

PREPARING FOR A CLOUD-CONNECTED FUTURE

Steve Collar
President and CEO

2018 was a year of significant progress for SES, a year in which we delivered a strong set of financial results, posted double-digit and industry-leading growth in our networks business, and signed our first major cloud partnership. We launched a record number of satellites that will drive our future revenue streams and delivered a compelling vision for our network of the future, anchored by our brand new state-of-the-art constellation, O3b mPOWER, launching us towards a new decade of cloud-scale connectivity and a cloud-enabled future.

Our industry is in the midst of the most significant and prolonged period of change and disruption since the advent of DTH. In video, changes in consumer behaviour combined with an explosion in the number of ways to access that content present both challenges and opportunities for our broadcast customers. In networks, high-throughput satellites are now an integral part of our ecosystem, with enormous technical advances in space now translating directly into better economics for customers, enabling more business cases and proliferating new applications that can be affordably carried across satellite technology.

I was privileged and humbled to be appointed CEO of SES in April 2018, and, upon taking up the reigns together with our new CFO Andrew Browne, it was apparent that our focus for 2018 should be on the strong execution in the core of our business, delivering on the promises that we had made as a business to our shareholders and investors, while preparing the company for an exciting future. A year on, I am genuinely pleased with the demonstrable progress that we have made and with the results that we have posted.

Revenue in 2018 exceeded the top end of our guidance range on the back of an exceptionally strong year at SES Networks. It was a breakout year for our networks business with double digit revenue growth, underlying growth in all three major market verticals and the strongest year to date in terms of new business signed. Underlying growth of 2.1% in Fixed Data, 35.4% in Mobility and 19.4% in Government reflects a year in which all segments contributed substantially, leveraging the important new infrastructure that we had successfully brought to the market.

Our Aeronautical business was the star performer in 2018 following the entry into service in January of SES-15. Only a few weeks into the year, our customer Gogo had already transitioned 200 active aircraft across to SES-15. From our prime position over North America we support the

three leading players Gogo, Global Eagle and Panasonic to serve all major airlines in the US. We also consolidated our leading position in the cruise market with important wins with Carnival Corporation, MSC Cruises and Genting, who, together with our first cruise customer, Royal Caribbean Cruise Lines, represent more than 80% of the cruise market. John Padgett, Chief Innovation Officer at Carnival Corporation and the inspiration behind the Ocean Medallion, a revolutionary IoT innovation enabled by SES, spoke eloquently to our sales team recently about the seamless integration of satellite technology and cloud to deliver frictionless customer experience. These partnerships form the bedrock of what we do at SES Networks.

Our business with the US Government grew substantially in 2018 with the strong adoption of O3b. In Global Government we expanded our relationship with the UN Peacekeepers and delivered on important infrastructure projects, such as our cooperation with the government of Burkina Faso to build out an e-government network across the country. Even in Fixed Data, a segment that had borne the brunt of the industry disruption, we have grown, supporting the APEC summit in Papua New Guinea with important broadband connectivity through our partnership with DataCo. We also have grown our business in Brazil with Claro, supporting rural connectivity in the Amazonas region, and rolled out a fully managed cellular backhaul network for Tigo-Millicom in Chad, the first backhaul network to truly leverage both our MEO and GEO satellite assets.

SES Video, representing two-thirds of our group revenue, also performed well in 2018, delivering on our video revenue guidance and scoring some important wins despite challenging market conditions. Over the course of the year we have signed new customers and platforms while securing important renewals in our core neighbourhoods, including Viacom, M7 and QVC in Europe and Comcast in North America. Given our 30+ year experience as one of the first providers of Direct-to-Home (DTH) services, I am delighted that we signed multi-year agreements to launch and expand new DTH platforms in the Caribbean (Kiwisat) and in Eastern Europe (Telekom Srbija). In our video services business, MX1, new deals were secured with Agence France-Press, Discovery and Cell-C, while our HD+ service in Germany expanded with the addition of a bouquet of Ultra High Definition channels from RTL. We continue to carry more HD and UHD channels across the SES network than any other satellite service provider.

We have launched more satellites in 2018 than ever before with four successful launches in the first six months of the year. SES-15, GovSat-1, SES-14 and four new O3b satellites all commenced service during the year. SES-12, also launched in 2018, has begun delivering services in February 2019 while the launch of the final four O3b satellites of the first generation remains on track for early April 2019.

2018 also saw us make significant progress with our C-band initiative in the U.S. —a transformational opportunity for the company. Today, our market-based proposal is well placed to facilitate a leading position for the U.S. in 5G while protecting the broadcast community and the others we serve in the C-band. Together with our industry partners Intelsat, Eutelsat and Telesat, we have formed the C-Band Alliance, proven our technical solution, developed a plan to launch additional satellite resources in collaboration with our partners and are fully engaged with the FCC to deliver a true and historic win-win for all those intent on the creation of a competitive and vibrant 5G environment in the U.S. There will certainly be more to come on this important initiative in 2019.

As we look to 2020 and beyond, I could not be more excited about the progress that we are making on our next-generation MEO constellation, O3b mPOWER. Our new fleet offers true cloud-scale connectivity and will be the world's first terabit constellation, serving all SES Networks' verticals and delivering unparalleled reach and connectivity. With more than 5,000 beams per satellite compared with 10 per satellite

on the current O3b system, and with limitless flexibility in how and where to serve our customers, we have taken the successful O3b business model and concept of operations and scaled it exponentially. Our first cloud partnership signed with IBM in 2018 points the way to a cloud-scale future as we provide the customers of SES and IBM access to IBM's Direct Link and the multitude of cloud services that IBM provides. In the future, the SES satellite network will provide a seamless extension of cloud and terrestrial networks with applications and services routed flexibly over intelligent hybrid satellite and terrestrial networks.

2019 is going to be another big year for SES. The challenges and opportunities are approaching quickly as we grow and develop our business in a rapidly changing market. Our focus will remain on our customers, delivering exceptional value, experience and success. There is much more ahead of us than behind us at SES, so much for us to achieve and so much to be excited by.

All the best,



Steve Collar



Carnival's Chief Experience Officer John Padgett at SES Networks' Sales Kick-Off