

LETTER FROM THE CHIEF EXECUTIVE



Steve Collar

Chief Executive Officer

2022 was another busy and successful year and I am proud of the entire SES community for their contribution across so many fronts.

We delivered a solid set of financial results on the back of strong execution, secured over €1 billion in customer deals, completed the capability-enhancing and value-accretive acquisition of DRS GES, brought SES-17 into service above the Americas, launched the first O3b mPOWER satellites, secured \$170 million in incremental C-band clearing payments from Verizon, and launched the satellites needed for SES to complete the FCC-mandated US C-Band clearing and earn \$3 billion by the end of 2023.

For the year ended 31 December 2022, we generated over €1.9 billion of revenue and over €1.1 billion of Adjusted EBITDA, both outturns being consistent with the expectations we had laid out at the start of the year.

Our Video business continues to be the bedrock on which we build our global business and, in 2022, our focus was driving value from our core neighbourhoods, supporting our premium direct-to-home and free-to-air platform customers, and flattening the curve in terms of revenue trajectory. The long-term attraction of SES is demonstrated by the reach of our network, serving 369 million TV homes, and this reach facilitated the signing of contracts valued at €450 million during the year. The most notable deals included a €84 million renewal with Sky which followed on after a €90 million agreement in 2021, as well as important wins with Discovery Deutschland, ZDF, QVC, ProSieben, and the addition of several FAST (Free Ad-Supported TV) channels to our core neighbourhood in Germany.

Our Networks business now accounts for approximately 50% of total revenue and grew by 2% year-on-year. Cruise and Aviation were the standout performers, with both industries rebounding post-COVID. Most notably, we signed our fifth major cruise operator and expanded services with MSC's Explora Journeys brand, underscoring the strong customer appeal of our value proposition in this market, while we have transitioned Thales InFlyt Experience aviation network to SES-17 to support Spirit Airlines across the US.

Our Fixed Data business also delivered solid revenues on the back of new wins. In the year, we concluded deals with ARSAT, AXESS Networks, Claro Brazil, Digicel Pacific, Marlink, Microsoft, SSI Canada, Vodafone Cook Islands, and others to deploy high performance connectivity services across the globe. SES-17, brought into service in June, came to the fore with 17 new contracts signed on the platform with the majority supporting rural connectivity programmes across Latin America.

Market conditions dictated that we saw limited new business from the US Government in 2022 but we were successful in securing important renewals and competes with customers such as US Army TROJAN and the follow-on US Navy CSSC-II programme with our partner, Inmarsat. An exception, in terms of new business, was the innovative agreement signed with NASA to showcase multi-orbit (MEO-LEO) data relay solutions to support near-Earth communication, a new application for SES. We also furthered our multi-orbit credentials with the European Commission, European Space Agency, Luxembourg Government, and over 20 other European agencies in announcing our first Low Earth Orbit satellite - EAGLE-1 - aimed at demonstrating innovative Quantum Key Distribution security technologies to be launched in 2024.

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Most significantly, as it relates to our government portfolio, was the acquisition of DRS Global Enterprise Solutions for almost \$450 million. This was a business we had proactively selected as a key target, trusted provider of networks and solutions for the US Government, and strong fit with the infrastructure we are building, notably O3b mPOWER. The DRS GES team had forged a reputation for delivering solutions to meet and exceed the needs of some of the most demanding US government customers and in some of the hardest places on Earth to deploy services. Having announced the acquisition in April, we closed quickly and have already combined DRS GES with our own successful US Government business under the new banner SES Space & Defense, a best-in-class US government end-to-end system integrator and solutions provider, operating under a single, combined management team. This acquisition not only doubled our revenue base in the valuable US government segment at a time when the strategic importance of space and satellite to governments is growing but will also allow us to capture \$25 million of annualised run rate synergies.

Looking ahead to the potential for strong growth in our Networks segments driven by our investments in SES-17 and O3b mPOWER, both of which have progressed well this year. Having launched SES-17 in late 2021, we introduced our latest high-throughput, state-of-the-art satellite to the market in June 2022 and it is already contributing to revenues in Fixed Data and Mobility. We have had to be more patient than we would like with the delivery of our next generation

MEO constellation, O3b mPOWER, but the launch of the first two satellites at the end of the year, the readiness of the ground technology, and deployment of gateways around the world underscores our commitment to launching commercial services on O3b mPOWER towards the end Q3 2023 while demand for the system continues to build. We have now signed agreements totaling \$1 billion in gross backlog across SES-17 and O3b mPOWER, including a landmark partnership in India with Reliance Jio, and have a strong pipeline, particularly in Government, that I expect us to close over the course of 2023.

Lastly, 2022 was an important year for our US C-band programme. We started the year receiving the balance of the \$977 million accelerated relocation payment, earned from delivering the first phase of C-band clearing linked to the FCC's 5 December 2021 deadline. We then concluded an agreement with Verizon for additional clearing over and above that mandated by the FCC and completed that work all within the calendar year to earn a further \$170 million of cash payments. The focus now is delivering on full clearing of 300 Mhz of C-Band, while protecting our broadcast customers' services, in time for the FCC's 5 December 2023 deadline. With that deadline now less 10 months away, we have made critical progress with the launch of three new C-band satellites that were built in record time and are now fully operational. There is much work to do to complete the filtering and network configurations needed, but the project is meaningfully de-risked at this point with clear line of sight to achieving the milestone and triggering the second accelerated relocation payment of \$3 billion.

To sum up, we have continued to execute strongly across the core of business, added valuable new capabilities to serve government customers through disciplined investment, achieved important milestones towards realising our vision of an intelligent and differentiated multi-orbit network with assets already in orbit, and put ourselves in position to capture substantial value from US C-band clearing. With 2023 shaping up to be more exciting than 2022, I look forward to detailing more successes in next year's Annual Report as SES continues the journey of doing the extraordinary in space, delivering amazing experiences everywhere on Earth, and positioning itself for sustained, profitable growth and value creation.



Steve Collar
Chief Executive Officer