 million is included under ‘Trade and other payables’ (2018: EUR 3.1 million).

Payments received in advance

In the framework of receivables securitisation transactions completed in June 2017, June 2018 and June 2019 the Group received a net cash amount of EUR 61.0 million, EUR 88.3 million and EUR 59.1 million, respectively, from a financial institution as advance settlement of future receivables arising until 2022 under contracts with a specific customer.

A corresponding liability of EUR 156.5 million (2018: EUR 96.7 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 Statement of Financial Position as at 31 December 2019 under ‘Other long-term liabilities’ for EUR 118.1 million (2018: EUR 96.7 million) and under ‘Trade and other payables’ for EUR 38.4 million.

Other long-term liabilities

The other long-term liabilities include customer collateral deposits amounting to EUR 20.7 million and as well the liability towards Ciel Satellite Limited Partnership (see Note 21).

Note 27 - Fixed assets suppliers

In millions of euros	**2019**	2018
Non-current	**622.5**	200.9
Current	**134.8**	130.8

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 two main procurements under this caption are:

- The mPower medium-Earth orbit constellation;
- The SES-17 satellite programme.

Acquisition of the SES mPower medium-Earth orbit constellation - EUR 478.2 million (2018: EUR 174.1 million)

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. 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.

Since the underlying Satellite Purchase and Sale Agreement is directly between the financial institution and the satellite manufacturer 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 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.

Acquisition of the SES-17 satellite - EUR 178.4 million (2018: EUR 34.2 million).

The liability towards the manufacturer of the SES-17 satellite, which is scheduled for launch in 2021, is stated at the higher of the milestone invoices outstanding or the amount payable to the manufacturer in the case of a termination for convenience of the programme by the Company.

Note 28 - Commitments and contingencies

Capital expenditure commitments

The Group had outstanding commitments in respect of contracted capital expenditure totalling EUR 554.6 million as at 31 December 2019 (2018: EUR 997.5 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”, see Note 27. The commitments as at 31 December 2019 also include EUR 87.0 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:

In millions of euros	**2019**	2018
Within one year	**265.0**	471.7
After one year but not more than five years	**230.1**	460.6
After more than five years	**59.5**	65.2
Total	**554.6**	997.5

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 EUR 70.0 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.

In millions of euros	**2019**	2018
Within one year	**82.5**	99.7
After one year but not more than five years	**50.2**	100.8
After more than five years	**65.5**	5.0
Total	**198.2**	205.5

The total expense recognised for transponder service agreements in 2019 was EUR 77.2 million (2018: EUR 92.3 million).

Litigation

There were no significant litigation claims against the Group as at 31 December 2019.

Guarantees

On 31 December 2019 the Group had outstanding bank guarantees for an amount of EUR 101.3 million (2018: EUR 118.5 million) with respect to performance and warranty guarantees for services of satellite operations.

Note 29 - Leases

1) Lessor

During 2019 the Group recognised leasing income of EUR 43.0 million (2018: EUR 76.8 million) related to two lease contracts. One of the lease contracts matured on 27 January 2019. The other lease contract matures on 30 November 2021 and the related annual lease payment will amount to EUR 23.2 million in 2020 and EUR 21.3 million in 2021. The related carrying amount of property, plant and equipment leased as at 31 December 2019 amounts to EUR 122.2 million (31 December 2018: EUR 178.8 million).

2) Lessee

The adoption of IFRS 16 has resulted in changes in accounting policies and adjustments to the opening balances as of 1 January 2018 in the consolidated statement of financial position. The Group has applied the simplified transition approach as allowed by the standard. The amount of right-of-use assets and lease liabilities recorded as an adjustment to the opening balance sheet of 2018 was EUR 46.8 million.

Specifically, 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 3.62% as at 31 December 2019 (3.66% as at 31 December 2018). 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.

In millions of euros	Buildings	Ground segment	Other fixtures and fittings, tools and equipment	31 December 2019
Right-of-use assets				
Cost	44.0	8.5	3.6	56.1
Accumulated depreciation	(12.1)	(3.6)	(1.2)	(16.9)
Total	**31.9**	**4.9**	**2.4**	**39.2**

In millions of euros	Buildings	Ground segment	Other fixtures and fittings, tools and equipment	31 December 2018
Right-of-use assets				
Cost	37.3	8.2	2.1	47.6
Accumulated depreciation	(6.5)	(2.5)	(0.9)	(9.9)
Total	**30.8**	**5.7**	**1.2**	**37.7**

There were no material additions to the right-of-use assets during 2019, depreciation charge for the year was EUR 11.9 million (2018: EUR 9.8 million).

Lease liabilities are presented below as at 31 December:

In millions of euros	**2019**	**2018**
Maturity analysis - contractual undiscounted cash flows		
Within one year	12.4	10.2
After one year but not more than five years	29.1	25.7
More than five years	6.2	5.3
Total	**47.7**	41.2
Lease liabilities included in the statement of financial position at 31 December		
Current	11.2	9.5
Non-current	29.7	28.6
Total	**40.9**	38.1

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 of time 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:

In millions of euros	**2019**	**2018**
Buildings	8.3	6.4
Ground segment	2.5	2.4
Other fixtures and fittings, tools and equipment	1.1	0.9
Total	**11.9**	**9.7**

Finance cost:

In millions of euros	**2019**	**2018**
Interest expense	0.9	0.7
Total	**0.9**	**0.7**

The total cash outflow for leases in 2019 was EUR 13.4 million (2018: EUR 9.5 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 2019 and 2018.

In millions of euros	**2019**	2018
Cash and cash equivalents	**1,155.3**	909.1
Borrowings - repayable within one year	**(691.1)**	(476.4)
Borrowings - repayable after one year	**(3,737.2)**	(3,908.5)
Net debt	**(3,273.0)**	(3,475.8)

In millions of euros	**2019**	2018
Cash and cash equivalents	**1,155.3**	909.1
Borrowings - floating rates	**(270.0)**	(310.2)
Borrowings - fixed interest rates	**(4,158.3)**	(4,074.7)
Net debt	**(3,273.0)**	(3,475.8)

In millions of euros	Cash and cash equivalents	Borrowings - repayable within one year	Borrowings - repayable after one year	**Total**
Net debt as at 31 December 2018	**909.1**	**(476.4)**	**(3,908.5)**	**(3,475.8)**
Cash flows (net)	248.9	483.6	(496.7)	235.8
Foreign exchange adjustments	(2.7)	0.0	(25.7)	(28.4)
Transfers	-	(691.2)	691.2	-
Other non-cash movements*	-	(7.1)	2.5	(4.6)
Net debt as at 31 December 2019	**1,155.3**	**(691.1)**	**(3,737.2)**	**(3,273.0)**

* *related to loan origination costs*

In millions of euros	Cash and cash equivalents	Borrowings - repayable within one year	Borrowings - repayable after one year	**Total**
Net debt as at 31 December 2017	**269.6**	**(534.1)**	**(3,413.8)**	**(3,678.3)**
Cash flows (net)	640.3	541.7	(893.0)	289.0
Foreign exchange adjustments	(0.8)	(30.9)	(48.2)	(79.9)
Transfers	**-**	(447.0)	447.0	-
Other non-cash movements*	-	(6.1)	(0.5)	(6.6)
Net debt as at 31 December 2018	**909.1**	**(476.4)**	**(3,908.5)**	**(3,475.8)**

* *related to loan origination costs*

During 2019 the Group issued European Commercial Paper for EUR 150.0 million (2018: EUR 100.0 million) and reimbursed EUR 150.0 million (2018: EUR 100.0 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%, 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 payments to directors for attendance at board and committee meetings in 2019 amounted to EUR 1.2 million (2018: EUR 1.3 million). These payments 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 Group's Executive Committee, received compensation as follows:

In millions of euros	**2019**	2018
Remuneration including bonuses and other benefits	**8.0**	8.3
Pension benefits	**0.9**	0.6
Share-based compensation plans	**1.9**	1.8
Total	**10.8**	10.7

The total outstanding amount in respect of share-based payment instruments allocated to key management as at 31 December 2019 were 3,567,545 (2018: 3,714,589).

In 2019, SES and the Luxembourg government reached an agreement to renew SES's concession to operate satellites operating under Luxembourg's jurisdiction, as disclosed in Note 14 - "Intangible assets" and Note 28 - "Commitments and contingencies".

Note 32 - Post-Balance Sheet events

C-Band Spectrum to Repurpose

At its Open Commission Meeting on Friday 28th February 2020, the Federal Communications Commission ('FCC') adopted a Report and Order of Proposed Modification ('Order') in connection with the repurposing of 300 MHz of C-band spectrum to support the rapid deployment of terrestrial 5G services in the contiguous United States.

The C-band downlink is a 500 MHz segment of spectrum from 3.7 to 4.2 GHz, which is currently mainly used by satellite operators, including SES, to distribute video and audio content to broadcasters, cable operators, and other content distributors. To vacate the lower 300 MHz of the C-band within the accelerated time frame set by the FCC, the satellite operators will need to procure and bring into use new satellite capacity and re-equip ground segment infrastructure, including at customer sites. The main elements of this Order pertaining to the Company are as follows:

- It requires the satellite operators to clear the lower 280 megahertz of the C-band downlink (3.7-3.98 GHz) in the contiguous United States and make it available for flexible use, including 5G, via a public auction, with the remaining 20 megahertz serving as a guard band (3.98-4.0 GHz).
- It requires satellite operators to 'repack' their transmissions into the upper 200 MHz of the band (4.0-4.2 GHz).
- It foresees the holding of a public auction of licenses in the 3.7–3.98 GHz band with bidding for these licenses scheduled to commence on 8 December 2020. The auction would offer fourteen 20-megahertz blocks of spectrum.
- It proposes that all reasonable relocation costs of eligible C-band users, including SES, would be reimbursed by the winning bidders in the C-band auction.
- It establishes a deadline of 5 December 2025 for this clearing process and gives satellite operators the opportunity to clear the lower portion of the C-band on an accelerated timeline in exchange for accelerated relocation payments which could total up to USD 9.7 billion, with an amount being apportioned to SES as will be set out in the Order to be released shortly, and would be paid by winning bidders in the C-band auction.
- It sets out the following timeline for eligible satellite operators seeking to qualify for accelerated relocation payments as will be set out in the Order to be released shortly:
  - submissions for Accelerated Relocation Elections by Q2 2020;
  - clearing 100 MHz for terrestrial operations in 46 of the nation's top 50 Partial Economic Areas by 5 December 2021;
  - clearing the entire 280 MHz for terrestrial operations in the contiguous United States by 5 December 2023.

The Company in principle supports the FCC's objectives and will fully cooperate with the FCC to implement the clearing process and awaits the release of the full Order in order to fully evaluate the impact on its operations and on its consolidated financial statements.

Potential Separation of SES Video and SES Networks

At its meeting on 25th February 2020, the Board approved the investigation by Management of the creation of two 'pure-play' market verticals through the potential separation of its Networks business within SES in order to drive strategic and operational focus, provide increased external visibility and to appropriately configure SES' overall business for the future.

Consideration will include an analysis of a separate capital structure for the Networks business, potentially providing it with access to external capital to accelerate growth and build on the unique value proposition that has been established in the market.

There were 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 33 - Consolidated subsidiaries, associates

The consolidated financial statements include the financial statements of the Group's subsidiaries and associates listed below:

	Economic interest (%) 2019	Economic interest (%) 2018	**Method of consolidation 2019**	Method of consolidation 2018
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.A., Luxembourg	**100**	100	**Full**	Full
SES Latin America S.A., Luxembourg	**100**	100	**Full**	Full
SES Belgium S.p.r.l, Belgium	**100**	100	**Full**	Full
SES Insurance International S.A., Luxembourg	**100**	100	**Full**	Full
SES Insurance International Re S.A., Luxembourg	**100**	100	**Full**	Full
SES Lux Finance S.à r.l., Luxembourg[2]	**-**	100	**Full**	Full
SES Networks Lux S.à r.l., Luxembourg	**100**	100	**Full**	Full
Ciel Satellite Holdings Inc., Canada	**100**	100	**Full**	Full
Ciel Satellite Limited Partnership, Canada	**100**	100	**Full**	Full
Northern Americas Satellite Ventures, Inc., Canada	**100**	100	**Full**	Full
SES TechCom S.A., Luxembourg	**100**	100	**Full**	Full
SES-15 S.à r.l., Luxembourg	**100**	100	**Full**	Full
SES Digital Distribution Services AG, Switzerland[2]	**-**	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 ASTRA Real Estate (Betzdorf) S.A., Luxembourg	**100**	100	**Full**	Full
MX1 GmbH, Germany	**100**	100	**Full**	Full
SES Media Solutions GmbH, Germany	**100**	100	**Full**	Full
MX1 (Thailand) Ltd, Thailand	**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	**100**	100	**Full**	Full
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	**100**	100	**Full**	Full
SES ASTRA (Romania) S.r.l., Romania	**100**	100	**Full**	Full
SES Satellites Ghana Ltd, Ghana	**100**	100	**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 Ukraine, Ukraine	**100**	100	**Full**	Full
SES ASTRA 1KR S.à r.l., Luxembourg	**100**	100	**Full**	Full
SES ASTRA 1L S.à r.l., Luxembourg	**100**	100	**Full**	Full
SES ASTRA 1M S.à r.l., Luxembourg	**100**	100	**Full**	Full
SES ASTRA 3B S.à r.l., Luxembourg	**100**	100	**Full**	Full
SES ASTRA 5B S.à r.l., Luxembourg	**100**	100	**Full**	Full
SES ASTRA 1N S.à r.l., Luxembourg	**100**	100	**Full**	Full

	Economic interest (%) 2019	Economic interest (%) 2018	**Method of consolidation 2019**	Method of consolidation 2018
SES ASTRA 2E S.à r.l., Luxembourg	**100**	100	**Full**	Full
SES ASTRA 2F S.à r.l., Luxembourg	**100**	100	**Full**	Full
SES ASTRA 2G S.à r.l., Luxembourg	**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	**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) Ltd, South Africa	**100**	100	**Full**	Full
SES AMERICOM, Inc., U.S.A.	**100**	100	**Full**	Full
SES Telecomunicacoes 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, Inc., U.S.A.	**100**	100	**Full**	Full
SES Satellites (Gibraltar) Ltd, Gibraltar	**100**	100	**Full**	Full
AMC-1 Holdings LLC, U.S.A.	**100**	100	**Full**	Full
AMC-2 Holdings LLC, U.S.A.	**100**	100	**Full**	Full
AMC-3 Holdings LLC, U.S.A.	**100**	100	**Full**	Full
SES-9 Holdings LLC, U.S.A.	**100**	100	**Full**	Full
AMC-6 Holdings LLC, U.S.A.	**100**	100	**Full**	Full
AMC-8 Holdings LLC, U.S.A.	**100**	100	**Full**	Full
AMC-9 Holdings LLC, U.S.A.	**100**	100	**Full**	Full
AMC-10 Holdings LLC, U.S.A.	**100**	100	**Full**	Full
AMC-11 Holdings LLC, U.S.A.	**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
AMC-12 Holdings LLC, U.S.A.	**100**	100	**Full**	Full
AMC-4 Holdings LLC, U.S.A.	**100**	100	**Full**	Full
AMC-7 Holdings LLC, the US	**100**	100	**Full**	Full
AMC-15 Holdings LLC, U.S.A.	**100**	100	**Full**	Full
AMC-16 Holdings LLC, U.S.A.	**100**	100	**Full**	Full
SES-1 Holdings, 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
AOS Inc., the US	**100**	100	**Full**	Full
SES-2 Holdings LLC, U.S.A.	**100**	100	**Full**	Full
SES-3 Holdings LLC, U.S.A.	**100**	100	**Full**	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 Global South America Holding S.L., Spain	**100**	100	**Full**	Full
New Skies Satellites B.V., The Netherlands	**100**	100	**Full**	Full
New Skies Satellites, Inc., 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

	Economic interest (%) 2019	Economic interest (%) 2018	Method of consolidation 2019	Method of consolidation 2018
SES ENGINEERING (Netherlands) B.V., The Netherlands	**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.A., Luxembourg	**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 Ltd, Jersey, Channel Islands	**100**	100	**Full**	Full
O3b Ltd, Jersey, Channel Islands	**100**	100	**Full**	Full
O3b Africa Ltd, Mauritius[2]	**100**	100	**Full**	Full
O3b Networks Management Services B.V., The Netherlands	**100**	100	**Full**	Full
O3b Sales B.V., The Netherlands	**100**	100	**Full**	Full
O3b Holdings 1 B.V., The Netherlands	**100**	100	**Full**	Full
O3b Holdings 2 B.V., The Netherlands	**100**	100	**Full**	Full
O3b Coöperatief UA, The Netherlands	**100**	100	**Full**	Full
O3b Networks USA, LLC, U.S.A.	**100**	100	**Full**	Full
O3b USA, LLC, U.S.A.	**100**	100	**Full**	Full
O3b America, LLC, U.S.A.	**100**	100	**Full**	Full
O3b (Singapore) Pte Limited, Singapore[2]	**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
West Africa Platform Services Ltd, Ghana	**51**	51	**Full**	Full
MX1 Ltd, Israel	**100**	100	**Full**	Full
MX1 Inc., U.S.A.	**100**	100	**Full**	Full
G.S.N GoSat Distribution Network Ltd, Cyprus	**100**	100	**Full**	Full
EMP Media Port Ltd, Cyprus	**100**	100	**Full**	Full
MX1 C.E.E. S.A., Romania	**100**	80	**Full**	Full
MX1 Limited, United Kingdom[2]	**100**	100	**Full**	Full
World Satellite Distribution S.A., Luxembourg[2]	**-**	100	**Full**	Full
Sofia Teleport EOOD, Bulgaria[2]	**-**	100	**Full**	Full
MX1 Korea Ltd., Korea	**51**	51	**Full**	Full
London Broadcasting Center Ltd., United Kingdom[2]	**-**	100	**Full**	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-11 Holdings, LLC, U.S.A.	**100**	100	**Full**	Full
SES Networks GmbH, Germany	**100**	100	**Full**	Full
SES Satellites India Private Limited[1]	**100**	-	**Full**	-

1. Entity created in 2019
2. Entity sold, merged, liquidated or in the process of liquidation in 2019

SES S.A.
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Annual accounts as at and for the year ended 31 December 2019

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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 2019, 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 2019;
- the profit and loss account for the year then ended;
- the statement of changes in shareholders' equity; 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 Ethics Standards Board for Accountants' Code of Ethics for Professional 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.

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

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.

Key audit matter	How our audit addressed the Key audit matter
Valuation of the shares in affiliated undertakings	
The Company has investments in shares in affiliated undertakings of EUR 7,656.4 million as at 31 December 2019.	• We obtained an understanding of Management's process and controls related to the identification of the impairment indicators and the impairment test of the investments in affiliated undertakings;
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.	• We evaluated Management's methodology used to estimate the recoverable amount of the investments in affiliated undertakings, including the grouping of certain investments in order to appropriately reflect the substance of the activity, interdependency of cash flows and the level of integration of their operations; • We agreed the forecasted cash flows used for the determination of the recoverable value to the 2020 Business Plan as approved by the Board of Directors and challenged the different assumptions based on our expectations in terms of significant developments during the forecast period and evaluated whether these were appropriately reflected in the cash flows;
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 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 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.	• 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.

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, related safeguards.

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.

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" of the Company by the General Meeting of the Shareholders on 4 April 2019 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 7 years.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 29 February 2020

Gilles Vanderweyen

SES
Société Anonyme
Balance sheet
As at 31 December 2019

Assets

	Note	2019	2018
		EUR million	**EUR million**
Fixed Assets			
Intangible assets		0.8	1.6
Financial assets			
Shares in affiliated undertakings	3	7,656.4	8,056.4
Loans to affiliated undertakings	3	3,489.7	2,275.6
		11,146.9	10,333.6
Current Assets			
Debtors			
Amounts owed by affiliated undertakings			
becoming due and payable within one year	4	1,146.6	2,323.0
becoming due and payable after one year	4	478.2	174.1
Other debtors			
becoming due and payable within one year		0.7	4.3
Investments			
Own shares	5	58.9	93.4
Cash at bank and cash in hand		1,021.4	825.2
		2,705.8	3,420.0
Prepayments			
becoming due and payable within one year		9.1	10.7
becoming due and payable after more than one year		44.1	38.1
Total assets		**13,905.9**	**13,802.4**

The accompanying notes form an integral part of the annual accounts.

SES
Société Anonyme
Balance sheet
As at 31 December 2019

Liabilities	**Note**	**2019**	**2018**
		EUR million	**EUR million**
Capital and reserves			
Subscribed capital	6	719.0	719.0
Share premium account	6	1,890.2	1,890.2
Reserves			
Legal reserve	7	71.9	70.0
Reserve for own shares	8	58.9	93.4
Profit brought forward		2,121.5	1,284.7
Profit for the financial year		509.8	1,172.3
		5,371.3	5,229.6
Creditors			
Debenture loans - Non convertible loans	9		
becoming due and payable within one year		788.1	576.3
becoming due and payable after more than one year		4,875.2	5,000.0
Amounts owed to credit institutions	9		
becoming due and payable within one year		41.2	42.0
becoming due and payable after more than one year		80.9	122.1
Trade creditors			
becoming due and payable within one year		1.5	0.7
Amounts owed to affiliated undertakings	9		
becoming due and payable within one year		1,651.9	2,569.8
becoming due and payable after more than one year		611.7	68.0
Other creditors			
Tax authorities	10	1.2	11.5
Social security authorities		0.4	0.3
Other creditors			
becoming due and payable within one year		4.3	8.0
payable after more than one year	11	478.2	174.1
		8,534.6	8,572.8
Total liabilities		**13,905.9**	**13,802.4**

The accompanying notes form an integral part of the annual accounts.

SES
Société Anonyme
Profit and loss account
For the year ended 31 December 2019

Profit and loss account	**Note**	**2019** **EUR million**	**2018** **EUR million**
Other operating income	12	24.2	16.8
Raw material and consumables and other external expenses			
Other external expenses		(27.4)	(25.4)
Staff costs	13		
Wages and salaries		(10.4)	(18.7)
Social security costs			
relating to pensions		(1.4)	(1.1)
other social security costs		(0.6)	(0.4)
Other staff costs		(0.1)	(0.1)
Other operating expenses		(11.5)	(8.5)
Income from participating interest			
concerning affiliated undertakings	14	652.7	1,354.7
Income from other investments and loans forming part of fixed assets			
concerning affiliated undertakings	15	66.9	19.1
Other interest receivable and similar income			
concerning affiliated undertakings	16	55.8	51.8
other interest and similar income	16	2.2	10.4
Value adjustment in respect of financial assets and of investments held as current assets	17	(22.5)	5.7
Interest payable and similar expenses			
concerning affiliated undertakings	18	(45.3)	(35.2)
other interest and similar expenses	18	(236.8)	(254.6)
Tax on profit or loss		64.9	59.3
Taxes other		(0.9)	(1.5)
Profit or loss for the financial year		**509.8**	**1,172.3**

The accompanying notes form an integral part of the annual accounts.

SES
Société Anonyme
Statement of changes in shareholders' equity
As at 31 December 2019

	Subscribed capital	Share premium	Legal reserve	Other reserves*	Result for the year	Total
	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million
At 1 January 2018	719.0	1,890.2	70.0	1,765.5	(19.8)	**4,424.9**
Allocation of result	-	-	-	(19.8)	19.8	**-**
Distribution of dividends	-	-	-	(367.6)	-	**(367.6)**
Other movements	-	-	-	-	-	**-**
Profit for the financial year	-	-	-	-	1,172.3	**1,172.3**
At 31 December 2018	**719.0**	**1,890.2**	**70.0**	**1,378.1**	**1,172.3**	**5,229.6**
At 1 January 2019	719.0	1,890.2	70.0	1,378.1	1,172.3	**5,229.6**
Allocation of result	-	-	1.9	1,170.4	(1,172.3)	**-**
Distribution of dividends	-	-	-	(368.2)	-	**(368.2)**
Other movements	-	-	-	0.1	-	**0.1**
Profit for the financial year					509.8	**509.8**
At 31 December 2019	**719.0**	**1,890.2**	**71.9**	**2,180.4**	**509.8**	**5,371.3**

* *Including reserves for own shares, other non available reserves and profit brought forward.*

The accompanying notes form an integral part of the annual accounts.

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.

In 2013 the Company established a branch in Switzerland in order to centralise the cash pooling mechanism in place for the Company and its subsidiaries ('the SES Group'). The annual accounts of the branch are also integrated into those of the Company.

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.

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.

Note 2 - Summary of significant accounting policies and valuation rules (continued)

2.1. Basis of preparation (continued)

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 reevaluated, 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. 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 taken into account in assessing the carrying value of the financial assets.

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.

2.2.2. 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 on the basis of 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.

2.2.3. 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.

Note 2 - Summary of significant accounting policies and valuation rules (continued)

2.2.4. 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.

2.2.5. 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.

2.2.6. 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.

With the exception of 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, with the exception of 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.

2.2.7. Derivative financial instruments

The Company may enter into contracts for derivative instruments, for example forward currency contracts, in order to manage the exchange rate exposure on the Company's, and SES Group's, assets, liabilities and financial operations.

Such financial instruments are used to reduce the SES Group's exposure to risks in connection with operating liabilities denominated in US dollars, such as milestone payments to satellite manufacturers. Such instruments are denominated in the same currency as the hedged item and can cover up to 100% of the total value of the hedged item. It is the Company's policy not to enter into such forward contracts until a firm commitment is in place, and to match the terms of hedge derivatives to those of the hedged item.

Additionally, the Company has significant debenture loans denominated in US dollars. The Company may enter into derivatives, such as forward currency contracts or cross-currency swaps, in order to manage exchange rate exposure on foreign currency debt.

Financial derivatives are revalued at the year-end using forward rates. Both unrealised gains and losses resulting from the revaluation of these contracts are recognised in the profit and loss account under "other interest and similar income" or "other interest and similar expenses" respectively. SES does not use derivative financial instruments for speculative purposes.

Note 2 - Summary of significant accounting policies and valuation rules (continued)

2.2.7. Derivative financial instruments (continued)

Assets or liabilities generated by unrealised gains or losses are recognised and recorded under “amounts owed to/by affiliated undertakings” where the counterparty is a member of the SES Group.

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 2019 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

	2019 EUR million	2018 EUR million
Historic cost:		
As at 1 January:	8,161.1	8,120.3
Increase	-	40.8
Decrease [1]	(400.0)	-
As at 31 December	**7,761.1**	**8,161.1**
Accumulated value adjustments		
As at 1 January	(104.7)	(85.4)
Increase	-	(19.3)
As at 31 December	**(104.7)**	**(104.7)**
Net book value:		
As at 1 January	**8,056.4**	**8,034.9**
As at 31 December	**7,656.4**	**8,056.4**

1 The decrease in 2019 represents the share premium reduction in SES Astra Services Europe S.A. in the amount of EUR 300.0 million and the share capital reduction in SES Participation S.A. in the amount of EUR 100.0 million.

As at 31 December 2019, the Company held the following investments:

Net book value			**2019**	**2018**
	Incorporation in:		EUR million	EUR million
SES Global - Americas, Inc.	United Sates	99.94%	3,477.6	3,477.6
SES Finance S.à r.l	Luxembourg	100%	1,543.0	1,543.0
SES Holdings (Netherlands) B.V. [1]	Netherlands	100%	1,241.4	1,241.4
SES Astra S.A.	Luxembourg	100%	1,046.8	1,046.8
SES Participations S.A.	Luxembourg	100%	106.8	206.8
SES Insurance International Re (Luxembourg) S.A.	Luxembourg	100%	90.3	90.3
SES Astra A.B.	Sweden	32.34%	50.1	50.1
SES Insurance International (Luxembourg) S.A.	Luxembourg	100%	15.2	15.2
SES Astra Services Europe S.A.	Luxembourg	100%	66.6	366.6
SES Latin America S.A	Luxembourg	100%	18.6	18.6
Total			**7,656.4**	**8,056.4**

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.

Note 3 - Financial assets (continued)

a) Shares in affiliated undertakings (continued)

Management identified the following CGUs for the purpose of impairment testing:

- SES GEO operations ('SES GEO');
- SES MEO operations ('SES MEO'); and
- MX1 and other service businesses ('Services').

The investment in SES Holdings (Netherlands) B.V., amounting to EUR 1,241.4 million (2018: EUR 1,241.4 million), includes both SES GEO and SES MEO operations and was considered accordingly for impairment testing purposes.

Impairment testing for SES GEO operations

Affiliated undertakings listed under "SES GEO operations" 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/from affiliated undertakings which are part of SES GEO have also been added to the carrying values of the affiliated undertakings.

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. This period reflects the long-term contractual base for the satellite business. The pre-tax discount rate used was 8.37% (2018: 8.40%) and was selected to reflect market interest rates and commercial spreads; the capital structure of businesses in the SES Group's business sector, and the specific risk profile of the businesses concerned. The terminal growth rate used in the valuation was 2.0% (2018: 2.0%), which reflects the most recent long-term planning assumptions approved by the Board, and can be supported by reference to the performance of the SES business concerned over a longer period in the relevant markets.

An impairment test performed on each investment taken individually (the "line-by-line method"), would potentially lead to a different conclusion, in particular, for the investment held by the Company in SES Global-Americas, Inc. However, for the reasons stated above and as described in Note 2.2.1., the Board of Directors of the Company does not believe that the "line-by-line method" is appropriate considering the integrated nature of the SES GEO operations business and the interdependency of its cash flows.

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 in 2021, as well as to properly reflect the timing of replacement capital expenditure.

Note 3 - Financial assets (continued)

The pre-tax discount rate applied for 2019 was 9.32% (2018: 10.21%) 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% (2018: 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.

Impairment testing for 'Services' operations

Affiliated undertakings listed under "Services" are services companies of the SES Group. They are tested for impairment individually unless their carrying value is insignificant.

Based on this impairment testing, the Board of Directors believes that no value adjustment should be recorded on the carrying values of the shares in affiliated undertakings.

Article 65, Paragraph (1) 2º 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.

Note 3 - Financial assets (continued)

b) Loans to affiliated undertakings

Loans to affiliated undertakings as of 31 December 2019 consist of:

Counterparty	**Principal and accrued interest 31 December 2019 (EUR million)**	**Maturity**	**Interest rate**
SES-15 S.à r.l	160.1	January-33	1.55%
SES Astra 5B S.à r.l.	160.7	June-29	1.11%
SES Astra 2G S.à r.l.	120.0	June-30	1.19%
SES Astra 2F S.à r.l.	93.3	November-27	0.95%
SES Astra 3B S.à r.l.	70.0	June-25	0.67%
SES-10 S.à r.l.	73.4	January-32	2.29%
SES Astra 2E S.à r.l.	22.5	February-29	1.06%
SES Astra 1N S.à r.l.	21.8	November-26	0.80%
HD Plus GmbH	60.0	October-22	4.50%
SES Media Solutions GmbH	140.1	November-21	0.41%
SES Americom Inc.	259.4	June-22	2.93%
SES Networks Lux S.à r.l.	826.5	October-29	3.33%
SES Networks Satellites S.à r.l.	401.1	October-29	3.33%
New Skies Satellites B.V.	190.5	November-23	3.87%
New Skies Satellites B.V.	351.2	November-23	3.87%
New Skies Satellites B.V.	5.0	December-24	3.87%
New Skies Satellites B.V.	234.3	December-24	3.87%
SES Holdings (Netherlands) B.V.	168.1	October-24	3.87%
SES Holdings (Netherlands) B.V.	95.9	December-24	3.87%
SES Holdings (Netherlands) B.V.	30.2	December-32	3.87%
SES DTH do Brasil Ltda	1.3	May-23	5.77%
SES DTH do Brasil Ltda	0.5	May-23	4.38%
SES DTH do Brasil Ltda	0.5	May-22	4.10%
SES DTH do Brasil Ltda	0.9	June-22	3.97%
SES DTH do Brasil Ltda	0.9	September-22	4.23%
SES DTH do Brasil Ltda	0.5	June-23	5.01%
SES DTH do Brasil Ltda	0.5	August-23	5.32%
SES DTH do Brasil Ltda	0.5	November-23	5.48%
Total	**3,489.7**		

In 2019, the Company undertook an intragroup financial restructuring with the purpose of simplifying the financing relationships between SES Networks Lux S.à r.l., SES Networks Satellites S.à r.l. and other companies of the Group. As a result, the Company has granted two new loans with maturity in October 2029 and interest rate of 3.33% to SES Networks Lux S.à r.l. in the amount of USD 922.7 million (EUR 821.3 million) and to SES Networks Satellites S.à r.l. in the amount of USD 447.8 million (EUR 398.6 million).

Furthermore, during the year, SES Finance Services A.G. has settled the outstanding loans payable in the amount of CHF 26.2 million (EUR 24.2 million).

Note 3 - Financial assets (continued)

b) Loans to affiliated undertakings (continued)

In December 2019, SES ASTRA Services Europe S.A. reduced its share premium by EUR 300.0 million which was settled by: the assignment of a long-term loan receivable from HD Plus GmbH of EUR 60.0 million; through the current account with the Company of EUR 140.0 million; the assignment of a short-term loan receivable to SES Media Solutions GmbH of EUR 70.0 million; and the assignment of a short-term loan receivable from HD Plus GmbH of EUR 30.0 million (see Note 4).

The Company does not consider any balances on its loans to affiliates as being irrecoverable as at 31 December 2019.

Loans to affiliated undertakings as of 31 December 2018 consist of:

Counterparty	**Principal and accrued interest 31 December 2018 (EUR million)**	**Maturity**	**Interest rate**
SES Americom Inc.	259.5	June-22	2.93%
SES-15 S.à r.l	173.4	January-33	1.55%
SES Astra 5B S.à r.l.	178.6	June-29	1.11%
SES Astra 2G S.à r.l.	132.0	June-30	1.19%
SES Astra 2F S.à r.l.	106.7	November-27	0.95%
SES Astra 3B S.à r.l.	84.0	June-25	0.67%
SES-10 S.à r.l.	80.0	January-32	2.29%
SES Astra 2E S.à r.l.	25.0	February-29	1.06%
SES Astra 1N S.à r.l.	25.4	November-26	0.80%
SES Finance Services A.G.	8.8	March-25	0.80%
SES Finance Services A.G.	8.8	March-25	0.80%
SES Finance Services A.G.	5.5	March-25	0.80%
New Skies Satellites B.V.	182.3	November-23	4.16%
New Skies Satellites B.V.	334.5	November-23	4.16%
New Skies Satellites B.V.	4.9	December-24	4.16%
New Skies Satellites B.V.	231.2	December-32	4.16%
SES Holdings (Netherlands) B.V.	164.8	October-24	4.16%
SES Holdings (Netherlands) B.V.	88.4	December-24	4.16%
SES Holdings (Netherlands) B.V.	35.4	December-24	4.16%
SES Media Solutions GmbH	140.0	November-21	0.41%
SES DTH do Brasil Ltda	1.2	May-23	5.77%
SES DTH do Brasil Ltda	0.6	May-23	4.38%
SES DTH do Brasil Ltda	0.5	May-22	4.10%
SES DTH do Brasil Ltda	1.2	June-22	3.97%
SES DTH do Brasil Ltda	1.2	September-22	4.23%
SES DTH do Brasil Ltda	0.6	June-23	5.01%
SES DTH do Brasil Ltda	0.6	August-23	5.32%
SES DTH do Brasil Ltda	0.5	November-23	5.48%
Total	**2,275.6**		

Note 4 - Debtors

Amounts owed by affiliated undertakings

The SES Group operates a centralised treasury function at the level of the Company which manages, amongst others, liquidity to optimise funding costs. This is supported by a daily cash pooling mechanism.

Amounts owed by affiliated undertakings as at 31 December 2019 of EUR 1,146.6 million (2018: EUR 2,323.0 million) consist of:

	2019 EUR million	2018 EUR million
Intercompany current accounts	963.3	1,460.8
Short term loan to O3b Networks Limited	-	709.2
Short term loan to Luxembourg satellite companies	83.3	83.3
Short term loan to SES Asia S.A	-	23.1
Short term loan to SES Networks Lux S.à r.l.	-	46.6
Short term loan to HD Plus GmbH (Note 3)	30.0	-
Short term loan to SES Media Solutions GmbH (Note 3)	70.0	-
Total	**1,146.6**	**2,323.0**
Forward Sale Agreement with SES mPower S.à r.l.	478.2	174.1

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 does not consider their recoverability to be uncertain.

In 2019, the Company undertook an intragroup financial restructuring with the purpose of simplifying the financing relationships with other companies of the Group. As a result, the short term loan to O3b Networks Limited has been settled during the year.

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. As at 31 December 2019, SES had a receivable from SES mPower S.à r.l of USD 537.2 million (EUR 478.2 million) in the framework of this agreement.

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 2019, the Company owned 4,708,584 FDRs (2018: 5,589,589) representing a carrying value of EUR 58.9 million (2018: EUR 93.4 million).

Note 6 - Subscribed capital and share premium account

SES has a subscribed capital of EUR 719.0 million (2018: EUR 719.0 million), represented by 383,457,600 Class A shares (2018: 383,457,600) and 191,728,800 Class B shares (2018: 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:

	Class A shares	Class B shares	Total shares
As at 1 January 2019	**383,457,600**	**191,728,800**	**575,186,400**
Shares issued during the year	-	-	-
As at 31 December 2019	**383,457,600**	**191,728,800**	**575,186,400**

	Class A shares	Class B shares	Total shares
As at 1 January 2018	**383,457,600**	**191,728,800**	**575,186,400**
Shares issued during the year	-	-	-
As at 31 December 2018	**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 58.9 million (2018: EUR 93.4 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 2019.

			2019
Creditors - Financial liabilities	Interest rate	Maturity	EUR million
a) Debenture loans - Non convertible loans			**5,663.3**
becoming due and payable within one year*			**788.1**
EUR 650 million Eurobond (2020)	4.625%	March-20	650.0
Non convertible bonds due >1 Y: Accrued interest			138.1
becoming due and payable between 1 and 2 years			**650.0**
EUR 650 million Eurobond (2021)	4.75%	March-21	650.0
becoming due and payable between 3 and 5 years			**817.6**
144A Bond USD 750.0 million (2023)	3.60%	April-23	667.6
German Bond issue of EUR 150.0 million (2024)	Floating	June-24	150.0
becoming due and payable after 5 years			**3,407.6**
EUR 140.0 million Private Placement (2027)	4.00%	May-27	140.0
144A Bond USD 250.0 million (2043)	5.30%	April-43	222.5
144A Bond USD 500.0 million (2044)	5.30%	March-44	445.1
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%	January-22**	750.0
EUR 550 million deeply subordinated fixed rate resettable securities	5.625%	January-24**	550.0
EUR 500 million Eurobond (2026)	1.625%	March-26	500.0
EUR 500 million Eurobond (2027)	0.875%	November-27	500.0
German Bond issue of EUR 250.0 million (2025)	1.71%	December-25	250.0

* Includes accrued interest of EUR 138.1 million at year-end 2019 (2018: EUR 139.6 million).

** Representing first reset date

Note 9 - Creditors (continued)

a) Debenture loans - Non convertible loans (continued)

The maturity profile of notes and bonds is as follows as at 31 December 2018.

			2018
Creditors - Financial liabilities	Interest rate	Maturity	EUR million
a) Debenture loans - Non convertible loans			**5,576.3**
becoming due and payable within one year*			**576.3**
Non convertible bonds due >1 Y: Accrued interest			139.6
144A Bond USD 500.0 million (2019)	2.50%	March-19	436.7
becoming due and payable between 1 and 2 years			**650.0**
EUR 650 million Eurobond (2020)	4.625%	March-20	650.0
becoming due and payable between 3 and 5 years			**650.0**
EUR 650 million Eurobond (2021)	4.75%	March-21	650.0
becoming due and payable after 5 years			**3,700.0**
EUR 140.0 million Private Placement (2027)	4.00%	May-27	140.0
144A Bond USD 750.0 million (2023)	3.60%	April-23	655.0
144A Bond USD 250.0 million (2043)	5.30%	April-43	218.3
144A Bond USD 500.0 million (2044)	5.30%	March-44	436.7
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%	January-22**	750.0
EUR 550 million deeply subordinated fixed rate resettable securities	5.625%	January-24**	550.0
EUR 500 million Eurobond (2026)	1.625%	March-26	500.0
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

* Includes accrued interest of EUR 139.6 million at year-end 2018 (2017: EUR 134.1 million).

** Representing first reset date

Note 9 - Creditors (continued)

a) Debenture loans - Non convertible loans (continued)

European Medium-Term Note Programme ('EMTN')

SES has a 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 4,000.0 million. As at 31 December 2019, SES had issued EUR 2,440.0 million (2018: EUR 1,940.0 million) under the EMTN Programme with maturities ranging from 2020 to 2027.

EUR 500.0 million Eurobond (2018)

SES repaid its EUR 500.0 million bond on 24 October 2018 which was issued under the Company's European Medium-Term Note Programme and was bearing and interest at a fixed rate of 1.875%.

144A Bond USD 500.0 million (2019)

SES repaid its USD 500.0 million 5-year bond with a coupon of 2.50%, on 25 March 2019.

EUR 650.0 million Eurobond (2020)

SES issued a EUR 650.0 million bond under the Company's European Medium-Term Note Programme in 2010. The bond has a 10-year maturity and bears interest at a fixed rate of 4.625%.

EUR 650.0 million Eurobond (2021)

SES issued a EUR 650.0 million bond under the Company's European Medium-Term Note Programme in 2011. The bond has a 10-year maturity and bears interest at a fixed rate of 4.75%.

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.

144A Bond USD 750.0 million (2023)

In 2013 SES completed a 144A offering in the US market issuing USD 750.0 million 10-year bond with a coupon of 3.60% and a final maturity date on 4 April 2023.

EUR 500.0 million Eurobond (2026)

In 2018 SES issued a EUR 500.0 million 8-year bond under the Company's European Medium Term Note Programme. The bond bears interest at a fixed rate of 1.625% and has a final maturity date on 22 March 2026.

Note 9 - Creditors (continued)

a) Debenture loans - Non convertible loans (continued)

EUR 500.0 million Eurobond (2027)

On 4 November 2019, SES issued a EUR 500.0 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.

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 140.0 million Private Placement (2027)

In 2012 SES issued three individual tranches of a total EUR 140.0 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%.

German bond issue of EUR 50.0 million (2032)

In 2012 the Group signed an agreement to issue EUR 50.0 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 250.0 million (2043)

In 2013 SES completed a 144A offering in the US market issuing USD 250.0 million 30-year bond with a coupon of 5.30% and a final maturity date on 4 April 2043.

144A Bond USD 500.0 million (2044)

In 2014 SES completed a 144A offering in the US market issuing USD 500.0 million 30-year bond with a coupon of 5.30% and a final maturity date of 25 March 2044.

German bond issue of EUR 400.0 million (2024/2025)

In 2018 the Group closed the issuance of an aggregated amount of EUR 400.0 million in the German bond ('Schuldschein') market. The transaction consists of two individual tranches - a EUR 150.0 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 250.0 million tranche with a fixed interest rate of 1.71% and a final maturity date on 18 December 2025.

Note 9 - Creditors (continued)

b) Amounts owed to credit institutions

Amounts owed to credit institutions as of 31 December 2019 were:

Creditors - Financial liabilities			**2019**
	Interest rate	Maturity	EUR million
b) amounts owed to credit institutions			
becoming due and payable within one year			
COFACE facility	EURIBOR +1.70%	various in 2020	41.2
becoming due and payable after more than one year			
COFACE facility	EURIBOR +1.70%	various from 2021 to 2022	80.9

Amounts owed to credit institutions as of 31 December 2018 were:

Creditors - Financial liabilities			**2018**
	Interest rate	Maturity	EUR million
b) amounts owed to credit institutions			
becoming due and payable within one year			**42.0**
COFACE facility	EURIBOR +1.70%	various in 2019	42.0
becoming due and payable after more than one year			**122.1**
COFACE facility	EURIBOR +1.70%	various from 2020 to 2022	122.1

Syndicated loan 2021

In June 2019 the Company renewed its previous syndicated loan facility ('Syndicated loan 2015'). The updated facility is being provided by 20 banks and has been structured as a 5-year multi-currency revolving credit facility with an option to extend until 2026 (two one-year extension options at the discretion of the lenders). 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 2019 and 2018, 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 (ASTRA 2E, ASTRA 2F, ASTRA 2G, ASTRA 5B). 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. 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 will mature 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%.

Note 9 - Creditors (continued)

b) Amounts owed to credit institutions (continued)

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.

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. In 2017 this programme was updated and extended. As at 31 December 2019 and 2018, 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 18 April 2019, this programme was extended for one further year. As at 31 December 2019 and 2018, no borrowings were outstanding under this programme.

The aggregate maturity profile of amounts drawn from credit institutions and becoming due and payable after more than one year is as follows as at 31 December 2019 and 2018:

	2019	**2018**
	EUR million	**EUR million**
Between one and two years	80.9	82.4
Between two and five years	-	39.7
Total	**80.9**	**122.1**

During the year 2019, SES repaid floating rate obligations totaling EUR41.2 million (2018: EUR 41.5 million) related to various Coface instalments.

Committed and uncommitted loan facilities

As at 31 December 2019, and as at 31 December 2018, the Company had no outstanding balances under uncommitted loan facilities.

Note 9 - Creditors (continued)

c) Amounts owed to affiliated undertakings

Amounts owed to affiliated undertakings of EUR 2,263.6 million (2018: EUR 2,637.8 million) include the following:

	2019	**2018**
	EUR million	**EUR million**
Long term loans (maturity after five years)	611.7	68.0
Current accounts	1,651.9	2,569.8
Total	2,263.6	2,637.8

“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.

As at 31 December 2019, long term loans included:

- A loan for a total amount of USD 51.2 million (EUR 45.6 million) from SES Satellites Gibraltar Ltd. with a maturity date of May 2025 and bearing interest at a rate of 4.2%;

- A loan for a total amount of EUR 23.3 million from SES ASTRA Real Estate S.A. with a maturity date of May 2025 and a bearing interest at a rate of 2.0%;

- In March 2019, SES Americom Inc. granted a new long-term loan to the Company for a total amount of USD 596.6 million with a maturity date of March 2024 and bearing interest at a rate of 3.7%. As at 31 December 2019, the outstanding balance, including accrued interest, amounted to USD 615.4 million (EUR: 542.8 million).

Note 10 - Other creditors - tax authorities

The Company is subject to the tax regulations in Luxembourg, in Switzerland for the Swiss branch, and in the U.S. for the partnership. 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-15 S.à r.l.;
- SES-10 S.à r.l.;
- SES Participations S.A.;
- SES Astra 3B S.à r.l.;
- SES Astra 1KR S.à r.l.;
- SES Astra 1L S.à r.l.;
- SES Astra 1M S.à r.l.;
- SES Astra 1N S.à r.l.;
- SES Engineering S.à r.l..

Note 10 - Other creditors - tax authorities (continued)

- SES Astra 5B S.à r.l.;
- SES Astra 2E S.à r.l.;
- SES Astra 2F S.à r.l.;
- SES Astra 2G 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 Astra Real Estate (Betzdorf) S.A.;
- 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 Finance 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 respective tax charge/income of each subsidiary is computed on a stand-alone basis and recharged via intercompany accounts.

Note 11 - Other creditors - payable after more than one year

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.

At the end of the satellite construction period, which is foreseen in 2021, 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.

Note 11 - Other creditors - payable after more than one year (continued)

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.

As at 31 December 2019 an amount of EUR 478.2 million (USD 537.2 million) was recorded under the caption ‘Other creditors - becoming due and payable after one year’, corresponding to the constructive obligation by the Company towards the financial institution procuring the satellites. 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 after one year’.

Note 12 - Other operating income

Other operating income of EUR 24.2 million (2018: EUR 16.8 million) consists mainly of intra-group recharge income from advisory support services rendered to various affiliates.

Note 13 - Staff costs

As at 31 December 2019, the number of full time equivalent employees was 68 (2018: 57) and the average number of employees in the workforce for 2019 was 60 (2018: 61). Staff costs can be analysed as follows:

	2019	2018
	EUR million	**EUR million**
Wages and salaries	10.4	18.7
Social security costs and other staff costs	2.1	1.6
Total	12.5	20.3

In 2018, total staff costs include an amount of EUR 4.4 million total gross remuneration paid to the two departing Executive Committee members.

Note 14 - Income from participating interests

Income from participating interests concerning affiliated undertakings consists of the following:

	2019	2018
	EUR million	**EUR million**
Dividends received from affiliated undertakings	652.7	1,354.7
Total	652.7	1,354.7

Dividends received on own shares in the amount of million EUR 4.3 million (2018: EUR 4.7 million). Dividend received from affiliated untertakings EUR 648.4 million (2018: EUR 1,350.0 million).

Note 15 - Income from other investments and loans

Income from other investments and loans forming part of fixed assets:

	2019	2018
	EUR million	EUR million
Interest income from affiliated undertakings	66.9	19.1
Total	66.9	19.1

Note 16 - Other interest receivable and similar income

Other interest receivable and similar income includes the following:

	2019	2018
	EUR million	EUR million
Interest income from current account	2.2	3.1
Other interest income from affiliated undertakings	55.8	51.8
Income from external Swap	-	7.3
Total	58.0	62.2

Note 17 - Value adjustments in respect of financial assets and investments held as current assets

The loss of EUR 22.5 million (2018: gain of EUR 25.0 million) is composed of a loss on disposal of the Company's FDRs for EUR 30.0 million (2018: loss of EUR 11.2 million) and a value adjustment on outstanding FDRs as at 31 December 2019 of EUR 7.6 million (2018: EUR 36.2 million).

A value adjustment was recorded 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 12.50 as at 31 December 2019 (2018: EUR 16.71).

In 2019, the value of the impairment on shares in affiliated undertakings is nil (2018: loss of EUR 19.3 million) (see Note 3).

Note 18 - Interest payable and similar expenses

a) Concerning affiliated undertakings

	2019	2018
	EUR million	EUR million
Interest charges from current account	45.3	35.2
Total	45.3	35.2

Note 18 - Interest payable and similar expenses (continued)

b) Other interest and similar expenses

Other interest and similar financial expenses include the following:

	2019	**2018**
	EUR million	**EUR million**
Interest charges	227.0	233.4
Loan origination costs	8.8	12.9
Loss on disposal on own shares	0.8	0.4
Foreign exchange gains, net	0.2	7.9
Total	236.8	254.6

Note 19 - Audit fees

Art. 65 Paragraph (1) 16º 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 º 537/2014 amounted to EUR 0.2 million (2018: EUR 0.2 million) and represented primarly interim dividends reviews and contractual audits, comfort letters issued in connection to the Company's financial transactions and tax compliance services.

Note 20 - Board of Directors' remuneration

Total payments to directors for attendance at board and committee meetings in 2019 amounted to EUR 1.2 million (2018: EUR 1.3 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. The outstanding commitments of the Company in respect of the related contracted capital expenditure as at 31 December 2019 amounting to USD 306.9 million (EUR 273.2 million).

The Company is currently in the process of procuring SES-17; this satellite is expected to be launched in the first half of 2021. The Company had outstanding commitments in respect of the related contracted capital expenditure as at 31 December 2019 amounting to EUR 126.1 million.

Note 21 - Off balance sheet commitments (continued)

Guarantees

On 31 December 2019 the Company had outstanding bank guarantees provided for an amount of EUR 101.3 million (2018: EUR 118.0 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 2019 stand alone 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 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 2019.

SES

Assemblée Générale Ordinaire

7 Approbation du bilan au 31 décembre 2019 et du compte de profits et pertes pour l'exercice 2019

Projet de résolution

Le Conseil d'administration propose à l'Assemblée d'approuver les comptes annuels et les comptes consolidés comme indiqués sous le point 6 de l'ordre du jour "Présentation du rapport du réviseur d'entreprises".

8 Décision sur l'affectation du résultat net de l'exercice 2019 et transferts entre comptes de réserves

Projet de résolution

Le Conseil d'administration propose à l'Assemblée d'approuver l'affectation du résultat net de l'exercice 2019 conformément aux indications figurant dans le tableau ci-joint, intitulé "Allocation of 2019 Profits", points 1 à 5 et la situation des comptes de réserves conformément aux indications figurant dans le même tableau sous les points A à D.

Annual General Meeting

7 Approval of the balance sheet as of 31 December 2019 and of the 2019 profit and loss accounts

Draft resolution

The Board of Directors proposes to the Meeting to approve the annual accounts and the consolidated annual accounts as shown under agenda item 6 “Presentation of the audit report”.

8 Decision on allocation of 2019 profits and transfer between reserve accounts

Draft resolution

The Board of Directors proposes to the Meeting to approve the allocation of the 2019 profits according to the indications of the enclosed table entitled “Allocation of 2019 Profits”, items 1 to 5 and the situation of the reserve accounts according to the same table items A to D.

SES

Allocation of 2019 Profits

				EUR
1	2019 statutory net income of SES S.A. (unconsolidated) available for dividend			509,776,529.38
2	Statutory release (to) / from Legal Reserve [1]			0.00
	Available for distribution after transfer from Legal Reserve			509,776,529.38
3	Payment of a dividend under Article 31:	Shares	Dividend	
	Ordinary A shares	383,457,600	0.400	-153,383,040.00
	Ordinary B shares	191,728,800	0.160	-30,676,608.00
	Total			-184,059,648.00
4	Transfer (to) / from "Other Reserves"			-325,716,881.38
5	Undistributed 2019 profits			0.00

1 In accordance with Luxembourg legal requirements, a minimum of 5% of the yearly net profit is transferred to a Legal Reserve from which distribution is restricted. This requirement is satisfied when the reserve reaches 10% of the issued share capital.

Situation des comptes de reserves / situation of the reserve accounts

		EUR
A	Movement on "Other Reserves" *('Free Reserves')*	
	"Other Reserves" before proposed transfer	2,180,488,468.74
	Transfer to / (from) 'Other reserves'	325,716,881.38
	"Other Reserves" after proposed transfer	2,506,205,350.12

Shareholders are specifically asked to note and confirm that a cumulative amount of EUR 58.9 million has been transferred to a non-distributable reserve within "Other reserves" in connection with holdings of own shares (2018: EUR 93.4 million)

B	Movement on "Result Brought Forward" / "Other Reserves"	
	"Result Brought Forward" before proposed transfer	0.00
	Transfer to / (from) "Other Reserves"	0.00
	"Result Brought Forward" after proposed transfer	0.00
	"Other Reserves" after proposed transfer	2,506,205,350.12
C	2019 Consolidated net income available for the shareholders of SES S.A.	296,167,097.39
D	Movement on "Legal Reserve"	
	"Legal Reserves" before proposed transfer	71,898,300.00
	Transfer to / (from) "Legal reserves"	0.00
	"Legal Reserves" after proposed transfer - 10% of Subscribed Capital	71,898,300.00
	Note: Subscribed Capital of SES S.A. is	*718,983,000.00*

Assemblée Générale Ordinaire

9 Décharge à donner aux administrateurs

<u>Projet de résolution</u>

Conformément à l’article 27 des statuts, le Conseil d’administration propose à l’Assemblée de donner décharge aux administrateurs.

Annual General Meeting

9 Discharge of the members of the Board of Directors

<u>Draft resolution</u>

According to article 27 of the Articles of Association, the Board of Directors proposes to the Meeting to give discharge to the members of the Board.

SES

Assemblée Générale Ordinaire

10 Fixation du nombre d'administrateurs

Projet de résolution

Le Conseil d'administration propose à l'Assemblée de fixer la taille du Conseil d'administration à 12 administrateurs (8 représentants les actionnaires A et 4 représentant les actionnaires B).

La résolution proposée mènera à une réduction de la taille du conseil de 14 à 12 administrateurs. Les actionnaires sont priés de noter que la réduction sera atteinte par les démissions de Victor Casier et Marc Serres.

Annual General Meeting

10 Determination of the number of Board members

Draft resolution

The Board of Directors proposes to the Meeting that the Board of Directors should be composed of 12 Directors, 8 representing the A-shareholders and 4 representing the B-shareholders.

The proposed resolution will lead to a reduction in board size from 14 to 12 directors. The shareholders are asked to note that the smaller Board size will be achieved through the resignations of Victor Casier and Marc Serres.

SES

Assemblée Générale Ordinaire

11 Confirmation de la co-optation de trois administrateurs et fixation de leurs mandats

Projets de résolutions

Dans sa réunion du 13 juin 2019, le Conseil d'administration a décidé de coopter Mr Paul Konsbruck en lieu et place de Mr Jean-Paul Zens. Il est proposé à l'assemblée de confirmer la co-optation de Monsieur Konsbruck et de l'élire pour un mandat de trois ans.

Dans sa réunion du 13 juin 2019, le Conseil d'administration a décidé de coopter Mr Marc Serres en lieu et place de Mr Jean-Paul Senninger. Il est proposé à l'assemblée de confirmer la co-optation de Monsieur Serres.
Compte tenu de la réduction proposée du Conseil d'administration, le Conseil ne propose pas de nouveau mandat pour Monsieur Serres.

Dans sa réunion du 11 février 2020, le Conseil d'administration a décidé de coopter Mr Frank Esser en lieu et place de Mr Conny Kullman. Il est proposé à l'assemblée de confirmer la co-optation de Monsieur Esser et de l'élire pour un mandat de trois ans.

Annual General Meeting

11 Confirmation of the co-optation of three Directors and determination of their mandate

Draft resolutions

At its meeting of 13 June 2019, the Board of Directors decided to co-opt Mr Paul Konsbruck in lieu of Mr Jean-Paul Zens. The shareholders are asked to confirm the co-optation of Mr Konsbruck and to elect him for a three-year mandate.

At its meeting of 13 June 2019, the Board of Directors decided to co-opt Mr Marc Serres in lieu of Mr Jean-Paul Senninger. The shareholders are asked to confirm the co-optation of Mr Serres.
Because of the proposed reduction in the size of the Board, the Board does not propose a new mandate for Mr Serres.

At its meeting of 11 February 2020, the Board of Directors decided to co-opt Mr Frank Esser in lieu of Mr Conny Kullman. The shareholders are asked to confirm the co-optation of Mr Esser and to elect him for a three-year mandate.

Short bios

Paul Konsbruck (B-shareholders)

Mr. Konsbruck became a director on 13 June 2019. He is currently Chief of Staff to the Prime Minister and Minister for Media and Communications in Luxembourg. Paul Konsbruck holds a master's degree in Literature and Linguistics from the University of Heidelberg, and participated in the Senior Executive Fellow Programme at the Harvard Kennedy School. He is a Director of ENCEVO SA and is the government commissioner to CLT-UFA/RTL Luxembourg. After starting his professional career as Journalist and News Presenter at RTL, he became Editor in Chief at Eldoradio. Mr. Konsbruck entered the public service in 2014 as communications adviser to the Luxembourg government and was named Chief of Staff and First Government Councillor at the Ministry of State on 1 January 2016. He is a member of the Strategy and Investment Committee of SES.

Mr. Konsbruck is a Luxembourg national. He is not an independent director because he represents an important shareholder.

Marc Serres (B-shareholders)

Mr Serres became a director on 13 June 2019. He is currently the CEO of the Luxembourg Space Agency. Previously he served as Director of Space Affairs at the Ministry of the Economy and as coordinator of the relations with the European Space Agency at the Ministry of Higher Education and Research. Prior to working for the Luxembourg Government, Mr Serres held several engineering positions at Hitec SA. He is an electrical engineer and holds a PhD in optoelectronics from the Université Catholique de Louvain. Mr Serres is also Vice-Chairman of the Council of the European Space Agency and a Member of the International Academy of Astronautics.

Mr Serres is a Luxembourg national. He is not an independent director because he represents an important shareholder.

Frank Esser (A-shareholders)

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 served also as Board Member of Vivendi Group. Prior to joining SFR, Mr Esser held several managerial positions with Mannesmann group. He serves as Vice Chair of Swisscom and is a director of Interxion Holding. 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.

SES

Assemblée Générale Ordinaire

12 Nomination de trois administrateurs pour une durée de trois ans et de deux administrateurs pour une durée de deux ans

Projet de résolutions

Le Conseil d'administration propose à l'Assemblée d'élire les administrateurs suivants pour une durée de trois ans :

Ramu Potarazu
Kaj-Erik Relander
Anne-Catherine Ries

Le Conseil d'administration propose à l'Assemblée d'élire les administrateurs suivants pour une durée de deux ans :

Béatrice de Clermont-Tonnerre
Peter van Bommel

Les actionnaires sont priés de noter que dans le cadre de l'introduction d'une limitation des mandats d'administrateurs à 12 ans, ainsi qu'en vertu de la proposition de réduire le Conseil à 12 membres, Béatrice de Clermont-Tonnerre et Peter van Bommel, s'ils sont élus, finiront les mandats de François Tesch et Victor Casier qui quitteront le Conseil au 2 avril 2020. Les actionnaires sont aussi priés de noter que Hadelin de Liedekerke Beaufort et Marc Serres (tel qu'indiqué sous le point 11) vont quitter le Conseil au 2 avril 2020.

Basé sur la proposition du Conseil d'administration, le Conseil de SES serait composé des 12 administrateurs suivants (sept hommes et cinq femmes) :

Pour les actionnaires A (tous indépendants) : Romain Bausch, Béatrice de Clermont-Tonnerre, Frank Esser. Tsega Gebreyes, Ramu Potarazu, Kaj-Erik Relander, Peter van Bommel, Katrin Wehr-Seiter

Pour les actionnaires B: Serge Allegrezza, Paul Konsbruck, Anne-Catherine Ries, Françoise Thoma

Annual General Meeting

12 Election of three Directors for a three-year term and two Directors for a two-year term

<u>Draft resolutions</u>

The Board of Directors proposes to the Meeting that the following candidates should be re-elected as Directors for a three-year term:

Ramu Potarazu
Kaj-Erik Relander
Anne-Catherine Ries

The Board of Directors proposes to the Meeting that the following candidates should be elected as Directors for a two-year term:

Béatrice de Clermont-Tonnerre
Peter van Bommel

Shareholders are asked to note that in the context of the introduction of a maximum Board tenure of 12 years, as well as based on the proposal to reduce the Board size to 12, Béatrice de Clermont-Tonnerre and Peter van Bommel, if elected, would finish the mandates of François Tesch and Victor Casier who will leave the Board effective 2 April 2020. Shareholders are also asked to note that Hadelin de Liederkerke Beaufort and Marc Serres (as indicated under agenda item 11) will leave the Board effective 2 April 2020.

Based on the proposal from the Board of Directors, the SES Board would be composed of the following 12 Directors (seven men and five women):

For the A-shareholders (all of them independent): Romain Bausch, Béatrice de Clermont-Tonnerre, Frank Esser, Tsega Gebreyes, Ramu Potarazu, Kaj-Erik Relander, Peter van Bommel, Katrin Wehr-Seiter

For the B-shareholders: Serge Allegrezza, Paul Konsbruck, Anne-Catherine Ries, Françoise Thoma

Short bios of the candidates proposed for election:

Ramu Potarazu (A-shareholders)

Mr Potarazu became a director on 20 February 2014. He is 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 Audit and Risk Committee, the Remuneration Committee and the Strategy and Investment Committee of SES.

Mr Potarazu is a US national. He is an independent director.

Kaj-Erik Relander (A-shareholders)

Mr Relander became a director on 6 April 2017. He is Senior Independent Advisor of Mubadala Development Company. 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 Committees. 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. He is Chairman of the Investment Committee at the private equity fund Apis.pe and a board director of Starzplay Arabia and Emirates Integrated Telecommunications Company PJSC in Dubai. He is a member of the Audit and Risk Committee, the Nomination Committee and the Strategy and Investment Committee of SES.

Mr Relander is a Finnish national. He is an independent director.

Anne-Catherine Ries (B-shareholders)

Mrs Ries became a director on 1 January 2015. Mrs Ries is First Advisor to the Prime Minister and Minister for Media and Telecommunications in Luxembourg, in charge of media, telecom and digital policy. Anne-Catherine Ries holds a law degree from the Université de Paris II and the University of Oxford, and a postgraduate LL.M degree with honours from the London School of Economics, where she specialised in Telecommunications, Information Technology and European Competition Law. After starting her professional career in a law firm in Paris, she joined the Permanent Representation of Luxembourg to the EU in Brussels. Upon her return to

Luxembourg and for over 15 years, her focus was on attracting and developing tech companies in Luxembourg. She sits on the Board of Directors of POST Luxembourg. Mrs Anne-Catherine Ries is the Chairperson of the Nomination Committee of SES and a member of its Strategy and Investment Committee.

Mrs Ries is a Luxembourg and French national. She is not an independent director because she represents an important shareholder.

Béatrice de Clermont-Tonnerre (A-shareholders)

Béatrice de Clermont-Tonnerre is the former Director, AI Partnerships EMEA of Google, having left Google in Q3 2019 after six years. Before that, Mrs de Clermont-Tonnerre worked for Groupe Lagardère in different positions including Senior VP for Business Development. She previously worked at Groupe Canal Plus, having started her career with Radio France Internationale. She is a member of the Board of Directors of Grupo Prisa (Spain) and Klépierre (France). She is also Senior Advisor of Kayrros, a leading Asset Observation global platform. Mrs de Clermont-Tonnerre holds a Master 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 French national. She would be an independent director.

Peter van Bommel (A-shareholders)

Peter van Bommel is Chief Financial Officer and member of the Board of Management of ASM International. 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. Mr van Bommel sits on the Board of ASM Pacific Technology, Neways Electronics International, Bernhoven Foundation and the Amsterdam Business School, where he is the Chair of the EMFC Curatorium. He was also a Director of KPN from 2012-2020. Mr van Bommel holds an MSc in Economics from Erasmus University in Rotterdam.

Mr van Bommel is a Dutch national. He would be an independent director.

Assemblée Générale Ordinaire

13 Approbation de la Politique de Rémunération

Projet de résolution

Le Conseil d'Administration propose à l'Assemblée d'approuver la Politique de Rémunération établie et approuvée par la Conseil suite à l'adoption de la loi luxembourgeoise sur les droits des actionnaires.

Annual General Meeting

13 Approval of Remuneration Policy

Draft resolution

The Board of Directors proposes to the Meeting to approve the following Remuneration Policy which has been drawn up and approved by the Board following the adoption of the Luxembourg Shareholder Rights law.

SES Remuneration Policy

as last amended by the Board of Directors on

5 December 2019

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Appendix

1. Purpose and scope of the 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 (‘ExComm 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 ExComm members, and indicates their relative proportion;

- how the pay and employment conditions of employees of the Company were taken into account when establishing the Policy;

- the duration of the contracts or arrangements with the Directors and ExComm 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 interest and, where applicable, the role of the Remuneration Committee;

- 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 Policy covers all forms of remuneration being paid either to a Director or an ExComm member.

2. The Policy

The Company is the world’s leading satellite operator with over 70 satellites in two different orbits, Geostationary Orbit (GEO) and Medium Earth Orbit (MEO). It provides a diverse range of customers with global video distribution and data connectivity services through two business units: SES Video and SES Networks. SES Video reaches over 355 million TV homes, through Direct-to-Home (DTH) platforms and cable, terrestrial, and IPTV networks globally. SES Video delivers a full suite of innovative end-to-end value-added services for both linear and digital distribution, and includes the ASTRA satellite system, which has the largest DTH television reach in Europe. SES Networks provides global managed data services, connecting people in a variety of sectors including telecommunications, maritime, aeronautical, and energy, as well as governments and institutions across the world. The SES Networks portfolio includes GovSat, a 50/50 public-private partnership between the Company and the Luxembourg government, and O3b, the only non-geostationary system delivering fibre-like broadband services today.

The Company must attract suitable Directors and ExComm members to continue its success. Along with being an overall attractive Company, remuneration is one part of the Company's ability to do so. Consequently, this Policy contributes to the Company's business strategy and long-term interests and sustainability.

Remuneration must reflect the degree of required qualifications and experience of the Directors and ExComm members, the risks that they take personally, and honour the dedication and efforts that the Directors and ExComm members put into the Company. The Remuneration must also be relative to the pay and employment conditions of the employees of the Company.

2.1 Remuneration of 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.

2.1.1 Fixed remuneration per year

The fixed component of the remuneration encompasses EUR 40,000 per year whereas the Vice Chairs each receive an annual fixed fee of EUR 48,000 and the Chair receives a fee of EUR 100,000 per year.

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

2.1.2. Remuneration per meeting

Directors receive EUR 1,600 for each Board meeting or Board committee meeting they attend, with the exception of the Audit and Risk Committee for which a fee of EUR 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. If the Director participates in the meeting via telephone or videoconference, then half of the attendance fee is paid.

2.1.3. 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 AGM following this date.

2.2 Remuneration of ExComm members

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

- the **compensation package** composed of the:
  - yearly base salary ("**YBS**");
  - annual bonus ("**AB**");
  - long-term equity ("**LTE**");
- the **benefits** including, but not limited to:
  - company car;
  - pension and health care plans;
  - death and disability insurance.

In line with the Charter of the Remuneration Committee of the Company, remuneration matters of the ExComm members are reviewed, discussed and decided by the Remuneration Committee.

2.2.1 Yearly base salary

The base salary of ExComm members is reviewed by the Remuneration Committee in its first meeting of the year. The Remuneration Committee has the sole authority, besides the legally required cost of living adjustments (i.e. Luxembourg index), to adjust the YBS of ExComm members.

For all new nominations as ExComm member, remunerations are set by the Remuneration Committee on the basis of external benchmarks provided by compensation consultants, thereby considering employment conditions at the time of the offer.

2.2.2 Annual bonus (AB)

The main objective of the bonus plan for the ExComm is to create a performance reward scheme, that links annual variable compensation to the Company's financial results as well as the ExComm members' personal and collective performance. Through this plan, the Company ensures alignment and focus on the company objectives.

The AB of ExComm members is based on the yearly performance during the relevant year and is paid out in March of the following year after review by the Remuneration Committee in its first meeting of the year.

The AB target for ExComm members ranges from 50% to 100% of YBS.

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 ExComm member is composed of two parts:

a) *Financial performance (accounting for 50% of the AB)*

The financial performance measures the actual achievement vs. budget for the following set of metrics with their respective weights: EBITDA (60% of the AB), net profit (20% of the AB) and net operating cash flow (20% of the AB). The budget targets for those measures are set during the annual budget process and finally approved by the Board. CEOs of SES Networks and SES Video are also measured on the financial performance vs. budget of their respective business units.

b) *Individual performance (accounting for 50% of the AB)*

The individual performance is split into two equal components:

1. achievement against individual objectives (25% of the AB);

The individual objectives are set at the beginning of each year by the Remuneration Committee based on a proposal prepared by the CEO together with the ExComm.

The Remuneration Committee determines, at the end of each year, whether the relevant ExComm member achieved his individual objective targets during that year. It will do so

- for the CEO: based on a proposal by the Chairman of the Board and
- for the other ExComm members: based on a proposal by the CEO.

2. a discretionary part solely determined by the Remuneration Committee (25% of the AB).

The discretionary element is fixed by the Remuneration Committee based on several factors including business and individual performance of the ExComm member.

2.2.3 Long-Term Equity (LTE)

The LTE is regulated by the EBCP.

The objective of the EBCP is to enhance the competitiveness of the Company and its affiliates in attracting and retaining the best global executive talent, and to position the Company as a global employer of choice. Moreover, the EBCP is designed to ensure that SES group executives 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 for the discretionary grant or award of equity-based incentive compensation in the form of:

a) stock options, representing one third of the total LTE grant,
b) restricted shares, representing one sixth of the LTE grant and
c) performance shares, representing one half of the LTE grant and with a vesting which is subject to both the individual performance of the executive and the Company´s financial performance.

The grant shall be determined by the Remuneration Committee at its sole discretion.

For ExComm members, the annual LTE grant value ranges from 58% to 105% of the YBS.

a) 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 Remuneration Committee.

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 (Aon-Hewitt in the past years). The final stock option valuation of each grant is then approved by the Remuneration Committee.

The stock options must vest before they can be exercised. The vesting period of stock options is four years with an annual vesting of 25% on 1 January of each year. As an example, if 100 stock options are granted in May 2019, the first 25 stock options can be exercised as of 1 January 2020, the next 25 as of 1 January 2021, the next 25 as of 1 January 2022 and the final 25 as of 1 January 2023.

b) Restricted Shares

The restricted shares are FDRs granted to the executives with the sole condition that on the day the restricted shares vest, the executive is employed by the Company. The restricted shares vest on 1 June of the third year following the year of the grant. No step vesting is applied in order to enhance the retention factor.

The number of restricted shares granted to each executive is determined by multiplying the relevant YBS with the applicable percentage and divided by the average 15 days preliminary share price.

c) Performance Shares

Performance shares are FDRs granted to the executives and the following two criteria must be fulfilled for the performance shares to vest entirely:

1. the compounded three years adjusted EVA is positive; and
2. over the three years vesting period, personal objectives have to be met ("successful performance") and can only be one year slightly below expectations for a successful performer.

The adjusted EVA measures the value created in excess of the required rate of return the Company has to provide to shareholders and debtholders. The adjusted EVA is generally reviewed by the Remuneration Committee in its second meeting of each year.

In the event that only criteria 1. is not fulfilled, a ratchet table will apply to determine the proportion of performance shares that will vest (minimum 50% and maximum 100% payout).

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

The executives 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 Corporate Secretary and/or Chief Financial Officer, not during a closed period, others). As for the members of the Board, the exercises by the ExComm members are reported on the Company's website under About Us -> Corporate Governance -> Management Disclosures.

2.2.4 Benefits

The following key benefits are provided to ExComm members, the amounts of which are 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;
- health check-up for ExComm members;
- death and disability insurances;
- company car or car allowances.

In addition to the above:

- several ExComm members benefit from temporary tax support and participation in school fees;
- one ExComm member benefits from additional pension plan arrangements;
- one ExComm member benefits from a UK based benefit package that includes life, disability and health insurance as well as gross pension allowance.

2.2.5 Employment, Resignation and Termination

ExComm members are hired on a permanent basis and employment contracts are drafted according to local regulations.

One ExComm member has an employment contract with an American subsidiary of the Company while all other ExComm 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 ExComm member can terminate the employment contract respecting the legal notice period. For the ExComm 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.

All members of the ExComm are entitled to two years of YBS in case of termination without cause. The indemnity includes statutory severance payment, if any.

2.2.6 ExComm members share ownership program

The ExComm members have an obligation to invest in the Company's equity (executive share ownership). Over a period of five years (with equal yearly investment), the ExComm members have to hold in total one time their YBS and the CEO two times his YBS.

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

3. Shareholder Vote

The present Policy will be submitted to a shareholders vote at the next annual general meeting, as will any material subsequent changes. The policy will be submitted to the shareholders at a minimum every four years.

While the vote by the shareholders at the general meeting is advisory only, the Company will pay its Directors and ExComm 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.

4. 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.

5. 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.

6. Glossary

Term	Description
AB	bears the definition set out under item 2.2 (*Remuneration of ExComm members*) of this Policy.
Audit and Risk Committee	the Audit and Risk Committee of the Company, which 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.
Company	SES S.A.
Board	the Board of Directors of the Company (*conseil d'administration*).
Director(s)	the members of the Board.
EVA	economic value added.
EBCP	the Company's equity based compensation plan, as last modified by the Board on 25 July 2019.
ExComm member	the members of the Executive Committee.
LTE	bears the definition set out under item 2.2 (*Remuneration of ExComm members*) of this Policy.
Luxembourg Company Law	the Luxembourg Law of 10 August 1915 on commercial companies as amended by the Law of 10 August 2016.
Policy	this document, which contains the Company's policy on the remuneration of the Directors and ExComm members.
Remuneration Committee	the remuneration committee of the Company, which determines the remuneration of the members of the Executive Committee, and advises on the overall remuneration policies applied throughout the Company. It acts as administrator of the Company's long-term equity plans. It also reviews and recommends any change to the existing remuneration scheme of the members of the Board of Directors, considering best practices in this matter.
YBS	bears the definition set out under item 2.2 (*Remuneration of ExComm members*) of this Policy.

7. Applicable regulations

Term	Description
Ten Principles of the LuxSE	the X Principles of Corporate Governance of the Luxembourg Stock Exchange, 4th edition, December 2017.
Shareholders Rights Law	the Luxembourg law of 24 May 2011 on shareholders rights, as amended.

Appendix

List of the Identified Directors as of 29 February 2020

Name	Job Title
Serge Allegrezza	Director
Romain Bausch	Director
Victor Casier	Director
Hadelin de Liedekerke Beaufort	Director
Frank Esser	Director
Tsega Gebreyes	Director
Paul Konsbruck	Director
Ramu Potarazu	Director
Kaj-Erik Relander	Director
Anne-Catherine Ries	Director
Marc Serres	Director
François Tesch	Director
Françoise Thoma	Director
Katrin Wehr-Seiter	Director

List of the Identified Executive Committee members as of 29 February 2020

Name	Job Title
Steve Collar	CEO
John Baughn	Chief Services Officer
Christophe De Hauwer	Chief Strategy and Development Officer
John-Paul Hemingway	CEO, SES Networks
Ferdinand Kayser	CEO, SES Video
John Purvis	Chief Legal Officer
Ruy Pinto	Chief Technology Officer
Evie Roos	Chief Human Resources Officer

SES

Assemblée Générale Ordinaire

14 Fixation de la rémunération des membres du Conseil d'administration

Projet de résolution

Le Conseil d'administration propose à l'Assemblée que la rémunération des membres du Conseil soit fixée comme suit **(inchangée)**:

Pour chaque assistance à une séance du Conseil d'administration ou d'un des comités que le Conseil instituera, autre que le Comité d'Audit et des Risques, les administrateurs recevront une indemnité de 1.600 EUR par séance. Cette indemnité est la même pour les Vice-Présidents et le Président.

Un administrateur qui participera par téléphone à une séance du Conseil d'administration ou d'un comité, que le Conseil instituera, autre que le Comité d'Audit et des Risques, touchera une indemnité de 800 EUR pour cette séance.

Un administrateur qui participera à une séance du Comité d'Audit et des Risques touchera une indemnité de 1.920 EUR par séance, respectivement de 960 EUR par séance s'il participe par téléphone à cette séance. Cette indemnité est la même pour les Vice-Présidents et le Président.

Un administrateur qui participera à plus d'une séance d'un comité le même jour, ne touchera une indemnité que pour une séance.

Chaque membre du Conseil d'administration aura droit à une indemnité fixe de 40.000 EUR par an, indépendamment du nombre de présences aux séances. Cette indemnité est de 48.000 EUR par an pour les Vice-Présidents et de 100.000 EUR par an pour le Président.

Un administrateur, autre que le Président du Conseil d'administration, qui sera Président d'un comité instauré par le Conseil touchera une indemnité supplémentaire de 8.000 EUR par an. Un administrateur, autre que le Président du Conseil d'administration, qui sera Président du Comité d'Audit et des Risques, touchera une indemnité supplémentaire de 9.600 EUR

Tous les montants contenus dans la présente résolution s'entendent net de retenue à la source luxembourgeoise sur la rémunération des administrateurs.

SES

Annual General Meeting

14 Determination of the remuneration of Board members

Draft resolution

The Board of Directors proposes to the Meeting that the remuneration of the Directors shall be determined as follows **(no change)**:

For the attendance at a meeting of the Board of Directors or of a committee set up by the Board, other than the Audit and Risk Committee, the Directors shall receive a remuneration of EUR 1,600 for that meeting. This remuneration is the same for the attendance by the Vice-Chairs and the Chairman.

A Director participating by telephone at a meeting of the Board or of a committee set up by the Board, other than the Audit and Risk Committee, shall receive a remuneration of EUR 800 for that meeting.

A Director participating at a meeting of the Audit and Risk Committee shall receive a remuneration of EUR 1,920 for that meeting, or, if the Director participates by telephone, EUR 960 for that meeting. This remuneration is the same for the attendance by the Vice-Chairs and the Chairman.

A Director participating in more than one committee meeting on the same day shall receive the remuneration for one meeting only.

Each Director shall receive a remuneration of EUR 40,000 each year, regardless of the number of attendances at meetings. The Vice-Chairs shall receive EUR 48,000 each year and the Chairman of the Board shall receive EUR 100,000 each year.

A Director, other than the Chairman of the Board of Directors, chairing one of the committees set up by the Board, shall receive an additional remuneration of EUR 8,000 each year. A Director, other than the Chairman of the Board of Directors, chairing the Audit and Risk Committee, shall receive an additional remuneration of EUR 9,600 each year.

All the amounts contained in the present resolution will be net of any Luxembourgish withholding tax on directors' fees.

SES

Assemblée Générale Ordinaire

15 Approbation du Rapport de Rémunération

Projet de résolution

Le Conseil d'administration propose à l'Assemblée d'approuver le Rapport de Rémunération pour 2019, établi suite à l'adoption de la loi luxembourgeoise sur les droits des actionnaires et en conformité avec la Politique de Rémunération de la Société.

Annual General Meeting

15 Approval of Remuneration Report

Draft resolution

The Board of Directors proposes to the Meeting to approve the Remuneration Report for 2019, established following the adoption of the Luxembourg Shareholder Rights Law as well as in conformity with the Company's Remuneration Policy.

SES Remuneration Report 2019

The current remuneration report describes the remuneration of both the Board of Directors and of the Executive Committee. It has been drafted following the adoption of the Luxembourg Shareholder Rights Law of 1 August 2019 and complies with the Company's Remuneration Policy that has been approved by the Board and which will be submitted to the shareholders for approval on 2 April 2020.

REMUNERATION REPORT

Directors Remuneration

The annual general meeting of shareholders has approved the remuneration of the Members of the Board of Directors by approving a resolution that has been submitted by the Board of Directors on an annual basis.

In 2019, the shareholders decided to maintain the fees paid to the directors at the previous year's level with a majority of 99.983%. The fees paid to the Board have not been increased since 2008, except for the fees paid to the members of the Audit and Risk Committee which were increased in 2015.

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

A director who chairs one of the committees set up by the Board, if not the Chair of the Board of Directors, receives an additional remuneration of EUR 8,000 per year. A director who chairs the Audit and Risk Committee, if not the Chair of the Board of Directors, receives an additional remuneration of EUR 9,600 per year.

The shareholders also maintained the fees at EUR 1,600 for each Board or Board Committee meeting, except for the meetings of the Audit and Risk Committee for which directors receive EUR 1,920 per meeting. 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. All of these fees are net of any Luxembourg withholding taxes.

The total net remuneration fees paid in the year 2019 to the members of the Board of Directors amounted to EUR 922,880 of which EUR 250,880 was paid as variable fees, with the remaining EUR 672,000 representing the fixed part of the Board fees. The gross overall figure for the year 2019 was EUR 1,153,600.

These amounts cover the fees paid for Board meetings, meetings of the Board Committees described in the table below, as well as meetings of the Chairman's Office. The amounts relate to the Board fees actually paid during the year 2019.

During 2019, the Board and the Committees of the Board were composed as follows:

Romain Bausch, Chair
Tsega Gebreyes, Vice-Chair from April
Anne-Catherine Ries, Vice-Chair from April
Serge Allegrezza
Victor Casier
Hadelin de Liedekerke Beaufort
Conny Kullman (until June)
Ramu Potarazu
Kaj-Erik Relander
Jean-Paul Senninger (replaced from June by Marc Serres)
François Tesch (Vice-Chair until April)
Françoise Thoma
Katrin Wehr-Seiter
Jean-Paul Zens (replaced from April as Vice Chair by Anne-Catherine Ries and from June as Director by Paul Konsbruck)

	Audit and Risk Committee	Nomination Committee	Remuneration Committee	Strategy and Investment Committee
Chair	Marc Beuls (until 3 April)	Jean-Paul Zens (until 3 April)	Conny Kullman (until mid-June)	Steve Collar
	Katrin Wehr-Seiter (from June)	Anne-Catherine Ries (from June)	Françoise Thoma (from mid-June)	
Members	Serge Allegrezza	Romain Bausch	Serge Allegrezza (from June)	Romain Bausch
	Victor Casier	Tsega Gebreyes	Romain Bausch	Ramu Potarazu
	Ramu Potarazu (from 4 April)	Conny Kullman (until June)	Tsega Gebreyes	Anne-Catherine Ries
	Kaj-Erik Relander	Kaj-Erik Relander (from June)	Hadelin de Liedekerke Beaufort	Kaj-Erik Relander
	Françoise Thoma	François Tesch	Françoise Thoma	Katrin Wehr-Seiter
	Katrin Wehr-Seiter	Françoise Thoma	Jean-Paul Zens (until June)	
			Ramu Potarazu	
Number of Meetings in 2019	4	8	5	3

The above data resulted in the following gross payments in 2019:

Chair	EUR 154,000
Vice-Chair	from EUR 85,000 to EUR 94,400
Director	from EUR 64,400 to EUR 86,600

REMUNERATION OF THE MEMBERS OF THE EXECUTIVE COMMITTEE

The remuneration of the members of the Executive Committee is determined by the Remuneration Committee, based on a delegation from the Board of Directors. It is regularly benchmarked against peer companies, in particular regarding the elements composing the remuneration. More details on these elements can be found on the Company's website www.ses.com where a copy of the Remuneration Policy can be found.

The remuneration of the Executive Committee members comprises two major components: (i) the compensation package, composed of the yearly base salary, an annual bonus and long-term equity (LTE), and (ii) a benefits package which is aligned with local 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 1 to 12, which is well below market benchmarks and ratios that can be observed in CAC 40 or FTSE 100 companies.

The amounts indicated below relate to the remuneration of ten Executive Committee members, eight of which were members of the Executive Committee for the full year 2019.

These are:

Chief Executive Officer	Steve Collar
Chief Strategy and Development Officer	Christophe De Hauwer
CEO SES Video	Ferdinand Kayser
CEO SES Networks	John-Paul Hemingway
Chief Legal Officer	John Purvis
Chief Human Resources Officer	Evie Roos
Chief Technology Officer	Ruy Pinto
Chief Services Officer	John Baughn

Andrew Browne, Chief Financial Officer, left the Company in November 2019. Martin Halliwell, Strategic Advisor to the CEO, retired in May 2019.

The yearly **base salary** is reviewed annually by the Remuneration Committee. For any new nomination, it is set based on external benchmarks, thereby considering employment conditions at the time of the offer.

For 2019 the total amount of base salaries paid to the members of the Executive Committee was EUR 3,812,112.32.

Each member of the Executive Committee is entitled to two years of base salary in case his or her contract is terminated without cause. A member of the Executive Committee who resigns is not entitled to any compensation. In 2019 no additional indemnities were paid for the departing Executive Committee members.

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 individual's performance. The annual bonus of members of the Executive Committee is composed of two parts, each accounting for 50% of the bonus: (i) the financial performance of the Company; and (ii) the individual performance. The latter is split in two equal parts: (i) achievement against individual objectives; and (ii) a discretionary part solely determined by the Remuneration Committee.

The financial performance measures actual achievement vs. budget for three elements, most important of which is group EBITDA (accounting for 60%), complemented by net profit (20%) and net operating cash flow (20%). CEOs of SES Networks and SES Video are also measured on the financial performance vs. budget of their respective business units. All budget targets are set by the Board of Directors during the annual budget process.

The individual business objectives are set at the beginning of the year by the Remuneration Committee. At year-end, the Remuneration Committee assesses in detail the performance of the Executive Committee to determine the target achievement.

In 2019 the total annual bonus paid to members of the Executive Committee was EUR 2,806,120.82.

The third element of the compensation package relates to the **long-term equity** granted by the Company. The plan, managed by the Remuneration Committee, permits the grant of three equity types: (i) stock options; (ii) restricted shares; and (iii) performance shares. The total grant value is 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 Remuneration Committee. The vesting period is over four years with a yearly vesting of 25% on 1 January of each year following the grant.

The Restricted Shares are FDRs granted to the executives with the sole condition that, at vesting, the executive 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 the executives with two additional vesting conditions. Those conditions reflect two performance criteria that must be fulfilled:

1. The compounded three years adjusted Economic Value Add (adjusted EVA) must be positive; and

2. Over the three-year vesting period, the personal objectives must be met and can only be one year slightly below expectations.

During 2019, and applicable from 2020 onward, the Board amended the Equity Based Compensation Plan based on a recommendation from the Remuneration Committee to adjust the first of the two performance criteria, by replacing the binary vesting condition with a linear ratchet table which will determine the proportion of performance shares that will vest (minimum 50% for a three year compounded adjusted EVA at or below EUR 400 million negative and maximum 100% payout if the metric is positive).

The adjusted EVA used for remuneration purposes has the Invested Capital reduced for the assets under construction to ensure focus of management on long-term investments.

During 2019, the members of the Executive Committee were awarded a combined total of 729,309 options to acquire company FDRs at an exercise price of EUR 15.005 as well as 36,744 restricted shares as part of the company's long-term incentive plan and 110,232 performance shares.

The performance and restricted shares granted in 2016, as well as stock options exercised in 2019, amounted to EUR 1,906,791.32.

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

During 2019, Ferdinand Kayser, Christophe De Hauwer, John Purvis and Ruy Pinto sold some or all of the restricted and performance shares that vested on 1 June 2019. Ferdinand Kayser and John Baughn exercised some of their stock options and sold the corresponding shares while Steve Collar, John Baughn, Evie Roos, John-Paul Hemingway and John Purvis bought additional shares during 2019. Christophe De Hauwer sold some of his shares during the year.

As for the members of the Board, all of these transactions by members of the Executive Committee are reported on the SES website:

https://www.ses.com/investors/shareholder-information/shares/management-disclosures.

As for the benefits provided to members of the Executive Committee, they are aligned with local practices. For 2019, the total benefits and other remuneration elements paid by the company were EUR 2,293,371.99 and include pensions, health care plans, social security, death and disability insurance.

SES

Assemblée Générale Ordinaire

16 Election statutaire du réviseur d'entreprises pour l’année 2020 et fixation de sa rémunération

Projet de résolution

Le Conseil d’administration propose de réélire PricewaterhouseCoopers comme réviseur d’entreprises pour l’année 2020.

Dans sa réunion du 28 février 2020, le Comité d’Audit et des Risques a approuvé un budget de 2,101,888 EUR couvrant les frais et honoraires pour le réviseur d’entreprises.

Annual General Meeting

16 Appointment of the auditor for the year 2020 and determination of its remuneration

Draft resolution

The Board proposes to re-appoint PricewaterhouseCoopers as external auditors for the year 2020.

In its meeting on 28 February 2020, the Audit and Risk Committee has approved a budget of EUR 2,101,888 for the external auditor’s fees.

SES

Assemblée Générale Ordinaire

17 Résolution permettant à la société l'acquisition de ses propres FDRs et/ou actions de la catégorie A ou B

Projet de résolution

L'assemblée générale des actionnaires autorise le Conseil d'administration, avec faculté de délégation au Comité Exécutif, à acquérir un nombre maximal de 20.000.000 actions de la catégorie A, et/ou un maximum de 10.000.000 actions de la catégorie B émises par la Société en respectant les conditions fixées par la loi du 10 août 1915, telle que modifiée, concernant les sociétés commerciales ("LSC") relatives au rachat d'actions propres par une société anonyme conformément à l'article 430-15 LSC ou à en faire acquérir par d'autres sociétés du groupe telles que visées par l'article 430-23 LSC. L'autorisation de rachat d'actions de la catégorie A couvre également le rachat de FDRs émis par la BCEE sur base d'actions de la catégorie A de la Société. Les actions de la catégorie A et/ou les FDRs pourront être acquis soit par des achats en bourse, soit en bloc, soit de gré à gré au prix du marché en vigueur à ce moment-là ou à un prix inférieur. Les actions de la catégorie B pourront être acquises de gré à gré à un prix équivalent à 40% du prix du marché en vigueur des FDRs.

Les FDRs acquis par la Société pourront ou ne pourront pas être ultérieurement convertis en actions de la catégorie A et pourront être conservés ou cédés ou annulés ou utilisés à toutes autres fins utiles que le Conseil d'administration estime recommandables pour la Société. Les actions de la catégorie A acquises par la Société pourront ou ne pourront pas être ultérieurement converties en FDRs et pourront être conservées ou cédées ou annulées ou utilisées à toutes autres fins utiles que le Conseil d'administration estime recommandables pour la Société. Les actions acquises de la catégorie B pourront être annulées, conservées, cédées ou utilisées à toutes autres fins utiles que le Conseil d'administration estime recommandables pour la Société. Toute annulation d'actions est sujette à une résolution des actionnaires de la Société dans une réunion de l'Assemblée Générale Extraordinaire à convoquer par le Conseil d'administration.

L'autorisation est valable (a) pour une période de dix-huit mois à compter de la date de la présente résolution ou (b) jusqu'à la date de son renouvellement ou de son extension par l'assemblée générale des actionnaires si la date d'expiration de cette période est postérieure.

La Société respectera les restrictions prévues par la LSC concernant le rachat d'actions propres. La contre-valeur d'acquisition des actions de la catégorie A, et/ou des FDRs ne pourra pas être inférieure à 5 EUR ni supérieure à 25 EUR par action de la catégorie A, et/ou par FDR. La contre-valeur d'acquisition des actions de la catégorie B ne pourra pas être inférieure à 2 EUR ni supérieure à 10 EUR par action de la catégorie B.

La Société pourra décider d'acquérir uniquement des titres d'une ou de deux des catégories d'actions, mais devra respecter le principe de l'égalité de traitement des actionnaires à l'intérieur de chacune de ces catégories d'actions.

Tous pouvoirs sont conférés au Conseil d'administration, avec faculté de délégation au Comité Exécutif, en vue d'assurer l'exécution de la présente autorisation.

Annual General Meeting

17 Resolution on Company acquiring own FDRs and/or own A-, or B-shares

Draft resolution

The General Meeting of Shareholders authorizes the Board of Directors, with full power of delegation to the Executive Committee, to purchase a maximum of 20,000,000 A-, and/or a maximum of 10,000,000 B-shares issued by the Company in accordance with the conditions set forth by the law of 10 August 1915, as amended, on commercial companies (the "Companies' Act") regarding the repurchase of own shares by a *société anonyme*, in accordance with article 430-15 of the Companies Act, or to have them purchased by other companies of the Group according to the definition of article 430-23 of the Companies' Act. The A-shares and/or the FDRs shall be purchased either on the stock exchange, or by block trade or by mutual agreement at the then current market price or lower. The B-shares shall be purchased by mutual agreement for a price equivalent to 40% of the then current market price of FDRs. The authorization to repurchase A-shares also covers the repurchase of FDRs issued by BCEE with respect to A-shares of the Company.

The FDRs repurchased by the Company may or may not be converted into A-shares and, as the case may be, be kept or sold or cancelled or used for such legitimate purposes as the Board deems advisable. The A-shares repurchased by the Company may or may not be converted into FDRs and, as the case may be, be kept or sold or cancelled or used for such legitimate purposes as the Board deems advisable. The B-shares repurchased by the Company shall be subsequently cancelled, kept, sold or used for such legitimate purposes as the Board deems advisable. Any cancellation of shares shall be subject to approval by the shareholders of the Company taken in an Extraordinary General Meeting of Shareholders to be convened by the Board.

The authorization is valid for the longer of (a) a period of eighteen months from the date of this resolution or (b) the duration of such further period beyond those eighteen months for which it is renewed or extended by the General Meeting of Shareholders.

The Company shall respect the restrictions imposed by the Companies' Act regarding the repurchase of own shares.

The purchase price of the A-shares and/or FDRs shall not be lower than EUR 5 or higher than EUR 25 per FDR or A-share. The purchase price of the B-shares shall not be lower than EUR 2 or higher than EUR 10 per B-share.

The Company may decide to purchase only shares of one or two of the existing categories, but will need to conform to the principle of equal treatment of shareholders within each category of these shares.

All powers are granted to the Board of Directors, with full power of delegation to the Executive Committee, to execute the present authorization.