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Steve Collar,
Chief Executive Officer

**LETTER FROM THE
CHIEF EXECUTIVE OFFICER**

STRONG YEAR OF EXECUTION

2020 was a year like no other. Given our global footprint, we started to see the signs of what would become a global pandemic early in the year and, by March, it was becoming obvious that COVID-19 would have enormous implications for our business, our customers and for our employees. Given that backdrop, I am tremendously proud of the year that we have delivered at SES and enormously grateful for the incredible resilience of our people around the world who have all stepped up in the most important ways throughout the year to support our customers and maintain our strong tradition of exceptional customer service.

In this most challenging of environments, 2020 was a strong year for SES. The combination of considerable commercial execution and laser focus on controlling discretionary spending in a year where we would inevitably see lower revenues from verticals most impacted by the global pandemic, ensured that we protected the bottom line and that we met the Adjusted EBITDA promise that we made to the market at the beginning of the year before COVID-19 was known about and understood.

The fact that this was possible underscores that we have a strong, resilient business with fixed, long-term contracts—a business that delivers the highest quality content to over 360 million households while at the same time provides essential connectivity solutions to people around the world. It has never been more important for SES to provide a platform for informed news, brilliant entertainment and to play our part in connecting users to the world's information.

For the year ended 31 December 2020, the group generated € 1.88 billion in revenue, € 1.15 billion of Adjusted EBITDA, € 1.05 billion of net cash from operations, and € 665 million in free cash flow.

In Video, our 2020 revenue outturn of over € 1.1 billion was fully in line and I am particularly pleased with € 650 million in new contracts that we have signed with our most important customers, anchored by a major extension and expansion with Canal+ across three of our most important orbital locations and also including extensions with public broadcasters BBC, ARD-ZDF and BVN who all provide important public service broadcasting across Europe from our prime video neighbourhoods.

Our Networks business continued to deliver as the growth engine for the SES business with higher underlying revenue in all of the vertical markets that we serve. This is particularly noteworthy given the impact that COVID-19 has had on aviation and cruise, two of our fastest growing segments. Overall year-on-year growth of more than 5% this year means that our Networks business has expanded by almost 30% in the last three years. The value of our unique, multi-orbit network infrastructure is increasingly appreciated by our customers and this growth trajectory is exciting ahead of the launch of brand new Networks assets, SES-17 and O3b mPOWER, both of which are scheduled for launch this year.

In total, we secured € 1.3 billion in customer agreements in 2020, a testament to our business and the business of our customers in spite of the upheaval that 2020 brought. I am optimistic about our markets in 2021, although realistic that it will take longer than we all would like for the world to emerge from the lockdowns and impacts of COVID-19.

Financially, SES is as strong as ever with our focus on cash generation reducing our Net Debt by over € 500 million. Our leverage and interest charges are now at their lowest level for 5 years.

TRANSFORMING FOR FUTURE GROWTH

While our focus was on execution in 2020 and managing the business through the pandemic, we also made important progress across our key strategic initiatives which will contribute to sustained and profitable growth from 2023 onwards.

We successfully delivered on our Simplify & Amplify programme launched last year and secured recurring annual cost benefits of € 40 million for 2021, ramping to € 50 million by 2022. A relentless focus on operational excellence, simplification in our business processes, removing unnecessary cost while at the same time driving higher and higher levels of customer satisfaction will remain paramount for SES in the years ahead.

As importantly, we have taken great strides in the development of our 'Network of the Future'—a global, seamless, multi-orbit space-based network that is cloud enabled, flexible and automated that will enable our customers to roam seamlessly across our infrastructure. Automation and virtualisation will allow telcos, cloud service providers and enterprise customers alike to deploy services remotely and use our

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network as a seamless extension of their own. Our network vision is unique in the industry will be underpinned by the launches of SES-17 and O3b mPOWER in 2021.

O3b mPOWER is an incredibly exciting development for SES, as our second-generation non-geostationary constellation. Announced in 2017, O3b mPOWER will be in service before the low-latency offering of our competitors and scales our capability tremendously just as the demand for global connectivity accelerates as the world emerges from COVID-19. One of the great advantages of the unique position that we occupy in Medium Earth Orbit (MEO) is that our network is scalable as demand develops. In 2020, we ordered four additional satellites for the O3b mPOWER constellation, taking the total to 11 satellites, adding resilience, improved launch cadence, and a marked increase in constellation throughput while meaningfully reducing our overall future CapEx expectations for 2021-2024. With the launches of SES-17 and O3b mPOWER on schedule for the second half of the year, we have increasing traction in the market and we now have commitments totalling more than \$ 740 million for our Network of the Future, an increase of 40% just in the last few months.

In 2020, we declared ourselves a 'cloud-first' company and cloud is playing an increasingly important part in our business, both with respect to our internal operations and the services that we offer to our customers across our Video and Networks businesses. I believe that we are meaningfully ahead of the industry in leveraging the cloud, as evidenced by our substantially expanded partnership with Microsoft. In 2020, we became an Azure Orbital partner and key connectivity partner of Azure Orbital. We are also Microsoft's MEO satellite partner to connect Azure Modular Data Centres and benefit customers who will be able to take Azure to the network edge, extracting value by applying a range of data processing, Artificial Intelligence and other tools. There is no question that strong adoption of cloud and its limitless capability will drive our business in the future.

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**UNLOCKING SUBSTANTIAL VALUE
FROM US C-BAND**

2020 was also a landmark year for our US C-band initiative, starting with the FCC's final Report and Order and ending with the record-breaking spectrum auction, resulting in a unique and significant opportunity for SES to earn \$ 4 billion of accelerated relocation payments.

The clearing is on track and we fully intend to meet the FCC's stipulated timeline of December 2021 and December 2023 for accelerated clearing. We are working diligently with our customers to protect and enhance our services while executing the largest and most complex spectrum repurposing effort ever to be undertaken. It has taken three years of focus and effort, working with stakeholders across the US to deliver the 'win-win' that we are now executing on and this effort will create meaningful value for SES and its shareholders.

**CLEAR PATH TO SUSTAINED PROFITABLE
GROWTH AND SHAREHOLDER RETURN**

Looking to the future, our industry is at the beginning of a long period of substantial structural expansion over the decade, and beyond, driven by exponentially growing demand for solutions to easily and affordably access content and connectivity anywhere and anytime.

Satellite-based networks will have a huge role in this exciting new landscape and I am very confident that SES, as the global leader in content connectivity solutions, is in an exceptionally strong position drive the industry forward as we have done throughout our 35 year history of doing the extraordinary in space to deliver amazing experiences everywhere on Earth.

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We are well on track to realising our vision of a seamless, intelligent and cloud-enabled network of the future by leveraging and scaling our unique and commercially proven multi-orbit infrastructure. With the launch of SES-17 and O3b mPOWER, we are well positioned to the most scalable and flexible solutions with superior user performance and drive sustained revenue acceleration across our Networks business from 2022, propelled by the new investments.

Audience reach across our prime neighbourhoods is industry leading, premium content carried over the SES network is expanding, and our largest customers continue to make long-term commitments in recognition of the strategic importance of SES to the delivery of the best TV viewing and bringing people together to share experiences. This is complemented by strong execution in areas of growth, such as our brand-leading HD+ business in Germany, and opportunities to launch new neighbourhoods and services such as in Ethiopia, Mexico and Ghana and this will help reduce the revenue decline that we have seen in our mature video market.

I will end this letter as I started, thanking our customers for your trust in SES and our employees for your incredible efforts during a year the like of which none of us expected or have experienced before. I very much look forward to getting the COVID-19 period behind us and we look ahead to an exceptionally exciting period for SES, with expanding revenue and EBITDA on the back of new state-of-the-art growth assets, substantially lower CapEx and therefore meaningfully expanding cash flow, while at the same time the opportunity to earn \$ 4 billion in accelerated clearing proceeds and in the process creating substantial value for our shareholders.



Steve Collar
Chief Executive Office