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OPERATIONAL & STRATEGIC REPORT

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99%

Coverage of the Earth

€2B

revenue in 2023

€4B

contract backlog

>50%

of revenue by Networks

363M

TV households

Baa3/ BBB

investment grade rating

OUR COMPANY

We work together with our customers and partners to build meaningful solutions that bridge the digital divide and enable shared experiences in the world of data connectivity and video broadcast.

We are an industry-leader in space-based communications with a track record spanning over 35 years as a trusted partner to world-leading telecommunications companies, mobile network operators, governments, institutions, internet service providers, cloud-based solutions businesses, broadcasters, video platform operators, and content owners.

We operate a multi-orbit satellite-based infrastructure - across Geostationary and Medium Earth Orbits (GEO & MEO) - covering over 99% of the Earth and delivering an attractive combination of high data rates, low latency, service reliability, and flexibility to meet our customers' requirements anywhere.

We also provide access to LEO via our partnerships.

52% of our revenue comes from the Networks business which supports the rapidly expanding global demand for high performance broadband connectivity across the Government, Fixed Data, and Mobility segments.

Our Video business accounts for 48% of revenue, benefiting from some of the most valuable television neighbourhoods and our established track record of delivering long-term customer value and high quality viewing experiences to millions of audiences around the world.

We enable customers to successfully power businesses and other critical applications by:

- Expanding their network reach to anywhere on land, at sea, and in the air;
- Benefiting from reliable, high performance connectivity;
- Enjoying the flexibility and choice of solutions to meet their needs today and in the future;
- Optimally scaling their network from 10s of megabits per second to multiple gigabits per second to more people and locations;
- Having piece of mind with guaranteed service delivery and end-to-end network management solutions; and
- Seamlessly integrating our competitive offering as a core component of existing networks, whether terrestrial- or satellite-based.

The company is underpinned by strong financial positioning and fundamentals, with:

- Strong balance sheet metrics and an investment grade credit rating, ensuring access to a range of financing sources at attractive rates;
- Substantial fully protected customer contract backlog, delivering high cash flow visibility and longevity; and
- Disciplined financial policy and laser-focus on execution, to generate a sustainable, robust margin profile and maximise free cash flow generation.

The company is listed on the Paris and Luxembourg stock exchanges under the ticker SESG.





OUR BUSINESS MODEL & PRIORITIES

We do the extraordinary in space to deliver amazing experiences everywhere on Earth.



OUR BOLD PURPOSE

Satellite is communication without limits. From space, we can quickly provide connections anywhere on land, at sea, and in the air without the need for substantial, highly costly terrestrial infrastructure.

We see significant demand for space-based connectivity and content distribution solutions where SES will play a major role.

We want to harness the power of space to help connect more people in more places with content that educates and entertains, protects populations, drives businesses and economies forward, enriches lives, and empowers individuals.



OUR CLEAR STRATEGY

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

We deliver products and solutions to drive customers' success by providing secure, guaranteed high performance connectivity and offering global audience reach and reliable, cost-efficient broadcast solutions

We focus on key segments and markets where we deliver competitive offerings, either on a standalone basis or through seamlessly integration with terrestrial or other space-based networks.

We focus on profitable, sustainable execution and innovation underpinned by a disciplined financial approach, constant innovation to fuel our future, and a bold ESG agenda.



OUR STRONG CAPABILITIES & ASSETS

Unique multi-orbit network offering global coverage, service flexibility, and high performance broadband.

Unparalleled TV audience reach underpinning large, profitable, and resilient Video neighbourhoods.

Access to a choice of global spectrum bands (C-band, Ku-band, and Ka-band) with priority access to equatorial MEO Ka-band spectrum.

Open innovation approach with partners to continuously drive productivity, increase flexibility, and reduce cost.

Disciplined financial policy built on strong balance metrics and cash generation to fuel accretive investment and value creation.

Diverse and talented organisation with people from all walks of life who are experts in their fields and powered by shared ambitions, goals, and culture.



OUR STAKEHOLDER VALUE CREATION

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

Customers and partners are part of our family and their success is our success. We work with great partners to deliver competitive, value-add solutions that meet our customers' needs.

Employees are our best assets. We want to unleash their full potential and passion, making SES a great place to work.

We strive to deliver attractive returns for shareholders underpinned by a strong financial position, cash generation, and stable-to-progressive dividend.

We want to raise up the human experience, ensure everyone is connected to the world's content, and use our business as a force for good around the globe.

OUR BUSINESS SEGMENTS

Our revenue is divided between the Networks (representing the combination of our Government, Fixed Data, and Mobility segments) and Video business.

For the year ended 31 December 2023, we generated total revenue of €2,030 million and have a protected contract backlog of €4.3 billion (or gross backlog of €5.2 billion including backlog with contractual break clauses).

NETWORKS

The Networks business is divided between Government, Fixed data, and Mobility.

For decades, we have been a a trusted partner to government agencies and institutions in the U.S., Europe, and throughout the world. We deliver secure and reliable connectivity to support mission-critical requirements in the most demanding of locations.

Our Fixed Data segment is enabling major telecom companies and mobile network operators to expand their coverage and connect more people in more places with 4G and 5G services.

The SES Mobility segment is split between in-flight connectivity where we are a partner of choice to multiple

service providers, and maritime connectivity with an impressive customer line-up which includes major cruise lines and in-flight connectivity providers. Our competitive offerings allow customers to give passengers exceptional broadband experiences and drive efficiencies throughout their operations.

With commercial demand for reliable and high quality connectivity everywhere expanding rapidly, SES is well positioned with our multi-orbit space-based network; proven and guaranteed high performance solutions; decades of expertise; and partnerships with major customers across the Government, Fixed Data, and Mobility segments.



€1,062M
of revenue in 2023

€2.0B
protected contract backlog

Last 2 years,
€1.5B
of renewals & new business signed



VIDEO

The Video business generates revenue from the combination of broadcast (primarily direct to home) neighbourhoods across the world, our direct to consumer platform in Germany, and a growing sports & events offering.

Our global satellite infrastructure is relied on by the world's leading broadcasters, platform operators, and content owners to deliver entertainment, news, and information to audiences in 363 million direct to home (DTH), direct to cable (DTC), and Internet Protocol (IP) TV households across the globe. We operate valuable TV neighbourhoods in Europe, the U.S., Latin America, Africa, the Middle East, and Asia-Pacific.

When it comes to delivering the highest quality linear viewing experiences, satellite is most reliable and cost-competitive distribution platform for premium content such as live sports, news, and other entertainment in high definition.

SES also operates HD+, a leading direct to consumer TV platform in Germany serving around 2 million paying subscribers with high quality HD TV content at home and on the go.

Our Sports & Events business works with the world's largest sports organisations and events companies to distribute premium live sports and events every single day, including the most-watched sports events. In tandem with our vast reach, we enable our customers to connect with their audiences on all screen via cost-effective workflows that reduce complexity.

While changing viewing patterns will continue to weigh on demand for satellite capacity, our customers continue to make long-term contractual commitments and rely on SES to distribute their most valuable content and deliver the highest quality viewing experiences.

This not only reflects the attraction of our Video business, but also underpins the business' strong long-term cash generation fundamentals.



BUSINESS & FINANCIAL HIGHLIGHTS

Table 1: Key Business Highlights



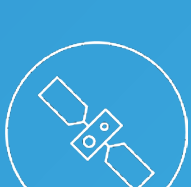

	Executed on our 2023 financial objectives	In 2023, we delivered on our full year 2023 revenue, Adjusted EBITDA, and capital expenditure outlook. Additionally, we secured more than €1.5 billion of renewals and new business underscoring the competitiveness, attraction, and value of our solutions.
	Delivered on C-band clearing in the U.S.	In October 2023, we received the full \$3 billion (pre-tax) of accelerated relocation payments from completing the second phase of C-band spectrum clearing in the United States ahead of schedule. This followed the first \$1 billion (pre-tax) already received from the first phase.
	Paving the way to launch services on O3b mPOWER	During the year, we successfully launched four O3b mPOWER satellites, adding to the two satellites launched at the end of 2022, and are on track to start serving customers with our second-generation MEO constellation from early Q2 2024.
	Further strengthened our investment grade balance sheet	We reduced our gross debt by almost 10% year-on-year and, with the proceeds from clearing U.S. C-band successfully collected, our Adjusted Net Debt to Adjusted EBITDA ratio is at the lowest level for many years.

Table 2: Key Financial Highlights

Group revenue	€2,030M	2022: €1,944M
Adjusted EBITDA	€1,025M	2022: €1,105M
Adjusted Free Cash Flow	€431M	2022: €181M
Adjusted Net Debt to Adjusted EBITDA ratio	1.5 TIMES	2022: 3.5 times



LETTER FROM THE CHAIRMAN

2023 was a successful year, building on strong fundamentals and foundations to deliver sustained value creation for customers, employees, and shareholders. On behalf of the Board, I would like to thank the entire SES community for their hard work and dedication in 2023.

Group revenue, Adjusted EBITDA, and Adjusted Free Cash Flow were all in line with the financial objectives.

We successfully completed the repurposing of U.S. C-band spectrum, and our investment grade balance is even stronger than a year ago. We are reducing gross debt and virtually all of our debt is fixed at low interest rates.

Networks delivered another year of growth reflecting our strong customer proposition in delivering high performance connectivity anywhere on land, at sea, and in the air. 2023 was also a milestone year with the first 6 O3b mPOWER satellites now launched and our next-generation MEO network set to start serving committed customers from early Q2 2024.

Our Video business continues to deliver value for customers and robust cash generation. Through decades of experience and execution, we have built video neighbourhoods which enable broadcasters and content owners to access an audience reach of 363 million households and over 1 billion people.

For full year 2023, the Board is proposing an annual dividend of €0.50 per A-share (€0.20 per B-share), in line with our commitment to maintaining a stable to progressive dividend policy.

From Full Year 2024, SES intends to move to a semi-annual distribution. As a result, shareholders will receive an additional interim dividend of €0.25 per A-share (€0.10 per B-share) in October 2024, followed by payments of at least

€0.25 per A-share (€0.10 per B-share) in April (subject to shareholder approval) and October, starting in 2025.

Our purpose - to do the extraordinary in space to deliver amazing experiences everywhere on Earth - not only covers an ambition of driving our customers' success, but also in making a meaningful contribution to the lives of people and communities around the globe.

We continue to drive our ESG agenda.. Notably, completing our first lifecycle assessment, developing a roadmap for more detailed environmental commitments, and bringing critical connectivity within over 80 developing countries. Our continued focus on purpose and value is well recognised in the increases in both our employee and customer net promoter scores.

The Board has further strengthened our remuneration policy to deliver a more shareholder-friendly structure which incentivises outperformance, value creation, and drives alignment with our shareholders.

Looking forward, our company is well positioned to profitably grow, create shareholder value, and make a difference. With 2023 behind us, we can look forward to further success.

Finally, I am delighted to welcome Adel Al-Saleh as our new Chief Executive Officer. Adel brings a wealth of knowledge, experience, and enthusiasm from a range of dynamic, technology-based industries and has a track record of creating value by improving competitiveness and driving profitability wherever he has been. This makes Adel the ideal person to lead our company on the next phase of our journey.

Frank Esser
Chairman of the Board





LETTER FROM THE CHIEF EXECUTIVE OFFICER

It is an exciting time to be joining the satellite communications industry. SES is an established, world-class operator and it is an honour to lead the company on the next phase of its journey. The 2023 results demonstrate the solid foundation of our business and the attraction of our multi-orbit offering to a customer base of world-leading organisations, governments, and institutions.

We delivered on all our financial objectives for 2023 notably with revenue exceeding our expectations and securing €1.5 billion of new business and renewals across Networks and Video.

We are expanding our multi-orbit offering having launched the first six O3b mPOWER satellites which will bring high-performance connectivity services to committed and prospective customers from early Q2 2024.

With the hard work of C-band clearing in the U.S. behind us and cash proceeds received, we have strengthened our industry-leading investment grade balance sheet and unlocked important financial flexibility which creates the opportunity to expand our capabilities, enhance commercial offering, drive free cash flow, and deliver value to our shareholders.

While the competitive landscape in which we operate is evolving rapidly, SES is well positioned to succeed and grow as we continue to deliver differentiated and compelling solutions to our customers, underpinned by next-level execution and rigorous financial discipline.

Some of the world’s biggest brands and governments rely on SES as a critical part of their own operations.

We have great capabilities and solutions to offer customers in our chosen segments with differentiating ability to provide access to all orbits through our own MEO-GEO network and via our partnerships in LEO.

We have a great a team of people with a strong depth of experience and expertise across all facets of our business. This will serve us well in particular as we continue to innovate our technology in an increasing competitive and disruptive environment.

Our ambition is to maintain our position as a leader in the satellite communications industry, with relentless focus on creating value for customers, employees, shareholders, and society with continued profitable, growth, improving every year.

Adel Al-Saleh
Chief Executive Officer

KEY SATELLITE INDUSTRY TRENDS

Satellite offers communication without limits. From space, satellite-based services can provide connections almost immediately and virtually anywhere - on land, at sea, and in the air – without the need for substantial and highly costly terrestrial infrastructure. The satellite industry’s revenue is typically divided between two main segments of Networks (or Data) and Video (or Broadcast).

According to Euroconsult (September 2023), annual global wholesale capacity revenue for the satellite industry over the next decade (2022-2032) is expected to more than double from \$10.6 billion to \$24.8 billion, representing an average annual increase of 9% over this period. This is comparable with Northern Sky

Research (June 2023) who predict an average annual growth rate of 12% over the same period (2022-2032).

Networks refers to connectivity (fixed and/or mobile) and data transmission services for enterprise networks, cellular backhaul and trunking, maritime markets, in-flight connectivity, government applications (civilian and defence), and direct-to-consumer broadband (this segment is not a relevant market for SES).

Video refers to the distribution of television (TV) channels by satellite over direct-to-home (DTH) and other platforms, as well as professional exchanges of video content on a full time or occasional use basis.

DYNAMIC AND COMPETITIVE MARKET ENVIRONMENT

Competition from new entrants and new satellite-based offerings is increasing in response to significant growth opportunities in our industry. New High Throuput Satellite (HTS) offerings are being deployed in Geostationary Earth Orbit (GEO), Medium Earth Orbit (MEO) with the launch of our next-generation O3b mPOWER network, and new constellations in Low Earth Orbit (LEO). Each of these deployments represent different capabilities, value propositions, and strategic focus across a variety of target markets and applications.

Technology innovations have facilitated the production of more capable and cost-effective space-based infrastructure, enabling operators to offer an improved customer value proposition with more value for money, higher data rates, better performance,

greater flexibility, and scalability to quickly expand into previously unconnected markets and geographies. In turn, delivering profitable growth and attractive return on investment prospects for our industry.

At the same time, the sector is seeing consolidation among incumbent satellite operators where there is a logic to increasing scale, unlocking operational efficiencies, optimising capital expenditures, improving return on investment, and delivering better services for customers. Satellite operators are also seeking to get closer and more integral to customers in their target market segments through vertical integration initiatives, such as our own acquisition of DRS Global Enterprise Solutions in 2022.



RAPIDLY EXPANDING DEMAND FOR RELIABLE, SECURE, AND HIGH PERFORMANCE CONNECTIVITY

Exponentially growing demand for reliable, high-performance data and connectivity solutions anywhere on land, at sea, and in the air is expected to drive substantial industry growth as satellite becomes a meaningful part of the mainstream network ecosystem.

Upgrades and expansions of telecom and mobile networks is accelerating as operators are looking to satellite to extend their network reach by rolling out 4G, and 5G cellular backhaul, as well as community WiFi, services.

Governments are expected to spend more on commercial satellite communications for additional information gathering and analysis (both defence and civilian agencies), government personnel (notably military) welfare, as well as expanding universal broadband access or rural digital inclusion initiatives.

Significant demand for satellite-based connectivity in the aviation and maritime segments is not only being

driven by more demanding passenger expectations when travelling by air or sea, but also from airlines and ship operators seeking to improve overall operational and business efficiency.

Adoption of global cloud computing brings multiple commercial benefits for all these demand areas which are expected to rely more and more on satellite-based connectivity to power applications to support improved productivity and efficiency, reduce operational costs, and create new business opportunities.

Increasing subscribers for residential, or direct-to-consumer, broadband services is expected to support growth in Broadband Access revenues (this segment is not a relevant market for SES) which will benefit from the introduction of lower cost, higher data rate offerings, notably from Non-Geostationary Earth Orbit (NGSO) constellations.



CONSUMER VIEWING HABITS ARE CONTINUING TO EVOLVE

For decades, satellite has established a proven track record as the most reliable and cost-effective platform for linear TV content which represents a significant source of income for the world's broadcasters, free-to-air/pay-TV platforms, and content owners.

Satellite's ability to overcome the lack of ubiquitous broadband coverage or uneven distribution is a source of strategic importance to customers seeking to cater to consumer demand for shared viewing experiences, as well as the need for public and independent programming.

Adoption of new compression technologies and changing consumer viewing habits has led to lower demand for satellite capacity in mature markets as broadcasters and platform operators seek the right balance for their offerings between linear and on-demand experiences.

Satellite remains well placed in emerging markets where favourable economics and efficient compression technologies, position operators well to capture opportunities from content-hungry consumers with increasing spending power.

Increased penetration of High Definition (HD) and Ultra HD TV sets is expected to fuel consumer demand for additional content in higher quality formats with Standard Definition (SD) TV channels being gradually replaced by HD as the dominant proportion of overall TV channels carried over satellite by the end of this decade.

Lower replacement investment requirements for satellite operators going forward enable them to compensate for lower revenue by reducing capital expenditures, thus maintaining high profitability and cash generation in the medium to long-term.

SATELLITE-BASED NETWORKS ARE STRATEGICALLY IMPORTANT

Whether it is through technologies that improve operations and increase profitability of companies, or through Intelligence and Surveyance and Recovery (ISR) missions, or deliver peace-keeping communications, stable and effective connectivity without borders or limits is essential.

Satellite-based solutions are becoming an increasingly critical component to serving a range of government and commercial needs thanks to their unique capabilities of high-performance, scaled and flexible connectivity anywhere on earth.

Government institutions around the world have increased demand for secured reliable connectivity to enhance their capabilities for a range of defence and civilian applications, as well as disaster recovery and humanitarian missions.

With our satellite services we are also empowering customers to connect the unconnected and deliver connectivity and mobile network coverage to businesses, schools and healthcare centres in rural, remote and developing areas.

When it comes to delivering quality linear TV viewing experiences, satellite is most reliable and cost-competitive distribution platform for premium content such as live sports, news, and other entertainment. As linear broadcast TV continues to be an important and profitable revenue source for customers in Video, satellite remains an essential and strategic component of broadcast TV networks.

OUR GLOBAL NETWORK

MULTI-ORBIT SATELLITE-BASED NETWORK

We leverage a vast and intelligent network that spans satellite and ground infrastructure, connecting more people in more places.

Our fleet operates in both GEO and MEO, providing an attractive combination of global coverage, high throughput, and low latency capabilities.

The SES GEO fleet comprises 45 satellites operating with a combination of C-, Ku-, Ka-, and X-band frequencies. The majority have ‘wide beam’ payloads where a small number of beams are used to cover large geographic areas.

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

Additionally, SES-17 (in commercial service since June 2022) is a Ka-band high throughput satellite delivering high performance connectivity services for customers in the Americas, the Caribbean and over the Atlantic Ocean.

SES also operates O3b, a constellation

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

Both SES-17 and the O3b mPOWER constellation (expected to begin commercial services in early Q2 2024) will leverage our Adaptive Resource Controller (ARC), a software solution that serves as the brain for the network, which will enable dynamic and automatic traffic allocation in real-time, as well as orbit switching for complete and seamless interoperability between MEO and GEO.

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

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

GLOBAL GROUND NETWORK FOOTPRINT

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

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

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

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

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





FUTURE SATELLITE LAUNCHES

Between 2024 and the end of 2026, we expect to launch 11 satellites.

Future Satellite Launches

Satellite	Region	Application	Launch
ASTRA 1P	Europe	Video	Summer 2024
O3b mPOWER	Global	Networks	Late 2024
O3b mPOWER (9-11)	Global	Networks	2025
ASTRA 1Q	Europe	Video, Networks	2026
SES-26	Africa, Asia, Europe, Middle East	Video, Networks	2026
EAGLE-1	Europe	Government	2026
O3b mPOWER (12-13)	Global	Networks	2026

Final launch dates are subject to confirmation by launch providers. "Networks" refers to Government, Mobility, and Fixed Data.

O3b mPOWER

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

O3b mPOWER will enable high performance services that scale to multiple gigabits per second per connection virtually anywhere.

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

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

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

The O3b mPOWER constellation will comprise 13 satellites, of which six have

been successfully launched enabling start of commercial services in Q2 2024.

It has been determined that the anticipated operational life and available capacity of the initial O3b mPOWER satellites will be significantly lower than previously expected.

SES and the manufacturer plan to upgrade the remaining satellites (7-11) already under manufacture and agreed to add two additional satellites (12-13) into the constellation. The additional investment associated with this plan is expected to be fully covered within our committed capital expenditure envelope.

ASTRA 1P & ASTRA 1Q

SES has ordered two GEO Ku-band satellites for its prime orbital slot at 19.2° East to maintain the premium services it provides to its European video customers and capture new opportunities.

These two replacement satellites (ASTRA 1P and ASTRA 1Q) are expected to replace four satellites (ASTRA 1KR, ASTRA 1L, ASTRA 1M, and ASTRA 1N) currently at this orbital location.

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

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

SES-26

SES has ordered a fully software-defined GEO satellite, SES-26. The satellite, with both Ku-band and C-band frequencies, will replace SES’s NSS-12 satellite at 57° East.

From this key location at the crossroads of Europe, the Middle East, Africa and Asia, SES will continue to deliver content and connectivity solutions to some of the world’s fastest-growing markets.

In addition to supporting government communications solutions in the region, the position is home to a diverse free-to-air neighbourhood.

EAGLE-1

An SES-led consortium of 20 European companies, with the European Space Agency and European Commission support, will design, develop, launch, and operate the EAGLE-1 satellite-based system for secure Quantum Key Distribution, enabling in-orbit validation and demonstration of next-generation cyber-security across Europe. It will also provide valuable mission data for the future deployment of a secure quantum communication infrastructure.

SES O3b mPOWER Mission

16 December 2022



SES NETWORKS

BUSINESS OVERVIEW

Our Networks business operates a multi-orbit (MEO-GEO) constellation of satellites with the combination of global coverage and high performance, and low latency MEO system.

By leveraging a vast and intelligent, cloud-enabled network, we provide managed connectivity and data service solutions to support a wide range of fixed and mobile applications to extend customers' network reach.

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

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

We deliver:

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

In addition, we deliver connectivity to major cloud service providers and partner with them to power cloud-based applications to our other customers.

SEGMENTAL BREAKDOWN

Government represents approximately 50% of Networks. The business is comprised of 75% of multiple U.S. defence and civilian agencies. The remaining 25% of revenues are generated from a range of global government and institutional clients such as the United Nations, the Luxembourg Government, and the European Space Agency.

Our offering of connected services and end-to-end satellite solutions through a secure integrated space and terrestrial network enable a range of connectivity

capabilities for government services such as ISR, secure connectivity for land-based operations, communications on the move for mobile missions on land, at sea, and in the air. We also enable governments, NGOs, and humanitarian organisations to mount coordinated crisis responses for humanitarian assistance and disaster recovery.

Our Mobility business comprises approximately 25% of Networks revenues, of which 50% comes from supporting key in-flight connectivity providers such as Gogo Commercial

Aviation (part of Intelsat), Thales Avionics, Panasonic, and Anuvu where we enable fast, reliable connectivity to support their major airline clients. We also operate a business jey connectivity service, Luxstream, on behalf of our partner Collins Aerospace.

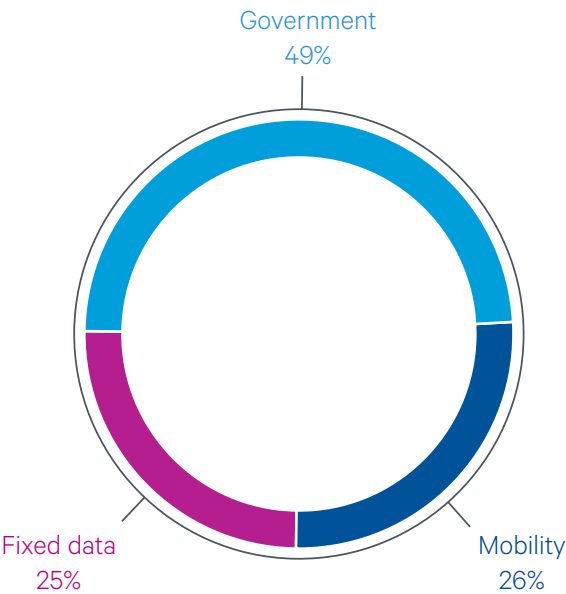
Another 50% of revenue generated is from the combination of serving the top major cruise lines such as MSC, Carnival, Virgin Voyages, and Royal Caribbean, as well as commercial maritime customers like Marlink. Our onboard connectivity service enables guaranteed data speeds, low latency and secure satellite connectivity anywhere on the globe, this now includes the new fully managed end-to-end service offering of SES Cruise mPOWERED + Starlink solution.

Fixed Data accounts for approximately 25% of Networks. Our customer base is well distributed across all geographies and key markets from the Americas to

Asia-Pacific. Nearly 40% of Fixed Data revenue comes from the Americas; Europe, Africa, and the Middle East are around 25% of revenue; more than 20% from the Asia-Pacific region; and the balance is comprised of global connectivity services on behalf of energy and cloud customers.

Our clients include major telecom companies and mobile network operator such as AT&T, Claro, Digicel, Orange, Verizon, and Reliance Jio; value-added service providers such as Marlink, RigNet, and Speedcast; and cloud organisations like Microsoft. All of whom benefit from our managed network services which deliver private connectivity from SES gateways, creating a dedicated end-to-end connection from any remote site to the rest of our customers' networks and/or cloud-based applications, as well as supporting rural inclusion projects.

Networks 2023 revenue by business segment



2023 REVENUE PERFORMANCE

For the year ended 31 December 2023, Networks total revenue was €1,062 million, this represented an increase of 6.1% year-on-year (at constant FX) and like for like basis (assuming a full contribution from the acquisition of DRS Global Enterprise Solutions as if it had been acquired from 1 January 2022).

The growth of Networks revenue was driven by double digit growth in our Mobility business, up 11.5% year-on-year, driven by continued expansion in the cruise segment, supported by wins in commercial shipping and commercial aviation.

Government benefited from new MEO- and GEO- enabled network wins which lead to revenue growth of 6.1% year-on-year, with a strong performance in both U.S. and global government revenue.

Fixed Data delivered a robust outturn in 2023 (up 0.8% year-on-year) which included €7 million of periodic revenue. The positive contribution of our energy business and expansion of revenue in Asia-Pacific offset lower revenue in Africa & Middle-East, as well as Cloud where 2022 has been an exceptionally strong year of equipment-related sales as a pre-cursor to building future recurring connectivity service revenues utilising O3b mPOWER and other assets.

SES VIDEO

BUSINESS OVERVIEW

Our Video business has an unparalleled technical reach of 363 million TV homes, serving over 1 billion people worldwide with high quality viewing experiences, and delivers managed media services.

With over 35 years of broadcasting experience, we are experts in designing systems to grow audiences, reduce costs, and maximise operational efficiency.

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

We deliver:

- Linear video aggregation and distribution capabilities to hundreds of millions of direct-to-home (DTH), direct-to-cable (DTC), and Internet Protocol TV (IPTV) homes around the world;

- Channel management solutions, including playout, which combine products to predefined end-to-end solutions capable of fitting different use cases; and
- A range of occasional use services from providing extra capacity, processing content for live feeds, and redundancy features, working with the world's largest sports and events organisations.

At 31 December 2023, the SES distributed more than 6,400 total TV channels to audiences around the globe.

In addition, SES operates HD+, a direct-to-consumer offering in Germany which enables viewers to access 26 private HD TV channels and three private UHD TV channels, as well as 50 free High Definition TV channels, via a paid subscription.

SEGMENTAL BREAKDOWN

Our Video broadcasting services, have a high presence in the European market, delivering high quality content to more than 170 million TV homes, with approximately 70% of total Video revenues coming from valuable European markets such as Germany, the UK, France, and Spain. We serve broadcasters and pay-TV operators such as Sky, Canal+, ProsiebenSat.1, ARD-ZDF, RTL, and Telefonica.

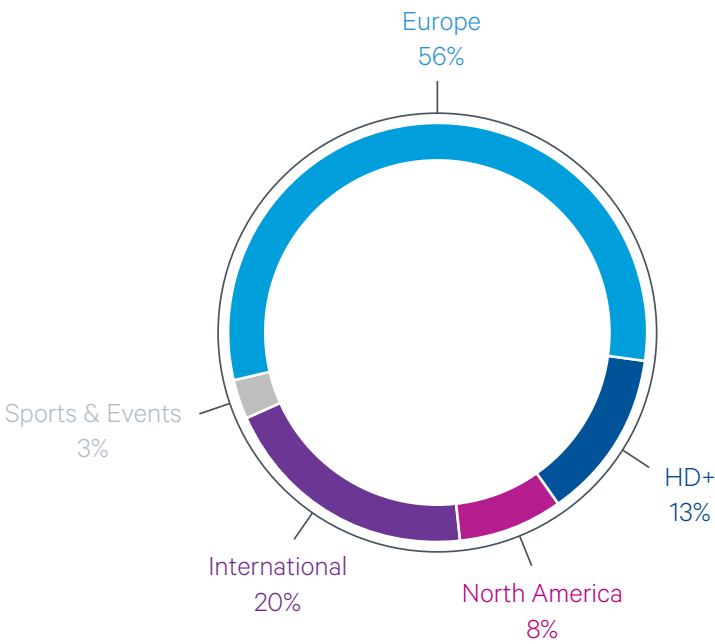
HD+, our direct-to-consumer platform in Germany, (13% of Video) is currently serving approximately 2 million paying subscribers with access to high quality content at home and on the go at an affordable monthly cost.

Less than 10% of revenue is generated from our North American neighbourhoods which deliver direct-to-cable distribution services to customers such as Comcast, Discovery, and Time Warner.

Serving nearly 150 million TV households, our international business (20% of Video revenue) has established strong positions and customer relationships in all key regions from Latin America to Asia-Pacific, and in between. Our international customers include Canal+, DISH, Ethiosat, NewSpace India, and Oi.

Our expanding Sports & Events segment represents 3% of Video revenue. With growing coverage and a multitude of major global and regional sports and events we support broadcasters such as the National Football League, English Premier League, All Elite Wrestling, and Agence France-Presse

Video 2023 revenue by business segment



2023 REVENUE PERFORMANCE

For the year ended 31 December 2023, the Video business generated total revenues of €967 million. This represented a reduction of 4.4% (at constant FX) compared with 2022 which benefited from periodic revenue of €10 million. Excluding periodic revenue, Video declined by 3.5% year-on-year (at constant FX) driven mainly by lower volumes in mature European and North

American markets, albeit with pricing per transponder stable to increasing and contract duration remaining long.

This was partly offset by growing revenues in Sports & Events, reflecting the benefit of new events and customers secured, and a stable year-on-year revenue performance across our international video business.

FINANCIAL REVIEW & OUTLOOK

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

INCOME STATEMENT

Group revenue of €2,030 million was 4.4% higher than the prior year including the full year benefit from the acquisition of DRS Global Enterprise Solutions (DRS GES), completed 1 August 2022. On a like for like basis (assuming full contribution from DRS GES from 1 January 2022) and at constant FX, group revenue was 0.8% higher year-on-year.

Adjusted EBITDA (excluding the financial impact of U.S. C-band repurposing and other significant special items) stood at €1,025 million (2022: €1,105 million) and represented a margin of 50% (2022: 54% on a like for like basis). This included recurring operating expenses of €1,005 million which were €84 million, or 9.1%, higher than the prior year on a like for like and constant FX

basis, mainly driven by higher year-on-year personnel costs (including the impact of inflation) and cost of sales which supported Networks growth

Depreciation and Amortisation (D&A) expense of €692 million (2022: €705 million) decreased year-on-year as higher amortisation was more than offset by lower depreciation including the impact of satellites reaching the end of their depreciable life.

Net financing costs of €42 million (2022: €88 million) included lower year-on-year net foreign exchange (FX) gains of €13 million (2022: €45 million). Excluding FX, net interest expense (including capitalised interest) of €55 million was almost half the prior year (2022: €118 million) reflecting the combination of

lower financing expenses and higher interest capitalised.

Higher tax expense and lower net foreign exchange (FX) gains contributed to Adjusted Net Profit of €215 million (2022: €300 million). Excluding tax and FX, profitability was stable year-on-year with lower depreciation and net interest expense (including interest capitalised) offsetting lower Adjusted EBITDA compared with 2022.

Adjusted EBITDA and Adjusted Net Profit exclude net income from U.S. C-band repurposing of €2,697

million (2022: €154 million income); other significant special items of €40 million (2022: €17 million); a non-cash impairment of intangible assets €1,553 million triggered by the recognition of the Phase II U.S. C-band Accelerated Relocation Payment (ARP); other non-cash impairments totalling €2,123 million primarily impacting intangible assets and the initial O3b mPOWER satellites from the impact of lower expected life and capacity; and related tax expense of these combined significant special items (including U.S. C-band) of €101 million (2022: €74 million).

CASH FLOW STATEMENT

Adjusted Free Cash Flow was a net inflow of €431 million (2022: €181 million net outflow) including lower year-on-year investing activities and cash interest expense (net of interest received), compared with 2022. The main components were higher net cash generated by operating activities and lower net cash absorbed by investing activities.

Net cash generated by operating activities (excluding U.S. C-band, acquisitions, and other significant special items) was €1,059 million in 2023

compared with €1,026 million in 2022, as lower Adjusted EBITDA was more than offset by a higher cash conversion ratio (ratio of adjusted net cash generated by operating activities to Adjusted EBITDA) of 103% (2022: 93%).

Excluding U.S. C-band and acquisitions, net cash absorbed by investing activities (excluding interest received) was €493 million (2022: €1,043 million) mainly related to the investment in O3b mPOWER which is expected to begin commercial services starting from early Q2 2024.

STATEMENT OF FINANCIAL POSITION

At 31 December 2023, Adjusted Net Debt (including 100% of the €550 million hybrid bond 50% of the €625 million hybrid bond as debt) stood at €1,565 million (31 December 2022: €3,889 million) and represented an Adjusted Net Debt to Adjusted EBITDA ratio of 1.5 times (2022: 3.5 times) including cash and cash equivalents of €2,907 million (2022: €1,047 million) following receipt of the second U.S. C-band accelerated relocation payment of \$2,991 million (pre-tax of 18.3%).

Gross Borrowings (including 100% of the €550 million hybrid bond 50% of the €625 million hybrid bond as debt) reduced by 9.4% from €4,936 million at the end of 2022 to €4,472 million at 31 December 2023.

At 31 December 2023, the weighted average cost of debt was 3% (2022: 3%) and the weighted average senior debt maturity was 6.7 years (2022: 6.6 years).



FINANCIAL POLICY

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

- Disciplined investment to sustain the profitable portfolio of business and support accretive growth investment opportunities. As reflected by our threshold internal rate of return hurdle of 10% or higher (unlevered, post-tax) over the life of the investment.
- Maintaining strong balance sheet metrics consistent with investment grade credit ratios, including a target of Adjusted Net Debt to Adjusted EBITDA of below 3 times, allowing access to a wide range of funding sources and keeping a low cost of financing.
- Delivering an annual minimum base dividend of €0.50 per A-share and €0.20 per B-share split into a biannual payment with a stable to progressive dividend policy delivering a predictable cash return to shareholders.
- Utilising any excess cash in the most optimal way for the benefit of shareholders.

For the year ended 31 December 2023, the Board proposed a dividend of €0.50 per A-share and €0.20 per B-share, consistent with the commitment to maintain a stable to progressive dividend policy.

The dividend, which is subject to shareholder approval at the Annual General Meeting (AGM) on 4 April 2024, will be paid to shareholders in April 2024.

For the Full Year 2024 dividend, SES intends to move to a semi-annual distribution with an interim dividend of €0.25 per A-share (€0.10 per B-share) to be paid in October 2024 and final dividend, subject to shareholder approval, of at least €0.25 per A-share (€0.10 per B-share) to be paid in April 2025.

In November 2023, SES commenced a share buyback programme of up to €150 million, executed under the authorisation given by the Annual General Meeting of shareholders held on 6 April 2023. Under the authorisation, SES can purchase up to 20 million A-shares and up to 10 million B-shares in equal proportion to maintain the ratio of two A-shares to one B-share, as required by the Articles of Association. The aggregate value of the programme shall not exceed €150 million, and the shares acquired are intended to be cancelled, reducing the total number of voting and economic shares in issue.

In January 2024, the €550 million hybrid bond was called and repaid from existing cash resources. Additionally, upcoming debt maturities of around €450 million are expected to be repaid using existing cash resources, further reducing gross debt, and delivering annual cash savings of more than €40 million (including the coupon on the €550 million hybrid bond).

FINANCIAL OUTLOOK

The financial outlook is based on an average €/ \$ FX rate of €1: \$1.09, nominal satellite health, and nominal launch schedule.

For the year ended 31 December 2024, revenue is expected to be between €1,940 million and €2,000 million. Continued growth in networks is expected to mostly offset lower revenue in Video.

Adjusted EBITDA for the same period is expected to be between €950 million and €1,000 million with an implied year-on-year increase (at constant FX) in operating expenses due to additional anticipated investment in Networks associated with the bringing into service of O3b mPOWER and additional equipment in advance of recurring services revenue generation.

Capital expenditure (defined as net cash absorbed by investing activities excluding acquisitions, financial investments, and U.S. C-band repurposing) is expected to be in the range of €500-550 million in 2024, with an average annual capital expenditure of around €350 million for the period between 2025 and 2028.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- 1. Our approach
- 2. Our environmental impact
- 3. Our social impact
- 4. How we operate our business
- 5. Reporting standards and appendix

OUR APPROACH

OUR HORIZON STRATEGY GRI 2-22-A

Our ESG journey has led us to re-examine not only our responsibility as a company, but also what more we can do to positively impact the planet and humanity. In fact, our core services and strengths as a company place us in a unique position to do so. We have the capability to harness the power of space to meet some of the most pressing challenges on earth.

The SES Horizon ESG Strategy which we developed in 2021, aligns global challenges as outlined in the UN's

Sustainable Development Goals with our capabilities and expertise. Working in partnership with our stakeholders, our ESG Strategy provides the opportunity to transform how we run our business and create long-term value for us and for the planet.

Our Horizon ESG Strategy focuses on four key pillars where we have identified we can make a real difference: Sustainable Space, Climate Action, Diversity and Inclusion, and Critical Human Needs.

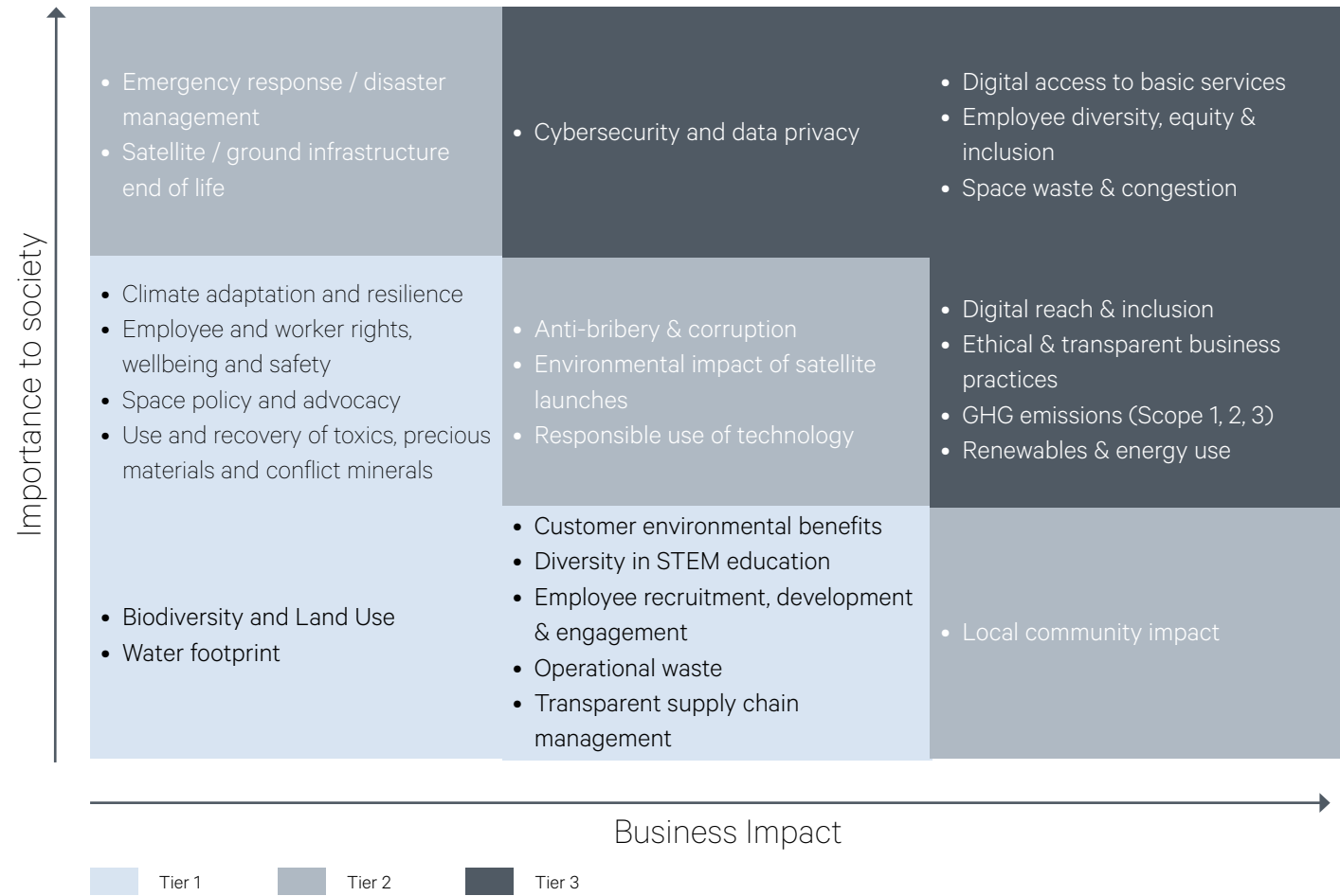
	Sustainable space	Climate action	Diversity & Inclusion	Critical human needs
	Lead, collaborate, and innovate for sustainable space.	Take bold climate action by setting targets and innovating for the planet.	Make the space industry more diverse and inclusive, starting with SES.	Empower communities to thrive with services to support critical human needs.
Our responsibility	Innovate to reduce our footprint from launch to decommissioning.	Reduce Green House Gas emissions across operations and our supply chain.	Build a more diverse and inclusive workforce across all levels of our business.	Develop partnerships and innovate to increase access to education, health, and information services.
Our opportunity	Advocate best practice approaches to ensuring industry-wide responsible use of space	Provide solutions to combat environmental challenges through satellite connectivity	Increase diversity and inclusion in the space industry through targeted actions and investments.	Expand reliable access to content and connectivity to build sustainable communities.



MATERIALITY GRI 3-1 AND 3-2

Completing a materiality matrix is one of the first steps to ensure SES is fulfilling its role as a responsible organisation that has a positive impact on society. Our materiality matrix helps us identify risks and opportunities and supports our decision making as we develop our corporate strategy. The work we have done in this area also provides the foundation for our ESG strategy. Our most recent materiality matrix was completed in 2021 with the help of an external consulting firm and involved multi-stakeholder dialogues to help us identify the issues that were most material to our business and to those we serve.

We carried out external interviews with industry experts, customers, NGO partners, civil society, and government representatives as well as gathered internal input through workshops, surveys, and an ESG investor rating analysis. The resulting materiality matrix grouped the identified issues under different tiers based on their impact on the business and society. For SES, our Tier 1, most critical priority issues include SES's digital engagement, Diversity and Inclusion, operational carbon footprint, energy use, space interaction and waste minimisation.

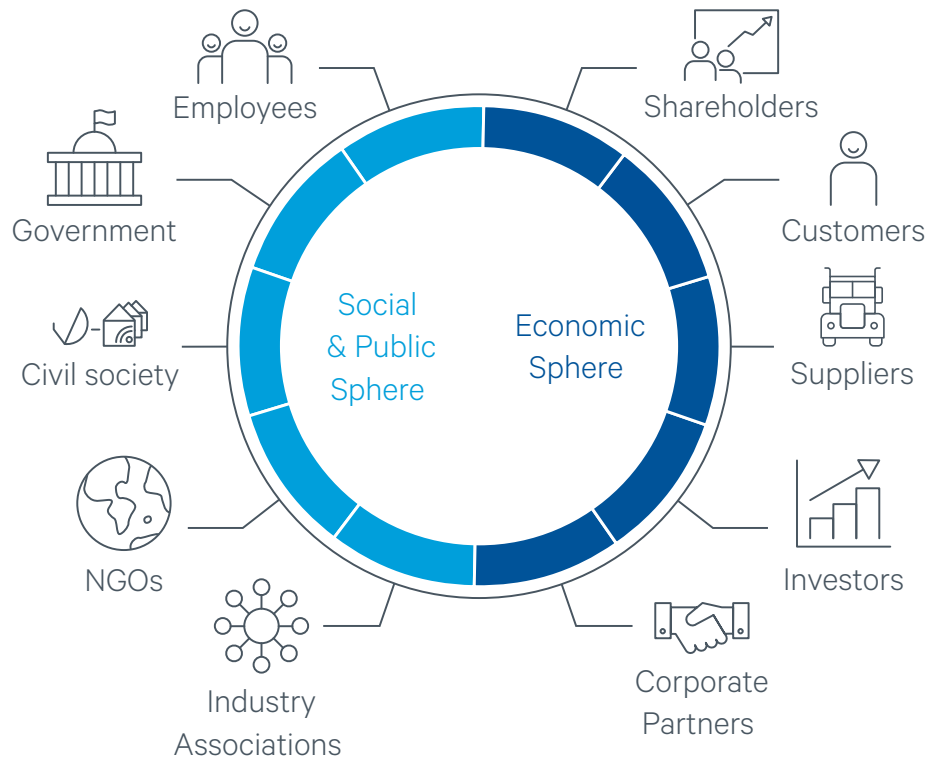


STAKEHOLDER ENGAGEMENT GRI 2-29

Our mission to make an impact on earth through our sustainability strategy can only be accomplished through close collaboration with our key stakeholders. Our sustainability engagement strategy involves all our internal and external stakeholders - our employees and shareholders, as well as our customers, suppliers, investors, corporate partners, governments, civil society, industry associations and NGOs. We collect

regular feedback from our stakeholders to ensure we continue to make a difference in society and peoples' lives through our ability to connect individuals on a global scale. Through our active engagement, we foster greater trust amongst our stakeholders in the work we do and ensure a level of transparency which is essential to move forward with our sustainability strategy.

Our stakeholders



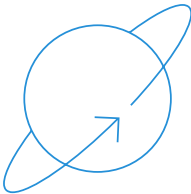
GOVERNANCE GRI 2-12

At SES, we are committed to making a positive impact on the communities we operate in and wider society. We have set ambitious ESG goals to ensure that all our activities align with our values. Our aim is to harness the power of space to transform life on earth, especially in underprivileged and underserved parts of the world. We believe that good governance is essential to achieve these aims. Therefore, we strive to ensure that our focus on ESG runs consistently from the top of the organisation down to all our employees as well as to our vendors, agents, and suppliers. We are committed to running every aspect of our business with integrity, transparency, and accountability.

Our Chief Executive is ultimately responsible for the delivery of our ESG strategy. The Chief Legal Officer is the senior leader reporting to the CEO with ESG in their remit and supervises a Director of Social and Environmental Impact. The ESG team works across the organisation with key internal stakeholders in each area of the

business -Technology, Finance, Strategy, Customer verticals, HR, Compliance, and Risk - who each have relevant ESG priorities and implementation responsibility.

The Board of SES through its committees supervises our ESG programme, including the targets set across our sustainability pillars. The Audit and Risk committee is briefed every quarter on the progress of ESG topics and the targets of the ESG programme. The Board's Remuneration Committee is responsible for senior leadership compensation associated with ESG targets, including an absolute reduction target of our global Scope 1 and 2 emissions and a target associated with female leadership in SES at the people management level. The SES board additionally reviews and approves the Annual Report, which includes the sustainability section. Starting in 2024 the board will review and approve the double materiality assessment of the company.



SUSTAINABLE SPACE

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

- [Compete lifecycle assessment on SES products by 2030](#)
- [Get a Space Sustainability Rating by the World Economic Forum](#)



OUR ENVIRONMENTAL IMPACT

SUSTAINABLE SPACE

Satellites deliver many of the services that improve our modern lives. Global Positioning Systems, financial services, weather monitoring, internet and video distribution, and healthcare – are but a few of the satellite applications we have come to rely on. SES has been connecting businesses, communities and governments for more than 40 years and

our work is built on a strong foundation of sustainable innovation.

With the rapid proliferation of satellite systems, space faces sustainability challenges, particularly in low Earth orbit (LEO). As a result, our commitments in this area are business-critical placing them in the top quartile of our Materiality Matrix.

OUR COMMITMENT TO SPACE SUSTAINABILITY

The rapidly growing number of non-geostationary (NGSO) satellites – with more than one hundred thousand additional NGSO satellites planned for the next decade or so – creates multiple challenges for a sustainable space environment. The expanding space activity increases the risk of orbital debris and operational issues. SES is committed to working to develop new technologies, partnerships, policies, and solutions that support long-term space sustainability.

In 2023 SES identified its commitments to space sustainability focusing on the following principles:

- Promote responsible space sustainability policies and practices.
- Promote sustainable use of space within industry.
- Encourage enhanced space resilience.

In our ongoing pursuit of leadership in space sustainability, we continue our goals of including eco-friendly designs, continuing our history of incorporating responsible best practices including space debris mitigation, resource optimization, end-of-life plans and a focus on accountability and transparency into our operations.

Our commitment to improved space resilience includes robust satellite designs, risk assessments, cybersecurity measures, and contingency plans, all of which enhance adaptability to challenges and stimulate durable satellite operations. These principles help to move us to the forefront of space sustainability as we build and contribute to an even more responsible, inclusive, and resilient satellite ecosystem.

Ensuring safe and reliable access to space depends upon management of the space environment for all its users. For SES this means playing a leading role in innovations to facilitate monitoring space activities using the very latest technology in Satellite Data Management (SDM), Space Situational Awareness (SSA), Space Debris Mitigation, Space Safety and Space Traffic Management (STM.)

Sustainable Space stands as a fundamental pillar within our Horizon Strategy, a purpose-driven Environmental, Social, and Governance (ESG) strategy launched in 2022. Our Commitment to positive impact in this domain centres around three key approaches.

Ensuring our products and services meet the very highest standards of operation.

As part of our ambition to uphold the highest standards for our products and services, we submitted in 2023 our application for O3b mPOWER to receive a Space Sustainability Rating (SSR) review under the process established by the World Economic Forum. Under the SSR programme, a space mission is assessed and scored based on its implemented debris mitigation strategies and other relevant parameters. The SSR aims to mitigate space debris and promote safe and sustainable management.

Setting stretch targets to enhance sustainability across our value chains.

We have developed a methodology and roadmap for ensuring all SES products and services complete Life Cycle Assessments (LCAs) by 2030. This will help us understand the impact that our operations have on Earth and help us either identify mitigations or look for new ways to meet the needs of our customers as they too seek to be more sustainable.

LCAs provide comprehensive information about the environmental impacts of a product or service through its end-of-life, allowing for more informed decisions regarding more sustainable development and design. By understanding the environmental impacts associated with each stage of a products’ or services’ life, it is possible to identify where improvements can be made to reduce waste, minimise impacts and improve sustainability.

In 2023 we performed our first LCA on a broadcast satellite. This analysis provided SES with the data needed to integrate our findings into an action plan for improvement. The action plan may involve identifying internal and external stakeholders we can work with as well as potential partnerships or investment opportunities to drive more sustainable and less impactful practices in our operations.

Establishing partnerships and fostering international co-operation

SES actively collaborates with a variety of international organisations to ensure sustainable space development. We firmly believe that international cooperation and partnerships are essential for achieving responsible, enduring, and secure access to space.

SES contributes to collecting and sharing critical data related to satellite operators’ safety and STM coordination through public and private initiatives, including the European Space Surveillance and tracking network (EUSST), the U.S. Combined Space Operation Centre (CSpOC) and as a founding member of the Space Data Association (SDA). We are also members of the Space Safety Coalition (SSC) and signatories of the World Economic Forum Space Industry Debris Statement. SES is also committed to working within the space sustainability efforts of the United Nations including the initiatives of the International Telecommunication Union.

Furthermore, as part of the Global Satellite Operators Association (GSOA) we have recently participated in the development of and endorsed the GSOA Code of Conduct on Space Sustainability. This Code encourages operators to adopt responsible practices that mitigate the risk of in-orbit collision, minimise non-trackable debris threats, safeguards human presence in space, and limit impacts on optical astronomy.

In 2023, SES entered into a partnership with Northstar to develop new Space Situational Awareness tools. Our new agreement to collaborate on the implementation of next-generation commercial SSA services aims to significantly increase the precision of resident space object (RSO) tracking to enhance the safety and sustainability of operations in space.



CLIMATE ACTION

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

- NetZero commitment by 2050
- Develop targets aligned with SBTi



CLIMATE ACTION

At SES we are proud to be the global leader in content connectivity. We have pioneered the opportunities of space to transform how we live our lives here on earth and are always looking to do more to make a positive contribution to the world around us. Whilst our business activities may have a lower impact on the environment than those of other companies, SES is keen to make an

important contribution wherever we can in lowering our emissions and helping the world reach international climate goals. We have committed to NetZero by no later than 2050 and are on course to submitting SBTi targets for validation no later than 2024.

CLIMATE RISKS AND OPPORTUNITIES GRI 2-16

Climate change is one of the most pressing issues of our time, and it poses significant risks to businesses across the globe. The World Economic Forum’s Global Risks Report 2024 identifies climate change and nature loss as the greatest risks facing humanity over the next decade. The impact of climate change on businesses is multifaceted and can manifest in various ways. Extreme weather events, failure of climate change adaptation, and natural catastrophes are among the top 10 risks for business leaders in East Asia, the Pacific and North America. Changes in

legislation and regulation, such as tariffs, economic sanctions, protectionism, and euro-zone disintegration, are also among the top risks facing businesses in 2024.

In 2023 we carried out a project to evaluate our climate risks and opportunities after an assessment with an international third-party climate consulting firm, EcoAct. This work confirmed our position that acute risks from climate change have yet to impact our operations, but we must be prepared for the potential of more extreme weather events in the future.



In line with TCFD guidance, we have identified the following climate risks:

Physical Risks

Acute

Acute physical risks haven't had a significant impact on SES's operations to date, but they can be expected to occur in greater frequency and intensity in the future, increasing SES's risk exposure. Heatwaves were identified as well as heavy precipitation and hurricanes. Physical hazards can damage both SES and third-party teleports and operations centres.

Chronic

The rise in global temperatures and sea level rise were identified as risks especially related to 3rd-party facilities and partner facilities.

Transition Risks

Stakeholders

Stakeholders, especially investors and regulators but also customers and employees play a large role in the future of climate-related disclosure and actions that SES must take to maintain reputational, market, and compliance expectations.

Low Carbon technologies

The development of low carbon technologies is a transition driver for SES, and we could face low carbon competition and further regulation risks if we don't transition.

Opportunities

- Following extreme weather events, SES's technologies can provide essential satellite-based communications creating market opportunities and reputational benefits for the company.
- Building energy efficiency- as we continue our climate journey, we could avoid costs and emissions for the company.
- SES can realise positive reputational benefits by facilitating emissions reductions as well as have access to green financing.
- Making the transition to low carbon technologies could result in providing opportunities for customers to avoid costs and emissions, could help us to enter new markets and can help reduce emissions exposure by using renewable energy.

Following this analysis, SES will be continuing our understanding of our climate risk with a climate scenario analysis and further

integration of climate risk into our risk management processes.

MEETING OUR EMISSIONS TARGETS

As a first step in meeting our emissions targets and driving reductions in our environmental impact, we are leading the way in our industry by pioneering Lifecycle Assessments on space technology. These assessments will drive greater visibility into our environmental impact and identify hotspots and opportunities for reduction. In 2023, we completed our first Lifecycle assessment which will help us build a roadmap for reduction efforts in the future. In addition to managing the impact of our operations, SES is considering how we can use the capabilities of our products and services to help communities suffering from climate related events and disasters as well as drive products and services that help our customers meet their climate challenges.

In 2023 we continued to deliver against the Climate Pillar of our ESG strategy by:

- The completion of our first lifecycle assessment to help us address reductions in our Scope 3 emissions.
- Following an evaluation of our

energy mix, SES made improvements including the procurement of green energy in some of our largest offices including Betzdorf, Munich, The Hague and Hawley as well as a commitment to install renewable energy sources in 3 SES facilities 2024.

Our Emissions – (CDP Report Results GRI 305 and Energy GRI 302)

SES collects emissions data on its direct, energy indirect, and other indirect operations (Scope 1, 2 & 3). We construct our methodology in line with the Greenhouse Gas Protocol (GHG): A Corporate Accounting and Reporting Standard (Revised Edition); Defra Environmental Reporting Guidelines: including streamlined energy and carbon reporting guidance, 2021; the International Energy Agency's (IEA) CO2 Emissions from Fuel Combustion; and The Greenhouse Gas Protocol Scope 2 Guidance. Our data disclosure for this report is from our 2022 emissions, as our 2023 data is not available until the end of the second quarter.

SES carbon footprint 2022

Year	2022	2021	2020	2019
Total emissions total - t CO2e	328,089	191,402	165,649	221,835
Scope 1	1,082	1,813	2,510	2,177
Scope 2 *	22,898	19,813	30,802	32,843
Scope 3	304,109	169,776	132,337	186,816

* Market based measurement



Scope 3 total t CO2e	304,109	169,776
of which:		
cat.1 Purchased goods and services	116,106	140,209
cat.2 Capital goods	179,210	21,846
cat.3 Fuel and energy related activities	1,345	1,389
cat.4 Upstream transport etc.	1,827	2,992
cat.5 Waste	37	32
cat.6 Business travel	3,429	779
cat.7 Employee commuting	2,154	2,530

In 2022 SES recorded a moderate increase in Scope 2 emissions. One of the main drivers of this is the acquisition of DRS Global Enterprise Solutions which increased the number of 3rd party teleports and data centres used from 196 to 228 which increased our effective energy usage. Another factor is the change in electricity conversion factors mandated in countries, particularly in Germany.

Despite there being an increase, we are proud to have kept this under our 2019 Scope 2 number and we are happy to report that our emissions intensity figure reduced by 2.76% (CO2e/revenue) and 5.82% (CO2e/number of employees)

The larger increase is seen in our Scope 3 numbers.

GHG Protocol guidelines detail that we should account for our satellites in the year that they are acquired and we interpret that to be the year that we launch the satellite. For that reason, all the emissions of our satellite manufacturing and launching are accounted for in a single year and will inevitably result in our Scope 3 emissions changing drastically in years where we launch more than one satellite. In 2022, we launched 4 satellites all recognised in the Category 2 “Capital Goods” area of Scope 3. This is the reason for the sharp increase in emissions in 2022.

In July 2022, we launched an electrically powered shuttle service to connect our headquarters in Betzdorf with the main local bus and train station. After analysing utilisation trends, we decided to make the service permanent from January 2023, which required an increase in vehicle capacity. The timetable has been adjusted, to make the service available to a larger number of employees. With around 25% of the employee population using the service several times a week, we are now working on a voluntary monitoring system of our employees' commute emissions so that we can have a more accurate estimate of the environmental

impact of this initiative. This service has received positive feedback from our employees and is aimed at reducing our employee commuting emissions.

Waste Management GRI 306

At SES we believe we all have a role to play in reducing waste. Even the smallest of changes in behaviour and in the way we use the products that support us in our workplace – from the food in our employee canteens to the cleaning materials used to sanitise our offices - can add up to make a measurable difference. One example is our use of office supplies. We have rationed our internal catalogue of office equipment we make available to employees from 80 items to 13. The items we supply are selected to meet sustainable criteria. Whenever we can we seek to support the circular economy by giving away office equipment, including office furniture, that is in good condition to the local community. We have removed 321 individual trash bins across all SES buildings and replaced them with 61 recycling centres. This has enabled us to reduce considerably our plastic consumption, as each individual bin contained two plastic bags which were changed every day. Our comprehensive approach to waste handling has led to SES being awarded with the Luxembourg SuperDrecksKesch (SDK) ecolabel 23 years in a row.

In 2023, SES launched a food waste programme that provides high-quality, healthy food to our shift workers 24/7. The programme involves storing excess food from the SES canteen in Betzdorf in vacuum-sealed, reusable jars labelled with ingredients and allergens information. This programme was created by our canteen in collaboration with Facility Management to provide nutritious alternatives to those working shifts while minimising food waste on campus grounds.

CASE STUDY: REGENERATING A RAIN FOREST

At the intersection of environmental conservation and technological innovation, SES has forged impactful collaborations with ClimateForce, contributing to transformative initiatives that range from reforestation efforts to facilitating crucial connectivity in challenging environments. The success of these endeavours not only meets our aspiration to be a leader in the satellite industry, but also underscores the positive impact that can be achieved through purpose driven collaboration and innovation.

In 2023 this partnership took us North Queensland, Australia, where SES contributed to the co-creation of organic reforestation methodologies through the pilot project Tropical ReGen. Situated on a 372-acre pilot property in Far North Queensland, Australia, Tropical ReGen aims to regenerate a rainforest corridor in the Daintree, the oldest rainforest system in the world. The farm, functioning entirely off-grid, serves as a relevant model for circularity and sustainable practices, managing its water, energy, and waste.

The farm borders two diverse ecosystems: pristine rainforest and mangroves. To restore the landscape to its original state, Tropical ReGen pioneers’ innovation in the regeneration sector, using cutting-edge techniques, technologies, and data collection methods. This includes drone scans equipped with Light Detection and Ranging (LiDar) capabilities, alongside research into virtual reality and spatial mapping. SES supports these operations by providing satellite connectivity services through SKALA and by empowering SES employees to actively participate in tree planting on the farm, fostering a tangible connection to SES’s environmental initiatives.

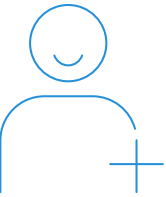
The success of this pilot project holds the potential to catalyse larger regeneration efforts throughout Australia, covering thousands of hectares. At SES we are proud to support projects like Tropical ReGen, which is at the cutting edge of climate technology innovation for biodiversity regeneration, sustainable farming practices, and the rural development of communities.





OUR SOCIAL IMPACT

CRITICAL HUMAN NEEDS



CRITICAL HUMAN NEEDS

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

- Drive SES connectivity in developing nations
- Support communities in crisis with disaster response capabilities



As a global leader in content connectivity solutions, SES has consistently utilised satellite services to enhance the well-being of people worldwide. By connecting individuals across diverse locations with content that informs, entertains, safeguards communities, drives business growth, and enriches lives, SES is committed to making a meaningful difference. Whether delivering content or connectivity, we are dedicated to exploring innovative ways to leverage space for the betterment of life on Earth.

Our business with its focus on space operations and capabilities helps to bring about the significant but often unnoticed integration of space into our daily lives. Critical services, including communications, air and maritime transport, financial services, GPS and weather monitoring, are all heavily reliant on space infrastructure and activities. We have the opportunity to use these capabilities to address major social and environmental challenges globally,

showcasing instances where satellites contribute, from monitoring climate change through earth and weather observation to facilitating education and health services in remote areas or refugee camps and supporting humanitarian aid in disaster-hit areas.

SES strives to positively improve daily life on Earth by using space technology as a catalyst. This thinking underlies the fourth pillar of our ESG strategy which is to make a contribution towards the Sustainable Development Goals by doing what we do best:

- Deploy SES connectivity in developing nations and measure the number of connected sites year over year in alignment with SDG 9 target 9.c
- Continue to support communities in crisis with mission critical disaster response and infrastructure capabilities, including assisting communities with training and development for a more resilient response capability.

ADDRESSING THE DIGITAL DIVIDE

In the developed world it is hard for us to imagine living without connectivity to essential services. Access to broadband links up society and provides us with the essential services to go about our modern day lives. But for billions of people life is very different and access to emergency aid, health, financial services and education is held back by the lack of what many of us take for granted. Access to broadband services is now the foundation for economic and social development.

SES works to bring together governments, telecommunications providers, and non-governmental organisation in communities around the world to work in partnership and close the digital divide. We can use our products and services to help by providing satellite capacity for mobile based stations, bringing broadband to the most remote and isolated places. Our close partnerships with our telecommunications clients are used to support them as they expand their networks and bring connectivity to more and more people around the world. In 2023 SES connected over 800 sites in more than 80 developing countries to deliver essential connectivity.

Mindanao, the Philippines

In August 2023 we joined forces with We Are It (WIT), the Philippines’ leading telecommunications service provider, to deliver connectivity services via the SES-9 satellite to 43 Filipino Commission of Election (COMELEC) offices. The partnership will see SES enable WIT to deliver reliable and secure connectivity to COMELEC offices in Mindanao, the second-largest island in the Philippines.

WIT will use SES-9 to meet the growing connectivity requirements for mission-critical government operations and digital services in remote regions of the country.

The Galapagos Islands, Ecuador

August 2023 saw SES unveil the first O3b mPOWER satellite terminal built for CNT, Ecuador’s largest telecommunications company. This new state-of-the-art satellite terminal will enable CNT to double the speed of the internet across the Galapagos Islands, while having zero negative impact on its fragile environment. The O3b mPOWER communications system is SES’s second-generation satellite constellation operating in medium earth orbit and is built on the success of its existing O3bconstellation. As well as increasing CNT’s capacity to 2.5 gigabits this new facility will enable the establishment of a free Wi-Fi zone for users in the archipelago.

Mexico

SES is working with the Mexican federal agency CFE Telecomunicaciones e Internet para Todos (CFE TEIT) to bring free Internet access in public areas, across the whole of Mexico. Reliable Internet connectivity will transform the lives of those living in underserved areas and close the digital divide in the country.

In 2023, CFE selected SES to deploy more than 1,100 broadband hotspots as part of the Federal Government initiative “Internet para todos” (Internet for everyone). The sites are enabled by the very high throughput Ka-band SES-17 satellite. SES powered Wi-Fi hotspots are being installed in strategic places such as public squares, community spaces, schools, and hospitals throughout Mexico to guarantee reliable Internet access for the entire population, especially for the most remote regions.

This collaboration is the second deployment of SES’s capacity under the initiative “Internet para todos” following on from over 1,000 free hotspots enabled via the SES-15 satellite last year.



French Guiana

SES is leveraging its ultra-high throughput SES-17 satellite and high-performance O3b mPOWER system to bring high-speed broadband to remote villages in French Guiana. This initiative will close the connectivity gap for more than 30,000 users across urban and rural population centres in the territory.

Funded in part by the European Union, the French Government and the

Collectivité Territoriale de Guyane (CTG), Marlink, the local network company, and SES will deliver high performance internet access of 30 Mbps across the country. The new local gateway infrastructure will enable the delivery of nearly 3.5 gigabits per second of high-powered satellite capacity bringing digital inclusion to remote villages in places like the Amazonian Forest in French Guiana.

INNOVATING FOR HUMANITARIAN RESPONSE

Natural disasters, wars and the impact of climate change are now ever more apparent. Each brings its own challenge in the form of a humanitarian response and that challenge is usually hampered by inadequate connectivity as vital infrastructure has been destroyed. SES deploys its expertise and technology in such situations to support communities deal with the aftermath of such crises ensuring aid and humanitarian support arrives swiftly and can be coordinated effectively on the ground.

SES’s public/private partnership with the Luxembourg government enables two services critical to providing connectivity during disasters and continuing to raise the bar of innovation for humanitarian response.

Emergency.lu

The emergency.lu platform was designed to provide quickly deployable communication capabilities for crisis situations. In operation since 2012 emergency.lu is a partnership between the Luxembourg government and three companies, including SES, and has supported the relief efforts during humanitarian emergencies in 25 different

countries around the world including Haiti, Nepal, Philippines, Mozambique, and Tonga. The emergency.lu platform is based on a global hub infrastructure and satellite capacity, both provided by SES.

Satmed

The Satmed platform is a global platform providing e-health applications, secure data storage and content management and satellite connectivity to provide telemedicine services where infrastructure and connectivity are lacking. The applications include e-health records, health information management, cloud services, e-imaging and radiology, e-learning and consultancy.

The platform is owned by the Government of Luxembourg and open to the global health community to make better use of digital health and technology services. It offers, to governmental and non-governmental organisations, a centralised software-as-a-service platform providing affordable, secure and protection of data privacy compliant access to digital tools that are currently deployed across the globe..

CASE STUDY: TURKEY-SYRIA EARTHQUAKE

On February 6th, 2023, a 7.8 magnitude earthquake occurred in southern Turkey near the northern border of Syria. This quake was followed approximately nine hours later by a 7.5 magnitude earthquake located around 95km to the southwest.

The first earthquake was the most devastating to hit earthquake-prone Turkey in more than 20 years. It was centred near Gaziantep in south-central Turkey, home to thousands of Syrian refugees and the many humanitarian aid organisations also based there. Thousands of people were killed and thousands more injured as seismic shocks toppled buildings and trapped residents under mounds of rubble. The region’s infrastructure was destroyed, and communication networks collapsed.

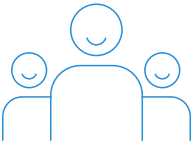
In emergency situations such as this rapid access to information about the situation on the ground is a critical need. It enables governments, NGOs, and emergency services to make an accurate assessment as to the response required and then to mobilise the resources that

will be needed. Once response teams are on the ground connectivity is essential to ensure those teams are coordinated as effectively as possible. The rapid transmission of information in natural disasters such as the Turkish earthquake becomes the difference between life and death.

Once news emerged of the Turkish-Syrian earthquake a first emergency.lu kit was mobilised and despatched within hours. It arrived in Turkey accompanied by members of the Luxembourg Humanitarian Intervention Team (HIT) who are expert in deploying the platform in the field. The equipment was taken to the province of Hatay, which is close to the Syrian border to restore vital communications following the complete breakdown of the telecom infrastructure.

A second emergency.lu kit was sent a few days later to support the set-up and operation of a field hospital in Kirikhan around 40km from Hatay. Inspired by the efforts of their co-workers SESers fundraised amongst themselves a total of 4,300 Euros to go to the relief effort.





DIVERSITY AND INCLUSION

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

- 24% females by 2026 in People Manager positions
- Supplier/customer sustainability rating and diversity program by 2025



DIVERSITY AND INCLUSION GRI 2-7, GRI 401-1, GRI 405-1

A diverse workforce and inclusive environment are not just important in and of themselves, we see them as being integral to our success. Our business and our industry will be better driven forward through a diverse workforce that brings different perspectives, experiences, and skills, resulting in better problem-solving, creativity, innovation, and understanding of our customers’ needs.

At SES, we take meaningful actions to create an environment where everyone feels valued, respected, and is empowered to thrive in their own unique way. Beyond the numbers and targets we set for ourselves, we help nurture leaders who are inclusive, create safe spaces and inspire others.

Diversity and Inclusion is about creating an environment where any person is welcome to work with SES regardless of gender, gender identity, age, background, ethnicity, ability, stage in life, or sexual orientation. We recognise that, at this moment, we are still limited in measuring diversity at a global level, mainly through the gender dimension. We believe that the measures we continue to take to support women, help not only women, but lead to creating an environment in which all SESers feel included.

As we promised last year, we delivered the strategy of “Women in Leadership” in 2023, which is in line with the targets that we set back in 2021. Promoting

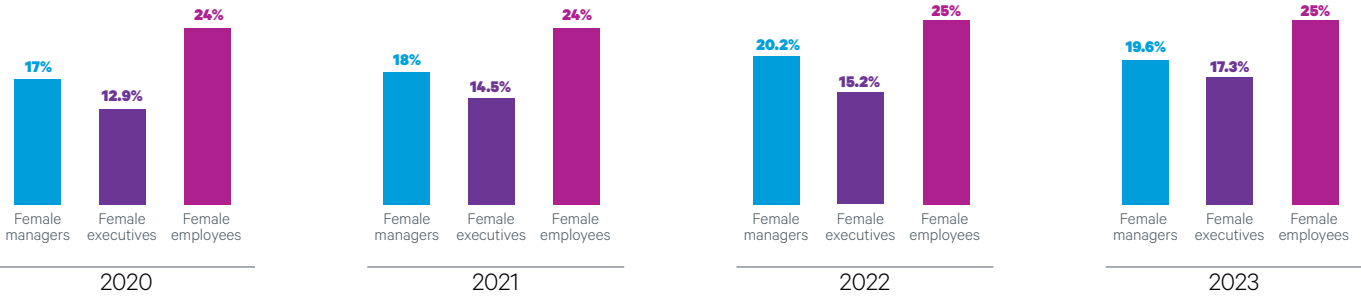
meaningful change while retaining and advancing a talented workforce requires a sincere understanding of the experiences of women. Disseminating this understanding across all-male teams is imperative for progress. In a proactive step earlier this year, we announced our 2023 focus on Women in Leadership, featuring the "Real Talk" initiative—a series of three workshops designed to raise awareness amongst the Senior Leadership Team, of what is happening within SES and equipping them with the tools needed for engaging in challenging conversations.

Women in Leadership and people management positions GRI 2-7-a

We are already seeing real results in female representation across the business since targets were first set in 2019. Female representation as a percentage of total group headcount is up by 1.1% and the number of women in people management roles increased by 3.3%, taking us nearer to our target of 24% by 2026.

We now have 4.4% more women in executive positions since 2019 making a total of 17.3% of women in these positions against our target of 50% by 2026. We have seen the number of women working in operations and engineering increase by 1.4%, now making up 15% in these two areas.

Evolution of female representation by year and segment



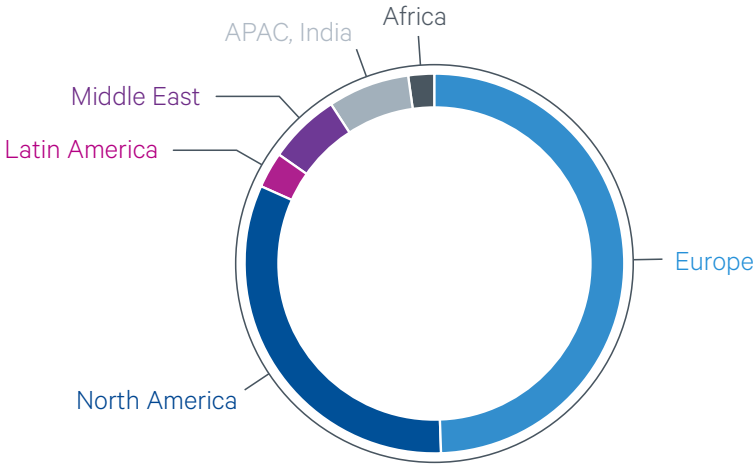
Driving Diversity

As a global company operating from 32 different locations, it is important for our workforce to bring those differing international perspectives. As of end of 2023 our workforce has representation from 89 nationalities. We have a good age distribution across the business and the average age of our workforce is 43 years old.

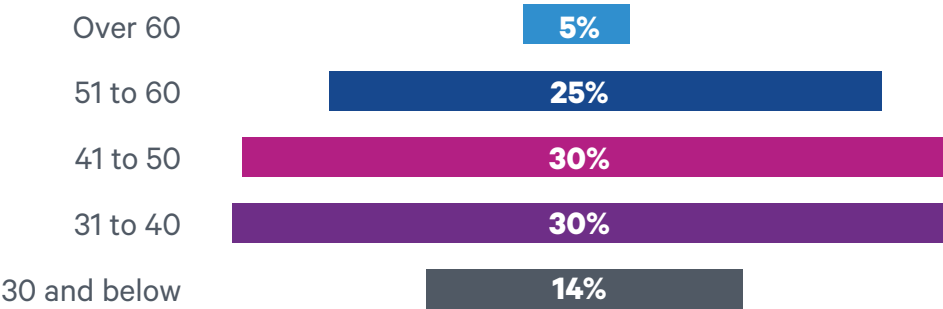
Talent Acquisition

Diversity by the numbers: In 2023 we hired 249 people of which 59% in Europe and 34% in North America

Employee nationalities 2023



Employee age pyramid 2023



OUR D&I ACTIVITIES IN 2023

We encourage our employees, including our senior leaders, to come together throughout the year to celebrate diversity and promote an inclusive culture at SES.

European Diversity Day May 2023

Every year Luxembourg recognises May 23 as EU Diversity Day. This year, 2023, Corinne Cahen, Luxembourg Minister for Family Affairs and Integration and Christian Scharff, President of Intitut pour le Mouvement Societal Luxembourg, joined us at our Betzdorf office to celebrate the day. SES is a signatory to the Luxembourg Diversity Charter which contributes to Luxembourg’s progress and innovation in the fields of diversity management and integration.

Pride Month June 2023

In June we celebrated Pride Month with several initiatives designed to celebrate issues around gender identity and sexuality. Activities included Workshops ran by L’autre Cercle, an organisation that supports those involved in diversity and inclusion management in the professional world. The 2-hour Workshops took a closer look at gender identity, with a focus on transgender and non-binary individuals. The aim was to help SESers understand the differences between sex, gender and sexual orientation and give participants the opportunity to explore different actions for improving the inclusion of non-binary and transgender individuals in their teams.

Women in Leadership Event October 2023

On October 26 SES hosted a Diversity Day event with the title “A Stellar Celebration of Women in Leadership.” At the event women in our own executive team shared their compelling stories on the path to leadership and talked more about SES’s Diversity & Inclusion plans going forward. On the day we announced

our new Women in Leadership coaching initiative. This initiative comprises a 3-to-6-month coaching programme open to all women in grades 10 and above and is designed to help us reach our targets of 24% of people management roles being held by women and 50% of all executive roles held by women by 2026.

“Real Talk”

Our Senior Leadership team took part in three 60-to-90-minute sessions with experts in the field of promoting women into senior leadership roles. The sessions were focused on raising awareness of the issues women face in the workplace and fostering understanding of how to create positive space for women to flourish. The sessions worked to provide the tools to support our Senior Leadership Team lead conversations that enable women to communicate their aspirations but also the barriers they feel they face as they seek to build their careers and advance into senior roles themselves.

#IamRemarkable

The global Google initiative, #IamRemarkable, that aims to empower everyone, especially women, once again helped us support female employees realise their aspirations within SES. This time we ran a Workshop that explored the issue of “imposter syndrome” which holds so many women back with feelings of inadequacy and lack of confidence. This was a live event with the international speaker and author of “The MORE Method”, Jen Goover. Our aim was to help our female employees develop a toolkit and the mentality to reframe the negative image they may have of themselves into something much more positive. .

Equality and Inclusion Working Groups

Our Equality and Inclusion Working Groups comprise employees from across the business who have volunteered to support our drive to create a more inclusive and supportive working environment for all our people. We believe our own employees are best placed to tell the business what is required to ensure that any barriers to career development are removed. All our D&I groups are engaged in developing policies and strategic proposals which are presented to the Senior Leadership Team with the aim of driving greater workforce diversity.

There are three Equality and Inclusion Working Groups each with a different area of focus:

- The Gender working group focuses on achieving increased opportunities for all women or any person identifying as a woman inside and outside SES.
- The Ethnicity working group focuses on striving for better representation and opportunities of ethnical minorities at all levels within and outside SES.
- The “general” working group has flexibility to tackle other topics equality and diversity-related topics and can choose its own focus area.

Engagement with Industry and Society

We believe that engaging with external stakeholders across industry and society will help us drive forward our own diversity and inclusion programme. It is also an opportunity for us to give back to our communities and seek to be a leader in our industry when it comes to establishing platforms and partnerships

to create policies aimed at advancing a more diverse, inclusive and dynamic workforces across the space and telecommunications industries..

Stem Education Initiatives

The key to promoting greater diversity in the workforce is ensuring the next generation whatever their gender, gender identity, age, background, ethnicity, ability, stage in life, sexual orientation, think of a career in Science, Technology, Engineering and Mathematics (STEM). We have a wide-ranging programme of industry and educational collaborations and partnerships to support this aim.

Space & Satellite Professionals International (SSPI)

We collaborate with SSPI including one female employee on the board actively participating in events and projects to increase women across the industry.

Brooke Owens Fellowship Programme

The Brooke Owens Fellowship is designed to serve both as an inspiration and as a career boost to capable young women and other gender minorities who, like Brooke, aspire to explore our sky and stars, to shake up the aerospace industry, and to help their fellow people here on planet Earth. This is completed by matching up to forty students per year with purpose-driven, paid internships at leading aerospace companies and organisations and with senior and executive level mentors. SES encourages having a platform for women in STEM to share their ideas, discuss issues and eventually implement change within the industry and promote women in STEM for the future generations.



International Space University

SES is a proud partner of the International Space University (ISU) in developing future leaders of the world space community. We work with the University in developing talent through guest lectures or workshops from SES subject matter experts, professional visits, internship opportunities and even scholarships to cover partial or full tuition fees. In 2023 we included one female employee to their Executive Space Course in March of 2023

America On Tech

America on Tech (AOT) is an award-winning, early pipeline tech talent accelerator on a mission to decrease the racial wealth gap by creating pathways for underestimated students to thrive in technology and innovation. AOT is committed to creating employment pathways by developing, mentoring and providing support to young people of colour between the ages of 16-24. 85% of AOT students identify as African American and/or Latinx and 56% identify as women or gender non-confirming. For Summer 2023, SES has agreed to sponsor two interns from AOT in addition to sponsoring the 2023 Innovators and Disruptors Awards. Lastly, SES will allocate two guest speakers to deliver relevant content regarding satellite telecommunications

Florida International University

We are building relationships with targeted schools who prioritise diversity and inclusion in their values. Last year we worked with Florida International University (FIU) due to their proximity to our Miramar office. FIU is the #1 university in graduating women in Computer Science and the #1 university in graduating minorities within the state of Florida. SES was lucky to place two interns in Miramar to support Maritime Analytics and will continue to develop this relationship in years to come. The interns both come from first generation LatinX families which was great visibility for SES and FIU

Thomas More

SES is always building future-proof, meaningful collaboration with programmes and universities in its field. In this regard, we received for an afternoon some students from the Thomas More University in Belgium and their teacher. As one of the biggest Applied Sciences schools in the country, and its hands-on approach, we hope to have shared our passion for space with the next generation.

DIMAS (Diplome d'Initiation aux Metiers Aeronautique et Spatiaux)

SES welcomed two groups of high school students participating to the DIMAS training (Diplôme d'Initiation aux Métiers Aéronautiques et Spatiaux) provided by the Luxembourg Flight Training Academy (LFTA). This programme aims to make secondary school students discover the aerospace sector, professionals and opportunities, and perhaps even encourage a career in this field later on. Thanks to these visits, SES hopes to find young, motivated professionals to join us once their studies have been completed.

Space goes to school

This is our initiative to reach out to the next generation of would-be workers in the field of space technology. We are aiming to bring to the attention of young people from a range of diverse backgrounds the opportunities that exist in our industry and working with SES. We deliver this programme through the auspices of the ESERO (European Space Education Resource Office) project and our partnership with LSC (Luxembourg Science Centre) the host of ESERO Luxembourg that we signed last year. As part of the programme SESers visit primary and secondary schools in The Netherlands and Luxembourg talking about space, satellites and the opportunities to build a career in this exciting industry.

Mission to Mars

SES Space and Defense sponsored the Sterling Elementary School Mission to Mars initiative in 2023. Sterling is located in rural Alaska, where SES SD provides satellite communications support, providing connectivity to local remote communities, including schools, medical facilities, etc. Mission to Mars is an annual project run by an enthusiastic teacher, where the students act as astronauts in a simulated space

mission over the course of a week. The students each received their assigned roles in completing the mission, suited up in their SES SD provided space suits, build their space shuttle, and began their mission. The Global Network Operations Center was present to act as mission control, providing the team with their mission and counting down to take off. We hope to continue our partnership with the elementary school and grow the programme to other schools across the state.



EMPLOYEE MATTERS

As a global company that employs more than 2000 people, we are committed to building a diverse, inclusive and engaging workplace where everyone can benefit and develop in their work. We are committed to providing a safe and healthy working environment, where our employees feel empowered to take ownership of their careers; and create a community where innovation and creativity can thrive. This depends on the learning and teaching which we provide, as well as policies which protect the fundamental human rights of our people, and where everyone feels included and valued. Our business success at SES is driven by our ability to support our employees to meet their goals through a thorough understanding of the culture and environment they work in and delivering exceptional people and culture working practices for all.

Attractive and Fair Compensation and Benefits

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

Key Principles

We benchmark our total compensation against local practices of other global organisations with the Information Communications Technology (ICT)CT industry as a reference point. Our total rewards include annual base pay, bonus linked to individual, departmental and group financial targets, benefits aligned with local practices as well as long-term incentives to position the Company as a global employer of choice. Being fair and consistent is at the heart of all our compensation & benefits related decisions, whether it is on job grading, salary increases, promotions or benefits. We undergo a global gender pay gap analysis on an annual basis.

Our Employee Rewards & Recognition Programme celebrates achievements through either:

- CEO Award – recognition on a company level for special efforts related to key projects.
- Management spot awards – monetary bonuses as recognition for great work.

Peer recognition through “Thank You letters” and “Dinner on us”

Performance Management GRI 404-3

SES uses an Annual Performance Review (APR) process to manage and support employee performance, enabling managers to make more accurate decisions on promotion, succession, compensation, and employee evaluation. SES aims to drive employee development and engagement, align employee's work with business objectives and hold employees accountable through continuous monitoring and feedback loops. Upon employee performance

evaluation, SES sets critical areas of improvement and structures its learning and development initiatives, accordingly, targeting both hard skills that are required by ICT and space and telecommunications industries as well as soft skills that enhance employee personal development.

Modern Working Conditions

Working conditions are being increasingly influenced by working hours, workplaces, the work environment, the level of employee empowerment and a state-of-the-art, growth driven management culture. The length of our employees' workweek is generally regulated by the company or by a collective bargaining agreement. Today's living and working conditions require working times to be flexibly organised in accordance with individual needs. We help employees reconcile their professional and personal responsibilities and boost their flexibility and self-determination by giving them the opportunity for mobile working. With COVID-19 forcing most of us to work from home, we adapted conditions and flexible working to accommodate the safety and needs of our employees. Further options for flexible working today include job sharing, part-time work, phased return from leave and reduction in work time.

Health and Safety GRI 403

Throughout our business, we dedicate the necessary resources to perform risk assessments aimed at protecting all our employees, customers, and partners. We follow the ISO45001 norm “Occupational Health and Safety Management System” issued by the International Organisation for Standardisation. The purpose of our health and safety management system is to provide a framework for managing health and safety risks and opportunities. This framework is shared with all stakeholders and everyone at SES is aware of and commits to it.

The SES headquarters complies with Luxembourg legislation, and we apply

the SES health and safety management system at the Betzdorf (Luxembourg) site. To fully cover the nature of our business around the world we implement a global Environmental, Health and Safety framework that meets or exceeds the environmental, health and safety legislations applicable in the countries in which we operate.

We integrate environmental, health and safety in the management of all business activities focusing on preventing accidents and ensuring the sustainability of our activities, products and services. In every SES site there is at least one person appointed for Occupational Health and Safety activities. There is a dedicated Environmental and Social Governance and Health and Safety task force to support all employees worldwide. This task force discusses during regular reviews major impacts, actions, risks, and opportunities. Its members regularly report to the SES leadership team regarding all major activities

Training and Education GRI 404

At SES we are focused on providing the best learning and development environment our employees can have. We recognise that providing access to leading edge training and education content and delivery platforms ensures SES remains for our people an attractive organisation to work for and ensures we continue to have the right skill set needed to provide our customers with the business solutions they need in a competitive marketplace.

In 2023 we built on the progress of previous years in diversifying the range of training options we offer and the way those options are delivered. Since Covid we have seen a return to face to face on site training options which complement the remote learning which helps us reach employees of 75 nationalities operating in 34 countries. Our aim is always to be a leader in how we support the learning and development needs of our people so in 2023 we sought to support our



continuous learning culture with the adoption of Modern Workplace Learning (MWL.)

The move towards MWL is being driven by the recognition that learning and development is now a strategic core function for SES as today’s marketplace becomes ever more dynamic and complex requiring a constant evaluation of the skills we have at our disposal. Furthermore, we recognise that our people expect that continuous learning to advance their employability with us and with others if they so choose should be part of the package of benefits a modern employer should offer. Finally, there has been a societal shift in how people now want to learn. Some of this is being facilitated by new online learning tools but it is also a shift in mindset with individuals seeking out for themselves the knowledge and insight they need rather than waiting to be taught or trained as was the case in the past.

Over the last year we adopted priorities driven by our new approach:

- We promoted upskilling and credentials maintenance for Project Managers providing certification opportunities for 32 Project Managers and we supported PDUs currency through an on-site course.
- We launched our BEAM Ambassador programme which is a global network of SESers sharing their expertise in specific areas of the business with the larger SES community. The BEAM Ambassador programme is a recognition that SESers will seek out knowledge from those around them and that such a process of learning from our peers can be more relatable and authentic. We currently have BEAMERS, has they have become known, in seven countries who act as role models when it comes to training and development as well as helping their fellow employees navigate the many learning options we provide across the business.
- We made LinkedIn Learning available

to all our employees. All SESers have 24/7 access from their desktops and mobile devices to a content library of over 20,000 courses, all taught by today’s leading industry experts and thought leaders. SES has partnered with Microsoft to provide SESers with world-class learning through an Enterprise Skills Initiative (ESI). The ESI includes Project Readiness Training enabling SESers to collaborate with Microsoft Technical Trainers for coaching to achieve a specific SES deliverable; Microsoft Learn Shows with instructor-led training; and customised SES learning paths comprising bite-sized videos, courses audio content or comprehensive learning paths in seven languages.

- We supported our continuous learning culture by integrating our LMS into the systems and tools we use every day. This involved work to automate some of our manual processes with API integrations into our LMS365 platform including automating the delivery of Digital Badges to badge earners. Digital Badges was a new development for us in 2023 enabling our people to clearly and transparently show the progress they were making in their career through the use of our learning and development tools

At SES we provide our training through a Learning Management System (LMS). The LMS makes it easy for our employees to search and sign up for courses they see as relevant to their area of work as well as access the mandatory training required by all SES members of staff. The LMS also allows us to track attendance at courses and maintain record keeping.

Functional and technical training

GRI Disclosure 404-2 Programmes for upgrading employee skills and transition

Our approach to training is to support our employees as they request training to develop their skillset and ensure that

all employees receive the training, they need to understand SES’s position as a responsible corporate.

Our key principles for managing these efforts and allocating the budget are as follows:

- Everyone in the company has access to the SES&Me Learning page, as we are running L&E as a shared service.
- Everyone in the company can in principle sign up for course in the SES learning calendar – classroom, remote, internal e-learning, or MOOC (external e-learning).
- Everything in the Learning calendar is paid for from the central L&E budget, no back-charging is done to the participants department or cost centre.
- Any manager can assign any training in the catalogue to someone in their

team via the SES&Me Learning page. Before attending any external training, employees submit an “external request” in the SES&Me Learning page, approval is required from line manager and from L&E to allocate the budget.

- External trainings and events organised for a specific department or team are charged to that area’s functional training budget.
- Tuition assistance for graduate or post-graduate studies is available under certain conditions, but it is not a pre-approved entitlement.

COMMUNITY IMPACT **GRI 413**

Giving Back to our Communities

Providing our employees with the opportunity to volunteer for charities and not-for-profits during working hours, is another way we can give back to the community and help deliver against our ESG goals. We know that such work also helps build strong teams and boosts morale. We encourage fundraising for good causes via our Global Giving Initiative and our Employee Matching Programme

Corporate Led Initiatives
Global Giving Initiative

Global Giving Initiative allows individual offices to nominate organisations or local community initiatives that anyone at SES can choose to donate to or fundraise for. SES endorses the chosen organisation or cause based on the difference SES can make, whereabouts in the world the organisation is based and which community it will help, and the levels of involvement required – from volunteering to fundraising. The whole SES community is then mobilised to help.

In 2023 we sponsored our second Game Day, harnessing the popularity of online gaming to raise money for good causes. This year the money raised was destined for research into Multiple Sclerosis and to support patients and their families. US\$8,500 was raised by SES employees.

We also promoted charity runs and sport events as the Relais Pour La Vie. This year 48 SES employees joined and raised Euros 2,200 to fund cancer prevention, screening, research and support patients and their loved ones.

We also combined our charitable efforts with our customers bringing together SESers with some of our most important corporate clients in a joint charity bike race. 30 colleagues working in SES Video Service Operations teamed up with 30 customer representatives from the BBC and UKTV to cycle 400km to raise funds for two charities focussed on reducing hunger and feeding the most vulnerable: foodbanks in the UK and Die Tafel in Germany.



Employee Matching

SES is proud to match the donations on a dollar-for-dollar basis our colleagues make to a wide range of charities. Every year a list of good causes is drawn up for our people to choose from and we will match the money donated up to Euros 1,000 per employee per year. The list of charities is added to in the event of natural disasters or other emergency situations. In 2023 donations were made and matched by SES to help those impacted by the Moroccan Earthquake and the storm in Libya.

Social Fund

SES has a Social Fund that can be accessed by employees and their immediate family in unexpected and unplanned for emergency situations. Our Social Fund provides a financial security net to those who are part of the SES community and need financial support. SES has provided an initial contribution of €50,000 to the fund in 2021.

Employee Led Initiatives
Giving Back Days

Volunteering in the local community brings many benefits to our employees as well as helping a variety of good causes. To encourage volunteering in this way SES grants its employees two days per year paid leave to ‘give back’ to a cause that is important to them. In 2023 our employees registered a total of 173 days giving back days granted by the company to enable them to participate in activities with a positive social or environmental impact.

Sharity

The Sharity programme focuses on small scale local development projects from around the world in communities close to our employees’ hearts. The projects chosen to feature in the scheme come from range of sectors including education and health, protection of children, protection of minorities, women’s rights, and environmental and sustainable development causes. During 2023 Sharity supported three projects in Bulgaria, Rwanda and Tanzania respectively aimed at supporting the care of children with special needs, the education of children from vulnerable families and access to schooling for girls.



HOW WE OPERATE OUR BUSINESS

Achieving our ESG ambitions requires strong foundations around the business. Our procedures, policies, and the way we manage our people must be clear, well-communicated and above all be guided by the highest levels of integrity. Our customers must be sure they are being listened to and our employees must feel valued, well rewarded, and safe. The

communities in which we operate should benefit from our success.

We must ensure that the way we run SES does not just meet the many legal and regulatory requirements of today but is reflective of our aspiration to be a leader in terms of compliance and business excellence.

CUSTOMER CENTRICITY

Our ability to deliver a high-quality, differentiated experiences is critical to the success of our corporate strategy. Capturing the views of our customers enables us to focus on customer engagement and ensure their needs remain at the heart of everything we do as a business.

To foster continuous customer engagement, SES runs a Net Promoter Score system through its annual customer survey. In 2023, SES’s NPS score was 54, a sharp increase from 2022 (NPS: 39) and an important milestone in our customer centric journey.

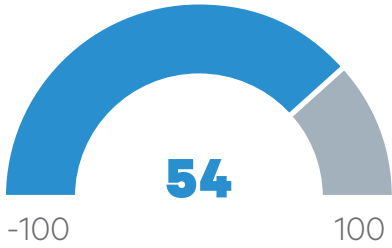
The data we receive is complemented by a programme of customer interviews providing greater clarification and a deeper understanding of our customers’ feedback. This direct interaction not only reinforces our customer relationships but also provides invaluable insights, helping SES improve customer experiences. Furthermore, by sharing customer feedback with the relevant teams, we ensure that customer needs are known, fostering customer centric behaviours.

As SES progresses, it continuously refines its NPS system. Our goal is to enhance our customer experience by actively closing the loop on customer feedback enabling a continuous improvement practice. We are confident that these advancements will further improve the way we serve our customers, ensuring that our customer journeys

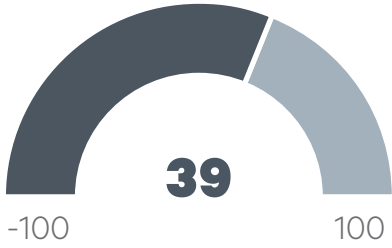
deliver a positive and differentiated customer experience.

Putting our customers at the heart of what we do is further promoted through our Customer Advisory Board (CAB.) Every year our Senior Leadership Team gets together with C suite executives from our customer base in the form of our Customer Advisory Board. The CAB enables us to engage with strategic customers and directly hear their feedback on our shared relationship. Through this important forum we can gain a thorough understanding of the issues, challenges, and industry trends impacting SES partners and customers. This forum enables SES to include the voice of its partners and customers in the development of our strategy and the design of future products and services. The CAB helps solidify relationships between SES and its customers; building and retaining strong links that help promote trust and loyalty which are key values in establishing mutually beneficial long-term connections. This year at the CAB we discussed key ESG issues shared between SES and our customers including topics such as our environmental impact, employee matters, diversity and inclusion and increased transparency. Our engagement with the customers on these issues ensures our stakeholder alignment and reveals opportunities for collaboration for joint impact as an ecosystem.

Net Promoter Score 2023



Net Promoter Score 2022



ETHICS **GRI 2-23 AND GRI 2-24**

At our core, we are driven by our commitment to make a positive impact in the world. This commitment permeates every facet of our organisation from the products and services we offer to how we conduct business. Our unwavering ambition to “make a difference” extends beyond profit margins – it encompasses running our business responsibly with the aim of having a positive impact on society and the environment. By adhering to rigorous ethical standards, we not only safeguard our reputation but also contribute to the well-being of the communities in which we operate.

Managing compliance risk requires constant vigilance. At SES we manage this risk through our Compliance Committee. The Compliance Committee is composed of designated Compliance Officers in each main corporate location and is tasked with raising awareness amongst our employees of the Code of Conduct and the specific compliance risks we face where we do business. The Compliance Committee meets regularly to discuss important topics and issues that may impact how we do businesses ethically.

CODE OF CONDUCT **GRI 103-204**

Our Code of Conduct is designed to ensure everyone at SES knows how we want to do business. For us the right way of operating is trust-based, reliable and based on ethical values. Every one of us at SES plays a role in making this happen.

SES’s Code of Conduct defines everyday business conduct and guides employees in how to make sometimes difficult business decisions. Our Code of Conduct makes it clear that unethical behaviour is unacceptable at SES and therefore will be investigated and if necessary, addressed through various measures.

The Code discusses a range of issues including bribery and facilitation; political activities; sanctions; export controls; competition/antitrust; anti-money laundering; intellectual privacy; antiboycott; insider trading; conflicts of interest; fair employment; harassment; contractors and agents; data protection; fundamental rights; the environment; health and safety; and the use of social media. Many of these topics are addressed in separate detailed policies. SES has implemented a mandatory compliance training programme for all employees on our Code of Conduct.

Human Rights, Modern Slavery and Human Trafficking GRI 2-23-b
SES believes that respect for human rights is important for every responsible business. Our human rights policy sets out how we are to operate in accordance with international initiatives and standards such as the Fundamental Conventions of the International Labour Organisation; the UN Universal Declaration of Human Rights; and the UN Guiding Principles on Business and Human Rights. In line with our ethical standards of doing business we expect all employees to avoid causing or contributing to any adverse impact on human rights. Wherever possible we encourage our employees to be proactive in the advancement of human rights of all people.

All forms of modern slavery, forced child labour, exploitation and discrimination are explicitly prohibited by SES and we will not do business with any person or entity that engages in any form of modern slavery. Our commitment in this area is highlighted in our Code of Conduct and can be found in the legal documents that govern our relationships with suppliers, partners, and customers.

SES’s contracts with its suppliers also contain a provision stating its suppliers cannot novate or subcontract any right or obligations to any third party without the written consent of SES.

We do not see any elevated risk of child or forced labour at any of our SES locations or in our activities. SES was also not aware of any cases of human rights violations within the scope of its own business activities during the reporting period. The nature of SES’s business means that the majority of our suppliers are large international companies providing complex technical services relating to the space industry through highly skilled professional employees. Our 50 largest suppliers account for approximately 80% of procurement spending. SES does not procure a material amount of goods or services in sectors that are considered high risk for human trafficking or slavery (such as agriculture or horticulture, construction, textiles, catering and restaurants, domestic work, and entertainment).

SES publishes an annual statement in accordance with Section 54 of the UK’s Modern Slavery Act 2015. This statement outlines the measures SES has taken to prevent slavery and human trafficking in our supply chains and business operations. You can find the complete document in the ESG Governance section of the SES website.

Anti-Corruption/Bribery GRI 205-1 and GRI 205-2

SES makes clear to all its employees that it takes a zero-tolerance approach to bribery and corruption in all forms. SES complies with all anti- bribery and corruption laws in the countries in which it operates. SES’s position on bribery and corruption is captured in the Code of Conduct training that all employees must take. Additional in-depth training is required for employees who are at a higher risk for encountering situations that may raise bribery or corruption concerns. SES employees may never solicit or accept a bribe, kickback, or any offer, promise, gift, present or benefit whatsoever that could be perceived as corrupt.

SES also expect the same compliance from our suppliers, business partners and third parties that work on our behalf. Our compliance in this area also extends to the due diligence we perform on any third-party agent we appoint. These third-party agents are subject to a risk assessment based on several elements, including the country of operation and the type of business. We also reduce the risk of bribery through a clear process for gifts and entertainment. All relevant policies in the area of anti-bribery and corruption can be found on a dedicated intranet page and any further guidance can be provided to employees via a dedicated e-mail address.



SES ESG AND COMPLIANCE
REGULATION AND POLICIES

We made a number of changes in 2023 to underline our ongoing commitment to compliance. We published an AI policy designed to help navigate the ethical challenges created by this new technology; we enhanced our policy against harassment to provide greater reassurance and support to those who believe they have been a victim of harassment; we expanded our confidential Global Compliance Hotline to customers and vendors; and we introduced a Code of Conduct for Suppliers making clear our expectations in areas such as human rights, forced labour, the responsible sourcing of minerals, and environmental responsibility.

SES main ESG policies and regulations	
Ethics	Global Trade Compliance policy
	Sanctions Compliance policy
	Code of Conduct
	Hand-Carry policy
	Anti-Corruption and SES Gifts & Entertainment Policy
	Sales Agent policy
	SES Antitrust Compliance Policy and Guidelines
	SES Dealing Code
	Global Data protection policy
	Information security policies
	SES AI policy
	Tax Transparency Charter
	SES Corporate governance Charter
	SES Remuneration Committee Charter
Supply chain	Supplier Code of conduct
	Procurement policy
Human capital	Policy against harassment
	Health and Safety policy
	Flexible working arrangement policy
Environmental management and climate change	SES Environmental Health and Safety Charter

Policy against harassment

Making a positive impact in the world starts with ensuring the welfare of our employees. Delivering on our goals cannot be achieved without motivated employees who enjoy working with us and feel protected. In 2023 we updated our policy against harassment which is key to creating a safe, inclusive, and supportive working environment. Individuals who believe they have been impacted by harassment can now request assistance to support them through the reporting procedure. This is in recognition that raising an issue of harassment in the workplace can be difficult for many people. We have also in the spirit of transparency committed to providing updates on the process and outcome of any claim to the individuals concerned.

We believe that education is a powerful tool in preventing harassment, and all SESers are required to undergo anti-harassment training. This training is designed to increase awareness, provide tools for intervention, and foster a workplace culture that rejects discrimination and harassment in all forms.

Artificial Intelligence Policy

As SES embraces the opportunities and challenges presented by the rapid advancement and adoption of Artificial Intelligence (AI) technologies, it is essential that we do so responsibly, within the framework of our organisational values and principles. This year we published an AI policy to help all SESers to apply AI in a secure and sustainable way while adhering to existing privacy, security, and compliance policies. Through this AI policy we strive to promote innovation and drive efficiencies within our organisation whilst managing the related risks of this new and exciting technology.

Group Tax Charter

For SES being a responsible business means being open and transparent

when it comes to our tax strategy, policy, and reporting. This includes the way we conduct our relations with the tax authorities, aiming for accuracy and timeliness when fulfilling our tax obligations in accordance with the letter and spirit of the relevant tax laws and always within the context of a cooperative dialogue.

In 2023 we proactively reviewed our legal entity structure and operations in low-tax jurisdictions, whether historical or gained through acquisitions and have eliminated any residual legal entities in such jurisdictions where they no longer serve an ongoing operating or commercial purpose. We file country-by-country tax reports and will, starting not later than 2024, also be making certain tax information available in line with the approved EU public country-by-Country reporting directive. The Group Tax Charter can be found on the SES website.

Environmental, Health and Safety Charter

At SES, we are committed to protecting the environment and ensuring the health and safety of our employees, customers, and partners. That is why we have created the Environmental, Health and Safety Charter, which outlines our policies and expectations for environmental protection across our value chain.

The Environmental, Health and Safety Charter is a policy statement from SES that describes a systematic approach to identifying, evaluating, and managing environmental, health, and safety risks through teamwork and leadership commitment. It outlines SES's commitment to continuous improvement, communication, education, and training in the areas of environmental protection, health, and safety measures and serves as a guide for the organisation to achieve its goals in these areas.



In 2022, we instituted a major redesign of our compliance training process. From that date all SES employees are required to complete four mandatory trainings: General Data Protection Regulation (GDPR), Code of Conduct, Harassment Prevention, IT Security Awareness Foundations. There are four additional mandatory trainings assigned based on an employee's department or function: Sanctions, Anti-Bribery, and Export Compliance, and Antitrust. These courses have very high compliance training completion numbers for the employees in scope. While each course has a different completion rate, on average over 90% of the employee population is trained on all the courses with the highest completion rate for Code of Conduct training at over 95% completion.

Export and Sanctions*

In 2023, as part of our ongoing commitment to compliance and ethics, we took significant steps to enhance our online Global Compliance Hotline. One pivotal initiative was the expansion of our hotline to include not only our internal stakeholders but also our customers and vendors. The hotline serves as a vital channel for reporting any concerns related to any aspect of SES's activities. The hotline offers an anonymous and confidential route for individuals to raise their concerns. Whether an employee, a customer, or a vendor, everyone can use this platform without fear of reprisal.

We address cyber security as a priority across all key areas of our business – from customer hand-off points, where we receive data through our secure network and ground infra-structure, up to satellite, and back down to the customer application at a remote site. Our satellite fleet features modern encrypted control technology and anti-jamming capability. On the ground, SES infrastructure is protected by physical access control and a sophisticated internal security framework with multiple layers of firewalls, anti-virus scanning and network intrusion detection and prevention systems. A dedicated security operations centre provides 24/7 monitoring of cyber threats and state-of-the art incident response capability.

Our Information Security Management System (ISMS) has been certified by independent auditors to the leading information security standard ISO 27001. Our Business Continuity Management system is operated in accordance with the ISO 22301-2019 international standard.

SUPPLY CHAIN MANAGEMENT

Running our business according to the principles of sustainability requires clear processes and procedures beyond our own operations. At SES every aspect of our business is expected to support our ESG goals. This applies to how we manage our supply chains. We expect our suppliers to commit to responsible business, social and environmental practices as well as carry out their business as we do in compliance with all applicable laws and regulations and observes the highest standards of business ethics wherever they are in the world.

In 2023, we introduced a revised Code of Conduct for our suppliers. The new Code outlines several critical areas that suppliers are expected to support to align with broader sustainability goals. The Human Rights section has been expanded and now includes specific references to the ILO International Labour Organisation Standards and subsections on Child Labour, Forced Labour, Mineral Sourcing, and Freedom of Association. The Environment section has also been expanded and now includes a link to our recently elaborated Environmental, Health and Safety Charter, as well as a section dedicated to Sustainable Product and Process Development. The Information Security section has been extended to include a reference to intellectual property rights.

We hold our suppliers to high standards when it comes to their treatment of workers. Specifically, we expect our suppliers to treat their workforce with dignity and respect, which include

providing a work environment that promotes healthy working conditions, and compliance with International Labour Organisation (ILO) standards. These standards cover crucial aspects such as working hours, rest periods, maximum consecutive workdays, and annual leave, etc.

We encourage our suppliers to establish a robust Environmental Management System (e.g. ISO 14001, EMAS or comparable) which would ensure, among others, safe handling of chemical and hazardous materials, proper treatment and disposal of waste and wastewater, as well as minimisation of energy use, waste, or any other form of pollution.

By adhering to these principles, our suppliers contribute to a sustainable and ethical supply chain.

We observed an increasing focus within the company on the sustainability practices of our suppliers. A worthy initiative was taken by our Brand, Strategy and Development team that, in conducting an accreditation programme of their suppliers during 2023, proactively incorporated ESG criteria into the evaluation. Through the analysis of various documents and a series of interviews, we had the opportunity to engage with these stakeholders and gain a better understanding of what sustainability means to them, their constraints, and the possibilities of their industry. Through these sorts of initiatives, we want to show concretely how central it is for us to work with partners that hold and surpass the same values in sustainability as we do at SES

REPORTING STANDARDS AND APPENDIX

GRI Index

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

SASB

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

UN Global Compact

SES is proud to have joined the UN Global Compact in 2021. We have our full Communication of Progress for 2023 on our ESG reporting page on the SES website.

EU Taxonomy

SES has continued its evaluation of its associated economic activities against those identified by the EU Taxonomy as required by the Delegated Act of Article 8 of the Taxonomy Regulation. SES analysed the relevance of Article 8 of the EU taxonomy regulation to our business and our need to report. We evaluated the taxonomy for turnover based on the NACE code listed in the taxonomy compass. According to our NACE code of J61.300 satellite telecommunications is not specifically listed. However, the broader NACE code J61 Telecommunications is mentioned. We investigated the areas where NACE code J61 was applicable on the taxonomy compass and found it in activity: “Data Driven solution for GHG emissions reductions”. The description lays out that this applies to “ICT solutions that are aimed at collecting, transmitting, sorting data and its modelling and use where those activities are predominantly

aimed at the provision of data and analytics enabling GHG emission reductions”. We do transmit data in our services, but the aim is not at the provision of data and analytics enabling GHG emission reductions. Our customers might be doing this, but we do not have adequate insight into their network. We provide an enabling technology.

We also see NACE code J61 is listed in the Provision of IT/OT data driven solutions and Marketplace for the trade of second-hand goods for reuse, which is also not applicable to our products and services as we do not design or monitor systems for remote monitoring and predictive maintenance or operate a marketplace in our services.

Additionally, even though it does not specifically mention our NACE code, we investigated taxonomy category “Programming and broadcasting activities contribution to climate adaptation” as that description specifically mentions that the broadcasting can be done “via satellite”. After looking at this description we concluded that we do not create content and are not the distributor of the content. Our customers are responsible for that piece of the value chain. We do not have insight into the % of turnover for our customers related to climate adaptation and any reporting of a figure would be estimated with a wide margin of error.

However, related to capex and opex spend SES has investigated the relevant activities against our investments. SES has made investments in solar panel installations in three of our facilities, one in Europe and two in the US. The solar panels will be installed in 2024 with capex spent in 2023 as a deposit. We have not yet done the full assessment on these installations as they will be conducted in 2024, and therefore will report the capex spend at that time.



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

Reporting Requirements	Policies/Information	Relevant Information
Governance	Materiality Matrix	Governance p.33
	Remuneration policy	Stakeholder Engagement p.32
		Materiality p.31
		Remuneration policy p.102-108
Environment Matters	<ul style="list-style-type: none">Environmental PolicyFleet Management and Lifecycle ManagementCarbon Disclosure ProjectWaste Management Policy	<ul style="list-style-type: none">Climate Action p.36-40Meeting our Emissions Targets p.38-39Our Commitment to Space Sustainability p.34-35
Social Matters	<ul style="list-style-type: none">Procurement PolicyGiving Back InitiativesDisaster relief programmesCustomer Heartbeat (satisfaction, voice) and perception studies	<ul style="list-style-type: none">Community Impact p.54-55Critical Human Needs p.41-44How we operate our Business p.56Whistleblowing system p.61
Employee Matters	<ul style="list-style-type: none">Health and Safety PolicyFlexible working policySocial Fund PolicyTraining and DevelopmentDiversity	<ul style="list-style-type: none">Employee Matters p.51-54Modern Woking Conditions p.52Community Impact p.54-55Our Horizon Strategy p.30Materiality Matrix p.31Diversity and Inclusion p.45-50
Human Rights	<ul style="list-style-type: none">Vendor policy/supply chaing policyCode of conductHuman Rights policy	<ul style="list-style-type: none">Supply Chain Management p.63SES ESG and compliance regulation and policies p.65Employee Matters p.51-54Human Rights, Modern Slavery and Human Trafficking p.57-58
Anti-corruption and Bribery	<ul style="list-style-type: none">Supplier Code Of ConductGroup Wide Code of ConductWhistleblowing HotlineCompliance Guidelines	<ul style="list-style-type: none">Supply Chain Management p.63Anti-Corruption/Bribery p.58
Principal Risks and Impact from Business Operations	<ul style="list-style-type: none">Shift in consumer trendsCustomer DissatisfactionLiquidity risksRegulatory Risks	<ul style="list-style-type: none">Customer Centricity p.56Operational and Strategic report p.3-28Whistleblowing system p.61
Non-Financial Key Performance Indicators	<ul style="list-style-type: none">Employee turnover, diversity ratioEmployee trainingTechnical reach and TV channel countNet Promoter ScoreService AvailabilityCO2 emission	<ul style="list-style-type: none">Diversity and Inclusion p.45-50Training and Education p.52-54Functional and Technical Training p.53-54Meeting our Emissions Targets p.38Customer centricity p.56





CORPORATE GOVERNANCE

- 1. Shareholder structure
- 2. Chairperson’s report on Corporate Governance
- 3. Board of Directors & Committees
- 4. Senior Leadership Team
- 5. Internal Control Procedures
- 6. Principal risks
- 7. Remuneration report

SHAREHOLDER STRUCTURE

SES has been listed on the Luxembourg Stock Exchange since 1998 and on the Euronext Paris Stock Exchange since 2004. The Company has issued two classes of shares: A-shares and B-shares. Each share is entitled to one vote. One B-share carries 40% of the economic rights of an A-share. The ratio of A-shares to B-shares must be maintained at 2:1 as required by the Articles of Association.

Shareholder Structure as of 31 December 2023

SES Shareholders	Number of Shares	Voting participation	Economic Participation
Registered shares	3,576,410	0.64%	0.80%
FDRs (free float) (1)	358,266,080	66.02%	80.37%
FDRs held by SES	5,575,410	0.00%	1.25% (2)
FDRs held by SES Astra	4,039,700	0.00%	0.91% (3)
Total A Shares	371,457,600	66.67%	83.33%
BCEE	60,614,724	10.88%	5.44%
SNCI	60,607,161	10.88%	5.44%
Etat du Luxembourg	64,506,915	11.58%	5.79%
Total B Shares	185,728,800	33.33%	16.67%
Total shares (actual)	557,186,400	100.00%	100.00%
Total shares (economic)	445,749,120		

(1) Not including FDRs held by SES and SES Astra
(2) SES does not exercise voting rights.
(3) SES does not exercise voting rights.



A SHARES

A-shares are held by private and institutional investors.

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

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

B SHARES

The State of Luxembourg holds a direct 11.58% voting interest in the company. Banque et Caisse d’Epargne de l’Etat and Société Nationale de Crédit et d’Investissement each hold a direct 10.88% voting interest in the Company. These shares constitute the Company’s

B-shares. A B-share has 40% of the economic rights of an A-share or, in case the Company is dissolved, is entitled to 40% of the net liquidation proceeds paid to A-shareholders. The B-shares are not listed on any exchange and do not back a tradable security.

RESTRICTIONS ON OWNERSHIP

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

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

The Chairperson of the Board will inform the government of Luxembourg of the envisaged acquisition.

The government may oppose the acquisition within three months from such information if it determines that such acquisition would be against the general public interest.

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

INFORMATION EXCHANGE REGARDING CORPORATE GOVERNANCE

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

In this context, the SES website contains a regularly updated stream of information, such as the latest version of the Company’s main governance

documents, including the articles of incorporation, the corporate governance charter (including the charters of the various committees set up by the Board) and the separate sections on the composition and the mission of the Board, the Board’s committees and the Executive Committee (SLT).

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

INVESTOR RELATIONS

A dedicated Investor Relations function reports to the Chief Financial Officer and works closely with the Chief Executive Officer. 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 Senior Leadership Team (SLT).

The 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.

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



CHAIRPERSON'S REPORT ON CORPORATE GOVERNANCE

The Company follows the 'Ten Principles of Corporate Governance' adopted by the Luxembourg Stock Exchange (its home market), as last revised in January 2024. SES meets all the recommendations made by the 'Ten Principles'.

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

Organisation Principles

Created on 16 March 2001 under the name of SES GLOBAL, SES was incorporated in Luxembourg. On 9 November 2001, SES became the parent company of SES ASTRA, originally created in 1985. A copy of SES'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 their 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 days before the meeting is authorised to attend and to vote at the meeting. An A-shareholder may act at any meeting by appointing a proxy (who does not need to be an A-shareholder).

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

Notice of the meeting and of the proposed agenda is also published in the international press. The fiduciary circulates 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 are 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 votes 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 needs to be made in writing (via mail or e-mail) and received no later than the twenty-second day preceding the AGM and needs 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 then publishes 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 English, but a French translation is provided by the Company. An English and a French version of the AGM minutes and the results of the shareholders' votes are published on the SES website within 15 days after the AGM.

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

In 2023, the AGM was held on 6 April. Shareholders were invited to send their questions ahead of the meeting, although additional questions were asked during the meeting. The AGM was attended by 97.39% of the Company's shareholders, excluding the 6,535,154 FDRs held by SES. All resolutions submitted to the shareholders were approved by comfortable majority votes. The detailed results of the shareholders' votes are available on the SES website under Shareholder information.



BOARD OF DIRECTORS & COMMITTEES

The Board of Directors is responsible for:

- Defining the Company’s strategic objectives as well as its overall corporate plan;
- Approving, upon proposal from the Senior Leadership Team, 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;
- Approving the major investments and is responsible vis-à-vis shareholders and third parties for the management of the Company, whereas the management is delegated by the Board to the senior leadership team in accordance with the company’s internal regulations.

BOARD COMPOSITION



Frank Esser, Chair of the Board

Frank Esser became a director on 11 February 2020 and was elected Chairman of the Board for the first time on 2 April 2020. He was re-elected as Chairman of the Board on 7 April 2022. He is the former Chairman and CEO of SFR, the leading private French Telecom Operator. In this function he also served as Board Member of Vivendi Group. Prior to joining SFR, Mr Esser

held several managerial positions with Mannesmann group. He also serves as Vice Chair of Swisscom. He is a member of the Nomination Committee and of the Remuneration Committee of SES. Mr Esser holds a PhD in Managerial Economics and an MS in Economics both from the University of Cologne.

Mr Esser is a German national. He is an independent director.



Peter van Bommel, Chair of the Audit and Risk Committee, Vice-Chair of the Board

Mr van Bommel became a director on 2 April 2020 and was elected as Vice-Chairperson of the Board for the first time on 7 April 2022. Mr van Bommel was Chief Financial Officer and member of the Board of Management of ASM International from August 2010 until May 2021. He has more than twenty years of experience in the electronics and semiconductor industry. He spent most of his career at Philips, which he joined in 1979. He is the Chairman of the Board of Aalberts N.V. and Nedap N.V.. Beside that he sits on the Board

of the Bernhoven Foundation and the Glorieux Foundation. He is also a member of the Advisory Board of the Economic and Business Faculty of the University of Amsterdam and he is the Chair of the EMFC Curatorium of the Amsterdam Business School. In the past he was also a Director of several other listed companies, a.o. KPN in the Netherlands. Mr van Bommel holds an MSc in Economics from Erasmus University in Rotterdam. Mr van Bommel is the Chairperson of the Audit and Risk Committee and a member of the Remuneration Committee of SES.

Mr van Bommel is a Dutch national. He is an independent director.



Anne-Catherine Ries, Vice-Chair of the Board, Chair of the Nomination Committee

Mrs Ries became a director on 1 January 2015 and was elected as Vice-Chairperson of the Board for the first time on 4 April 2019. She was re-elected as Vice-Chairperson of the Board on 7 April 2022. Mrs Ries is currently First Government Advisor to the Prime Minister in Luxembourg, in charge of media, telecom and digital policy. Prior to this appointment in 2019, her focus over the last two decades has consistently been on developing the tech and digital

innovation ecosystem in Luxembourg, i.a. through the launch of the “Digital Luxembourg” initiative in 2014. Mrs Ries holds a law degree from the University of Paris II and the University of Oxford, and a postgraduate LL.M degree from the London School of Economics. Mrs Ries is the Chairperson of the Nomination Committee and a member of the Remuneration Committee of SES.

Mrs Ries is a Luxembourg and French national. She is not an independent director because she represents an important shareholder.



Fabienne Bozet, Director

Mrs Bozet was co-opted as Director on 24 February 2023 and her appointment was subsequently approved at the general meeting of shareholders on 6 April 2023. She is member of the Audit and Risk Committee. She is Board Director as well as member of the Audit and Risks Committee and Remuneration Committee in Herstal Group, a leader in Defense and Security and in Detaille

aux Prés, a family business. She was until end of 2022 CEO and Board member delegated to daily management of Circuit Foil a leading copper foil producer. She served as board member in IEE. She is a member of Women on Board and ILA. Mrs. Bozet holds a Master in Business Engineering from HEC Liège.

Mrs. Bozet is a Belgian national. She is an independent director.





Dr Jennifer Byrne, Director

Dr Jennifer Byrne became a director on 7 April 2022. Dr Byrne enjoyed a successful 25-year career at Lockheed Martin from 1993 to 2018. In her final role with Lockheed Martin as VP, Space and Missile Systems, she managed a team of 8,000 people. She had responsibility for leading the design, development, operation and sustainment of Civil Space, Military Space, Commercial Space, Strategic Missile Defence and Special Programs platforms. Dr Jennifer Byrne



Carlo Fassbinder, Director

Mr Carlo Fassbinder became a director on 7 April 2022. Mr Fassbinder has 25 years of experience in the field of taxation, finance and accounting and is Director of tax at the Ministry of Finance since 2017. He advises the finance minister on tax policies and tax treaties, and assists in the preparation of the Council meeting (ECOFIN). From 1997 to 2017 he worked in the tax department of BGL BNP Paribas where he was Head of Tax Retail & Corporate



Ramu Potarazu, Director

Mr Potarazu became a director on 20 February 2014. He is currently the CEO of EditShare. Before being appointed CEO of EditShare, he was the CEO of BinaryFountain. 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 Vice President of Commercial Restructuring in 2000. In 2001 Mr Potarazu became President of Intelsat Global Service Corporation and from



Françoise Thoma, Chair 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

moved to London in 2018 to take up her current role as COO of G-Research, which is a quantitative research and technology business. She has a B.S. in Mathematics and Biochemistry from the University of Dallas, an M.S. in Electrical Engineering from Temple University and holds a Ph.D. in Systems Engineering from George Washington University. Dr Byrne is a member of the Nomination Committee of SES.

Dr Jennifer Byrne is a US national. She is an independent director.

Banking since 2011. Mr. Fassbinder is also a board member of Société Electrique de l'Our. He holds a Maîtrise en droit des affaires from Robert Schuman University in Strasbourg and a Magister Legum (LL.M.) in tax law from Ludwig Maximilians University in Munich. Mr Fassbinder is a member of the Audit and Risk Committee of SES.

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

2002 to 2006 he was President and Chief Operating Officer of Intelsat Ltd. Prior to joining Intelsat, Mr Potarazu held several engineering positions. Mr Potarazu graduated with a BS in Computer Science and in Mathematics from the Oklahoma Christian University. He also holds an MSc in Electrical Engineering from the John Hopkins University and was a member of the Stanford Executive Program. He is a member of the Remuneration Committee of SES.

Mr Potarazu is a US national. He is an independent director.

of State from 2000– 2015 and holds a PhD in Law from the Université de Paris II Panthéon-Assas and an LL.M. from Harvard Law School. Ms Thoma is the Chairperson of the Remuneration Committee and a member of the Audit and Risk Committee of SES.

Ms Thoma is a Luxembourg national. She is not an independent director because she represents an important shareholder.



Jacques Thill, Director

Mr Thill became a director on 2 December 2021. Mr Thill currently serves as First Government Advisor to the Prime Minister and Coordinator at the Luxembourg Prime Minister's Office. Since 2018 he is also the Government Delegate to the State Intelligence Service. Mr Thill joined the Luxembourg diplomatic service in 2004. His diplomatic career includes postings to the Luxembourg Permanent Representation to the United Nations in New York and to the Luxembourg Embassy in Moscow, as well as to the EU High Representative for the Common Foreign and Security Policy at the Council of the European Union in Brussels. From 2009 to 2013, Mr Thill served as diplomatic advisor to the Prime Minister. In 2013, he was



Kaj-Erik Relander, Director

Mr Relander became a director on 6 April 2017. Mr Relander worked for the Finnish National Fund for Research and Development prior to joining Sonera Corporation where he held several management positions, including the position of CEO. He left Sonera in 2001 to join Accel Partners, a private equity and venture capital group before joining the Emirates Investment Authority in 2009 where he was a member of its Investment and Management Committee. Since 2014 he has been a private investor and board director. Mr Relander graduated from the Helsinki School of Economics with an MSC in Economics. He also holds an MBA from



Katrin Wehr-Seiter, Director

Mrs Wehr-Seiter became a director on 1 January 2015. She is a Managing Director of BIP Investment Partners SA and a Managing Director/Partner of BIP Capital Partners. Prior to joining BIP, she served as a Principal at global investment firm Permira and worked also as an independent strategy consultant as well as a Senior Advisor to international private equity group Bridgepoint. She started her professional career at Siemens AG where she held

appointed Deputy Secretary General of the Luxembourg Government, before becoming Secretary General of the Luxembourg Government until June 2020. Mr Thill holds a Master in European and International Law from the Paris 1 Panthéon-Sorbonne University and an MA in European Political and Administrative Studies from the College of Europe in Bruges where he specialized in European Competition Law and European Foreign Policy. From 2015 until 2021 and again since December 2023, Mr. Thill is a member of the Board of Directors of LUXGOVSAT S.A.. Mr Thill is a member of the Nomination Committee of SES.

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

the Helsinki School of Economics having completed part of it at the Wharton School, University of Pennsylvania (USA), and studied also for a PhD at the Wharton School and the Aalto University, Helsinki.

Mr Relander is a board member of the sovereign wealth fund of ADQ and ADGM, Abu Dhabi Global Markets and Louis Dreyfuss Company. He is Chairman of the Investment Committee at the private equity fund Apis.pe and a board director of Starzplay Arabia. He is a member of the Audit and Risk Committee and of the Nomination Committee of SES.

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

various positions in strategy consulting and engineering. She serves as a director of Bellevue Group and several non-listed corporations. Mrs Wehr-Seiter holds an MBA from INSEAD and an MSc in Mechanical Engineering from the Technical University of Chemnitz. Mrs Wehr-Seiter is a member of the Audit and Risk Committee and of the Remuneration Committee of SES.

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



MISSION AND COMPOSITION

As of 31 December 2023, the Board of SES is composed of 11 non-executive directors, five of them female.

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

The mandates of the current directors will expire at the AGM of shareholders in April 2024, 2025 and 2026 respectively.

In the event of a vacancy on the Board, the remaining directors may, upon a proposal from the Nomination Committee and on a temporary basis, fill such a vacancy by a majority vote. In this case, the next AGM of shareholders will definitively elect the new director, who will complete the term of the director whose seat became vacant. All current directors were appointed by the AGMs in the three prior years.

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:

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

As of 31 December 2023, seven of the board members are considered independent: Fabienne Bozet, Dr Jennifer Byrne, Katrin Wehr-Seiter, Frank Esser, Ramu Potarazu, Kaj-Erik Relander and Peter van Bommel.

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

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

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

RULES OF GOVERNANCE

The Board of Directors meets when required by the Company's business, and at least once per quarter. It can only validly deliberate if a majority of the directors are present or represented. The resolutions of the Board are passed by a simple majority of the votes of the voting directors present or represented, not considering abstentions. The Chairperson 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 2023, there were no transactions between the Company and a shareholder owning at least 5% of the company's shares, nor were there any other transactions involving a conflict of interest for any of the directors.

BOARD GOVERNANCE STRUCTURE & COMMITTEES

The Board meetings and their agenda are prepared in close cooperation between the Chairperson, the Vice-Chairpersons, the CEO, the CFO and the Company Secretary.

SES currently has three committees. The committees consist of five to six members, at least a third of whom are independent board members in line with SES's internal regulations.

The Audit and Risk Committee assists the Board in carrying out its oversight responsibilities in relation to corporate policies, risk management, internal control, internal and external audit and financial and regulatory reporting practices. It further proceeds to the evaluation of potential deals, including financial due diligence, risk assessment and financing options before submission to the Board. It has an oversight function and provides a link between the internal and external auditors and the Board.

It also proposes the ESG Targets of the Company and monitors progress towards the accomplishment of the ESG Targets and compliance with the reporting requirements.

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

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



ACTIVITIES OF THE BOARD OF DIRECTORS
IN 2023

The Board of Directors held six regular in-person meetings, one extraordinary in-person meeting, seven extraordinary Board calls, with an attendance rate of more than 95%, allowing virtual attendance for Board members unable to attend in person on an exceptional basis. It also passed five circular resolutions in 2023.

The main activities of the Board in 2023 included:

- approval of the 2022 audited annual accounts and the financial results for the first half of 2023;
- approval of the dividend submitted to the shareholder meeting in 2023;
- approval of the new organisational structure of SES into four market-oriented business verticals Mobility, Space&Defence, Enterprise&Cloud and Media;
- review of the Strategic Plan during a Strategic Session in July 2023;
- supervision of the implementation of the accelerated C-band clearing;
- appointment of Ruy Pinto as interim CEO following the departure of Steve Collar and appointment of the new CEO Adel Al-Saleh;
- approval of the share buy-back programme of up to EUR 150 million;
- approval of the final version of the 2024 Budget and the 2024–2028 Business Plan;
- approval of the commercial agreement with Boeing relating to O3b mPOWER.

The Board was regularly updated on the development of the major projects, and it noted updates on the company’s risk management report. The Senior Leadership Team 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 2023 Business Objectives; (iii) the Company’s continued simplification program which resulted in a further reduction of the corporate footprint in 2023 and has also increased efficiency in execution across the business.

At each meeting, directors receive a report on ongoing matters and the Chairpersons of the committees set up by the Board present a report on the latest developments discussed in these respective committees.

In addition, a business report is distributed to the members of the Board on a regular basis.

With regard to the Company’s corporate governance, the Board has decided to create a new Strategic Taskforce, composed of board and management members, which assist the CEO and Management with strategic planning. The Board further decided on the creation of a Transition & Integration Taskforce in order to define and drive a transition and integration planning in connection with strategic opportunities.

The Board has started a full board and committee self-assessment supported by an external advisor, the recommendations of which will be implemented during 2024.

As a result of the last Board evaluation exercise and in-keeping with best practice, some Board meetings conclude with a restricted session, without the presence of Management.

COMMITTEES OF THE BOARD 2023 –
COMPOSITION AND ACTIVITY

Chair of the board: Frank Esser			
Vice-chairs of the board: Anne-Catherine Ries, Peter van Bommel			
Audit & RISK COMMITTEE	Remuneration COMMITTEE	Nomination COMMITTEE	Secretary OF THE BOARD OF DIRECTORS
Chair: Peter van Bomme	Chair: Françoise Thoma	Chair: Anne-Catherine Ries	Thai Rubin
Fabienne Bozet	Peter van Bommel	Dr Jennifer Byrne	
Carlo Fassbinder	Frank Esser	Frank Esser	
Françoise Thoma	Ramu Potarazu	Kaj-Erik Relander	
Kaj-Erik Relander	Anne-Catherine Ries	Jacques Thill	
Katrin Wehr-Seiter			
Meetings and attendance rate in %			
4 meetings	8 meetings	5 meetings	
100%	100%	100%	

ACTIVITIES OF THE COMMITTEES IN 2023

The Audit and Risk Committee

Reviewed the 2022 financial results before their submission to the Board and their subsequent approval by the shareholders at the statutory AGM.

Reviewed the H1 2023 financial results of the Company.

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 2022 PwC Management letter.

Proposed to the Board and to the shareholders to appoint PwC as external auditor for 2023 including its proposed compensation.

Received quarterly updates on risk management from the SES risk management committee and was briefed on ongoing compliance matters.

Reviewed WACC parameters for

remuneration purposes, customer credit risk and collection and of the Treasury Roadmap.

Received updates on ESG targets and and monitored the implementation plan.

Reviewed the Company’s 2024 Budget and 2024-2028 Business Plan

After each meeting, the Board is briefed in writing about the work of the Audit and Risk Committee.

The Remuneration Committee

Matters addressed related to the determination of the bonuses and the vesting of performance shares allocated to the members of the Senior Leadership Team for their performance in 2022.

Adopted the 2023 corporate business objectives, which are used as one element in the determination of 2023 bonuses for SLT members.

Reviewed and proposed the remuneration packages for new members of the Senior Leadership Team, including the new CEO.



Reviewed and proposed the 2023 long term equity grants for Senior Leadership Team members.

Included the ESG targets as a metric to determine vesting of Performance Shares for members of the SLT.

Reviewed and proposed the remuneration packages for new members of the Senior Leadership Team, including the new CEO.

Proposed to review and adjust the Remuneration Policy. The proposal has been approved by the Board and by the Ordinary Shareholder Meeting.

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

The Nomination Committee

Discussed the size and the composition of the Board.

It also discussed the renewal of existing directors and the appointment of new directors, conducted interviews and proposed to the Board a list of candidates for election by the shareholders in April 2023.

Discussed the future structure of the Senior Leadership Team and was involved in its implementation in close cooperation with the CEO and the interim CEO.

Assisted the Board in the recruitment process for the new CEO.

Instigated a deep dive on Talent Management and reviewed Senior Leadership Team Succession Planning.

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

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SENIOR LEADERSHIP TEAM

The SES Executive Committee is known as the Senior Leadership Team.

It is in charge of the daily management of the group.

It functions as a collegial body.

It is mandated to prepare and plan the overall policies and strategies of the company for approval by the Board.

It may approve intra-group transactions, irrespective of the amount, provided that they are consistent with the consolidated

annual budget of the company, as well as specific transactions with third parties provided that the cost to SES does not exceed €10 million per transaction. It informs the Board at its next meeting of each such transaction, it being understood that the aggregate amount for all such transactions can at no time be higher than €30 million.

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



CURRENTLY, THE SLT IS COMPOSED OF:

Adel Al-Saleh, CEO

With more than 30 years of experience working in senior management roles at leading IT and telecommunication companies, Adel Al-Saleh was appointed Chief Executive Officer of SES on 1st February 2024.

Adel joined SES from T-Systems, the IT subsidiary of leading European Telecommunication provider Deutsche Telekom, where he was CEO since 2018. He was also a Board Member of Deutsche Telekom. Before that, he

was the CEO for Northgate Information Solutions (NIS) Group from 2011-2018. Adel also held a variety of senior leadership roles at IMS Health and IBM for the first 25 years of his professional life.

Adel graduated from Boston University with a Bachelor of Science degree in Electrical Engineering and holds a Master of Business Administration from Florida Atlantic University. Adel is a US and UK national.



Ruy Pinto, Strategic Advisor to the CEO

Ruy Pinto was appointed Strategic Advisor to the CEO on 1st February 2024 where he advises the CEO on key strategic projects. His previous executive roles at SES included being interim CEO until 31 January 2024, Chief Technology Officer (CTO) and deputy CTO and Chief Information Officer.

Ruy joined SES from Inmarsat after two and a half decades and various technical and managerial roles, including two

years as CTO and three years as COO of Inmarsat.

His portfolio also includes various appointments on associations and companies active in the space industry.

Ruy has British, Brazilian and Portuguese nationalities, holds a degree in Electronics Engineering, and has completed post-graduate studies in Digital Telecommunications Systems from the Rio de Janeiro Catholic University (PUC-RJ).



Sandeep Jalan, CFO

With more than 30 years of experience in financial and operational leadership roles across Asia and Europe, Sandeep Jalan was appointed Chief Financial Officer (CFO) of SES in May 2020.

Sandeep joined SES from Aperam, where he had held the position of CFO since 2014. Before this, Sandeep worked for the ArcelorMittal Group, where he was part of the M&A team responsible for numerous acquisitions in both steel and mining. He was also the CFO & Company

Secretary for Ispat Alloys Ltd from 1993 to 1999. Sandeep is a board member at Aperam.

Sandeep is a Commerce Graduate from Banaras Hindu University (BHU), as well as a qualified Chartered Accountant and Company Secretary. He has also completed an Executive Leadership Programme at the London Business School, and an Executive Education Programme on Strategic Finance at IMD, Lausanne.





Nadine Allen, Head of Enterprise & Cloud
Nadine Allen joined SES as Head of Enterprise & Cloud in January 2024.

Prior to SES, Nadine has held a variety of leadership positions in the telecommunications and enterprise sectors for Ericsson and Marconi. In her last position, Nadine was head of Ericsson's Enterprise Business and Strategy for Southeast Asia, India and Oceania where she was accountable for building growth businesses in the areas

of 5G, Private Networks, Cloud, Security and IoT as well as strategy development and execution across the region.

Before that, she was CEO of Ericsson Thailand, Head of Global Customer Unit Telenor group and Head of Enterprise Business in Western Central Europe.

Nadine is a UK national and holds a Master of Business Administration from the University of Warwick (U.K.).



Milton Torres, CTO
Milton Torres was appointed Chief Technology Officer of SES in July 2023. In his previous role, Milton was Senior Vice President of Information, Technology & Security at SES where he was responsible for the company's technology and information technology environments, and cybersecurity operations.

Before his time at SES, Milton, a Brazilian and US national, held several senior roles, including Corporate Executive

Director at the EBX Group, Managing Director Latin America at Office Depot Inc., Executive Vice President at DirecTV Latin America. He also serves on several boards.

Milton holds a BS in Electrical Engineering and completed post-graduation studies in Telecommunications from Pontificia Universidade Catolica do Rio de Janeiro. He also graduated from the Young Managers Program of European Institute of Business Administration (INSEAD).

The following members are not formally part of the SLT but are regularly invited to participate in its meetings:



John-Paul (JP) Hemingway, CSO
JP Hemingway was appointed Chief Strategy Officer (CSO) as of January 2022, and is charged with defining, leading and executing the strategy for SES.

Prior to this position, JP Hemingway was CEO of SES Networks where he oversaw the growth of the Networks business division. Before that, he was the Executive Vice President of Product, Marketing and Strategy for SES

Networks.

JP was recruited into the SES family during the acquisition of O3b Networks, where he occupied the role of Chief Marketing Officer.

With a PhD in Optical Communications, and BSc (Hons) from Manchester Metropolitan University, UK, JP's experience is vast and varied. He began his career with Corning Cables and before filling a variety of senior management roles within Ciena, a leading network specialist.



David Fields, Head of Space&Defence
David Fields is President and CEO of SES's wholly-owned subsidiary - Space & Defense – that is focused on delivering satellite-based ICT solutions to the US Government and is operating under a proxy Board. David joined the SES Group in 2022 from Leonardo's DRS Global Enterprise Solutions (GES) Senior Leadership Team where he was

the Senior Vice President and General Manager for six years. Born in the US, David has over 30 years' experience in the satellite communications and Information Technology (IT) industry and served in a variety of executive management roles with Contel, GTE/Verizon, Dyncorp International, SES Americom Government Services and Verestar.



Norbert Hölzle, Head of Media
Norbert Hölzle was appointed Global Head of Media in February 2023 where he oversees SES's video business globally and will be responsible for delivering amazing viewing experiences and innovation worldwide.

Since joining SES in 2008, Norbert, a German National, has held several sales roles across the organisation and its subsidiaries. His most recent role was to

head up SES's business in DACH.

Norbert has extensive experience in Engineering and Telecommunications and had previously held positions at O2, Telefónica Germany and T-Systems in the US, Australia, Asia and several locations in Europe. Norbert holds two MBAs from Bundeswehr University Munich and ESMT Berlin.



Fabien Loeffler, Interim Head of P&C
Fabien was appointed Interim Head of People & Culture of SES in December 2023. Since joining SES in 2013, Fabien has held several progressive managements roles in the Finance and People & Culture departments, including Financial Planning and Analysis, People Analytics and Information Systems. In his most recent role as Vice President, he was responsible for Total Rewards and People Operations, leading simplification,

organisational development, and transformation initiatives. Fabien is a French national and prior to SES he worked for several years in the financial sector where he held diverse roles at Ernst & Young and other companies from the industry. Fabien holds a master's degree in management from SKEMA Business School in Sophia-Antipolis, France. He is a member of the ILA (Institut Luxembourgeois des Administrateurs) and part of their Remuneration & Nomination Working Committee.



Thai Rubin, CLO
Thai Rubin was appointed Chief Legal Officer of SES in July 2020, a role in which he oversees the legal affairs of the entire organisation, including the Company's ESG programme.

Thai has spent over 25 years in the satellite industry including his time at O3b networks, where he was the General Counsel and a key member of the

leadership team. In addition to holding multiple senior leadership roles within SES, he served as General Counsel at New Skies Satellites. Thai also worked at PanAmSat Corporation.

Thai's educational background includes a Bachelor of Science degree from the University of Wisconsin, Madison, and a Juris Doctor from Howard University School of Law in Washington, D.C.



RESPONSIBILITIES OF THE SLT

The SLT may approve any external credit facilities or external guarantees, pledges, mortgages and any other encumbrances of the Company, or any wholly-owned affiliate, for as long as the Company will not lose its investment grade rating as a result of such facility or guarantee.

It may approve increases of up to 5% in the capital expenditure budget for a satellite procurement already approved by the Board, it being understood that the Internal Rate of Return will need to comply with certain specific thresholds defined by the Board. The SLT informs the Board at its next meeting of each such increase.

The SLT submits those measures to the Board that it deems necessary to be taken in order to meet the purposes of the Company. Prior to the beginning

of each fiscal year, the SLT submits to the Board a consolidated budget for approval. The SLT is in charge of implementing all decisions taken by the Board and by the committees specially mandated by the Board. The SLT may, in the interests of the Company, sub-delegate part of its powers and duties to its members acting individually or jointly.

The CEO organises the work of the SLT and coordinates the activities of its members, who report directly to him. In order to facilitate the implementation by the Board of its overall duty to supervise the affairs of the Company, the CEO informs the Chair of the Board on a regular basis of the Company’s activities. The latter receives the minutes of all meetings of the SLT in due time.

INTERNAL CONTROL PROCEDURES

OBJECTIVES AND PRINCIPLES

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

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

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

- Compliance of actions and decisions with applicable laws, regulations, standards, internal rules, and contracts
- Safeguarding efficiency and

effectiveness of operations and the optimal use of the Company’s resources

- Correct implementation of the Company’s internal processes, notably those to ensure the safeguarding of assets
- Integrity and reliability of financial and operational information, both for internal and external use
- Ensuring that management’s instructions and directions are properly applied
- Ensuring that material risks are properly identified, assessed, mitigated, and reported

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



CONTROL ENVIRONMENT

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

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

SES has implemented an organisational structure with defined responsibilities, competencies and reporting lines that provide the framework in which internal controls are being executed and controlled to meet the Company’s objectives.

RISK MANAGEMENT

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

A dedicated Risk Management Team facilitates and coordinates the reporting process and assists the Risk Management Group with the assessment of risks. The Risk Management Group reports to the Senior Leadership Team

Policies and procedures are regularly reviewed and are updated when required. These policies and procedures apply to all employees and officers of the Group, and where appropriate, to its directors as well as to other groups. A Delegation of Authority Policy is in place, and is regularly updated, providing the rules for the internal approvals and external execution that are required to authorise any external commitment of the Company.

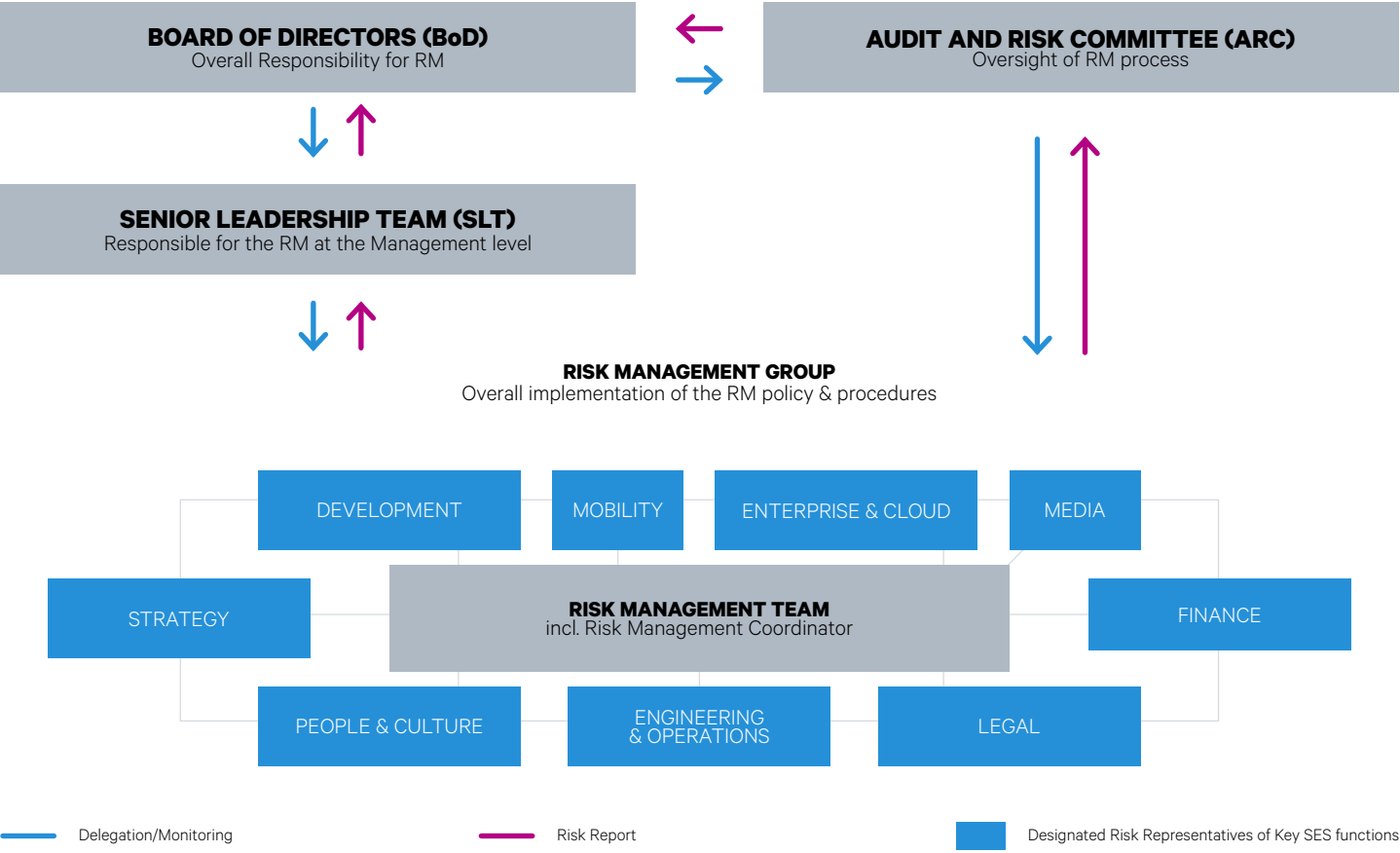
The main SES functions and processes are electronically documented using a centralised Business Process Management software to ensure information is designed collaboratively and shared across the company. To improve operations, SES is standardising its process mapping using an end-to-end business process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

The internal control procedures are complemented by information concerning employee matters, mandatory trainings and ethics provided in the ESG Report.

which in turn reports to the Board, which has the ultimate responsibility for oversight of the Company’s risks and for ensuring that an effective risk management system is in place. The risk management policy is regularly reviewed and updated by the Risk Management Team.

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.

Risk Management Structure



INTERNAL CONTROL ACTIVITIES

Satellite and Ground Infrastructure operations

The operational procedures for satellite control and payload management cover manoeuvres and configuration changes required in nominal situations as well as in the case of technical emergencies. The controllers are trained and certified in the execution of such procedures which are periodically reviewed and updated. Satellite control software is being used and fully validated electronic procedures for station-keeping and other regular operations are being applied across the entire SES fleet.

SES has designed satellite contingency and emergency response process, crisis management systems, supporting infrastructure and tools to address satellite in-orbit anomaly situations at an appropriate management level. SES applies industry-standard incident

management, escalation, and reporting processes to provide effective and timely support to customers.

SES has adequate satellite control primary and backup capabilities utilising the European and US-based Satellite Operations Centres (‘SOCs’). SOCs can take over the operations of the other in an emergency with the fail-over procedure being tested regularly. SOCs can also be controlled remotely from any other dedicated location via secure internet connection if the situation would require it. This is supported by SES’s Ground Assets that provide fully independent uplinks and connectivity between SOCs and Satellites.

A corporate policy dealing with satellite insurance is in place and regularly updated reflecting the SES Board approved insurance structure and approval framework.



Most of the launch and in-orbit insurance activities of the group are managed through SES's 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. 'In-orbit Third Party Liability' insurance is placed directly to the market, i.e., not using the captives.

Such insurance covers all SES in-orbit satellites in compliance with licencing and other regulatory requirements in the various jurisdictions where SES operates.

Customer operations

Customer Operations is responsible for managing all customer services across SES's Global Network & Media verticals, driving fulfilment of agreed SLAs and Service Level Targets (SLT) to customers. Video & Network operating centers are in Europe, USA & Israel.

Key responsibilities include overseeing the seamless onboarding of customers and products into Network Operating Centers (NOCs), managing the operational environment for our valued customers, and efficiently addressing both customer and vertical escalations.

Customer Operations has implemented monitoring and operational procedures to provide best-in-class services for our customers. NOC Operators are trained in executing these procedures, which are periodically reviewed to identify areas for improvement and update them accordingly. SES employs multiple tools and software applications to manage and monitor the network. Critical tools have been configured in the cloud to ensure redundancy and cover potential systemic anomalies.

Customer Operations leverages advanced analytics to continuously improve customer operations services, processes, and systems. Proactive efforts involve anticipating and identifying systematic issues and taking the lead in driving their resolution.

SES applies industry-standard incident management, escalation, and reporting processes to provide effective and timely support to customers.

Customer Operations is committed to spearheading strategic and tactical initiatives aimed at enhancing operational efficiencies, with a core focus on customer experience.

Commercial operations

A Master Service Agreement ('MSA') forms the basis for the contractual relationship with our customers. Deal specifications and commercial terms and conditions are outlined in a Service Order ('SO') which will be subject to the general terms and conditions of the underlying MSA.

Most SES customer contracts follow this MSA-SO structure for which standard templates exist. Any negotiation of the terms and conditions of the MSA or SO are subject to commercial legal review.

Customer proposal, customer contract and order management follow predefined workflows which are embedded in a customer relationship management ('CRM') tool. Appropriate segregation of duties is ensured while individual workflow steps and tasks are subject to approval from the various sales, product, finance, legal operations, and service representatives.

Deal pricing for satellite capacity as well as for other products and services sold by SES is generally based on approved rate cards (or quote generator) which are linked to the product catalogue and solution configuration tool of CRM. Pricing deviations from approved rate card are governed by an approval matrix with internal hierarchy (The "Deal Review Board").

The Group's Credit & Collections policy defines the rules and principles related to customer credit risk management and cash collection and related revenue recognition as well as deposit and payments terms for a deal.

Procurement operations

SES's Engineering & Operations Space Procurement department is responsible for the technical activities associated with the procurement of satellites and launch vehicles, including but not limited to: management of the construction, tests and launch campaign activities of GEO/MEO/LEO satellites; management of programmatic and technical risks during procurement; management of the Requests for Information and Requests for Proposal (RFI/RFP) processes for new satellites and launch vehicles, technical evaluation of proposals, down selection, and contract negotiations; management of the procurement program Milestone Payment Plan to ensure that invoiced milestones are fully executed and in accordance with the contract.

A Space Infrastructure procurement process, strategy and policy are in place to govern appropriate procedures such as the creation of RFIs/RFPs, satellite manufacturer selection, technical and commercial evaluations as well as legal review.

Detailed business plans are refined based on RFP responses and the endorsement of the SLT is required before the procurement proposal is presented to the Board for approval.

Procurement of Space Infrastructure (satellites and launch vehicles) is approved by the Board as a significant investment activity, and contracts are signed in accordance with SES's Delegation of Authority Policy.

Payments are made on the complete fulfilment of milestone requirements in

accordance with the Milestone Payment Plan defined in the terms and conditions of the applicable contract.

The Vendor Management & Procurement ('VMP') function supports the business for non-satellite procurement, governed by a dedicated policy that sets the framework for an appropriate level of internal controls over purchasing. SAP is used to support the purchasing process with appropriate workflow rules for approvals and the segregation of duties. Contracting with a vendor can be done either by a Purchase Order ("PO") incorporating SES's General Purchasing Terms and Conditions or a separate contract which is subject to legal review prior to the issuance of a PO. Each PO needs workflow approval in line with SES's Delegation of Authority Policy. The requester must ensure that the purchase is within the approved budget. Certain types of purchases - such as capital expenditure and major cost of sales projects - require dedicated budget controls to ensure that sufficient budget is allocated and available before finalising the purchase.

The supply chain function within Service Engineering and Delivery optimises and streamlines the exchange of goods or services covering demand planning, logistics and warehouse management. Controls are in place to ensure effective workflows, an efficient use of resources, and compliance with regulatory obligations such as shipment and customs documentation.



Financial operations and reporting

Appropriate accounting and financial reporting policies and procedures are in place, regularly reviewed and updated for business developments and regulatory changes.

Staff involved in the Group's accounting, consolidation and reporting are appropriately qualified, trained and are kept up to date with relevant changes in both national requirements and in International Financial Reporting Standards ('IFRS').

Controls have been established in the processing of accounting transactions to ensure appropriate authorisations, an effective segregation of duties, and the complete, timely and accurate recording of financial information. This control framework continues to be enhanced through the implementation of additional workflow-based controls and validations. Risk-based monitoring controls are implemented for key SAP control configurations and transactions. Specific controls are in place, such as monthly reviews and data validation procedures, to ensure the correct and timely recognition of revenues.

Treasury activities are centrally managed within a framework approved by the Board, and which reflects the Group's current Treasury Policy. Appropriate segregation of duties, including the assignment of bank mandates between members of SES management, Treasury, and Accounting department, is in place. Specialist software helps ensure the efficiency and control of foreign exchange transactions, interest and liquidity management, and the implementation of SES's hedging strategy for interest rate and foreign currency fluctuations. Furthermore, to ensure enhanced security and efficiency of the bank payments process, the Company uses a banking payments system which ensures secure authorisation and transfer of payment instructions from SAP to banks.

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. Current and deferred tax liabilities are recorded in the Group's accounts based on 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. A detailed tax accounting policy is in place. Transfer pricing documentation is continuously updated and improved including a master file, local files, and annual country-by-country reporting

Compliance operations

The Legal & Regulatory team provides legal support to all SES operational areas and is an integral part of corporate compliance. It supports compliance related to all activities including commercial development and transactions, customer service and contracting, engineering (export/import), procurement and vendor management as previously mentioned.

The Legal & Regulatory function is also responsible for maintaining and improving SES's compliance program. A Group-wide 'Code of Conduct and Ethics' ('Code of Conduct') and Supplier Code of Conduct were implemented to take a consistent approach to integrity issues, to make sure that the Group and also external parties like contractors, consultants and vendors conduct business in compliance with all applicable laws and regulations and observes the highest ethical standards.

SES implemented a Sales Agent Policy and developed a comprehensive process and dedicated controls to ensure that SES representatives act with integrity. A dedicated team within the Legal Department conducts due diligence reviews and approves agent

appointments. A Gift and Entertainment Policy is in place to provide rules and guidance for giving and receiving gifts and entertainment.

SES is committed to full compliance with applicable competition laws. An Antitrust Compliance Policy and Guidelines have been implemented to inform employees of the scope of competition laws and how to do the best work for SES whilst complying with the law.

The Legal and Regulatory team is responsible for the export control and sanctions compliance and general compliance with laws, regulations, and policies. Controls and workflows have been established to interface with commercial and technical teams to ensure compliance associated with an expanding list of SES products and services.

Dedicated training programmes are mandatory for employees (depending on the nature of their work) to ensure an appropriate understanding and awareness of compliance related matters.

Information Technology

Management is committed to ensuring that SES's data, infrastructure, and information technology systems in the cloud and on SES premises are as secure as is reasonably and commercially practicable. Security controls, policies and procedures are in place to prevent unauthorised access to premises, computer systems, networks, and data. Policies and procedures are continuously being reviewed and updated.

SES applies an Information Security Management System ('ISMS') in line with the ISO 27001 standard which is subject to regular ISO 27001:2013 certification for the scope of data services delivered through high-throughput GEO satellites.

The SES Azure Cloud Platform has been put in place with an adequately designed control framework, leading to an improved level of standardisation and

harmonisation of the SES IT landscape. The Cloud Centre of Excellence programme with Microsoft has been completed and is fully operational and is facilitating standards setting and development of new products and platforms in the Cloud. The Cloud solution provides state-of-the-art backup facilities to ensure enhanced continuity of all Cloud-based systems. In 2023 a FinOPS practice has been established to optimize Azure spend and establish a cloud cost policy to safeguard that we obtain adequate value from cloud.

All SES's main trading operations operate on a centrally managed, Cloud-based SAP ERP platform, applying consistent processes, controls, and backup. A comprehensive SAP security policy has been defined and implemented. Appropriate SAP access management is in place and is continually monitored and enhanced. Segregation of duty principles and approval limits are defined and embedded in SAP workflows.

SES has disaster recovery plans for its business-critical infrastructure. The regular testing of these activities confirms that SES is in a good position to recover all mission critical back-office applications within its recovery time objectives. Electronic information is regularly backed up and tested.

A digital workflow process for managing information technology incidents and service requests is in place on a ServiceNow platform further enhancing the level of automation. Relevant key performance indicators are regularly reviewed. Information technology projects are managed and executed using agile methodology based on features and capabilities of Azure Development Operations.

SES ensures adequate and secure VPN connectivity and redundancy to cater for users working remotely. More applications continue to be progressively added onto our multi-



Factor authentication to protect against unauthorised access due to password theft or password guessing attacks.

A dedicated cybersecurity team is in place to help and guide SES management and business stakeholders to adequately secure SES systems, information assets and customer services. The cybersecurity team follows a holistic approach towards cybersecurity by implementing a wide range of security control mechanisms and practices based on industry-leading standards, as well as cultivating a culture of awareness and caution throughout our organisation. A wide cyber security and data protection awareness program has been implemented and is mandatory for all SES employees to be completed annually.

Information and Monitoring activities

The SES Internal Communications function ensures the effective circulation of information across the organisation and supports the implementation of internal control and risk management by communicating business and functional objectives, guidelines, and instructions as well as information pertinent to SES's business activities. Timely and transparent information flow across all levels and functions of SES is managed via a wide array of internal communications channels. This ensures that SES employees around

the world have direct access to all the key information required to do their job most effectively, make informed business decisions and align with SES's business priorities and strategic direction as well as with our identity and aspirational culture.

The Company relies on a comprehensive system of financial information and oversight. Strategic plans, business plans, budgets and the interim and full year consolidated financial statements of the Group are drawn up and presented to the Board for approval.

The Board also approves all significant investments and receives monthly financial reports setting out the Group's financial performance in comparison to the approved budget and prior year figures.

In accordance with IFRS requirements, SES discloses detailed information on the market, credit, and foreign exchange risks to which it is exposed, as well as its strategy for managing such risks.

The Audit and Risk Committee ('ARC') is regularly updated on significant accounting and financial reporting, treasury, tax, and legal issues.

The complete 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.

The external auditor performs a limited review of the Group's interim condensed consolidated financial statements and a full audit of the annual consolidated financial statements.

SES's Internal Audit ('IA') function performs specific analyses of the relevance of, and compliance with, Company policies and internal control procedures in accordance with generally accepted Internal Audit Standards issued by the Institute of Internal Audit ('IIA'). The activities of the IA function are executed in accordance with an annual audit plan, which is reviewed and approved by the ARC. This plan is prepared in close cooperation with the company's Risk Management Team to dynamically link it to risks and exposures that may affect the organisation and its operations. In 2023, SES IA function underwent an external quality assessment as required by the standards of the IIA; the IIA Evaluation Committee confirmed that the IA activity at SES generally conforms with the International Professional Practice Framework and the IIA's Code of Ethics.

Any material weaknesses in the system of internal controls identified by either internal or external auditors are promptly and fully addressed. Regular reports are provided to the Senior Leadership Team

and to the ARC summarising conclusions regarding internal control effectiveness and compliance.

The proxy structure of SES Space and Defense Inc. (a wholly-owned indirect subsidiary of SES S.A.) and its direct fully-owned subsidiary Global Enterprise Solutions, Inc. acquired on 1 August 2022 (together 'SES Space and Defense'), in line with common practice for businesses serving certain segments of the US Government, imposes various restrictions on SES's Board and executive management ability to directly supervising the maintenance of an internal control system and imposing an internal audit structure. Hence the Group's IA function does not perform direct internal control reviews at SES Space and Defense, but rather has an agreement with the SES Space and Defense's management as to the required level of risk management and internal control. In recent years these procedures were subject to evaluation and compliance testing by a third-party audit services provider, although this activity was suspended in 2022 for a period to allow the full integration of the business operations of SES Space and Defense. The Group's external auditor is also engaged for the audit of the financial information provided by SES Space and Defense in the framework of the audit of the Group's consolidated financial statements.



PRINCIPAL RISKS

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

STRATEGIC RISKS

Competition

The satellite communications business is increasingly competitive. SES competes with national, regional and international GEO, non-geostationary (NGSO) and fixed and wireless terrestrial operators. The competition from NGSO systems is potentially the most disruptive trend facing SES. With strong financial backing, vertical integration and technological advancements, such competitors are planning to enter multiple markets targeted by SES. In addition, the trend towards horizontal and vertical consolidation poses the risk of leaving SES behind with a smaller, less powerful relative market position towards customers as well as suppliers. SES regularly evaluates potential partner or merger targets that fit with its strategy.

Technology

The satellite communications industry is subject to rapid technological change. As a result, the technology used by SES could become less suitable for customer requirements leading to a reduced service demand and a negative revenue impact. SES monitors such changes and regularly evaluates opportunities to

invest into new technologies.

Emerging Markets

SES targets new geographical areas and emerging markets and is developing commercial arrangements with local communications, media and other businesses in these areas. SES may be exposed to political and other risks associated with such business.

Investment

SES’s desired strategic investments may not yield expected benefits due to a number of factors including uncertain or changing market conditions, financing costs and legal and regulatory issues. Some of the mitigation when it comes to the cost of financing include: commitment to our investment grade rating, ensuring the weighted average duration of debt financing to be sufficiently long, having access to a wide range of financing products in multiple currencies and jurisdictions, having ample committed liquidity headroom and predominantly raising debt financing at a fixed interest rate.

ESG

We recognise the effect ESG matters

have on the company’s everyday activities and the importance of having a sound risk management approach around those matters. SES is committed to conduct its business in accordance with highest standard governance processes and in a sustainable and environmentally friendly way. Failure to do so may have an adverse effect on the company’s operation, financial results and reputation. SES is in a process of identifying and evaluating relevant ESG related risks (including those related to climate) in order to ensure that necessary mitigating actions are in place. This is done in alignment with a double

materiality process, considering and evaluating both risks and opportunities. In view of complexity, and developing nature, of ESG related issues to be considered by the company, the above process includes engaging all relevant stakeholders and consulting external professional advisors. A number of such risks are closely linked to other areas covered in this section and are already being mitigated, for example, risks relating to in-orbit failures and cybersecurity. Details of company’s ESG strategy are provided [in section](#) of the Annual Report.

OPERATIONAL RISKS

Dependency on key supplier(s)

Dependency on a small number of satellite manufacturers may reduce SES’s negotiating power and access to advanced technologies and result in increased satellite procurement risk (e.g., due to technical difficulties and design problems with a particular model of satellite). SES mitigates these risks by maintaining a full level physical presence and oversight at manufacturer facilities throughout the spacecraft design, construction and acceptance. SES monitors manufacturers’ supplier base and procurement sources and develops relationships with new suppliers where possible. SES is dependent on a limited number of launch service providers. As such, delays may be incurred in launching satellites in the event of a prolonged unavailability of service from a launch service provider. SES monitors developments on the launcher market, including those in respect to new launch service providers and new launch vehicles.

Launch delay(s) and launch failure(s)

Launch delays are always a possibility. Satellite launch and in-orbit insurance policies do not compensate for lost revenues and other consequential losses. SES attempts to mitigate the risk

of delays by ensuring adequate margins in satellite procurement schedules. There is always a small but inherent risk of launch or early-orbit failure, resulting in a reduced satellite lifetime and/or functionality or the total loss of a satellite. SES mitigates such risks in several ways, including by technical risk management of each launch vehicle programme and asset insurance for each launch.

In-orbit failure(s)

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



Cybersecurity

SES’s operations may be subject to hacking, malware and other forms of cyber-attack. Due to the high sophistication of certain attackers and an increasing number of cyber-attacks, it may not always be possible to prevent every such event. SES has protections in place to help protect its systems and networks and continues to work to implement additional protective measures intended to limit the risks associated with such attacks.

Insurance coverage and availability

SES maintains pre-launch, launch and initial in-orbit insurances, and third-party liability insurance. These policies generally contain customary market exclusions and are subject to limitations. The insurance market has been seeing a reduced availability and significantly

increased rates. This results in increased insurance premiums for SES. In order to mitigate these risks and optimise the coverage and premiums, SES maintains long-term agreements with insurers.

Global Pandemic or other health emergency

SES is subject to the risk of a global pandemic or other health emergency such as COVID-19. A material health emergency could affect availability of our employees and impact various areas of SES’s business including procurement and launch of satellites, entry into service of new satellites, procurement of ground infrastructure and provision of services to customers. SES has procedures and measures to respond to health risks and to secure business continuity during such situations.

REGULATORY RISKS

Legal and Regulatory

SES’s operations and business are subject to compliance with the laws, regulations (e.g., communications, export control, sanctions, competition, ESG) and political will of the governmental authorities of the countries in which SES operates, uses radio spectrum, offers satellite capacity and services. Violations of any of the applicable laws and regulations could expose SES to penalties and other enforcement actions and may negatively affect commercial operations. SES may need to obtain and maintain approvals from authorities or other entities to operate its satellites and to offer satellite capacity and services. Failure to obtain the necessary approvals could lead to loss of revenues and compliance actions against SES. SES works to ensure that adequate compliance staff is in place and that all teams have the necessary technical and human resources to enable the company to comply with applicable laws and regulations.

Spectrum

The International Telecommunication

Union (‘ITU’) and national administrations may reallocate satellite spectrum to other uses. In addition, national administrations are increasingly charging for access to spectrum through the use of fees and auctions. This may affect SES’s access to orbital locations and frequencies required for it to develop and maintain its satellite fleet and services. In addition, SES must coordinate the operation of its satellites with other satellite operators so as to prevent or reduce interference. As a result of such coordination, SES may be required to modify the proposed coverage areas or satellite design or transmission plans which may materially restrict satellite use. Similarly, the performance of SES’s satellites in some areas could be adversely affected by harmful interference caused by other operators. Operational issues such as satellite launch failure, launch delay or in-orbit failure might compromise access to the spectrum or orbital locations. SES’s large fleet may enable the relocation of in-orbit satellites to satisfy regulatory and spectrum requirements.

FINANCE RISKS

Credit rating

SES’s credit rating can be affected by a number of factors, including a change in its financial policy, a deterioration of its financial credit metrics, a downgrade in the rating agencies’ assessment of the business risk profile or a change in rating methodology. A change in SES’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 two of the international reputable credit rating agencies (currently, Fitch and Moody’s).

Tax

SES is subject to taxation in multiple jurisdictions and may become subject to unforeseen material tax claims, including late payment interest and / or penalties, and in some cases retroactive tax assessments. SES has implemented a tax risk mitigation charter based on, among other things, a framework of tax opinions for the financially material positions taken, transfer pricing policies, and procedures for accurate tax compliance in all jurisdictions.

Asset impairment

SES’s intangible assets, satellites and ground segment assets are valued at historic cost less amortisation, depreciation and accumulated impairment charges. The resulting carrying values are validated each year through impairment testing procedures where they are compared to the discounted present value of the future cash flows expected to be derived from the asset. Where future assumptions for a specific asset, as set out in the approved Business Plan, become less favourable, or the discount rates applied to the future cash flows increase, then this may result in the need for material asset impairment charges.

Foreign exchange

SES’s reported financial performance can be impacted by movements in the Euro / U.S. dollar exchange rate, as SES has significant operations, cash flows, assets and liabilities that are denominated in the U.S. dollar whereby the Group’s reporting currency is the Euro. To mitigate this exposure, SES may enter into forward foreign exchange or similar derivative contracts to hedge underlying foreign exchange exposures. Further details are provided in [Note 18 to the consolidated financial statements](#).

Interest rate

SES’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. Further details are provided in [Note 18 to the consolidated financial statements](#).

Key customer loss

Bankruptcy and customer consolidation, amongst other reasons, can potentially result in loss of customers, non-renewals or reduction in the demand for services. SES aims for long contract terms with key customers based on strong relationships.

Customer credit

Failure by customers to fulfil payment obligations is a possibility. Credit risk may increase as SES and / or its customers increase dependency on revenues in emerging markets where credit risk may be higher. This risk is mitigated through a customer credit policy including credit checks, deposits or other forms of security, payment monitoring and credit insurance where possible. Further details are provided in [Note 18 to the consolidated financial statements](#).



REMUNERATION REPORT

Introduction

The following sections set out the Remuneration Policy and 2023 Remuneration Report of the company.

They have been prepared by the Remuneration Committee whose primary activity is to review and advise the SES Board on Directors and Executive remunerations matters, ensuring they support and enhance realisation of strategic objectives in accordance with applicable laws and regulations.

2023 has been an active year for the Remuneration Committee with changes at the Board and SLT level, including a CEO transition which later resulted in the announcement of the appointment of Adel Al-Saleh as new CEO of SES, effective February 2024. The remuneration package agreed by the Remuneration Committee and SES Board for the new CEO is provided in the Remuneration Report section.

Furthermore, in response to last year's Annual General Meeting voting, the Remuneration Committee has continued to further increase transparency of remuneration disclosures and alignment of its remuneration policies with best practices:

- Discontinued Stock Options from the Long-Term Equity (LTE) plan to retain Performance and Restricted Shares only – effective grant year 2023
- Increased weight of Performance Shares from 50% to 75% of the annual grant thus increasing the pay-for-performance component of the LTE Plan – effective grant year 2023
- Increased payout range for Performance Shares from 50-150% to 0-200% thus removing the payout

threshold and allowing for payment only if achievement exceeds 75% of the peer group median – effective grant year 2023

- Introduction of Environmental, Social and Governance (ESG) related metrics as a modifier to Total Shareholder Return as part of the vesting mechanism for Performance Shares – effective grant year 2023
- Increased transparency around the compensation of SLT members by disclosing individual remuneration of the Chief Executive Officer, Chief Financial Officer as well as the Chief Strategy Officer and Chief Legal Officer. Remuneration of the other SLT members (Chief Technology Officer, Chief People Officer, Chief Development Officer and Head of Media) is presented as an aggregate amount
- Increased transparency on disclosures of achievements for Financial and Business Objectives under Annual Bonus as well as ESG and Financial targets under LTE

The Remuneration Committee has also undertaken an external benchmarking review of SLT remunerations in the course of 2023, details of which are outlined in the Remuneration Report. While we trust that these improvements demonstrate that we have heard Shareholder's concerns, we appreciate more adaptations may be required to secure further alignment with market practice. Therefore, in H1 2024, together with the new CEO, we will review SES's Long Term Equity programme including the vesting mechanism of Performance Shares.

REMUNERATION POLICY

Purpose and scope of the remuneration policy

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

- How it contributes to the Company's objectives relating to its business strategy, long-term interests and sustainability;
- The different components of remuneration, including all bonuses and other benefits in whatever form, if any, awarded to Directors and SLT members and indicates their relative proportion;
- The duration of the contracts or arrangements with the Directors and

- SLT members, the applicable notice periods, the main characteristics of supplementary pension or early retirement schemes and the terms of, and payments linked to, termination;
- The decision-making process followed for the determination, review and implementation of the Policy, including measures to avoid or manage conflicts of interests and, where applicable, the role of the Remuneration Committee and the Board; and
- The procedural conditions under which any derogation from the Policy can be applied as well as the elements of the Policy from which a derogation is possible.

THE REMUNERATION POLICY

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

Remuneration must reflect the degree of required qualifications and experience of the Directors and SLT members, the risks that they take personally, and

honour the dedication and efforts that the Directors and SLT members put into the Company. The Remuneration must also be consistent when compared to remunerations for similar roles in other companies and be relative to the pay and employment conditions of the employees of the Company.

REMUNERATION OF THE DIRECTORS

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

All these fees are net of any Luxembourgish withholding taxes on directors' fees. Board members do not receive any stock options or bonuses.

Fixed remuneration per year
The fixed component of the remuneration amounts to €40,000 per

year whereas the Vice Chairpersons each receive an annual fixed fee of €48,000 and the Chairperson receives a fee of €100,000 per year.

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



Remuneration per meeting

Directors receive €1,600 for each Board meeting or Board committee meeting they attend, except for the Audit and Risk Committee for which a fee of €1,920 per meeting is paid. Directors participating in a meeting of a specific project taskforce set up by the Board of Directors receive a remuneration of EUR 1,600 per meeting.

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 their term, the Board may co-opt a Director to finish that mandate.

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

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

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

REMUNERATION OF SLT MEMBERS

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

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

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

Yearly Base Salary (“YBS”)

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

For all new SLT nominations,

remuneration packages are validated by the SES Board, and incorporating the recommendations from the Remuneration Committee. They are made based on external benchmarks provided by compensation consultants while also taking into account the level of qualification and experience required as well as employment conditions of employees at the time of the offer.

For appointed SLT members, in line with market practice, SES conducts an SLT remuneration benchmark review every 3 to 5 years, comparing SES SLT members remuneration against peers. Details and outcome of the 2023 review are available in the Remuneration Report.

Annual Bonus (“AB”)

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

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

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

The AB target for SLT members ranges from 50% to 80% of the YBS to 100% of the YBS for the CEO. The minimum pay-out can be as low as 0% of the AB (in other words no bonus payment), with a maximum pay-out capped at 150% of the annual bonus target. The AB of each SLT member is composed of two parts:

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

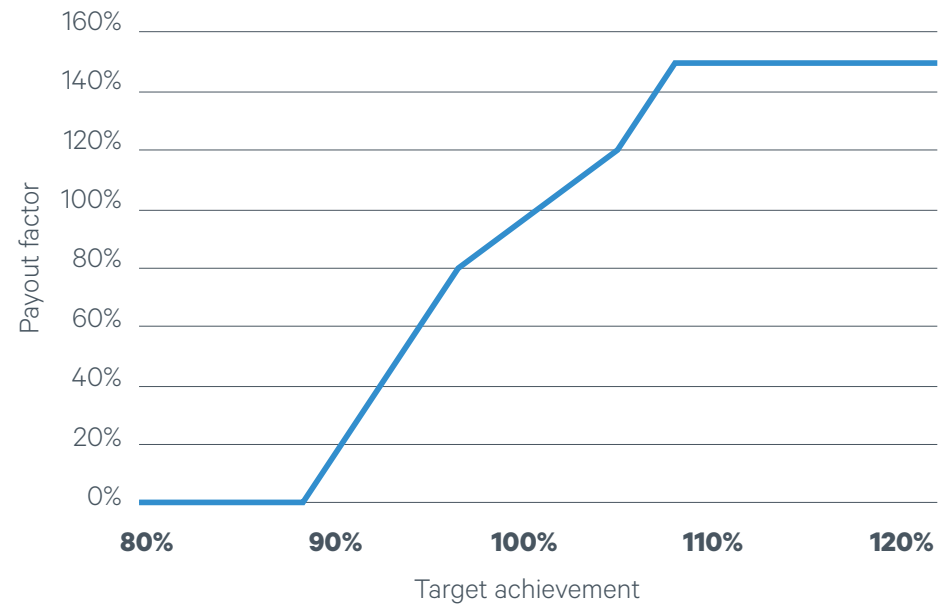
With the exception of the Head of Media, whose AB consists of four parts:

- Financial performance Group Level (35% of the AB);
- Business objectives Group Level (30% of the AB);
- Net New Revenue Business Area Level (17.5% of the AB); and
- Total Contract Value Business Area Level (17.5% of the AB).

Net New Revenue (NNR) is defined as total revenue recognised by the Company, during the actual Budget year minus secured revenue defined in the first days of the year. Total Contract Value (TCV) is total contract revenue value for newly signed and executed contracts in budget year, up to the first cancellation or renewal date or up to the end of the business plan period (five years including Budget year).

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

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



Net New Revenue and Total Contract Value targets are set annually by the SES Board at the beginning of each year in line with the budget.

The pay-out for Net New Revenue and Total Contract Value can be as low as 0% and are capped at 150% of the annual bonus target.

The business objectives, typically 3 to 5, are set annually and weighted by the SES Board at the beginning of each year and are related to the strategic roadmap of the company. For performance year 2024 the 5, equal-weighted, objectives retained are i) Achieving leadership position in key verticals, ii) Delivering a market leading portfolio, iii) Executing simplification and efficiency to deliver best customer experience, iv) Achieving market advantage in technology and v) Strengthening SES as a great place to work, taking responsibility for people and planet.

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

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

For confidentiality purposes, the details of the annual targets will be reported at the end of each performance year in the annual Remuneration Report.

Long-Term Equity (“LTE”)

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

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

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

- Restricted shares, representing one fourth of the LTE grant; and
- Performance shares, representing three fourths of the LTE grant and with a vesting which is subject to financial and ESG criteria.

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

For SLT members, the annual LTE grant value ranges from 58% of their YBS to 120% of the YBS for the CEO. Details of the new CEO's compensation package are disclosed in the Remuneration Report.

Restricted Shares

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

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

Performance Shares

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

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

Total Shareholder Return (“TSR”) is the metric retained to assess financial performance. It is measured on a relative basis to the median TSR performance of a panel of comparable companies during the vesting period and has the following characteristics:

- Ending share price is based on the average share price in the 3-month period of February – April preceding the vesting date i.e., from 1 February 2027 to 30 April 2027 for 2024 grant, and comprising trading days only
- Starting share price is based on the average share price during the 3-month period of February – April of the grant year i.e., from 1 February 2024 to 30 April 2024 for 2024 grant and comprising trading days only
- Measurement is based on Volume Weighted Average Price

- Outcome is reviewed by the Remuneration Committee prior to the Share Vesting Date

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

The Total Shareholder Return (TSR) comparator group consists of 15 companies, well balanced across Satellite, Media and European Telecom operators as well as other adjacent businesses. Telenet was removed from the TSR comparator group in 2023 due to its de-listing from the stock exchange.

The 2023 comparator group consists of:

TSR Comparator Group
Eutelsat Communications S.A.
Viasat, Inc.
Telesat Corporation
EchoStar Corporation
ProSiebenSat.1 Media SE
Telefonica S.A.
ITV Plc
RTL Group S.A.
Orange S.A,
BT Group Plc
Proximus NV
Millicom International Cellular SA
Royal Caribbean Cruises Ltd
Gilat Satellite Networks Ltd
Carnival Corporation & Plc



ESG Targets for 2023 grant

Starting with 2023 grant, ESG is included as a possible negative modifier to TSR ranging from 0 to 20% pending

achievement of targeted reductions in CO2 emissions and increase in the representation of women in people manager roles.

1) Defined CO2 emissions targets for vesting in 2026: Year-end 2025: 17,510 t CO2e

Achievement by 2025	Payout Modifier
Target of 17,510	0%
18,386 (Target +5%)	-5%
19,261 (Target +10%)	-10%
20,137 (Target +15%)	-15%
21,012 (Target +20%)	-20%

2) Defined percentage of women in people manager positions: April 2026: 24%

Achievement by 2026	Payout Modifier
Target of 24%	0%
23%	-5%
22%	-10%
21%	-15%
20%	-20%

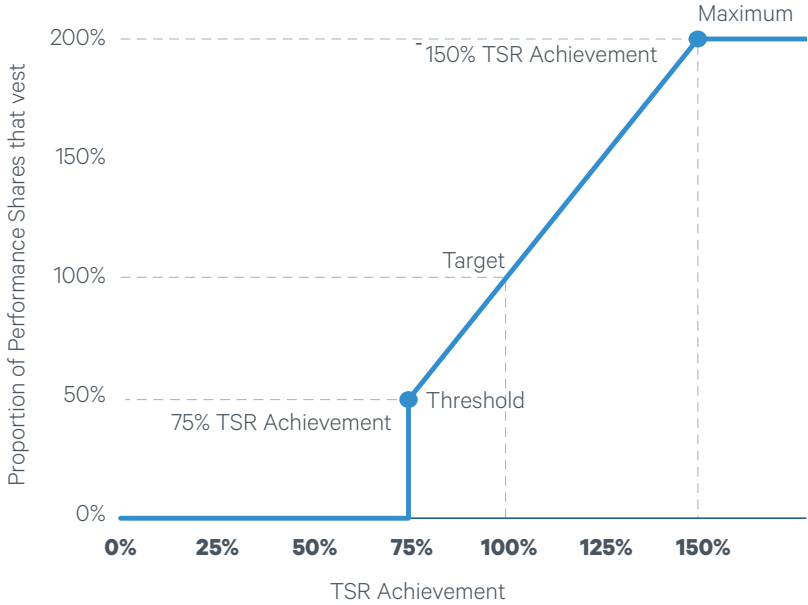
The average of these two ESG metrics is expressed as a modifier of TSR outcome.

Outcome of TSR and ESG will be reported in the annual Remuneration Report.

Unless otherwise specified by the Remuneration Committee, the

Performance Shares will vest on the Share Vesting Date, subject to the Participant’s continued employment with the Company or an Affiliate and to the following ratchet table which will apply to determine the portion of Performance Shares that will vest:

Performance Shares Ratchet Table



Stock Options

Starting with the 2023 grant, stock options are no longer part of the equity mix.

Benefits

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

- Pensions and health care plans: in Luxembourg, pension contributions of 7% up to the Social Security Ceiling (SSC) and 19% for the portion of salary above the SSC. The complementary pension scheme is a defined contribution scheme. In the US, restoration plans are in place to provide retirement benefits that supplement the tax-qualified, defined-contribution pension account defined in subsection 401(k) of the United States Internal Revenue Code; in the Netherlands, pension contributions are age-related and employer contribution is capped at 20.2% of the maximum pensionable salary; in the UK, pension contribution is at 12% of ABS;
- Health check-up;
- Death and disability insurances; and
- Car allowances.

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

Employment, Resignation and Termination

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

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

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

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

All members of the SLT are entitled to up to two years of YBS in case of termination without cause. The indemnity includes statutory severance payment, if any.



SLT SHARE OWNERSHIP PROGRAMME

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

The SLT members have an obligation to

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

SHAREHOLDER VOTE & DISCLOSURE

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

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

meeting. If the general meeting rejects the proposed remuneration policy, the Company will submit a revised policy to a vote at the following general meeting.

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, for as long as it is applicable.

PERIODIC REVIEW

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

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

In line with the Shareholder Rights Law of 1 August 2019, the SES Board adopted a Remuneration Policy that was formally submitted to the shareholders at the annual general meeting on 6 April 2023. An updated Remuneration Policy will be submitted to the Board on 28 February 2024 prior to its submission to the shareholders at the annual general meeting on 4 April 2024.

Adherence to the Shareholder Rights Law is made on a voluntary and complementary basis and deviations to the Remuneration Policy may occur in exceptional circumstances upon decision of the SES Board.

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

REMUNERATION REPORT

DIRECTORS REMUNERATION

In 2023, the Annual General Meeting of shareholders approved the remuneration of the Members of the Board of Directors through approving a resolution that has been submitted by the Board of Directors.

The shareholders decided to maintain the fees paid to the directors at the previous year’s level with a majority of 93.72%. The fees paid to the Board have not been increased since 2008, except for the fees paid to the Chair and the members of the Audit and Risk Committee which have been increased in 2015 in line with best practices.

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

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

Attendance fees for each Board or Board Committee meeting amounted to €1,600, except for the meetings of the Audit

and Risk Committee for which directors received €1,920 per meeting. Attendance fees for a meeting of a specific project taskforce set up by the Board of Directors amounted to EUR 1,600 per meeting. Starting 2023, directors receive attendance fees per meeting, also when multiple meetings take place on the same day.

All fees are net of any Luxembourg withholding taxes.

The total net remuneration fees expensed for the year 2023 to the members of the Board of Directors (net of the Luxembourg withholding tax) amounted to €960,449 of which €535,489 represented the fixed part of the Board fees, with the remaining €424,960 being variable fees. The gross overall figure (including withholding taxes) for the year 2023 was €1,200,561. This compares to a gross remuneration of €1,029,701 in 2022. The increase is primarily caused by an increased number of paid meetings.

The 2023 remunerations cover the fees paid for ten Board meetings and the meetings of the Board Committees described in the table below. The amounts relate to the Board fees expensed during the year 2023.



During 2023, the Board and the Committees of the Board were composed as follows:

- Frank Esser, Chair
- Anne-Catherine Ries, Vice-Chair
- Peter van Bommel, Vice-Chair
- Fabienne Bozet (as of 24 February 2023)
- Jennifer Byrne
- Carlo Fassbinder
- Ramu Potarazu
- Kaj-Erik Relander
- Jacques Thill
- Françoise Thoma
- Katrin Wehr-Seiter

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

Audit and Risk Committee composed as follows:

- Peter van Bommel (Chair)
- Fabienne Bozet
- Carlo Fassbinder

- Françoise Thoma
- Kaj-Erik Relander
- Katrin Wehr-Seiter

Nomination Committee composed as follows:

- Anne-Catherine Ries (Chair)
- Jennifer Byrne
- Frank Esser
- Kaj-Erik Relander
- Jacques Thill

Remuneration Committee composed as follows:

- Françoise Thoma (Chair)
- Anne-Catherine Ries
- Peter van Bommel
- Frank Esser
- Ramu Potarazu
- Katrin Wehr-Seiter

The detailed overview of the individual remunerations expensed in 2023 and 2022 to each Director is provided as follows:

2023 (for Meetings Q1 2023 to Q4 2023)

in EUR	Directors Remuneration	Attendance Fees	Taxes	Total
Frank Esser (Chair)	100,000	43,200	35,800	179,000
Anne-Catherine Ries (Vice-Chair)	56,000	43,200	24,800	124,000
Peter van Bommel (Vice-Chair)	57,600	41,280	24,720	123,600
Fabienne Bozet	33,889	24,960	14,712	73,561
Jennifer Byrne	40,000	27,200	16,800	84,000
Carlo Fassbinder	40,000	30,080	17,520	87,600
Ramu Potarazu ⁽¹⁾	40,000	64,000	26,000	130,000
Kaj-Erik Relander	40,000	33,280	18,320	91,600
Jacques Thill	40,000	32,000	18,000	90,000
Françoise Thoma	48,000	42,880	22,720	113,600
Katrin Wehr-Seiter	40,000	42,880	20,720	103,600
Total	535,489	424,960	240,112	1,200,561

(1) Year-over-year increase driven by specific project taskforce attendance fees

2022 (for Meetings Q1 2022 to Q4 2022)

in EUR	Directors Remuneration	Attendance Fees	Taxes	Total
Frank Esser (Chair)	100,000	28,800	32,200	161,000
Anne-Catherine Ries (Vice-Chair)	56,000	25,600	20,400	102,000
Peter van Bommel (Vice-Chair)	55,600	30,080	21,420	107,100
Fabienne Bozet	-	-	-	-
Jennifer Byrne	29,334	14,400	10,934	54,668
Carlo Fassbinder	29,333	13,120	10,613	53,067
Ramu Potarazu ¹⁾	40,000	25,600	16,400	82,000
Kaj-Erik Relander	40,000	23,360	15,840	79,200
Jacques Thill	40,000	30,400	17,600	88,000
Françoise Thoma	48,000	28,480	19,120	95,600
Katrin Wehr-Seiter	40,000	30,080	17,520	87,600
Serge Allegrezza	10,667	11,840	5,627	28,133
Beatrice de Clermont-Tonnerre	30,000	22,400	13,100	65,500
Tsega Gebreyes	12,667	8,000	5,167	25,833
Total	531,601	292,160	205,940	1,029,701



REMUNERATION OF THE MEMBERS OF THE SLT

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

The remuneration of the SLT members comprises two major components:

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

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

The following members were active in the SLT in the year 2023:

- Chief Executive Officer (CEO), Steve Collar (until 30 June 2023)

- Interim Chief Executive Officer (ICEO), Ruy Pinto (from 1 July 2023)
- Chief Financial Officer, Sandeep Jalan
- Chief Technology Officer, Ruy Pinto (until 30 June 2023)
- Interim Chief Technology Officer, Milton Torres (from 1 July 2023)
- Chief Services Officer, John Baughn (until 31 March 2023)
- Chief Strategy Officer, John-Paul Hemingway
- Chief Development Officer, Christophe De Hauwer (until 31 December 2023)
- Chief People Officer, Panorea Macdonald (until 18 December 2023)
- Chief Legal Officer, Thai Rubin
- Head of Media, Norbert Hölzle (from 1 February 2023)

On 1 January 2024, Nadine Allen joined the SLT as Head of Enterprise & Cloud.

The total remuneration of the CEO, CFO, CSO, CLO and other SLT members follows the principles set out in the Remuneration policy and is provided in the tables:

2023 Remunerations						
in EUR	Annual Base Salary ⁽¹⁾	Annual Bonus	Long Term Equity ⁽²⁾	Pension Expenses	Other Benefits and Payments ⁽³⁾	Total
Chief Executive Officer ⁽⁴⁾	603,758	838,396	350,204	91,144	1,955,372	3,838,873
Chief Financial Officer	464,823	552,382	143,515	67,686	22,786	1,251,192
Chief Legal Officer	353,430	409,866	78,151	18,241	35,230	894,918
Chief Strategy Officer	399,832	463,678	144,904	17,919	45,400	1,071,732
Other SLT Members ⁽⁵⁾	1,565,117	1,781,244	345,973	189,142	681,409	4,562,886
Total SLT	3,386,960	4,045,566	1,062,747	384,131	2,740,197	11,619,601

(1) Annual base salary of other (than CEO, CFO, CLO and CSO) SLT Members ranges from 323,167 EUR to 409,218 EUR with an average at 369,093 EUR
(2) Number of shares granted in 2020 and vesting in 2023 multiplied by prevailing share price at vesting date
(3a) Other benefits and payments include health care plans, death and disability insurance, car allowances and other payments
(3b) Includes payment of quarterly allowance for interim CEO and 2 years of Annual Base salary as contractual severance payment (1.6 MEUR) for departing CEO which was provided in addition to continued equity vesting for unvested grants at departure date, subject to TSR performance conditions for performance shares
(4) Steve Collar in H1 (ABS 791,985 EUR, bonus target 100%) & Ruy Pinto as interim CEO in H2 (ABS 451,000 EUR, bonus target 80%)
(5) CTO (Ruy Pinto in H1 and Milton Torres in H2), CPO (Panorea Macdonald), CDO (Christophe De Hauwer), Head of Media (New SLT member Norbert Hölzle as of 01/02/2023) and CSO (John Baughn until 31/03/2023)

2022 Remunerations						
in EUR	Annual Base Salary	Annual Bonus	Long Term Equity	Pension Expenses	Other Benefits and Payments	Total
Chief Executive Officer	735,438	760,001	705,265	125,027	54,778	2,380,508
Chief Financial Officer	439,616	365,669	319,463	66,561	22,833	1,214,143
Other SLT Members	2,204,143	1,689,753	1,497,444	211,088	415,503	6,017,931
Total SLT	3,379,197	2,815,423	2,522,172	402,676	493,114	9,612,582



Yearly Base Salary

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

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

In line with the Remuneration Policy, an external benchmarking review was carried out by comparing SES SLT remuneration against the 50th and 75th percentile of the market in recognition of the niche industry SES operates in, and focusing on annual base salary, annual bonus target percentage, target cash compensation, long term incentives and annualised target direct compensation.

SES has worked with Aon to select 20 peer companies of comparable size and organisational complexity, both in terms of revenues and market value. 80% of the peer companies are headquartered in Western Europe with a focus on the satellite communications equipment industry expanding to adjacent industries including telecommunications reflecting both the labour market where SES competes for talent and the governance environment against which investors evaluate pay proposals. 20% of the peer companies are US-companies who are direct business competitors to SES to provide a global perspective. No major deviation was found on target

direct compensation and as a result of the benchmarking review, no adjustment to the remuneration of SLT members was made.

Except for the Chief Legal Officer (based in the Netherlands) and the Chief Strategy Officer (based in the US), yearly base salaries of SLT members based in Luxembourg were adjusted in February, April and September 2023 following the legally required cost of living adjustments (Luxembourg Index) of 2.5% per indexation. The Annual Base Salary of the CTO was increased by 9% in H1 2023 to reflect a material increase in scope and responsibilities following the consolidation of the Technology and Global Services departments into one SLT area, making it the largest in Employee Size with close to 50% of the global workforce. The adjusted salary remains within the targeted 50th and 75th percentile.

Annual Bonus

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

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

Financial Performance Component of Annual Bonus

Annual Bonus	Metric ⁽¹⁾	Target in MEUR	Actuals in MEUR	Achievement in %	Pay-out per metric	Weighting	Pay-out
Financial Performance (70%)	Revenue	2,016	2030	100.7%	103.5%	40%	104.2%
	Adjusted EBITDA ⁽²⁾	1,030	1025	99.5%	97.5%	40%	
	Net Operating Cash Flow	973	1010	103.8%	119.0%	20%	

(1) Based on an average €/ \$ FX rate of €1 = \$1.08
(2) Adjusted EBITDA excludes material exceptional items, such as US C-band clearing

For confidentiality purposes, achievement of business objectives is

reported in aggregate with weighting per objective ranging between 20% and 30%:

The 2023 business objectives and achievements are:

Business Objectives	Weight	Achievement	Total
Executing on SES's O3b mPOWER investment	30%	16%	79%
Executing across SES's Networks and Video businesses	20%	105%	
Secure a leading role in the European Union's IRIS2 Programme	20%	110%	
Deliver a 'fit-for-purpose' organisation and great place to work, as well as advancing SES's ESG agenda	30%	102%	
Total	100%		

The main achievements in 2023, contributing to the 79% overall pay-out were as follows :

Executing on SES's O3b mPOWER investment

O3b mPOWER is the follow-on investment to SES's successful first-generation MEO constellation which has been in operation and serving customers across the Government, Mobility, Fixed Data segments since 2014.

While SES had targeted start of O3b mPOWER commercial services during 2023, delays in the delivery of the first 6 O3b mPOWER satellites have impacted the start of services. These satellites were launched in 2023, confirming the start of commercial services with the first customers expected to be deployed onto the system starting in early Q2 2024.

At the same time, SES delivered on additional commercial milestones during 2023 including expanding the fully protected backlog; broadening government use of MEO through Luxembourg Parliament's approval and official publication of the Medium Earth Orbit (MEO) Global Services (MGS) programme valued at €195 million over 10 years; delivering nearly 100 O3b mPOWER terminals for use by our customers; and securing commitments for the deployment of 3 sovereign government gateways.

Executing across SES's Networks and Video businesses

In 2023, Networks revenue grew by 6.1% year-on-year which represented the top-end of SES's Full Year outlook of mid-single digit growth and compared with year-on-year growth of 2.0% in 2022. The performance in 2023 was driven by positive outturns in all three of SES's main segments of Government, Mobility, and Fixed Data. In addition, some €940 million of new business and contract renewals were secured and contributing to Networks fully protected contract backlog of €2.0 billion at the end of 2023.

Over the same period, Video revenue declined by 4.4% year-on-year which represented the top-end of SES's Full Year outlook of mid-single digit decline and compared with a year-on-year reduction of 5.5% reported for the prior financial year. In addition, more than €540 million of new business and contract renewals were secured and contributing to Video fully protected contract backlog of €2.3 billion at the end of 2023.



Securing a leading role in the European Union’s IRIS2 Programme

In response to the European Commission’s call for tender related to the future European satellite constellation IRIS² (Infrastructure for Resilience, Interconnectivity and Security by Satellite), SES was a founding member of an open consortium governed by SES, Airbus Defence and Space, Eutelsat, Hispasat, and Thales Alenia Space.

With the objective of supporting the ambition to bring a secure and resilient connectivity infrastructure to European governments, businesses, and citizens, the consortium set up a dedicated, integrated team to leverage the best expertise in space and telecoms to develop an attractive solution (as part of ongoing engagement).

Deliver a ‘fit-for-purpose’ organisation and great place to work

SES improved the customer Net Promoter Score (as measured on a scale from -100 to +100) from +39 in 2022 to +54 in 2023, an improvement of +15 points or 39%, and Employee Net Promoter Score (as measured on a scale from -100 to +100) also increased from +4 in 2022 to +7 in 2023. At the same time, the company has continued to invest in its people in establishing development objectives and plans for most of SES’s senior executives.

In 2023, SES continued to make progress on the bold ESG agenda and strategy that was outlined in 2022 notably in establishing an ESG-focused Customer Advisory Board, completing SES’s first lifecycle assessment, and taking steps to improve collection and reporting of SES’s CO2 emissions.

The annual bonus of the Head of Media comprises 2 additional elements, Net New Revenue (17.5%) and Total Contract Value (17.5%) for the Media Vertical in complement of financial performance at company level (35%) and company business objectives (30%).

Additional metric for Head of Media	Weight	Target	Achievement	Payout
Net New Revenue Media	17,5%	234,497,885	235,183,869	100.3%
Total Contract Value Media	17,5%	390,070,922	263,599,152	67.6%

The SES Board confirmed an achievement for 2023 of 96.6% which applies equally to each active SLT member at year-end 2023, except for the Head of Media with an achievement confirmed at 89.5%.

The 2023 annual bonus relates to the 2023 performance year and will be paid in March 2024.

The overview of the 2023 annual bonus of the CEO, CFO, CSO, and CLO and other SLT members is provided in the table below:

Bonus SLT Expense

Annual Bonus 2023 performance year in EUR	Bonus at target (Abs.) ⁽⁴⁾	Bonus at target (% of Base Salary)	Maximum award limit (150%)	Percentage achievement ⁽¹⁾	Bonus Amount	Bonus Amount after 1.5x multiplier ⁽²⁾
Chief Executive Officer	574,621	[80-100]%	861,931	97.3%	558,931	838,396
Financial Performance (70%)	402,235		603,352	99.7%	400,877	601,315
Busines Objectives (30%)	172,386		258,579	91.7%	158,054	237,081
Chief Financial Officer	381,058	80%	571,587	96.6%	368,255	552,382
Financial Performance (70%)	266,741		400,111	104.2%	277,944	416,916
Busines Objectives (30%)	114,317		171,476	79.0%	90,311	135,466
Chief Legal Officer	282,744	80%	424,116	96.6%	273,244	409,866
Financial Performance (70%)	197,921		296,881	104.2%	206,233	309,350
Busines Objectives (30%)	84,823		127,235	79.0%	67,010	100,515
Chief Strategy Officer	319,866	80%	479,799	96.6%	309,119	463,678
Financial Performance (70%)	223,906		335,859	104.2%	233,310	349,965
Busines Objectives (30%)	95,960		143,940	79.0%	75,808	113,712
Other SLT Members⁽³⁾	1,265,793	[40-80]%	1,898,690	93.8%	1,187,496	1,781,244

(1) Achievement for Financial Performance at 104.2% and Business Objectives at 79.0%. Achievement for departing SLT members based on projections at departure date.
(2) As an exception for 2023, bonus payouts of all employees including SLT members were multiplied by a factor of 1.5x as an incentive measure upon successful achievement of the 2nd C-band clearing milestone.
(3) Achievement of other SLT members at 104.2% (Financial Performance) and 79.0% (Business Objectives) respectively. NNR and TCV achievements for Head of Media Vertical at 100.3% and 67.6% respectively
(4) Full year bonus target for Steve Collar 791,985 EUR, pro-rated for H1. Full year bonus target for Ruy Pinto 360,800 EUR, pro-rated for H2



Long Term Equity Incentives

The third element of the compensation package relates to the long-term equity granted by the Company. The plan, administered by the Remuneration Committee, permits the grant of three equity types: (i) stock options (decommissioned early 2023); (ii) restricted shares; and (iii) performance shares. The 2023 total grant value was divided into 25% restricted shares and 75% performance shares.

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

Performance Shares are FDRs granted to SLT members and vest on 1 June of the third year following the year of their grant. Performance shares granted prior to year 2021 are subject to the outcome of the compounded three years adjusted Economic Value Added (EVA) with

metric required to be positive to trigger vesting of shares. From grant 2021 onwards, vesting is subject to outcome of Total Shareholder Return (TSR), measured on a relative basis to the median TSR performance of a panel of comparable companies during a three-year period.

For the 2023 vesting of performance shares, the compounded EVA calculated over the period 2020 to 2022 was positive at EUR 4 million and thus triggered 100% vesting of the performance shares granted in 2020.

During 2023, the members of the SLT were awarded a combined total of 122,660 restricted shares as part of the company's long-term incentive plan and 367,980 performance shares. The detailed overview of the 2023 equity grant and vesting as well as current total shareholding for the CEO, CFO, CSO, CLO and other SLT members is provided as follows:

Long Term Equity Plan - 2023 Grant					Equity Vesting in 2023		Registered shares and FDR's - 31 December 2023
	Components	Grant Year	Vesting Year ⁽¹⁾	Units granted	Grant year	Units vested	
Chief Executive Officer	Stock Options			-	2019 to 2020	116,067	59,017
	Performance Shares	2023	2026	92,856	2020	48,528	
	Restricted Shares	2023	2026	30,952	2020	16,176	
Chief Financial Officer	Stock Options			-	2019 to 2020	58,434	41,516
	Performance Shares	2023	2026	43,614	2020	19,887	
	Restricted Shares	2023	2026	14,538	2020	6,629	
Chief Legal Officer	Stock Options			-	2019 to 2020	25,126	23,244
	Performance Shares	2023	2026	33,999	2020	10,938	
	Restricted Shares	2023	2026	11,333	2020	3,646	
Chief Strategy Officer	Stock Options			-	2019 to 2020	49,289	72,614
	Performance Shares	2023	2026	40,026	2020	20,742	
	Restricted Shares	2023	2026	13,342	2020	6,914	
Other SLT Members	Stock Options			-	2019 to 2020	102,664	66,955
	Performance Shares	2023	2026	157,485	2020	48,252	
	Restricted Shares	2023	2026	52,495	2020	16,084	

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

Long Term Equity Plan - 2022 Grant					Equity Vesting in 2022	
	Components	Grant Year	Vesting Year ⁽¹⁾	Units granted	Grant year	Units vested
Chief Executive Officer	Stock Options	2022	2025	302,827	2018 to 2020	271,509
	Performance Shares	2022	2025	54,069	2019	24,399
	Restricted Shares	2022	2025	18,023	2019	8,133
Chief Financial Officer	Stock Options	2022	2025	138,765	2020	58,434
	Performance Shares	2022	2025	24,777	2020	23,694
	Restricted Shares	2022	2025	8,259	2020	7,898
Other SLT Members	Stock Options	2022	2025	669,765	2018 to 2020	307,751
	Performance Shares	2022	2025	119,580	2019	44,604
	Restricted Shares	2022	2025	39,860	2019	14,868

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



When exercising their vested stock options and their vested shares, the SLT members must act in accordance with the SES Dealing Code (including requiring the prior authorization from the

Deputy Corporate Secretary and/or Chief Financial Officer and provide selling orders outside of a closed period).

Please refer to management disclosures on the [SES website](#).

Benefits package

As for the benefits provided to members of the SLT, they are aligned with local and market practices and include

pensions, health care plans, death and disability insurances, company cars or car allowances and other payments.

New CEO package Adel Al-Saleh, start date 1 February 2024

Annual Remuneration Package	in EUR
Annual Base Salary	1,150,000
Bonus target 100%	1,150,000
Long Term Equity 120%	1,380,000
Total	3,680,000
One Time Remuneration	in EUR
Buy out 2020 Share Matching Plan	545,109
Buy out 2021 LTE and Share Matching Plan	1,559,109
Buy out 2022 LTE and Share Matching Plan (in the form of share award) ⁽¹⁾	1,788,000
Buy out 2023 LTE and Share Matching Plan (in the form of equity grant)	1,380,000
Total	5,272,218

(1) 300,000 shares valued at €5.96 closing price as of 31 December 2023

With the departure of the former CEO, the SES Board has initiated a search for a suitable candidate with the required qualifications and experience to take over the role. Selection process resulted in the appointment of Adel Al-Saleh as new CEO of SES, effective February 2024. The agreed Annual Base Salary and Bonus were offered to align with his previous compensation and while

the agreed total direct compensation is higher than that of the previous CEO, it is aligned with the 75th percentile of total direct compensation of similar roles in comparable companies. This agreed remuneration package was complemented by a one time buy out of forfeited long-term equity grants at previous employer.

RESPONSIBILITY STATEMENT

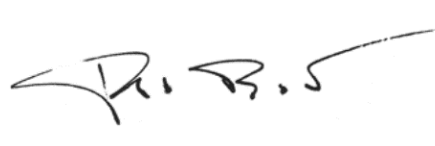
The Board of Directors and the Executive Committee of the company reaffirm their responsibility to ensure the maintenance of proper accounting records disclosing the financial position of the group with reasonable accuracy at any time and ensure that an appropriate system of internal controls is in place 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 2023, prepared in accordance with Luxembourg legal and regulatory

requirements, and the consolidated financial statements as of end for the year ended 31 December 2023, 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.

28 February 2024



Frank Esser
Chair of the Board of Directors



Adel Al-Saleh
CEO



CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2023 and
independent auditor's report

1. Audit report
2. Consolidated income statement
3. Consolidated statement of comprehensive income
4. Consolidated statement of financial position
5. Consolidated statement of cash flows
6. Consolidated statement of changes in
shareholders' equity
7. Notes to the consolidated financial statements



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 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards 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 2023;
- 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, including material accounting policy information and other explanatory information.

Basis for opinion

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

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

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

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

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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 6 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.

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

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

The Group has goodwill of 140 million EUR and orbital slot license rights with indefinite useful lives of 326 million EUR as of 31 December 2023. A total impairment expense of 1,548 million EUR was recognised for the year ended 31 December 2023 in relation to the goodwill at the level of the GEO North America (989 million EUR), GEO International (340 million EUR) and MEO (219 million EUR) CGUs (see Note 15 to the consolidated financial statements). As a result, the goodwill related to all CGUs except GEO Europe has been fully impaired. A total impairment expense of 1,677 million EUR was recognised for the year ended 31 December 2023 in relation to the orbital slot license rights at the level of the GEO North America (45 million EUR), GEO International (466 million EUR) and MEO (1,166 million EUR) CGUs (see Note 15 to the consolidated financial statements). As a result, the orbital slot licence rights related to MEO CGU have been fully impaired.

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

How our audit addressed the key audit matter

- We evaluated the design and implementation of relevant internal controls;
- We evaluated Management's determination of the CGUs 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 2024 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 the 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 15 to the consolidated financial statements.

Impairment of satellites and satellites in the course of construction

The Group has a space segment assets balance, representing primarily satellites, of 2,705 million EUR as at 31 December 2023 and space segment assets in the course of construction, representing primarily, satellites in the course of construction of 1,367 million EUR. An impairment expense of 56 million EUR and reversal of impairment of 30 million EUR was recognised for the year ended 31 December 2023 in relation to several satellites, (see Note 13 to the consolidated financial statements). In addition an impairment expense of 425 million EUR was recognized for the year ended 31 December 2023 in relation to the space segment assets under construction (see Note 14 to the consolidated financial statements).

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

How our audit addressed the key audit matter

- We evaluated the design and implementation of relevant internal controls;
- We discussed with Management about any satellite health issues and evaluated their impact on the satellites' capability to generate future cash inflows, and implicitly on the recoverable amount of the satellites;
- We evaluated the forecasted revenue and cost assumptions, considering our expectations in terms of significant developments during the forecast period (significant new contracts or loss thereof) and corroborated these with market data in respect of demand for satellite capacity and pricing;
- We involved valuation specialists and validated the method used to derive the value in use of satellites presenting a risk of impairment. We independently recalculated the weighted average cost of capital based on the use of market data;
- We performed sensitivity analysis of the models to changes in the key assumptions;
- We considered the disclosures in Note 13 and 14 to the consolidated financial statements and assessed their appropriateness.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report including 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 IFRS Accounting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements

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

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

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



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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

We assess whether the consolidated financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Report on other legal and regulatory requirements

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the consolidated management report. The information required by Article 68ter Paragraph (1) Letters c) and d) of the Law of 19 December 2002



on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We have been appointed as “Réviseur d’Entreprises Agréé” by the General Meeting of the Shareholders on 6 April 2023 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 11 years.

We have checked the compliance of the consolidated financial statements of the Group as at 31 December 2023 with relevant statutory requirements set out in the ESEF Regulation that are applicable to consolidated financial statements.

For the Group it relates to the requirement that:

- the consolidated financial statements are prepared in a valid XHTML format;
- the XBRL markup of the consolidated financial statements uses the core taxonomy and the common rules on markups specified in the ESEF Regulation.

In our opinion, the consolidated financial statements of the Group as at 31 December 2023, identified as “SES_Annual_report_-2023-12-31-en”, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 29 February 2024

A handwritten signature in blue ink, appearing to read "F. Mousel".

François Mousel

Consolidated income statement

For the year ended 31 December 2023

€million		2023	2022
Revenue	Note 4	2,030	1,944
C-band repurposing income	Note 33	2,744	184
Other income		5	-
Cost of sales	Note 5	(436)	(351)
Staff costs	Note 5	(409)	(330)
Other operating expenses	Note 5	(252)	(205)
Operating expenses	Note 5	(1,097)	(886)
EBITDA	Note 35	3,682	1,242
Depreciation expense	Note 13	(603)	(642)
Property, plant and equipment impairment	Note 13	(26)	(194)
Assets in the course of construction impairment	Note 14	(425)	-
Amortisation expense	Note 15	(89)	(63)
Intangible assets impairment	Note 15	(3,225)	(203)
Operating (loss)/profit	Note 4	(686)	140
Net financing costs	Note 7	(42)	(88)
(Loss)/profit before tax		(728)	52
Income tax expense	Note 8	(176)	(87)
Loss after tax		(904)	(35)
Loss for the year		(904)	(35)
Attributable to:			
Owners of the parent		(905)	(34)
Non-controlling interests		1	(1)
		(904)	(35)
Basic loss per share (in euro)			
Class A shares	Note 11	(2.14)	(0.16)
Class B shares	Note 11	(0.86)	(0.06)
Diluted loss per share (in euro)			
Class A shares	Note 11	(2.12)	(0.16)
Class B shares	Note 11	(0.85)	(0.06)

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

Consolidated statement of comprehensive income

For the year ended 31 December 2023

€million		2023	2022
Loss for the year		(904)	(35)
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligation		-	3
Income tax effect		-	(1)
Remeasurements of post-employment benefit obligation, net of tax		-	2
Income tax relating to treasury shares impairment expense or reversal		-	2
Total items that will not be reclassified to profit or loss		-	4
<i>Items that may be reclassified subsequently to profit or loss</i>			
Impact of currency translation	Note 10	(196)	295
Income tax effect	Note 10	11	(31)
Total impact of currency translation, net of tax		(185)	264
Net investment hedge	Note 19	22	(88)
Income tax effect	Note 19	(6)	24
Total net investment hedge, net of tax		16	(64)
Total items that may be reclassified subsequently to profit or loss		(169)	200
Total other comprehensive (loss)/income for the year, net of tax		(169)	204
Total comprehensive (loss)/income for the year, net of tax		(1,073)	169
Attributable to:			
Owners of the parent		(1,074)	168
Non-controlling interests		1	1
		(1,073)	169

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

Consolidated statement of financial position

As at 31 December 2023

€million		2023	2022
Non-current assets			
Property, plant and equipment	Note 13	3,042	3,630
Assets in the course of construction	Note 14	1,550	1,859
Total property, plant and equipment		4,592	5,489
Intangible assets	Note 15	920	4,291
Other financial assets		21	20
Trade and other receivables	Note 17	87	111
Deferred customer contract costs		3	7
Deferred tax assets	Note 9	671	499
Total non-current assets		6,294	10,417
Current assets			
Inventories		55	34
Trade and other receivables	Note 17	860	1,033
Deferred customer contract costs		2	4
Prepayments		47	47
Income tax receivable		19	25
Cash and cash equivalents	Note 20	2,907	1,047
Total current assets		3,890	2,190
Total assets		10,184	12,607
Equity			
Attributable to the owners of the parent	Note 21	3,701	5,596
Non-controlling interests	Note 22	57	62
Total equity		3,758	5,658
Non-current liabilities			
Borrowings	Note 24	3,443	3,629
Provisions	Note 25	3	7
Deferred income	Note 16	337	359
Deferred tax liabilities	Note 9	205	434
Other long-term liabilities	Note 27	83	107
Lease liabilities	Note 30	23	30
Fixed assets suppliers	Note 28	313	740
Total non-current liabilities		4,407	5,306
Current liabilities			
Borrowings	Note 24	716	719
Provisions	Note 25	88	67
Deferred income	Note 16	224	189
Trade and other payables	Note 26	390	367
Lease liabilities	Note 30	16	15
Fixed assets suppliers	Note 28	455	264
Income tax liabilities		130	22
Total current liabilities		2,019	1,643
Total liabilities		6,426	6,949
Total equity and liabilities		10,184	12,607

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

Consolidated statement of cash flows

For the year ended 31 December 2023

€million		2023	2022
(Loss)/profit before tax		(728)	52
Taxes paid during the year		(442)	(186)
Interest expense on borrowings	Note 7	86	102
Interest income		(51)	(6) ¹
Depreciation, amortisation and impairment	Notes 13, 14, 15	4,368	1,102
Amortisation of client upfront payments		(45)	(69)
Other non-cash items in the consolidated income statement		173	27
Consolidated operating profit adjusted for non-cash items and tax payments and before working capital changes		3,361	1,022 ¹
Changes in working capital			
(Increase)/decrease in inventories		(26)	(6)
Decrease/(Increase) in trade and other receivables		13	442 ¹
Decrease in prepayments		(2)	4
Decrease/(increase) in trade and other payables		(4)	8
Increase in upfront payments		137	1
Changes in working capital		118	449 ¹
Net cash generated by operating activities		3,479	1,471 ¹
Cash flow from investing activities			
Payments for acquisition of subsidiary, net of cash acquired		-	(435)
Payments for purchases of intangible assets		(22)	(42)
Payments for purchases of tangible assets		(383)	(1,312)
Interest received		45	5 ¹
Other investing activities		(10)	(9)
Net cash absorbed by investing activities		(370)	(1,793) ¹
Cash flow from financing activities			
Proceeds from borrowings	Note 31, 24	-	744
Repayment of borrowings	Note 31, 24	(706)	(57)
Coupon paid on perpetual bond	Note 21	(49)	(49)
Dividends paid on ordinary shares ²	Note 12	(220)	(219)
Interest paid on borrowings		(109)	(103)
Payments for acquisition of treasury shares		(22)	-
Proceeds from treasury shares sold and exercise of stock options		1	4
Lease payments	Note 30	(22)	(17)
Payment in respect of changes in ownership interest in subsidiaries		1	2
Net cash generated by / (absorbed by) financing activities		(1,126)	305
Net foreign exchange movements		(123)	15
Net increase / (decrease) in cash		1,860	(2)
Cash and cash equivalents at beginning of the year	Note 20	1,047	1,049
Cash and cash equivalents at end of the year	Note 20	2,907	1,047

¹ Change in presentation, reflecting EUR 5 million of interest received within "Net cash absorbed by investing activities"

² Dividends are presented net of dividends received on treasury shares of EUR 3 million (2022: EUR 11 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 2023

	Attributable to owners of the parent							Non-controlling interest	Total equity
	Issued capital	Share premium	Treasury shares	Perpetual bond	Other reserves ²	Retained earnings	Foreign currency translation reserve		
€million									
At 1 January 2023	696	1,564	(80)	1,175	2,428	(34)	(153)	62	5,658
Result for the year	-	-	-	-	-	(905)	-	1	(904)
Other comprehensive income	-	-	-	-	-	-	(169)	-	(169)
Total comprehensive income for the year	-	-	-	-	-	(905)	(169)	1	(1,073)
Allocation of 2022 result	-	-	-	-	(34)	34	-	-	-
Reclassification of perpetual bond (Note 21)	-	-	-	(550)	-	-	-	-	(550)
Coupon on perpetual bond (Note 21)	-	-	-	-	(49)	-	-	-	(49)
Tax on perpetual bond coupon (Note 21)	-	-	-	-	14	-	-	-	14
Dividends provided for or paid ¹	-	-	-	-	(220)	-	-	-	(220)
Purchase of treasury shares	-	-	(27)	-	-	-	-	-	(27)
Share-based compensation expense (Note 23)	-	-	-	-	9	-	-	-	9
Exercise of share-based compensation	-	-	12	-	(10)	-	-	-	2
Transactions with non-controlling interest and other movements	-	-	-	-	(1)	-	1	(6)	(6)
At 31 December 2023	696	1,564	(95)	625	2,137	(905)	(321)	57	3,758

¹ Dividends are presented net of dividends received on treasury shares of EUR 3 million.

² The non-distributable items included in other reserves are described in Note 21.

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

Consolidated statement of changes in shareholders' equity

For the year ended 31 December 2022

	Attributable to owners of the parent									
	Issued capital	Share premium	Treasury shares	Perpetual bond	Other reserves ²	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interest	Total equity
€million										
At 1 January 2022	719	1,636	(189)	1,175	2,227	453	(351)	5,670	63	5,733
Result for the year	-	-	-	-	-	(34)	-	(34)	(1)	(35)
Other comprehensive income	-	-	-	-	4	-	198	202	2	204
Total comprehensive income for the year	-	-	-	-	4	(34)	198	168	1	169
Allocation of 2021 result	-	-	-	-	453	(453)	-	-	-	-
Cancellation of shares (Note 21)	(23)	(72)	95	-	-	-	-	-	-	-
Coupon on perpetual bond (Note 21)	-	-	-	-	(49)	-	-	(49)	-	(49)
Tax on perpetual bond coupon (Note 21)	-	-	-	-	14	-	-	14	-	14
Dividends provided for or paid ¹	-	-	-	-	(219)	-	-	(219)	-	(219)
Share-based compensation expense (Note 23)	-	-	-	-	9	-	-	9	-	9
Exercise of share-based compensation	-	-	14	-	(11)	-	-	3	-	3
Transactions with non-controlling interest	-	-	-	-	-	-	-	-	(2)	(2)
At 31 December 2022	696	1,564	(80)	1,175	2,428	(34)	(153)	5,596	62	5,658

¹ Dividends are presented net of dividends received on treasury shares of EUR 11 million.

² The non-distributable items included in other reserves are described in Note 21.

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

Notes to the consolidated financial statements

Note 1 - Corporate information

SES S.A. ('SES' or 'the Company') was incorporated on 16 March 2001 as a limited liability company (Société Anonyme) under Luxembourg Law. References to 'the Group' in the following notes are to the Company and its subsidiaries. SES trades under 'SESG' on the Luxembourg Stock Exchange and Euronext, Paris. The registered office of the Company is at: Château de Betzdorf, L-6815 Betzdorf, Luxembourg.

SES is a leader in global content connectivity solutions, leveraging a vast and intelligent network spanning satellite and ground infrastructure to create, deliver and manage video and data solutions enabling customers to connect more people in more places with content that enriches their personal stories with knowledge, entertainment and opportunity.

The consolidated financial statements of SES as at, and for the year ended, 31 December 2023 were authorised for issue in accordance with a resolution of the Board of Directors on 28 February 2024. Under Luxembourg Law, the consolidated financial statements are approved by the shareholders at their Annual General Meeting.

Note 2 - Summary of material accounting policies

Basis of preparation

The consolidated financial statements have been prepared in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board ('IASB') and endorsed by the European Union ('IFRS Accounting Standards'), as at 31 December 2023.

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

The consolidated financial statements are presented in euro (EUR). Unless otherwise stated, all amounts are rounded to the nearest million, except share and earnings per share data and audit and non-audit fee disclosures.

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS Accounting Standards, effective from 1 January 2023 and adopted by the Group. Any new IFRS Accounting Standards amendments, effective from 1 January 2023 and not mentioned below are not applicable to the Group.

Amendments to IAS 1 and IAS 8

On 12 February 2021, the IASB issued amendments to IAS 1 "Presentation of Financial Statements" regarding the disclosure of accounting policies and as well amendments to IAS 8 "Accounting policies, changes in accounting estimates and errors" on the definition of accounting estimates. Both amendments aim to improve accounting policy disclosure and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. The amendments were endorsed by the EU and are effective for annual periods beginning on or after 1 January 2023. The adoption of these amendments did not have any material impact on the Group's consolidated financial statements.

Amendments to IAS 12 deferred tax related to assets and liabilities arising from a single transaction

On 6 May 2021, the IASB published the amendments to IAS 12 "Income taxes" regarding the deferred tax related to assets and liabilities arising from a single transaction, that clarifies how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments were endorsed by the EU and are effective for annual periods beginning on or after 1 January 2023. The adoption of these amendments did not have any material impact on the Group's consolidated financial statements.

Amendments to IAS 12 International tax reform

On 23 May 2023, the IASB published “International Tax Reform – Pillar Two Model Rules”. These amendments give companies temporary relief from accounting for deferred taxes arising from the Minimum Tax Implementation Handbook international tax reform. The amendments also introduce targeted disclosure requirements for affected companies. The amendments were endorsed by the EU. The companies shall apply the temporary exception immediately, but disclosure requirements are required for annual periods beginning on or after 1 January 2023. For more details, see Note 8 – Income taxes.

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are relevant for the Group and effective for annual periods beginning on or after 1 January 2024, and have not been early adopted in preparing these consolidated financial statements:

1 Amendments to IAS 1 on classification of liabilities as current or non-current

On 23 January 2020, the IASB issued “Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)”. The amendment will affect the presentation of liabilities in the consolidated statement of financial position. The amendment clarifies that the classification of a liability as current or non-current should be based on rights in existence at the end of the reporting period to defer settlement of a liability by at least 12 months. The amendment also clarifies that the classification of a liability should be unaffected by the entity's expectations regarding whether it will exercise its rights to defer payment. The amendments were endorsed by the EU and are effective for annual reporting periods beginning on or after 1 January 2024. The Group does not expect any significant impact of these amendments on its consolidated financial statements.

2 Amendments to IAS 1 on non-current liabilities with covenants

On 31 October 2022, the IASB issued “Non-current Liabilities with Covenants”. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. The amendments were endorsed by the EU and are effective for annual reporting periods beginning on or after 1 January 2024. The Group does not expect any significant impact of these amendments on its consolidated financial statements.

3 Amendments to IFRS 16 – Leases on sale and leaseback

On 22 September 2022, the IASB issued “Lease Liability in a Sale and Leaseback”. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. The amendments were endorsed by the EU and are effective for annual reporting periods beginning on or after 1 January 2024. The Group does not expect any significant impact of these amendments on its consolidated financial statements.

4 Amendments to IAS 7 and IFRS 7 – Supplier finance

On 25 May 2023, the IASB issued “Supplier Finance Arrangements”. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 (with transitional reliefs in the first year). The amendments were not yet endorsed by the EU. The Group does not expect any significant impact of these amendments on its consolidated financial statements.

5 Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28

The IASB has made limited scope amendments to IFRS 10 ('Consolidated Financial Statements') and IAS 28 ('Investments in Associates and Joint Ventures') which clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the nonmonetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively. The IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method.

IFRS sustainability disclosure standards

In June 2023, the International Sustainability Standards Board (ISSB) released its first two sustainability disclosure standards:

1 IFRS S1 General requirements for disclosure of sustainability-related financial information

This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

2 IFRS S2 Climate-related disclosures

This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

The Group will adopt IFRS S1 and IFRS S2 when they become effective for annual reporting periods beginning on or after 1 January 2024 subject to the adoption of the standards by local jurisdictions. The ISSB has proposed a number of transitional reliefs when adopting the new standards.

The disclosure standards require that the disclosures are prepared at the same time as annual financial statements (subject to transition relief), for the same reporting entity as financial statements, and to the extent possible, assumptions used to prepare the reporting are on the same basis as the financial statements. The IFRS Sustainability Disclosure Standards are structured using the Task Force on Climate-related Financial Disclosures (TCFD framework) four-pillar approach, which covers governance, strategy, risk management, and metrics and targets.

The IFRS sustainability disclosure standards have not been yet adopted in Luxembourg. In Europe, the Corporate Sustainability Reporting Directive adopted in December 2022 and their related European Sustainability Reporting Standards (ESRS) will be applicable to SES Group as from fiscal year 2024. In this context, SES Group is focusing on its implementation to ensure proper compliance on due time.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its controlled subsidiaries, after the elimination of all inter-company transactions. Subsidiaries are fully consolidated from the date the Company obtains control until such time as control ceases. The financial statements of subsidiaries are generally prepared for the same reporting period as the Company, using consistent accounting policies. If required, adjustments are made to align any dissimilar accounting policies that may exist. For details regarding the subsidiaries included in the consolidated financial statements see Note 36.

Total comprehensive income or loss incurred by a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance. Should a change in the ownership interest in a subsidiary occur, without a loss of control, this is accounted for as an equity transaction.

Should the Group cease to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture

or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Non-controlling interests in the results and equity of subsidiaries are presented separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

Investments in joint arrangements

Under IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Joint ventures are accounted for using the equity method whereby the interest is initially recognised at cost and is then adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture (including any long-term interest which, in substance, forms part of the Group's net investment in the joint venture), the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealised gains on transactions between the Group and a joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Financial statements of joint ventures are prepared for the same reporting year as the Group with adjustments made as necessary to bring the accounting policies used into line with those of the Group.

The Group assesses investments in joint ventures for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication of impairment exists, the carrying amount of the investment is compared with its recoverable amount, being the higher of its fair value less costs to sell and value-in-use. Where the carrying amount exceeds the recoverable amount, the investment is written down to its recoverable amount.

The Group ceases to use the equity method of accounting on the date from which it no longer has joint control over the joint venture or when the investment is classified as held for sale.

Investments in associates

An associate is an entity in which the Group has significant influence but not control or joint control. The Group accounts for investments in associates using the equity method of accounting as described above. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount within 'Share of associates' result' in the consolidated income statement.

The Group's share of post-acquisition profit or loss is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals, or exceeds, its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. In general, the financial statements of associates are prepared for the same reporting year as the parent company, using consistent accounting policies. If required, adjustments are made to align any dissimilar accounting policies that may exist. For details regarding the associates included in the consolidated financial statements see Note 36.

Profits and losses resulting from upstream and downstream transactions between the Group and an associates are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the associate. Dilution gains and losses arising in investments in associates are recognised in the consolidated income statement.

The Group ceases to use the equity method of accounting on the date from which it no longer has significant influence over the associate, or when the interest becomes classified as an asset held for sale.

Significant accounting judgments and estimates

1 Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

i Treatment of orbital slot licence rights

The Group's operating companies have obtained rights to operate satellites at certain orbital locations and using certain frequency bands. These licences are obtained through applications to the relevant national and international regulatory authorities and are generally made available for a defined period. Where the Group has obtained such rights through the acquisition of subsidiaries, the rights have been identified as an asset acquired and recorded at the fair value attributed to the asset at the time of the acquisition as a result of purchase accounting procedure.

In the cases when, on the expiry of such rights, management believes it will be able to successfully re-apply for their usage at insignificant incremental cost, then such rights are deemed to have an indefinite life. Hence these assets are not amortised, but rather are subject to regular impairment reviews to confirm that the carrying value in the Group's financial statements is still appropriate. More details are given in Note 15.

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 8 and 25.

One significant area of management judgement is around transfer pricing. Whilst the Group employs dedicated members of staff to establish and maintain appropriate transfer pricing structures and documentation, judgement still needs to be applied and hence potential tax exposures can be identified in the different jurisdictions where the Group operates. The Group, as part of its overall assessment of liabilities for taxation, reviews in detail the transfer pricing structures in place and records provisions where this seems appropriate on a case-by-case basis.

iii The impact of changes in inflation and interest rates

The Group has considered the potential impact of changes in inflation and interest rates during the period on its financial statements particularly in its estimations of future cash flows and assumptions about financing costs.

The main effect observed in 2023 has been a decrease in discount rates used to reflect the time value of money and adjustments to cash flows to account for the effect of general inflation principally impacting the valuation of assets. Please refer to Note 15 ('Intangible assets') for further details.

iv Consolidation of entities in which the Group holds 50% or less

The Group consolidates a subsidiary where it has: power over the subsidiary; exposure, or rights, to variable returns from that subsidiary; and, the ability to use its power over the subsidiary to affect the amount of the Group's returns.

- **AI Maisan Satellite Communication LLC (trading as 'Yahlive')**

Management has concluded that the Group controls Yahlive even though it holds a 35% economic interest in the company since it has the majority of the voting rights on Yahlive's Board of Directors and there are no voting rights at the shareholder level which could affect SES' control. SES has effective control over the relevant activities of Yahlive, such as budget approval, appointment and removal of the Chief Executive Officer and senior management team members as well as over the appointment or removal of the majority

of the members of the Board of Directors. The entity is therefore consolidated with a 65% non-controlling interest (see Note 22).

- **LuxGovSat S.A. ('LuxGovSat')**

SES and the Luxembourg government jointly incorporated LuxGovSat subscribing equally in the equity of the company. Management has concluded that the Group controls LuxGovSat since it has effective control over the relevant activities of the entity. It is therefore consolidated with a 50% non-controlling interest (see Note 22).

- **West Africa Platform Services Ltd, Ghana ('WAPS')**

Management has concluded that the Group controls WAPS even though it holds a 49% economic interest in the company since it has the majority of the voting rights on the company's board of directors and there are no voting rights at the shareholder level which could affect SES' control. Through control over the selection of key management positions and oversight of the company's day-to-day operations, the Company has the requisite powers to control and consolidate the company with a 51% non-controlling interest.

v **SES Space & Defense, Inc. ('SES SD' - formerly SES Government Solutions, Inc.)**

SES SD and its 100% subsidiary Global Enterprise Solutions Inc. acquired on 1 August 2022, are subject to specific governance rules and are managed through a Proxy Agreement agreed with the Defense Security Service ('DSS') department of the US Department of Defense ('DOD'). The DSS is a governmental authority responsible for the protection of information deemed classified or sensitive with respect to the national security of the United States of America. A proxy agreement is an instrument intended to mitigate the risk of foreign ownership, control or influence when a foreign person acquires or merges with a US entity that has a facility security clearance. A proxy agreement conveys a foreign owner's voting rights to proxy holders, comprising the proxy board. Proxy holders are cleared US citizens approved by the DSS.

The DSS requires that SES SD enter into a proxy agreement because it is indirectly owned by SES and SES SD has contracts with the DOD which contain classified information. The Proxy Agreement enables SES SD 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 SD and other Group companies. The Proxy Holders, besides acting as directors of SES SD, are entitled to vote in the context of a trust relationship with SES on which basis their activity is performed in the interest of SES's shareholders and of US national security.

SES's assessment of the effective control over the relevant activities of SES SD 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 SD.

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 SD and has an exposure to variable returns from its involvement in SES SD - and therefore controls the entity.

2 **Estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year(s), are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in revisions to the assumptions when they occur.

i **Impairment testing for goodwill and other indefinite-life intangible assets**

The Group determines whether goodwill and other indefinite-life intangible assets are impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash generating units ('CGUs') to which the goodwill and other indefinite-life intangible assets are allocated. Establishing the value-in-use requires the Group to make an estimate of the expected future pre-tax cash flows from the CGU and to choose a suitable pre-tax discount rate and terminal growth rate to calculate the present value of those cash flows. More details are given in Note 15.

ii Impairment testing for space segment assets including assets under construction

The Group assesses at each reporting date whether there is any indicator that an asset may be impaired. If any such indication exists, the Group determines an estimate of the recoverable amount, as the higher of: (1) the fair value less cost of disposal and, (2) its value-in-use, to determine whether the recoverable amount exceeds the carrying amount included in the consolidated financial statements. For the Group's satellites, the estimation of the value-in-use requires estimations of the future commercial revenues to be generated by each satellite, particularly related to new markets or services, and also the impact of past in-orbit anomalies and their potential impact on the satellite's ability to provide its expected commercial service (Note 13).

iii Recoverability of deferred tax assets

The Group recognises deferred tax assets primarily in connection with the carry-forward of unused tax losses and tax credits. The Group reviews the tax position in the different jurisdictions in which it operates to assess the need to recognise such assets based mainly on projections of taxable profits to be generated in each of those jurisdictions. The carrying amount of each deferred tax asset is reviewed at each reporting date and reduced to the extent that current projections indicate that it is no longer probable that sufficient taxable profits will be available to enable all, or part, of the asset to be recovered.

iv Expected credit losses on trade receivables and unbilled accrued revenue

The Group estimates expected credit losses on trade receivables and unbilled accrued revenues using a provision matrix based on loss expectancy rates and forward-looking information. The Group records additional losses if circumstances or forward-looking information cause the Group to believe that an additional collectability risk exists which is not reflected in the loss expectancy rates (Note 19).

v Insurance claim in connection with mPOWER satellites

In 2023, health issues emerged with the initial four mPower satellites, prompting SES to initiate insurance claims under its Launch + 16 month insurance policies. Given that the issues arose in 2023 and that SES is of the opinion that those issues are covered by its insurance policies, the question arises whether the Company should recognise a claim receivable in its 2023 year-end financials.

As insurance companies may seek clarification on the claim calculation assumptions before any formal negotiations begin, and no details about the size, nature or basis of the claim had been exchanged with insurers as at 31 December 2023, this remains a forward-looking fact pattern which does not allow certainty as to the outcome and timing associated with the resolution of these claims.

Consequently, in the absence of formal acceptance of the claims by the external insurers, management is of the view that these claims qualify as contingent assets in the sense of IAS 37. Accordingly, no accrued income or receivable was recognised as of 31 December 2023.

Although SES has submitted Proof-of-Loss documentation to its insurers as a subsequent event, there has so far been no formal acceptance of the claims by external insurers. Therefore, management believes there is no need for adjustments to the current financial information. Please refer also to Note 34.

vi Reimbursement of costs associated with C-band repurposing

As detailed in SES's Transition Plan initially disclosed to the public in September 2021, SES's strategy included the development of six satellites (four operational satellites and two spare satellites) to meet the deadlines for releasing the C-band spectrum. This strategy incurred significant expenditures, which are anticipated to be reimbursed and have been, and continue to be, claimed from the Relocation Payment Clearinghouse ('RPC or 'Clearinghouse' - refer also to Note 33).

As of December 31, 2023, SES had received refunds totaling USD 928 million from the Clearinghouse. However, there remains an outstanding unpaid receivable of USD 386 million or EUR 350 million as of December 31, 2023 (compared to EUR 480 million in 2022).

Management believes that this outstanding balance will be refunded based on the track record of past refunds, which indicate that the majority of SES's claims have been approved and refunded. Besides, ongoing discussions with the Clearinghouse suggest a mutual interest in expediting the remaining satellite reimbursements.

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition of the subsidiary is measured as the aggregate of the:

- ▲ fair value of the assets transferred;
- ▲ liabilities incurred to the former owners of the acquired business;
- ▲ equity interests issued by the Group;
- ▲ fair value of any asset or liability resulting from a contingent consideration agreement; and
- ▲ fair value of any pre-existing equity interest in the subsidiary.

For each business combination, SES measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in other operating expenses.

When the Group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Assets acquired, and liabilities assumed, are recognised at fair value.

The excess of the:

- ▲ consideration transferred;
- ▲ amount of any non-controlling interest in the acquired entity; and
- ▲ acquisition-date fair value of any previous equity interest in the acquired entity;

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. If the business combination is achieved in stages, the acquisition date carrying value of the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by SES will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset, or a liability, will be recognised in profit or loss.

Property, plant and equipment

Property, plant and equipment is initially recorded at historical cost, representing either the acquisition or manufacturing cost. Satellite cost includes the launcher and launch insurance. The 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 the corresponding lease liability;
- ▲ any payments made at or before the commencement date of the lease, less any lease incentives received;
- ▲ any initial direct costs; and
- ▲ restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture. Costs for the repair and maintenance of these assets are recorded as an expense.

Property, plant and equipment is depreciated using the straight-line method, generally based on the following useful lives:

▲ Buildings	25 years
▲ Space segment assets	10 to 18 years
▲ Ground segment assets	3 to 15 years
▲ Other fixtures, fittings, tools and equipment	3 to 15 years
▲ Right-of-use assets	6 to 12 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the derecognition of an asset is included in the consolidated income statement in the period the asset is derecognised. The residual values, remaining useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted where necessary.

For reimbursable capitalised costs related to the procurement of satellites, launches, and upgraded ground facilities as part of the U.S. C-band repurposing project, the Group applies government grant accounting. The Group records credits to the recorded book values of the related asset when the costs have been incurred and the Group has obtained reasonable assurance that the costs will be reimbursed and that it will comply with the requirements attached to the reimbursement. See additional information in Note 33.

Assets in the course of construction

This caption includes primarily satellites under construction. Costs directly attributable to the purchase of a satellite and bringing it to the condition and location to be used as intended by management, such as launch costs and other related expenses like ground equipment and borrowing costs, are capitalised as part of the cost of the asset.

The cost of satellite construction may include an element of deferred consideration to satellite manufacturers referred to as satellite performance incentives. SES is contractually obligated to make these payments over the lives of the satellites, provided the satellites continue to operate in accordance with contractual specifications. Therefore, SES accounts for these payments as deferred financing, capitalising the present value of the payments as part of the cost of the satellites and recording a corresponding liability to the satellite manufacturers. An interest expense is recognised on the deferred financing and the liability is accreted based on the passage of time and reduced as the payments are made.

Once the asset is satellite enters operational service, the costs are transferred to assets in use and depreciation commences.

Borrowing costs

Borrowing costs 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 the accounting policy for business combinations set out in Note 2.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For impairment testing, goodwill from the acquisition date is allocated to each of the Group's CGUs that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units.

The carrying value of acquisition goodwill is not amortised, but rather is tested for impairment annually, or more frequently if required to establish whether the value is still recoverable. The recoverable amount is defined as the higher of: (1) fair value less costs to sell and, (2) value-in-use. Impairment expenses are recorded in the consolidated income statement. Impairment losses relating to goodwill cannot be reversed in future periods.

The Group estimates value-in-use based on the estimated discounted cash flows to be generated by a CGU, generally using the five-year business plans approved by the Board of Directors. Beyond a five-year period, cash flows are usually 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 Customer relationships

Customer relationships relate to customer contracts acquired as part of a business combination. They are recognised at their fair value at the date of acquisition, based on internal analysis or more commonly through a third-party valuation at the time of the business combination, and are subsequently amortised on a straight-line basis over the expected useful economic life of the asset.

iii Software and development costs

Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Software development costs recognised as assets are amortised over their estimated useful life, not exceeding seven years.

Impairment of other intangible assets, property, plant & equipment and assets in the course of construction

The Group assesses at each reporting date whether there is an indication that the carrying amount of the assets may not be recoverable. If such an indication exists then the recoverable amount of the asset or CGU is reviewed to determine the amount of the impairment, if any.

Impairments can arise from complete or partial failure of a satellite as well as other changes in expected discounted future cash flows. Such impairment tests are based on a recoverable value determined using estimated future cash flows and an appropriate discount rate. The estimated cash flows are based on the most recent business plans. If an impairment is identified, the carrying value will be written down to its recoverable amount.

Investments and other financial assets

The Group classifies its financial assets in the following measurement categories:

- ▲ those to be measured subsequently at fair value through profit or loss; and
- ▲ those to be measured at amortised cost.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not remeasured to fair value through the consolidated income statement, transaction costs directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value and revalued through the consolidated income statement are expensed in the period when they were incurred. All regular purchases and sales of financial assets are recognised on the date that the Group is committed to the purchase or sale of the asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Equity investments

Unless SES has significant influence, the Group measures all equity investments at fair value. Changes in the fair value of financial assets are recognised in the consolidated income statement.

Deferred customer contract costs

Deferred customer contract costs include the cost of equipment provided to customers under the terms of their service agreements, when the equipment and services are not deemed to be distinct and are expensed over the term of those contracts.

Inventories

Inventories primarily consist of equipment held for re-sale, work-in-progress, related accessories and network equipment spares and are stated at the lower of cost and net realisable value, with cost determined on a weighted average-cost method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. For impairment of trade receivables, the Group estimates expected lifetime credit losses that would typically be carried for each receivable based on the credit risk class upon the initial recognition of the receivables. Expected lifetime credit losses are estimated based on historical financial information as well as forward-looking data. Additional provisions are recognised when specific circumstances or forward-looking information lead the Group to believe that additional collectability risk exists with respect to customers that are not adequately reflected in loss expectancy rates. The Group writes off trade receivables when it has no reasonable expectation of recovery. The Group evaluates the credit risk of its customers on an ongoing basis.

Trade and other payables

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

Prepayments

Prepayments represent expenditures paid during the financial year but relating to a subsequent financial year. The prepaid expenses comprise mainly insurance, rental of third-party satellite capacity, advertising expenses as well as loan origination costs related to loan facilities which have not been drawn.

Treasury shares

Treasury shares are mostly acquired by the Group in connection with share-based compensation plans and are presented as a set off to equity in the consolidated statement of financial position. Gains and losses on the purchase, sale, issue or cancellation of treasury shares are not recognised in the consolidated income statement, but rather in the equity.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash on hand and in banks and short-term deposits which are held to maturity are carried at fair value.

Revenue recognition

Revenues are generated predominantly from customer service agreements for the provision of satellite capacity over contractually agreed periods, including short-term occasional use capacity, with the associated uplinking and downlinking services as appropriate. Other revenue-generating activities mainly include sale of customer equipment; platform services; subscription revenue; income received in connection with satellite interim missions; installation and other engineering services and proceeds from the sale of transponders if the revenue recognition criteria for the transaction are met.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue as and when control of a good or service is transferred to a customer.

Contract modifications are accounted for either as a separate contract or as part of the existing contract, depending on the nature of the modification. The Group accounts for a modification as a separate contract if:

- ▲ the scope of the contract increases because of the addition of distinct goods or services, and
- ▲ the price of the contract increases by an amount of consideration that reflects the stand-alone selling prices of the additional goods or services.

A modification that does not meet the above criteria to be accounted for as a separate contract is accounted for as an adjustment to the existing contract, either prospectively or through a cumulative catch-up adjustment. The determination depends on whether the remaining goods or services to be provided to the customer under the modified contract are distinct from those already provided, in which case the modification results in a prospective adjustment to revenue recognition.

For contracts in which the Group sells multiple goods and services, the Group evaluates at contract inception whether the goods and services represent separate performance obligations. When they represent separate performance obligations, the Group allocates consideration to the goods and services based on relative standalone selling prices using either an expected cost plus a margin approach or an adjusted market assessment approach. When they do not represent separate performance obligations, the Group records revenue related to the single performance obligation over the contract period.

Where a contract contains elements of variable consideration, the Group estimates the amount of variable consideration to which it will be entitled under the contract. Variable consideration can arise, for example, as a result of variable prices, incentives or other similar items. Variable consideration is only included in the transaction price if, and to the extent that, it is highly probable that its inclusion will not result in a significant revenue reversal in the future when the uncertainty has been subsequently resolved.

The Group occasionally receives non-cash consideration as part of a revenue transaction. The Group measures non-cash consideration at fair value unless it is unable to reasonably estimate fair value, in which case the Group measures the consideration indirectly based on the standalone selling price of the goods or services promised to the customer.

Revenue from provision of satellite capacity, communications infrastructure services, and related services

For the Group's contracts to provide satellite capacity, communications infrastructure services, and related services, the Group makes the services 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 these services is generally 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. For certain performance obligations, we use a cost-based input method to recognize revenue if we determine that a basis reflecting the costs incurred to date relative to the total costs expected to be incurred better reflects the pattern of transfer of control of the services to the customer. Revenue will cease to be recognised if there is an indication of a significant deterioration in a customer's ability to pay for the remaining goods or services.

Revenue from the sale of equipment

The Group recognises revenue for the sale of equipment when it transfers control of the equipment to the customer, which is typically when the Group transfers title, physical possession, and the significant risks and rewards of the equipment to the customer. The Group's equipment contracts do not typically contain a right of return.

For equipment sales requiring the Group to perform significant integration, modification, or customisation of equipment, the Group recognises revenue over time if the equipment does not have an alternative use and the Group has an enforceable right to payment for performance completed to date. For these projects, the Group recognises revenue over time on a basis reflecting the costs incurred to date relative to the total costs expected to be incurred because costs incurred best reflect the pattern of transfer of control of the asset to the customer.

The Group may offer warranties on equipment. For warranties that are separately priced or offered as extended warranties, the Group recognises revenue on a straight-line basis over the duration of the warranty period. Using a straight-line measure of progress most faithfully depicts the Group's performance due to the nature of the Group's stand ready obligation during the warranty period. The Group also offers standard warranties with contract

durations which are typically one year and represent assurance-type warranties. Standard warranties do not represent performance obligations separate from the related equipment, and revenue related to standard warranties is recognised at the same time as the related equipment.

Subscription revenue

The subscription revenue related to HD Plus services is recorded on a linear basis over the term of the subscription agreement.

Revenue generated by engineering services

For engineering services, the Group recognises revenue over time on a basis reflecting the costs incurred to date relative to the total costs expected to be incurred since this best reflects the pattern of transfer of control of the services to the customer.

Lease income

Lease income from operating leases where the Group is lessor is recognised on a straight-line basis over the lease term. The respective right-of-use assets are included in the consolidated statement of financial position together with other assets of the same category.

C-band repurposing income

Income from successfully meeting the separate Phase 1 and Phase 2 C-band Accelerated Relocation Payment deadlines was recognised when the Group had successfully completed Phase 1 and Phase 2 Accelerated Relocations, respectively, and had received validation of the respective relocation certification from the U.S. Federal Communications Commission's ("FCC") Wireless Telecommunications Bureau.

Income arising from settlements from the Clearinghouse are recognised when the expenses have been incurred and the Group has obtained reasonable assurance that the costs will be reimbursed and that it will comply with the requirements attached to the reimbursement. The Group believes it obtains such reasonable assurance either when the RPC specifically validates the costs as being reimbursable, or where the costs fall within applicable cost ranges published by the Clearinghouse in its cost catalogue. More details are given in Note 33.

Other income

Other income arising from settlements under insurance claims and decreases in provisions for in-orbit incentives are recognised when they are virtually certain of being realised. Other income is presented as part of revenue due to its relative insignificance.

Contract assets and contract liabilities

Assets and liabilities related to contracts with customers include trade receivables, unbilled accrued revenue, deferred customer contract costs, and deferred income.

Customer payments received in advance of the provision of service are recorded as contract liabilities and presented as 'deferred income' in the statement of financial position, and for significant advance payments, interest is accrued on the amount received at the effective interest rate at the time of receipt. Our contracts at times contain prepayment terms that range from one month in advance to one year in advance of providing the service. Since the period of time between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service is one year or less, the Group does not make an adjustment to the transaction price for the effects of a significant financing component.

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

Customer payments are generally due in advance or by the end of the month of capacity service.

Dividends

The Company declares dividends after the consolidated financial statements for the year have been approved. Accordingly, dividends are recorded in the subsequent year's consolidated financial statements.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as origination costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

Current taxes

Current tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from, or paid to, the tax authorities. The tax rates and laws used to compute these amounts are those enacted, or substantively enacted, at the reporting date.

Deferred taxes

Deferred tax is determined using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ▲ where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- ▲ in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- ▲ where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- ▲ in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws which have been enacted, or substantively enacted, at the reporting date.

Deferred taxes are classified according to the classification of the underlying temporary difference either as income or as an expense included in profit or loss, or in other comprehensive income or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Translation of foreign currencies

The consolidated financial statements are presented in euro (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 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 2023	Closing rate for 2023	Average rate for 2022	Closing rate for 2022
USD	1.0797	1.1050	1.0555	1.0666

Basic earnings per share

The Company's capital structure consists of Class A and Class B shares, entitled to the payment of annual dividends as approved by the shareholders at their annual meetings. Holders of Class B shares participate in earnings and are entitled to 40% of the dividends payable per Class A share. Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders, adjusted by deducting the assumed coupon, net of tax, on the perpetual bonds, by the weighted average number of common shares outstanding during the period as adjusted to reflect the economic rights of each class of shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to reflect the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Hedge of a net investment in a foreign operation

Changes in the fair value of a derivative or non-derivative instrument that is designated as a hedge of a net investment are recorded in the foreign currency translation reserve within equity to the extent that it is deemed to be an effective hedge. The ineffective portion is recognised in the consolidated income statement as a financial income or expense.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, the hedge no longer qualifies for hedge accounting, or the Group revokes the designation. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity is kept in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the period.

The Group formally documents all relationships between hedging instruments and hedged items, as well as its risk-management objective and strategy for undertaking various hedge transactions. This process includes allocating all derivatives that are designated as net investment hedges to specific assets and liabilities in the consolidated statement of financial position. The Group also formally assesses both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item. If it is determined that a derivative is not highly effective as a hedge, or if a derivative ceases to be a highly effective hedge, the Group will discontinue hedge accounting prospectively. The ineffective portion of hedge is recognised in profit or loss.

Derecognition of financial assets and liabilities

1 Financial assets

A financial asset is derecognised where:

- the right to receive cash flows from the asset has expired;
- the Group retains the right to receive cash flows from the asset but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement;
- the Group has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset; or
 - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of that asset.

2 Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the consolidated statement of financial position, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Accounting for pension obligations

The Company and certain subsidiaries operate defined contribution pension plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions to a third-party financial institution. The Group has no legal or constructive obligation to pay further contributions if the financial institution's pension fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Share-based payments

1 Equity-settled share-based compensation plans

Employees (including senior executives) of the Group receive remuneration in the form of share-based compensation transactions, whereby employees render services as consideration for equity instruments ('equity-settled transactions'). The cost of equity-settled transactions is measured by reference to the fair value at the date on which they are granted. The fair value is determined by an external valuer using a binomial model for the Stock Appreciation Rights Plan ('STAR Plan') and Equity Based Compensation Plan comprising options ('EBCP Option Plan'). The fair value of the Equity Based Compensation Plan comprising performance shares ('EBCP PS') and restricted shares ('EBCP RS') is estimated at the date of the grant by restating discounted dividends from share price and taking into account the terms and conditions upon which the options were granted. Further details are given in Note 23. In valuing equity-settled transactions, no account is taken of any non-market performance conditions, the valuation being linked only to the price of the Company's shares, if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting date). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The consolidated income statement charge or credit for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 11).

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. Further details are given in Note 23.

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 21) 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 11). The Perpetual Bonds are presented as borrowings from the point at which the Group issues a Notice of Redemption to bondholders.

Leases

The determination as to whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, primarily whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the Group as lessee has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- ▲ fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- ▲ variable lease payments that are based on an index or a rate;
- ▲ amounts expected to be payable by the lessee under residual value guarantees;
- ▲ the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- ▲ payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate. At the commencement of a lease the Group recognises a lease asset and a lease liability. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease. Lease payments are apportioned between the finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are charged directly to expense.

In its accounting policies the Group applies the following practical expedients:

- ▲ using a single discount rate for a portfolio of leases with similar characteristics; and
- ▲ not accounting for leases ending within 12 months of the date of the initial application for low value assets.

Note 3 - Business combinations

Acquisition of DRS Global Enterprise Solutions, Inc. ('GES')

On 22 March 2022, SES announced its intention to acquire all the issued and outstanding share capital of GES, a US-based subsidiary of Leonardo DRS Inc. for USD 450 million via its subsidiary SES Space & Defense Inc. ('SES SD' - formerly SES Government Solutions, Inc.). The transaction closed on 1 August 2022.

SES SD provides multi-orbit, multi-band managed satellite communication services to the US Department of Defense and other governmental agencies, operating in a similar arena to the larger GES business. The combination of the two units, with their established relationships with key governmental customers positions the extended SES SD, and the wider SES Group, as a provider of scalable solutions serving the multi-orbit satellite communications needs of the US Government and supporting missions anywhere on land, at sea, or in the air.

The purchase consideration was EUR 435 million, settled in cash.

Note 4 - Segment information

The Group does business in one operating segment, namely the provision of satellite-based data transmission capacity, and ancillary services, to customers around the world.

The Senior Leadership Team ('SLT'), which is the chief operating decision-making committee in the Group's corporate governance structure, reviews the Group's financial reporting and generates those proposals for the allocation of the Group's resources which are submitted for validation to the Board of Directors. The main sources of financial information used by the SLT in assessing the Group's performance and allocating resources are:

- ▲ analyses of the Group's revenues from its business units SES Video and SES Networks (comprising the sales verticals Fixed Data, Mobility and Government);
- ▲ cost and overall Group profitability development;
- ▲ internal and external analyses of expected future developments in the markets into which capacity is being delivered and of the commercial landscape applying to those markets.

When analysing the performance of the operating segment against the prior period figures, these are presented both as reported and at 'constant FX', whereby they are recomputed using the prevailing exchange rates for each corresponding month of the current period. The change to prior year is presented as a percentage, unless the change is not meaningful (a variance of more or less than 100%), in which case it is marked as "n/m".

The segment's financial results for 2023 are set out below:

€million	2023	2022	Change Favourable +/- Adverse
Revenue	2,030	1,944	4.4%
C-band repurposing income	2,744	184	n/m
Other income	5	-	n/m
Operating expenses	(1,097)	(886)	-23.6%
EBITDA	3,682	1,242	n/m
EBITDA margin (%)	77.0%	58.3%	+18.7% pts
Depreciation and impairment	(1,054)	(836)	-20.9%
Amortisation and impairment	(3,314)	(266)	n/m
Operating (loss)/profit	(686)	140	n/m
Adjusted EBITDA	1,025	1,105	-7.3%
Adjusted EBITDA margin	50.5%	56.9%	-6.4% pts
C-band repurposing income	2,744	184	n/m
Other income	5	-	n/m
C-band operating expenses	(47)	(30)	-56.5%
Other significant special items (Note 35)	(45)	(17)	n/m
EBITDA	3,682	1,242	n/m

€million	2023	Constant FX 2022	Change Favourable +/- Adverse
Revenue	2,030	1,911	6.2%
C-band repurposing income	2,744	171	n/m
Other income	5	-	n/m
Operating expenses	(1,097)	(877)	-25.1%
EBITDA	3,682	1,205	n/m
EBITDA margin (%)	77.0%	57.9%	+19.1% pts
Depreciation and impairment	(1,054)	(821)	-23.0%
Amortisation and impairment	(3,314)	(256)	n/m
Operating (loss)/profit	(686)	128	n/m

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Adjusted EBITDA	1,025	1,081	-5.2%
Adjusted EBITDA margin	50.5%	56.6%	-6.1% pts
C-band repurposing other income	2,744	171	n/m
Other income	5	-	n/m
C-band operating expenses	(47)	(30)	-60.9%
Other significant special items (Note 35)	(45)	(17)	n/m
EBITDA	3,682	1,205	n/m

Revenue by business unit

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

€million	2023	Constant FX 2022	2022	Change Favourable + /- Adverse	Change Favourable +/- Adverse (constant FX)
SES Video	967	1,020	1,011	-5.2%	-4.4%
Underlying ¹	967	1,010	1,002	-4.3%	-3.5%
Periodic ²	-	10	9	n/m	n/m
SES Networks	1,062	923	899	15.1%	18.1%
Underlying ¹	1,055	919	895	14.8%	17.9%
Periodic ²	7	4	4	n/m	n/m
Sub-total	2,029	1,943	1,910	4.4%	6.2%
Underlying ¹	2,022	1,929	1,897	4.8%	6.6%
Periodic ²	7	14	13	n/m	n/m
Other ³	1	1	1	n/m	n/m
Group Total	2,030	1,944	1,911	4.4%	6.2%

€million	2022	Constant FX 2021	2021	Change Favourable + /- Adverse	Change Favourable +/- Adverse (constant FX)
SES Video	1,020	1,046	1,097	-2.5%	-4.6%
Underlying ¹	1,010	1,046	1,097	-3.4%	-4.6%
Periodic ²	10	-	-	n/m	n/m
SES Networks	923	735	737	25.6%	-0.4%
Underlying ¹	919	734	730	25.2%	0.5%
Periodic ²	4	1	7	n/m	-85.0%
Sub-total	1,943	1,781	1,834	9.1%	-2.9%
Underlying ¹	1,929	1,780	1,827	8.4%	-2.6%
Periodic ²	14	1	7	n/m	-85.0%
Other ³	1	1	1	n/m	n/m
Group Total	1,944	1,782	1,835	9.1%	-2.9%

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:

2023 €million	Revenue recognised at a point in time	Revenue recognised over time	Total
Revenue from contracts with customers	59	1,971	2,030
Total	59	1,971	2,030

2022 €million	Revenue recognised at a point in time	Revenue recognised over time	Total
Revenue from contracts with customers	49	1,895	1,944
Total	49	1,895	1,944

Revenue from contracts with customers recognised at a point in time is related to sales of equipment and amounts to EUR 59 million in 2023 (2022: EUR 49 million).

Remaining performance obligations

Our remaining performance obligations, which the Group refers to as revenue "backlog", represent our expected future revenues under existing customer contracts and include both cancellable and non-cancellable contracts. The backlog was EUR 5.2 billion as of December 31, 2023 (2022: EUR 5.9 billion), EUR 4.3 billion (2022: EUR 4.8 billion) of which related to 'protected' (that is, non-cancellable) backlog and EUR 911 million (2022: EUR 1.1 billion) of which related to 'unprotected' (cancellable) backlog. Approximately 32% of the backlog is expected to be recognised as revenue in 2024, approximately 22% in 2025, and approximately 17% in 2026, with the remaining thereafter.

Protected backlog includes non-cancellable contracts and cancellable contracts with substantive termination fees. For contracts with termination options that do not have substantive termination fees, protected backlog also includes contract periods up to the first optional termination date. Unprotected backlog includes revenue from contracts that are cancellable and not subject to substantive termination fees.

Revenue by country

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

€million	2023	2022
Luxembourg (SES country of domicile)	49	49
United States of America	759	660
Germany	329	345
United Kingdom	214	227
France	78	81
Others – Europe	205	193
Others	396	389
Total	2,030	1,944

One customer accounted for 11% of total revenue in 2023. No single customer accounted for 10%, or more, of total revenue in 2022.

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.

€million	2023	2022
Luxembourg (SES country of domicile)	3,856	5,985
United States of America	972	2,303
The Netherlands	364	1,155
Sweden	112	122
Germany	40	43
Israel	23	24
Others	145	148
Total	5,512	9,780

Note 5 - Operating expenses

The operating expense categories disclosed include the following types of expenditure:

- 1 Cost of sales, which excludes staff costs and depreciation, represents expenditures which generally vary directly with revenue. They are incurred in delivering services to customers and include a variety of expenses such as rental of third-party satellite capacity, third-party teleports, connectivity, equipment and equipment rental, customer support costs such as hosting, monitoring, implementation, engineering work. Other cost of sales detailed below mainly include commissions, as well as an amount of EUR 2 million (2022: EUR 3 million) for C-band repurposing related expenses (Note 33).

€million	2023	2022
Rental of third-party satellite capacity	(141)	(94)
Customer support costs	(227)	(190)*
Other cost of sales	(68)	(67)*
Total cost of sales	(436)	(351)

* 2023 Customer support costs have been changed in order to include indirect customer related expenses, reclassified from Other cost of sales. An amount of EUR 90 million in 2022 has been reclassified from "Other cost of sales" to "Customer support costs"

- 2 Staff costs of EUR 409 million (2022: EUR 330 million) include gross salaries and employer's social security payments, payments into pension schemes for employees, charges arising under share-based payment schemes, as well as staff-related restructuring charges of EUR 27 million (2022: EUR 9 million) and C-band repurposing related expenses of EUR 29 million (2022: EUR 12 million). At the year-end the total full-time equivalent number of members of staff was 2,294 (2022: 2,298).

- 3 Other operating expenses of EUR 252 million (2022: EUR 205 million) are, by their nature, less variable with revenue and include office-related and technical facility costs, in-orbit insurance, marketing, general and administrative expenditure, consulting charges, travel-related expenditure and movements in debtor provisions.

Other operating expenses also include an amount of EUR 16 million (2022: EUR 15 million) of C-band repurposing expenses (Note 33), EUR 9 million (2022: EUR 3 million) of costs associated with the development and / or implementation of merger and acquisition activities, and EUR 9 million (2022: nil) in specific business taxes of a non-recurring nature. The 2022 charge included regulatory charges of EUR 5 million arising outside ongoing operations.

Note 6 - Audit and non-audit fees

For 2023 and 2022 the Group recorded charges, billed and accrued, from its independent auditors, and affiliated companies thereof, as set out below:

€million	2023	2022
Fees for statutory audit of annual and consolidated accounts	2.4	2.3
Fees charged for other assurance services	0.1	0.1
Fees charged for other non-audit services	-	-
Total audit and non-audit fees	2.5	2.4

'Other assurance services' represent primarily ESG related services and interim dividend reviews.

Note 7 - Finance income and costs

€million	2023	2022
Finance income		
Interest income ¹	51	6
Net foreign exchange gains ²	13	45
Total	64	51
Finance costs		
Interest expense on borrowings (excluding amounts capitalised)	(86)	(102)
Loan fees and origination costs and other	(20)	(22)
Fair value losses on financial assets ³	-	(15)
Total	(106)	(139)

1 Interest income on term deposits and money market funds: increase in 2023 reflects C-Band Accelerated Relocation Proceeds received (see Note 33)

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

3 Represents fair value increases/ losses on assets included as part of 'Other financial assets' in the consolidated statement of financial position and required to be measured at fair value following recent third-party transactions.

Note 8 - 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:

€million	2023	2022
Current income tax		
Current income tax charge on result of the year	(567)	(65)
Adjustments in respect of prior periods	6	6
Foreign withholding taxes	(8)	(5)
Total current income tax	(569)	(64)
Deferred income tax		
Relating to origination and reversal of temporary differences	249	121
Relating to tax losses carried forward	340	(31)
Changes in tax rate	(1)	3
Adjustment of prior years	(195)	(116)
Total deferred income tax	393	(23)
Income tax expense per consolidated income statement	(176)	(87)
Consolidated statement of changes in equity		
Current and Deferred Income tax related to items (charged) or credited directly in equity		
Post-employment benefit obligation	-	(1)
Impact of currency translation	11	(31)
Net investment hedge - current tax	(6)	24
Tax impact of the treasury shares impairment recorded in the stand-alone financial statements	-	2
Tax impact on Perpetual Bond	14	14
Current and deferred income taxes reported in equity	19	8

A reconciliation between the income tax benefit / (expense) and the profit before tax of the Group multiplied by a theoretical tax rate of 27.19% (2022: 27.19%) which corresponds to the Luxembourg domestic tax rate for the year ended 31 December 2023 is as follows:

€million	2023	2022
Profit before tax	(728)	52
Multiplied by theoretical tax rate	(198)	14
Effect of different foreign tax rates	8	4
Investment tax credits	(18)	(61)
Non-deductible expenditures	2	(8)
Taxes related to prior years	(6)	(3)
Effect of changes in tax rate	-	-
Other changes in group tax provision not included in separate lines	3	10
Impairment on investments in subsidiaries and other assets	167	-
Impact of deferred taxes	211	89
Foreign withholding taxes	8	5
Translation impact on investments in subsidiaries	-	33
Other	(1)	4
Income tax reported in the consolidated income statement	176	87

Foreign withholding tax

The foreign withholding tax of EUR 8 million includes EUR 4 million of Indian withholding tax retained by customers and paid to the Indian tax authorities. A final decision on Indian withholding taxes is still pending at the level of the Supreme Court.

The remaining EUR 4 million relates to withholding tax retained by customers in other jurisdictions.

Investment tax credits ('ITCs')

In 2023, the continuing investment in the O3b mPOWER and 19.2° East replacement satellites triggered the recognition of deferred tax assets for ITCs of EUR 5 million (2022: EUR 27 million) and EUR 10 million (2022: EUR 31 million) respectively. The remaining EUR 3 million of deferred tax assets for ITCs was recognised in connection with other investments by Group companies in Luxembourg.

Impact of deferred taxes

Considering the estimated future taxable income based on the most recent business plan information and tax losses carried forward in the Luxembourg fiscal unity as of the end of 2023 the Company has concluded that the ITCs recognised in all prior years and current year cannot be fully used due to the 10-year carry forward limitation rule. Therefore, an additional valuation adjustment of EUR 218 million (2022: EUR 110 million) on deferred tax assets for ITCs for Luxembourg fiscal unity was recorded in 2023.

Impairment on subsidiaries and other assets

The aggregate impact of EUR 167 million mainly comprises the following:

- ▲ The net impairment charge of EUR 453 million (2022: EUR 142 million) recorded on the carrying value of subsidiary investments and other assets held by entities in Luxembourg resulting in an income tax benefit of EUR 123 million (2022: EUR 38 million).
- ▲ The new impairment charges of EUR 35 million (2022: reversal of EUR 62 million) taken on the carrying value of intercompany receivables held by entities in Luxembourg resulting in an income tax benefit of EUR 9 million (2022: tax expense of EUR 17 million).
- ▲ The impairment charge of EUR 989 million (2022: EUR 77 million) recorded in connection with the goodwill attributed to the GEO North America cash-generating unit (see Note 15) resulting in a negative ETR impact of EUR 208 million (2022: EUR 16 million).

- ▲ The impairment charge of EUR 340 million (2022: nil) recorded in connection with the goodwill attributed to the GEO International cash-generating unit (see Note 15) resulting in a negative ETR impact of EUR 81 million (2022: nil).
- ▲ The impairment charge of EUR 219 million (2022: nil) recorded in connection with the goodwill attributed to MEO cash-generating unit resulting in a negative ETR impact of EUR 13 million (2022: nil).

Translation impact on investments in subsidiaries

The elimination of the tax effect on the translation impact resulting from intercompany restructurings resulted in an income tax expense of EUR 0 million (2022: EUR 33 million).

OECD Pillar Two Regulations

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting published the Pillar Two model rules designed to address the tax challenges arising from the digitalisation of the global economy.

The Group is in the scope of the enacted or substantively enacted legislation and has performed a preliminary analysis and assessment of the Group's potential exposure to Pillar Two income taxes.

It is unclear if the Pillar Two model rules create additional temporary differences, whether to remeasure deferred taxes for the Pillar Two model rules and which tax rate to use to measure deferred taxes. In response to this uncertainty, on 23 May 2023 the IASB issued amendments to IAS 12 'Income taxes' introducing a mandatory temporary exception to the requirements of IAS 12 under which a company does not recognise or disclose information about deferred tax assets and liabilities related to the proposed OECD/G20 BEPS Pillar Two model rules.

The Group applied the temporary exception at 31 December 2023.

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates (mainly in Luxembourg and other EU countries). The Ultimate Parent Entity is located in Luxembourg and, therefore, will apply Income Inclusion Rule ("IIR") for all jurisdictions where Pillar Two rules were not enacted. The legislation will be effective for the Group's financial year beginning 1 January 2024.

No current tax based on Pillar Two model rules was calculated and booked at 31 December 2023 as the legislation was not effective at the reporting date.

The group has run initial testing under the OECD transitional safe harbour rules based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities of the Group. The Group expects that the majority of jurisdictions will not be subject to top-up tax due to the application of one of the transitional safe harbour rules with the exception of the UAE where the impact is immaterial. In Luxembourg, a top-up tax could be triggered by the use or recognition of ITCs.

Note 9 - Deferred tax balances

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

<i>€million</i>	Deferred tax assets 2023	Deferred tax assets 2022	Deferred tax liabilities 2023	Deferred tax liabilities 2022
Losses carried forward	658	296	-	-
Tax credits	6	206	-	-
Intangible assets	16	20	(110)	(335)
Tangible assets	5	-	(83)	(99)
Trade and other receivables	17	15	-	-
Other	5	5	(48)	(43)
Total deferred tax assets/(liabilities)	707	542	(241)	(477)
Offset of deferred taxes	(36)	(43)	36	43
Net deferred tax assets/(liabilities)	671	499	(205)	(434)

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.

Losses carried forward

In 2023 the Group recognised a deferred tax asset ('DTA') for tax losses carried forward in Luxembourg of EUR 356 million (2022: reversal of DTA of EUR 25 million). Tax losses can be carried forward in Luxembourg for 17 years. Using the estimated future taxable income based on the most recent business plan information approved by the Board of Directors, the Company has concluded that the deferred tax assets of EUR 618 million relating to the remaining tax losses are recoverable.

The Group has recognised deferred tax assets for tax losses carried forward in Germany for EUR 20 million (31 December 2022: EUR 17 million) which can be carried forward indefinitely. The Group has also recognised deferred tax assets for tax losses carried forward in the United States for EUR 20 million (31 December 2022: EUR 25 million) which can be carried forward indefinitely.

In addition to the recoverable tax losses for which the Group has recognised deferred tax assets, the Group has further tax losses of EUR 305 million as at 31 December 2023 (31 December 2022: EUR 346 million) which are available for offset against future taxable profits of the companies in which the losses arose. EUR 193 million (31 December 2022: 181 million) of these tax losses were generated in the US. EUR 86 million (31 December 2022: EUR 94 million) of these tax losses were generated in Israel. EUR 8 million of tax losses (31 December 2022: EUR 3 million) were generated in Ghana. Deferred tax assets have not been recognised in respect of these losses as they cannot be used to offset taxable profits elsewhere in the Group and they have arisen in subsidiaries which are not expected to generate taxable profits against which they could be offset in the foreseeable future.

Investment tax credits ('ITCs')

Considering the total tax losses carried forward and future taxable income based on the most recent business plan information for Luxembourg entities, the Company has concluded that prior year ITCs cannot be fully used due to a 10 year carry forward limitation rule. Therefore, a valuation allowance of EUR 218 million (2022: EUR 110 million) on a deferred tax asset for ITCs for the Luxembourg fiscal unity was recorded in 2023.

Considering the total tax losses carried forward and future taxable income based on the most recent business plan information for LuxGovSat S.A., the Company has concluded that LuxGovSat S.A. can recognise a DTA of EUR 6 million for future use of ITCs (2022: EUR 6 million).

Other

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.

Movement in deferred income tax assets and liabilities

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances, is as follows:

<i>Deferred tax assets</i>	Losses carried forward	Tax credits	Tangible assets	Intangible assets	Trade and other receivables	Other	Total
At 1 January 2022	301	259	-	23	19	5	607
(Charged)/credited to the income statement	(7)	(53)	-	(4)	(5)	-	(69)
Exchange difference ¹	2	-	-	1	1	-	4
At 31 December 2022	296	206	-	20	15	5	542
(Charged)/credited to the income statement	363	(200)	5	(4)	3	-	167
Exchange difference ¹	(1)	-	-	-	(1)	-	(2)
At 31 December 2023	658	6	5	16	17	5	707

<i>Deferred tax liabilities</i>	Intangible assets	Tangible assets	Other	Total
At 1 January 2022	239	160	39	438
Additions through business combinations (Note 3)	65	-	-	65
(Charged)/credited to the income statement	20	(70)	4	(46)
Exchange difference ¹	11	9	-	20
At 31 December 2022	335	99	43	477
Charged/(credited) to the income statement	(217)	(14)	5	(226)
Exchange difference ¹	(8)	(2)	-	(10)
At 31 December 2023	110	83	48	241

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 8 million as at 31 December 2023 (2022: EUR -16 million)

Note 10 - Components of other comprehensive income

€million	2023	2022
Impact of currency translation	(196)	295
Income tax effect	11	(31)
Total impact of currency translation, net of tax	(185)	264

The impact of currency translation in other comprehensive income relates to exchange gains and losses arising on the translation of the net assets of foreign operations from their functional currency to the euro, which is the Company's functional and presentation currency.

The unrealised loss in 2023 of EUR 196 million (2022: unrealised gain of EUR 295 million) reflects the impact on the valuation of SES's net US dollar assets due to the weakening of the US dollar against the euro from USD 1.0666 to USD 1.1050 (2022: the strengthening of the US dollar against the euro from USD 1.1326 to USD 1.0666). This effect is partially offset by the impact of the net investment hedge (Note 19).

Note 11 - Earnings per share

Earnings per share is calculated by dividing the net profit or loss for the year attributable to ordinary shareholders of each class of shares by the weighted average number of shares outstanding during the year as adjusted to reflect the economic rights of each class of share. The net profit or loss for the year attributable to ordinary shareholders has been adjusted to include an assumed coupon, net of tax, on the Perpetual Bonds.

For 2023, a basic loss per share of EUR (2.14) per Class A share (2022: basic loss per share of EUR 0.16), and EUR (0.86) per Class B share (2022: basic loss per share of EUR 0.06) have been calculated as follows:

(Loss)/profit attributable to the owners of the parent for calculating basic earnings per share:

€million	2023	2022
(Loss)/profit attributable to owners of the parent	(905)	(34)
Assumed coupon on Perpetual Bond (net of tax)	(36)	(36)
Total	(941)	(70)

Assumed coupon accruals of EUR 36 million (net of tax) for the year ended 31 December 2023 (2022: EUR 36 million) related to the Perpetual Bonds in issue have been considered for the calculation of the basic and diluted earnings available for distribution.

The weighted average number of shares based on the capital structure of the Company as described in Note 21, net of own shares held, for calculating basic earnings per share was as follows:

	2023	2022
Class A shares (in million)	364.8	364.1
Class B shares (in million)	185.7	185.8
Total	550.5	549.9

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 2023, a diluted loss per Class A share of EUR (2.12) (2022: diluted loss of EUR 0.16), and EUR (0.85) per Class B share (2022: diluted loss of EUR 0.06) have been calculated as follows:

€million	2023	2022
Loss attributable to owners of the parent	(905)	(34)
Assumed coupon on Perpetual Bonds (net of tax)	(36)	(36)
Total	(941)	(70)

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

	2023	2022
Class A shares (in million)	369.1	368.8
Class B shares (in million)	185.7	185.7
Total	554.8	554.5

Note 12 - Dividends paid and proposed

Dividends declared are paid net of any withholding tax (2023: EUR 25 million, 2022: EUR 24 million).

Gross dividends declared and paid during the year:

€million	2023	2022
Class A dividend for 2022: EUR 0.50 (2021: EUR 0.50)	186	192
Class B dividend for 2022: EUR 0.20 (2021: EUR 0.20)	37	38
Total	223	230

Dividends proposed for approval at the annual general meeting to be held on 4 April 2024, which are not recognised as a liability as at 31 December 2023:

€million	2024
Class A dividend for 2023: EUR 0.50 (2022: EUR 0.50)	186
Class B dividend for 2023: EUR 0.20 (2022: EUR 0.20)	37
Total	223

Note 13 - Property, plant and equipment

€million	Land and buildings	Space segment	Ground Segment	Other fixtures and fittings, tools and equipment	Total
Cost					
As at 1 January 2023	300	11,368	902	312	12,882
Additions	-	13	9	5	27
Disposals ¹	(8)	(151)	(3)	(6)	(168)
Retirements ²	(9)	(805)	(154)	(25)	(993)
Transfers from assets in course of construction (Note 14)	2	8	30	14	54
Impact of currency translation	(4)	(192)	(17)	-	(213)
As at 31 December 2023	281	10,241	767	300	11,589

€million	Land and Buildings	Space Segment	Ground Segment	Other fixtures and fittings, tools and equipment	Total
Depreciation					
As at 1 January 2023	(215)	(8,118)	(675)	(244)	(9,252)
Depreciation	(13)	(503)	(57)	(30)	(603)
Impairment expense	-	(56)	-	-	(56)
Impairment reversal	-	30	-	-	30
Disposals ¹	8	151	3	6	168
Retirements ²	9	805	154	25	993
Impact of currency translation	2	155	11	5	173
As at 31 December 2023	(209)	(7,536)	(564)	(238)	(8,547)
Net book value as at 31 December 2023	72	2,705	203	62	3,042

1 Sale of AMC-11

2 Satellites ASTRA 1G, ASTRA 2D, AMC-18, AMC-1, AMC-4, and NSS-6 were deorbited in 2023

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€million	Land and buildings	Space segment	Ground Segment	Other fixtures and fittings, tools and equipment	Total
Cost					
As at 1 January 2022	289	10,709	872	277	12,147
Additions	15	1	10	2	28
Additions through business combinations	5	-	-	5	10
Disposals	(4)	-	(3)	-	(7)
Retirements ¹	(7)	(163)	(34)	(9)	(213)
Transfers from assets in course of construction (Note 14) ²	1	490	44	18	553
Transfers between categories	(7)	5	(17)	14	(5)
Impact of currency translation	8	326	30	5	369
As at 31 December 2022	300	11,368	902	312	12,882

€million	Land and Buildings	Space Segment	Ground Segment	Other fixtures and fittings, tools and equipment	Total
Depreciation					
As at 1 January 2022	(201)	(7,332)	(640)	(201)	(8,374)
Depreciation	(21)	(523)	(59)	(39)	(642)
Impairment expense	-	(194)	-	-	(194)
Disposals	2	-	2	-	4
Retirements ¹	7	163	34	9	213
Transfers between categories	2	-	8	(10)	-
Impact of currency translation	(4)	(232)	(20)	(3)	(259)
As at 31 December 2022	(215)	(8,118)	(675)	(244)	(9,252)
Net book value as at 31 December 2022	85	3,250	227	68	3,630

1 Satellites Astra 3A and AMC-8 were deorbited in 2022

2 SES-17, SES-20, SES-21 and SES-22 became operational during 2022

The Group's policy in setting the useful economic life of its satellites is to initially use the satellite design life and then, once sufficient time has passed to allow for initial anomalies to be investigated and future fuel projections to be stabilised, to adjust the depreciation life to take into account factors such as the technical condition of the satellite, its projected remaining fuel life, and replacement or redeployment plans.

The review in 2023 resulted in no revisions to the remaining useful economic lives of any satellites. The corresponding review in 2022 resulted in revisions to the remaining useful economic lives of certain MEO and three GEO satellites resulting in a net increase in the depreciation expense for that year of EUR 4 million.

As at 31 December 2023, the amount of the property, plant and equipment pledged in relation to Group liabilities was nil (2022: nil).

For further information related to right-of-use assets, see Note 30.

Impairment of space segment assets

In 2023, the net impairment expense recorded for space segment assets was EUR 26 million (2022: EUR 194 million) including EUR 30 million in reversals of previous impairments (2022: nil). The charges and reversals are the aggregation of impairment testing procedures on specific satellites, or combinations of co-located satellites, in the Group's geostationary fleet.

The following table discloses the applicable amounts and discount rates used in the impairment test for those geostationary satellites subject to impairment expenses or reversals during the year.

€million	Carrying value	Value-in-use	Discount rate	Impairment expense
2023 – Expense	596	540	7.1% - 10.5%	56
2023 – Reversal	135	177	10.5%	(30)
2023 – Net Impact				26
2022 – Expense	1,084	890	7.5% - 11.1%	194

The impairment expenses and reversals recorded reflect updated business assumptions for the satellites through to the end of their useful economic lives. In general, these updated assumptions reflect a combination of revised commercial developments and expectations, updated assessments of the regulatory environment impacting certain assets (and hence the Group's ability to achieve the forecast commercial exploitation), changes in the competitive environment in which the Group operates, and certain changes in the operation of the satellites (for example the decision to place a particular satellite into inclined orbit, or changes to the timing thereof) or associated ground segment infrastructure.

As discussed further in Note 15, specific developments in these areas, largely in the second half of 2023, contributed to the weakening of cash flow projections for certain satellites and contributed to the recording of the impairment expenses noted above.

As part of standard impairment testing procedures, the Group assesses the impact of changes in the discount rates and reductions in EBITDA. Discount rates are simulated up to 1% below and above the CGU's specific rate used in the base valuation and EBITDA projections are simulated up to 5% below and above the base valuation. In this way a matrix of valuations is generated, which reveals the potential exposure to impairment expenses based on movements in valuation parameters which are within the range of outcomes foreseeable at the valuation date.

The most recent testing showed that for geostationary satellites, under the least favourable combination of the circumstances above (namely a 1% higher discount rate in conjunction with a 5% lower EBITDA projection) an incremental impairment of EUR 74 million would be recorded. A 1% increase in the discount rate at a constant EBITDA level would increase satellite impairments by EUR 31 million. Taken separately, a 5% decrease in EBITDA would increase satellite impairments by EUR 39 million.

Note 14 - Assets in the course of construction

€million	Land and Buildings	Space segment	Ground segment	Fixtures, tools & equipment	Total
Cost and net book value as at 1 January 2023	8	1,675	159	17	1,859
Movements in 2023					
Additions ¹	9	170	43	17	239
Transfers to assets in use (Note 13)	(2)	(8)	(30)	(14)	(54)
Transfers from/(to) intangible assets (Note 15)	-	-	(20)	-	(20)
Impairment	-	(425)	-	-	(425)
Impact of currency translation	-	(45)	(2)	(2)	(49)
Cost and net book value as at 31 December 2023	15	1,367	150	18	1,550

¹ Additions mainly related to O3b mPOWER, SES-24, SES-25, SES-26, C-band, partly offset by C-band reimbursable space segment cost of EUR 36 million and ground segment cost of EUR 2 million

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€million	Land and Buildings	Space segment	Ground segment	Fixtures, tools & equipment	Total
Cost and net book value as at 1 January 2022	7	1,664	107	10	1,788
Movements in 2022					
Additions ¹	2	428	105	18	553
Additions through business combinations	-	-	2	-	2
Transfers to assets in use (Note 13)	(1)	(490)	(44)	(18)	(553)
Transfer between categories	-	7	(17)	6	(4)
Impact of currency translation	-	66	6	1	73
Cost and net book value as at 31 December 2022	8	1,675	159	17	1,859

¹ Additions related to C-band, O3b mPOWER, SES-17, Astra 19.2E (including EUR 37 million non-cash transactions), partly offset by C-band reimbursable space segment (EUR 311 million) and ground segment cost (EUR 13 million)

Borrowing costs of EUR 33 million (2022: EUR 16 million) arising from financing specifically relating to satellite procurements were capitalised during the year and are included under 'Space segment' additions in the table above. A weighted average effective rate of 3.10% (2022: 2.97%) was used, representing the Group's average weighted cost of borrowing. Excluding the impact of loan origination costs and commitment fees, the average weighted interest rate was 2.97% (2022: 2.87%).

The main space segment additions in 2023 were for:

- O3b mPOWER at EUR 85 million (2022: EUR 218 million);
- replacements satellites for the orbital positions 19.2°E and 57°E for EUR 71 million (2022: EUR 207 million); described in Note 28; and,
- additions of EUR 48 million (EUR 315 million) in respect of C-band satellites, substantially offset by EUR 36 million of C-band reimbursements (Note 33).

Concerning the additions for the C-band repurposing, these 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.

In conjunction with the annual impairment test, SES recorded an impairment charge of EUR 425 million (2022: nil) against the assets under construction related to certain mPOWER satellites, reflecting technical issues arising on those satellites during on-orbit testing and the impact of those on the commercialisation assumptions of the overall programme (see also Note 15 and Note 34).

As part of standard impairment testing procedures, the Group assesses the impact of changes in the discount rates and growth assumptions of the valuation surplus, or deficit as the case may be. Both discount rates and terminal values are simulated up to 1% below and above the specific rate used in the base valuation. In this way, a matrix of valuations is generated which reveals the potential exposure to impairment for assets under construction 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 a 1% decrease in the perpetual growth rates (both the higher rate under the H-model (see Note 15) and the terminal growth rate) would increase the impairment by EUR 256 million. A 1% increase in the after-tax discount rate would require an impairment of EUR 324 million. Taken together, a 1% increase in the after-tax discount rate and a 1% decrease in the perpetual growth rates would increase the impairment by EUR 507 million.

Note 15 - Intangible assets

€million	Orbital slot licence rights (indefinite- life)	Goodwill	Orbital slot licence rights (definite life)	Customer relationships	Other definite life intangibles	Internally generated developme nt costs	Total
Cost							
As at 1 January 2023	2,193	2,740	234	292	507	51	6,017
Additions	-	-	-	-	2	20	22
Disposals	-	-	-	-	-	-	-
Retirement ¹	-	(2,500)	-	-	(111)	-	(2,611)
Transfers from/(to) assets in course of construction	-	-	-	-	69	(49)	20
Impact of currency translation	(69)	(100)	-	-	(5)	-	(174)
As at 31 December 2023	2,124	140	234	292	462	22	3,274

Amortisation

As at 1 January 2023	(139)	(1,002)	(113)	(8)	(464)	-	(1,726)
Amortisation	-	-	(13)	(19)	(57)	-	(89)
Impairme nt	(1,677)	(1,548)	-	-	-	-	(3,225)
Retirement ¹	-	2,500	-	-	111	-	2,611
Impact of currency translation	18	50	(1)	-	8	-	75
As at 31 December 2023	(1,798)	-	(127)	(27)	(402)	-	(2,354)

Net book value as at

31 December 2023	326	140	107	265	60	22	920
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¹ Goodwill retirements of the period relate primarily to those elements of brought forward goodwill from which no future economic benefits are expected. This includes all goodwill associated with the GEO North America, GEO International and MEO cash-generating units. Similarly, the retirements of fully amortised other definite life intangibles represent items from which no future economic benefits are expected.

€million	Orbital slot licence rights (indefinite- life)	Goodwill	Orbital slot licence rights (definite life)	Customer relationships	Other definite life intangibles	Internally generated development costs	Total
Cost							
As at 1 January 2022	2,081	2,376	213	-	469	46	5,185
Additions	-	-	20	-	3	31	54
Additions through business combinations	-	201	-	292	-	-	493
Retirement	-	-	-	-	(8)	-	(8)
Transfers from assets in course of construction	-	-	-	-	32	(32)	-
Transfers between categories	-	-	-	-	4	5	9
Impact of currency translation	112	163	1	-	7	1	284
As at 31 December 2022	2,193	2,740	234	292	507	51	6,017

Amortisation

As at 1 January 2022	(16)	(856)	(101)	-	(422)	-	(1,395)
Amortisation	-	-	(12)	(8)	(43)	-	(63)
Impairment	(126)	(77)	-	-	-	-	(203)
Retirement	-	-	-	-	8	-	8
Impact of currency translation	3	(69)	-	-	(7)	-	(73)
As at 31 December 2022	(139)	(1,002)	(113)	(8)	(464)	-	(1,726)
Net book value as at							
31 December 2022	2,054	1,738	121	284	43	51	4,291

Indefinite-life intangible assets

The Group's indefinite-life intangible assets comprise goodwill and orbital slot licence rights. See Note 2 ('Summary of material accounting policies' / 'Significant accounting judgments and estimates'), for the Group's policy on determining the useful lives of intangible assets.

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 business trends. For the provision of satellite capacity these will particularly consider the following factors:

- the expected developments in transponder fill rates, including the impact of replacement capacity, and customer pricing;
- any changes in the expected capital expenditure cycle, for example due to the technical degradation of a satellite or the need for replacement capacity; and
- any changes in satellite procurement, launch or cost assumptions, including launch schedules.

2 Changes in discount rates

Discount rates reflect management's estimate of the risks specific to each CGU. Management uses a pre-tax weighted average cost of capital as discount rate for each CGU. This reflects market interest rates of twenty-year bonds in the market concerned, the capital structure of businesses in the Group's business sector, and other factors, as necessary, applied specifically to the CGU concerned.

3 Changes in perpetuity growth rates assumptions

Growth rate assumptions used to extrapolate cash flows beyond the business plan period are based on commercial experience relating to the CGUs concerned and the expectations for developments in the markets which they serve.

Definition of cash-generating units for intangible assets

Beginning in 2021, management disaggregated the previous single global 'SES GEO operations' cash-generating unit into three component regions ('GEO Europe', 'GEO North America' and 'GEO International') which have since then been applied for impairment testing procedures for both goodwill and orbital slot rights. This change in the impairment testing of goodwill reflected developments in the business environment of the Group, triggered by demand from market participants (primarily telecommunications companies) for bandwidth to support the provision of data connectivity services.

These developments imply two paths being available to the Group in commercialising its portfolio of orbital slot rights:

- utilising these rights for the provision of services on its own satellite fleet; and
- generating economic value through entering into transactions with third parties to make these rights available to them in return for an appropriate financial compensation.

A specific example has been the C-band repurposing project in the U.S. following the adoption by the Federal Communications Commission of its Report and Order and Order of Proposed Modification to clear a 300 MHz band of C-band downlink spectrum between 3,700 and 4,000 MHz by December 2025. These repurposing activities were concluded in 2023 (see Note 33).

Since the opportunities, and hence potential cash flows, arising from this kind of commercialisation of orbital slot rights other than through conventional on-fleet operations, are by their nature arrangements with regional regulatory authorities and market participants, and since the linkage to the orbital slot rights is so strong, management re-aligned the approach to impairment testing by looking at both areas using on a regional basis and disaggregating the cash-generating units for the purpose of goodwill testing.

The goodwill was allocated between the three cash-generating units (as defined above) based on the assets acquired in the above acquisitions, with the assets acquired in the GE Americom acquisition being allocated to 'GEO North America' and the assets acquired in the New Skies Satellites acquisition being allocated to 'GEO International'. Additionally, the net assets of the Space & Defense operation - including the purchase price allocation intangibles arising on the purchase of DRS GES Inc. ('GES') in August 2022 - were allocated between four CGUs (including MEO) based on the expected value creation.

In the case of 'GEO North America' this aggregation level reflects the current inter-operability of spacecraft and orbital locations which can be used to serve customers in the U.S., Canada and Mexico, as well as the interdependency of the contractual arrangements for certain significant customers in those markets which mean that the associated cash flows are not largely independent of each other.

'GEO International' reflects the interdependency of cash flows between regions with, as an example, an increasing use of Brazilian spectrum by assets such as SES-10 and SES-17 which are also serving 'International' customers, and the fact that the Group is now also serving the Brazilian market from orbital slots other than those allocated to the unit.

Management currently identifies the Group's MEO assets and operations as a separate CGU.

The Group's business plan is approved by the Board of Directors based on consolidated data. The consolidated data is in turn based on separate data prepared for each legal entity of the Group (see Note 36). To prepare business plans for the regional CGUs, the following assumptions are made:

- ▲ GEO revenue from satellites is allocated to the GEO region primarily covered by the satellite. Non-satellite revenue is included in each CGU based on the legal entity expected to generate the revenue. MEO revenue is fully allocated to the MEO CGU.
- ▲ Operating expenses are allocated between GEO and MEO based on a detailed analysis of the nature of the costs, with a further allocation between the GEO CGUs based on the underlying legal entity expected to incur the expense.
- ▲ As GEO and MEO costs are directly allocated between those CGUs, intercompany transactions between CGUs, which generally relate to cost charge-backs, are only included between the GEO CGUs based on the individual legal entities comprising the three geographical GEO CGUs.

Discount rates applied

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

	2023	2022
GEO Europe	6.83%	7.93%
GEO North America	8.57%	9.49%
GEO International	8.53%	9.42%
MEO	8.51%	9.43%

These discount rates were computed using market interest rates and commercial spreads, the capital structure of businesses in the Group's business sector, and the specific risk profile of the businesses concerned. Generally, the lower discount rates are caused by lower market risk premiums and lower interest rates, primarily driven by lower corporate spreads.

Perpetual Growth Rate ('PGR') assumptions

Separate terminal growth rates were calculated for the GEO regions as follows: Europe -1.5% (2022: -2.2%); North America -5.2% (2022: -2.7%); and, International -1.9% (2022: +2.5%).

For MEO, management has applied a 'fading growth' statistical model, or 'H-model'. Under this model, following the five-year business plan period, cash flows are expected to continue to grow at a higher rate for a time, which then reduces for a period until the terminal growth rate is reached. Management believes this is a valid assumption as the MEO fleet, specifically the mPOWER fleet which is in the middle of its launch campaign, will not reach its maximum utilisation projection until after the business plan period. In line with growth projections at the end of the business plan period, management selected 5% as the higher growth rate (2022: 10%), which reduces on a straight-line basis over nine years until the terminal growth rate is reached. The terminal growth rate used for MEO was +3.0% (2022: +3.0%).

These rates reflect the most recent long-term planning assumptions approved by the Board of Directors and can be supported by reference to the trading performance over a longer period and incorporate also projected growth rates for wide-beam and high-throughput satellites markets from external data sources.

Business developments in 2023 impacting the outcome of the impairment testing

A number of significant events incurred in the second half of 2023, which each contributed to a material impairment charge being recorded in the current year financials statements:

1. Completion of Phase II of the C-band repurposing and recognition of Accelerated Relocation Payment income

On 10 August 2023, the Group announced that the U.S. Federal Communications Commission had validated the certification of SES's Phase II accelerated C-band clearing and relocation activities and that with this milestone and following the successful completion of its Phase I activities in 2021, SES had fulfilled its commitment to the FCC's programme to clear a portion of the C-band to allow the rapid rollout of 5G services across the continental United States.

The certification triggered the recognition of the Phase II Accelerated Relocation Payment of EUR 2,714 million and, in parallel, the recognition of value adjustments on goodwill and orbital slot rights balances for those related intangible assets recorded as part of the accounting for certain business combinations (primarily those of GE Americom and New Skies Satellites) associated with the GEO North America and GEO International CGUs.

2. Technical anomalies discovered in mPOWER MEO constellation

During the in-orbit testing of the first four satellites in the mPOWER MEO constellation in the second half of the year, technical anomalies were uncovered which will significantly impact the operational and commercial capacities of the first generation of the constellation. Six satellites are now in orbit, and seven additional mPOWER satellites are under construction which have modifications in their design intended to fully address those anomalies observed in the first-generation satellites. This constellation of seven second-generation satellites is expected to enter service in 2026.

As further described in Notes 2 and 34, an insurance claim is being submitted to the Group's insurers in connection with this matter.

The restrictions on the available capacity in the first generation of the mPOWER constellation and delay until 2026 to be able to fully exploit the capacity of the constellation have materially impacted the value in use computation of the MEO cash-generating unit in the current year and contributed to impairment charges impacting the goodwill, orbital slot rights and satellites in the course of construction associated with the MEO cash generating unit.

As noted above the MEO valuation uses a statistical H-model and two parameters of this model were updated vis-à-vis the corresponding analysis for the year ended 31 December 2022. Firstly, the growth rate assumed in the first year after the business plan period (2024 to 2028) was reduced from 10% to 5%, reflecting more cautious

assumptions pending the bringing into services of the second-generation mPOWER constellation. And secondly the period over which this growth rate reduces on a straight-line basis to a long-term inflation rate (3% in both years) was reduced from ten to nine years.

3. Other business developments in 2023

Beyond the changes in valuation parameters such as discount rates and perpetual growth rates described above, in generating the revised assumptions for its five-year business plan management also revised its cashflow projections concerning each cash generating unit. These projections took into account the increasingly competitive market environment across the Group's different business verticals and its impact on capacity volumes and pricing.

The impact of the three factors listed above on the outcome of the impairment testing is set out below in relation to intangible assets, and in Note 13 ('Property, plant and equipment') and in Note 14 ('Assets in the course of construction').

Impairment charges recorded for 2023

Goodwill

As a result of the impairment tests conducted as of 31 December 2023, an impairment expense of EUR 1,548 million (2022: EUR 77 million) was recorded, comprising impairment charges to GEO North America of EUR 989 million (2022: EUR 77 million), GEO International of EUR 340 million (2022: nil), and MEO of EUR 219 million (2022: nil). The impairment was mainly driven by the business developments described above., and reflect the foreign exchange rates in effect at the time of recognition, which may vary from those in effect at the prior year-end.

For GEO Europe, no impairment charge was recorded reflecting the limited goodwill in this CGU given that the business was mainly developed organically rather than through acquisition.

Arising from the impairment reviews above, the Group's remaining goodwill has a net book value as at 31 December 2023 and 2022 by CGU as presented below:

€million	2023	2022
GEO Europe	140	141*
GEO North America	-	1,022*
GEO International	-	350*
MEO	-	225
Total	140	1,738

* 2022 goodwill by CGU has been changed to properly reflect the allocation of historical goodwill to current CGUs. An amount of EUR 135 million has been reclassified from GEO North America and added to GEO Europe (EUR 90 million) and GEO International (EUR 45 million).

Management has integrated SES Space & Defense Inc. and GES (now combined under a common management team and branded as SES Space & Defense ["S&D"]) into the existing impairment model. To integrate goodwill created in the GES acquisition into the existing CGUs, management estimated the proportion of S&D's net assets attributable to those CGUs in December 2022. At that time, management analysed the projected 2027 revenues for S&D as well as the current regional usage of GES's network. The result of this analysis was that, of the net book value, 16% was allocated to GEO Europe, 21% to GEO North America, 33% to GEO International, and 30% to MEO. This allocation of net book value remained unchanged in the current year.

In the current impairment test, to allocate the value-in-use, management has directly allocated all revenue and costs related to MEO, such that no separate S&D allocation to MEO was necessary. Thus, management analysed the 2028 revenues of S&D, which resulted in an updated allocation of value-in-use of 37% to GEO Europe, 22% to GEO North America, and 41% to GEO International. This allocation would change each year based on an analysis of the terminal-year revenues.

As part of standard impairment testing procedures, the Group assesses the impact of changes in the discount rates and growth assumptions of the valuation surplus, or deficit as the case may be. Both discount rates and terminal values are simulated up to 1% below and above the specific rate used in the base valuation. In this way, a matrix of valuations is generated which reveals any potential exposure to impairment 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:

- ▲ For GEO Europe, there would be no impairment even applying the most adverse combination of developments (a 1% increase in after-tax discount rates and a 1% decrease in the perpetual growth rate). Taken separately from changes in discount and perpetuity growth rates, a 5% reduction in EBITDA would not lead to an impairment expense in the GEO Europe CGU.
- ▲ For GEO North America, a 1% decrease in the perpetuity growth rate would increase the impairment charge by EUR 16 million and a 1% increase in the after-tax discount rate would increase the impairment charge by EUR 30 million; the combination of these two factors would increase the impairment charge by EUR 43 million. Taken separately from changes in discount and perpetuity growth rates, a 5% reduction in EBITDA would lead to an additional impairment expense of EUR 44 million. As GEO North America goodwill is fully impaired, this impairment would affect GEO North America's orbital slot licence rights.
- ▲ For GEO International, a 1% decrease in the perpetuity growth rate would increase the impairment charge by EUR 51 million and a 1% increase in the after-tax discount rate would increase the impairment charge by EUR 83 million; the combination of these two factors would increase the impairment charge by EUR 124 million. Taken separately from changes in discount and perpetuity growth rates, a 5% reduction in EBITDA would lead to additional impairment expense of EUR 32 million. As GEO International goodwill is fully impaired, this impairment would affect GEO International's orbital slot licence rights.
- ▲ For MEO, see sensitivity analysis in Note 14.

Orbital slot licence rights

The rights conveyed by orbital slot licences in different jurisdictions can have varying characteristics that make them separate and distinct from the orbital slot licence rights in other jurisdictions. The MEO orbital rights are not separable and do not generate separate cash flows, and thus are considered a single CGU, which is tested for impairment together with the related goodwill and the MEO satellites constellation in use and under construction.

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

	2023	2022
GEO Europe	9.35%	10.02%
GEO North America	12.57%	13.62%
GEO International	12.53%	13.12%
MEO	11.77%	10.38%

Similar to the pre-tax discount rates used for goodwill testing, these rates were selected to reflect: market interest rates and commercial spreads; the capital structure of businesses in the Group's business sector; and, the specific risk profile of the businesses concerned. The terminal growth rates used in the valuations are identical to those used in goodwill testing.

The Group recorded EUR 1,677 million of impairment expense related to orbital slot licence rights for the year ending 31 December 2023 (2022: EUR 126 million), as follows:

€million	2023	2022
GEO Europe	-	-
GEO North America	45	117
GEO International	466	9
MEO	1,166	-
Total	1,677	126

The orbital slot licence rights have a net book value as at 31 December 2023 and 2022 by CGU as presented below:

€million	2023	2022
GEO Europe	95	162
GEO North America	181	233
GEO International	50	465
MEO	-	1,194
Total	326	2,054

The very material impairment charges recorded, and corresponding decrease in the carrying value of the orbital slot rights, reflect the business developments described above.

As part of standard impairment testing procedures, as with goodwill, the Group assesses the impact of changes in the discount rates and growth assumptions of the valuation surplus, or deficit as the case may be. Both discount rates and terminal values are simulated up to 1% below and above the CGU's specific rate used in the base valuation. In this way a matrix of valuations is generated which reveals the potential exposure to impairment expenses for each CGU based on movements in the valuation parameters which are within the range of outcomes foreseeable at the valuation date.

The most recent testing showed that:

- ▲ For GEO Europe and GEO North America, the least favourable case - a combination of lower terminal growth rates and higher discount rates - would not lead to any impairment expense.
- ▲ For GEO International, a 1% decrease in the perpetuity growth rate would increase the impairment charge by EUR 6 million and a 1% increase in the discount rate would increase the impairment charge by EUR 33 million; the combination of these two factors would increase the impairment charge by EUR 37 million.
- ▲ For MEO, see sensitivity analysis in Note 14.

Definite-life intangible assets

The definite-life intangible assets as at 31 December 2023 have a net book value by country as presented below:

2023			
€million	Orbital slot licence rights	Customer relationships	Other
United States of America	-	265	3
Luxembourg	105	-	46
Brazil	2	-	1
Germany	-	-	9
Other	-	-	1
Total	107	265	60

The definite-life intangible assets as at 31 December 2022 have a net book value by country as presented below:

2022			
€million	Orbital slot licence rights	Customer relationships	Other
United States of America	-	284	4
Luxembourg	105	-	30
Brazil	9	-	1
Netherlands	7	-	1
Germany	-	-	5
Other	-	-	2
Total	121	284	43

Until 2022, the Group's primary definite life intangible asset was 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 2022. Given the finite nature of this agreement, these usage rights - valued at EUR 550 million at the date of acquisition - were amortised on a straight-line basis over the 22-year term of the agreement and were retired as of 31 December 2022.

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 2023 when the previous concession expired, with an annual fee of EUR 1 million payable from 2025 onwards. Under the new agreement, starting in 2023, SES contributes a maximum of EUR 7 million per year into a space sector fund.

The GES acquisition added EUR 292 million of definite-life intangibles with a useful life of 15 years, primarily relating due to the value of the acquired customer relationships.

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 2023, the amount of the intangible assets pledged in relation to the Group's liabilities is nil (2022: nil).

Note 16 - Assets and liabilities related to contracts with customers

The Group has recognised the following assets and liabilities related to contracts with customers:

€million	2023	2022
Current contract assets		
Trade receivables	405	433
Provision for trade receivables	(96)	(100)
Trade receivables, net of provisions	309	333
Unbilled accrued revenue	100	160
Provision for unbilled accrued revenue	(3)	(6)
Unbilled accrued revenue, net of provisions	97	154
Deferred customer contract costs	2	4
	408	491
Non-current contract assets		
Unbilled accrued revenue	102	119
Provision for unbilled accrued revenue	(15)	(8)
Unbilled accrued revenue, net of provisions	87	111
Deferred customer contract costs	3	7
	90	118
Current contract liabilities		
Deferred income	224	189
Non-current contract liabilities		
Deferred income	337	359

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

€million	Non-current	Current
As at 1 January 2023	359	189
Revenue recognised during the year	-	(1,609)
New billings	-	1,671
Other movements*	(15)	(26)
Impact of currency translation	(7)	(1)
As at 31 December 2023	337	224

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

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€million	Non-current	Current
As at 1 January 2022	388	187
Revenue recognised during the year	-	(1,583)
New billings	-	1,484
Additions through business combinations	-	11
Other movements*	(38)	80
Impact of currency translation	9	10
As at 31 December 2022	359	189

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

Note 17 - Trade and other receivables

€million	2023	2022
Trade receivables, net of provisions	309	333
Unbilled accrued revenue, net of provisions	184	265
Other receivables	454	546
Total trade and other receivables	947	1,144
Of which:		
Non-current	87	111
Current	860	1,033

¹ Restated in order to reflect the netting of unbilled accrued revenue and deferred income as disclosed in Note 16

Unbilled accrued revenue represents revenue recognised, but not billed, under long-term customer contracts. Billing will occur based on the terms of the contracts. The non-current balance represents entirely unbilled accrued revenue. Other receivables include EUR 350 million (2022: EUR 480 million) to be received as part of the C-band repurposing project (refer to Note 33).

An amount of EUR 12 million (2022: EUR 21 million) was expensed in 2023 reflecting an increase in the impairment of trade and other receivables. This amount is recorded in 'Other operating expenses'. As at 31 December 2023, trade and other receivables with a nominal amount of EUR 114 million (2022: EUR 114 million) were impaired. Movements in the provision for the impairment of trade and other receivables were as follows:

€million	2023	2022
As at 1 January	114	106
Increase in provision	42	41
Reversals of provision	(30)	(20)
Utilised	(5)	(20)
Other movements	(3)	1
Impact of currency translation	(4)	6
As at 31 December	114	114

Note 18 - 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. The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

As at 31 December 2023 and 2022, the Group does not have any financial derivatives outstanding.

Fair values

The fair value of borrowings has been calculated with the quoted market prices except for the LuxGovSat Fixed Term Loan Facility and the floating tranche of the Schuldschein Loan, for which the discounted expected future cash flows at prevailing interest rates has been used. The fair value of foreign currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. All borrowings are measured at amortised cost. Financial assets and other financial liabilities measured at amortised cost, have a fair value that approximates their carrying amount.

Unless otherwise stated, the fair value of each class of financial assets and liabilities are equivalent to their carrying amount. To that effect, for instruments carried at amortised cost, the Group determined that the fair value at origination date approximates the carrying amount, either due to the short-term nature of the instruments, or because the stated rates are close to the prevailing market rates and / or there were no significant origination costs at origination date.

Set out below is a comparison by category of carrying amounts and fair values of all the Group's financial instruments that are carried in the financial statements.

€ million	Carried at fair value		Carried at amortised cost	
At 31 December	2023	2022	2023	2022
Trade and other receivables	-	-	927	1,132
Cash and cash equivalents	-	-	2,907	1,047
Other financial assets*	19	17	1	1
Total assets	19	17	3,835	2,180
Borrowings – Level 1	-	-	3,943	4,117
Borrowings – Level 2	-	-	216	231
Borrowings**	-	-	4,159	4,348
Lease liabilities	-	-	39	45
Fixed asset suppliers	-	-	768	1,004
Other long-term liabilities	-	-	83	107
Trade and other payables	-	-	360	350
Total liabilities	-	-	5,409	5,854

* Level 2 hierarchy measurement

** Fair value of the borrowings in 2023 is EUR 3,880 million (2022: EUR 3,877 million)

Note 19 - Financial risk management objectives and policies

The Group's financial instruments comprise: a syndicated loan, Eurobonds, US dollar bonds (144A), a Euro-dominated Private Placement, German Bonds ('Schuldschein'), committed credit facilities for specified satellites and projects, cash, money market funds and short-term deposits.

The main purpose of the debt instruments is to raise funds to finance the Group's day-to-day operations, as well as for other general business purposes. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are liquidity risks, foreign currency risks, interest rate risks and credit risks. The general policies are periodically reviewed and approved by the board.

Liquidity risk

The Group's objective is to efficiently use cash generated to maintain borrowings at an appropriate level. In case of liquidity needs, the Group can call on commercial paper programs, committed syndicated and EIB loan, uncommitted loans. In addition, if deemed appropriate based on prevailing market conditions, the Group can access additional funds through the European Medium-Term Note programme. The Group's debt maturity profile is tailored to allow the Company and its subsidiaries to cover repayment obligations as they fall due.

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

Liquidity is monitored regularly through a review of cash balances, the drawn and issued amounts and the availability of additional funding under committed credit lines, the two commercial paper programmes and the EMTN Programme (EUR 4,560 million as at 31 December 2023 and EUR 4,560 million as at 31 December 2022 - more details in Note 24).

The table below summarises the projected contractual undiscounted cash flows of the non-derivative financial liabilities based on the maturity profile as at 31 December 2023 and 2022.

€million	Within 1 year	Between 1 and 5 years	After 5 years	Total
As at 31 December 2023:				
Borrowings	716	1,989	1,479	4,184
Future interest commitments	133	347	580	1,060
Trade and other payables	360	-	-	360
Other long-term liabilities	-	83	-	83
Lease liabilities	17	19	9	45
Fixed assets suppliers	455	313	-	768
Total maturity profile	1,681	2,751	2,068	6,500
As at 31 December 2022:				
Borrowings	719	1,756	1,903	4,378
Future interest commitments	107	381	673	1,161
Trade and other payables	350	-	-	350
Other long-term liabilities	-	107	-	107
Lease liabilities	15	24	12	51
Fixed assets suppliers	264	740	-	1,004
Total maturity profile	1,455	3,008	2,588	7,051

Foreign currency risk

SES is active in markets outside the Eurozone, with business operations in many locations throughout the world. The Group's main exposures to foreign currency at the end of the reporting period are in respect of balances denominated in US dollars related to cash and cash equivalents (2023: EUR 2,169 million; 2022: EUR 673 million), intercompany balances (2023: EUR -1,859 million; EUR -94 million) and fixed assets suppliers (2023: EUR -342 million; EUR -430 million).

The aggregate net foreign exchange gains/ losses recognised in profit or loss were:

	2023	2022
Net foreign exchange gain included in main currencies	3	40
Net foreign exchange gain/ (loss) included in other currencies	2	(3)
Net foreign exchange gain included in foreign exchange transactions	8	8
Total	13	45

SES uses certain financial instruments to manage its exposure to fluctuations in foreign currency exposure rates. Examples used to mitigate such exposures are the spot or forward buying and selling of foreign currencies, creating natural hedges (for example intercompany loans, quasi-equity qualification of such intercompany loans, intercompany dividend distributions), and external hedging, whereby speculative foreign exchange trading is disallowed under internal policies.

The Group may enter into forward currency contracts to eliminate or reduce the currency exposure arising from individual capital expenditure projects such as satellite procurements, tailoring the maturities to each milestone payment to maximise effectiveness. Depending on the functional currency of the entity with the capital expenditure commitment, the foreign currency risk may be in euro or in 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.

The Group has a corresponding exposure in the consolidated income statement, excluding the impacts of C-band repurposing, of EUR 1,239 million or 60.9% of the Group's revenue and other income (2022: EUR 1,111 million or 57.0%) and EUR 567 million or 54.0% of its operating expenses (2022: EUR 393 million or 45.8%) being denominated in US dollars. The Group does not enter into derivative instruments to hedge these currency exposures.

Hedge of net investment in foreign operations

As at 31 December 2023 and 2022, 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') and MX1 Limited to hedge the Group's exposure to foreign exchange risk on these investments.

As at 31 December 2023, all designated net investment hedges were assessed to be highly effective and a total gain of EUR 16 million, stated net of tax of EUR 6 million is included as part of other comprehensive income for the period (2022: loss of EUR 64 million, stated net of tax of EUR 24 million).

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

	2023	2022
\$million		
USD statement of financial position exposure:		
SES Americas	281	1,652
SES Netherlands	1,899	4,575
MX1 Limited, Israel	30	38
Total	2,210	6,265
Hedged with:		
US Bonds	750	1,500
Total	750	1,500
Hedged proportion	34%	24%

The following table demonstrates the sensitivity to a +/- 20% change in the US dollar exchange rate on the nominal amount of the Group's US dollar net investment, with all other variables held constant. All value changes are eligible to be recorded in other comprehensive income with no impact on profit and loss. 2023 was marked by EUR/USD fluctuation. The macro-outlook and global uncertainties along with worries regarding high energy prices and inflation result in the maintenance of a wide sensitivity range.

	Amount in USD million	Amount in EUR million at closing rate of 1.105	Amount in EUR million at rate of 1.33	Amount in EUR million at rate of 0.88
31 December 2023				
USD statement of financial position exposure:				
SES Americas	281	255	212	320
SES Netherlands	1,899	1,718	1,428	2,158
MX1 Limited, Israel	30	27	22	34
Total	2,210	2,000	1,662	2,512
Hedged with:				
US Bonds	750	679	564	852
Other external borrowings	-	-	-	-
Total	750	679	564	852
Hedged proportion	34%			
Absolute difference without hedging			(339)	511
Absolute difference with hedging			(224)	338

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	Amount in USD million	Amount in EUR million at closing rate of 1.0666	Amount in EUR million at rate of 1.28	Amount in EUR million at rate of 0.85
31 December 2022				
USD statement of financial position exposure:				
SES Americas	1,652	1,549	1,291	1,943
SES Netherlands	4,575	4,290	3,575	5,383
SES Satellite Leasing Limited	-	-	-	-
MX1 Ltd, Israel	38	35	29	44
Total	6,265	5,874	4,895	7,370
Hedged with:				
US Bonds	1,500	1,406	1,172	1,765
Other external borrowings	-	-	-	-
Total	1,500	1,406	1,172	1,765
Hedged proportion	24%			
Absolute difference without hedging			(979)	1,497
Absolute difference with hedging			(745)	1,139

Interest rate risk

The Group's exposure to market interest rate risk relates primarily to the its debt portion at floating rates. In order to mitigate this risk, the Group generally contracts its debt at fixed rates, and monitors carefully 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. As per 31 December 2023 and 31 December 2022, the Group had no interest rate hedges outstanding.

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

€million	At fixed rates	At floating rates	Total
Borrowings at 31 December 2023	4,009	150	4,159
Borrowings at 31 December 2022	4,198	150	4,348

As of 31 December 2023, the interest rate applying to the floating rate instrument (EUR 150 million German bond) has been fixed through to its maturity date in June 2024. Thus, there is no residual interest-rate risk on this floating rate instrument.

Euro interest rates €million	Floating rate borrowings	Increase in rates Pre-tax impact	Decrease in rates Pre-tax impact
Borrowings at 31 December 2023	150	0.0	-
Borrowings at 31 December 2022	150	0.7	-

Credit risk

Risk management

The Group has the following types of financial assets subject to the 'expected credit loss' model: trade receivables; unbilled accrued revenue; and, C-band repurposing reimbursement receivables.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. To measure expected credit losses on trade receivables and unbilled accrued revenue, they are grouped based on shared credit risk characteristics, country and days past due. Unbilled accrued revenues have substantially the same risk characteristics as trade receivables for the same types of contracts and so management believes that the expected loss rates for trade receivables are a reasonable approximation of those for unbilled accrued revenue.

The credit verification procedures in relation to trade receivables and unbilled accrued revenue include the assessment of the creditworthiness of the customer by using sources of quality information such as external specialist reports, audited annual reports, press articles or rating agencies. Should the customer be a

governmental entity, the official debt rating of the respective country is a key driver in determining the appropriate credit risk category.

Following this credit analysis, the customer is classified into a credit risk category which can be as follows: 'Prime' (typically publicly rated and listed entities), 'Market' (usually higher growth companies with higher leverage), 'Sub-prime' (customers for which viability is dependent on continued growth with higher leverage), or Government (governments or governmental institutions, subject to the corresponding country meeting minimum credit rating criteria). The credit profile is updated at least once a year for all key customers with an ongoing contractual relationship.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

Impairment of trade receivables and unbilled accrued revenue

The Group applies the IFRS 9 simplified approach to measuring expected credit losses for trade receivables and unbilled accrued revenue by measuring the loss allowance at an amount equal to lifetime expected credit losses. To measure the expected credit losses, trade receivables and unbilled accrued revenue have been grouped in portfolios based on shared credit risk characteristics (credit risk profile: Prime, Market, Sub-prime, and Government), country and the days past due.

In order to compute the provision, the gross trade receivables balance is reduced for any portion representing deferred revenue and any securities held. Trade receivables and unbilled accrued revenue 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 2023 and 31 December 2022 is as follows:

€million

31 December 2023	Current	Less than 1 month	Between 1 and 3 months	More than 3 months	Total
Average expected loss rate (by portfolio)	3.0%	4.1%	6.5%	9.8%	
Gross carrying amount – trade receivables	162	66	48	129	405
Provision	2	-	-	11	13

31 December 2022	Current	Less than 1 month	Between 1 and 3 months	More than 3 months	Total
Average expected loss rate (by portfolio)	3.5%	4.7%	7.7%	11.8%	
Gross carrying amount – trade receivables	196	50	21	166	433
Provision	-	-	1	10	11

The provision in respect of unbilled accrued revenue as at 31 December 2023 amounts to EUR 18 million and the corresponding expected credit loss is 9.0% (31 December 2022: EUR 14 million, 5.0%).

An amount of EUR 6 million (2022: EUR 5 million) was expensed in 2023 reflecting an increase in the IFRS 9 related provision for trade and other receivables.

Additional provisions are recorded for trade receivable balances if specific circumstances or forward-looking information lead the Group to believe that additional collectability risk exists with respect to customers that are not reflected in the loss expectancy rates. A cumulative provision for trade receivables of EUR 83 million has been recorded as of 31 December 2023 (31 December 2022: EUR 89 million).

The movement in provisions for trade receivables and unbilled accrued revenue as at 31 December 2022 and 2021 are as follows:

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€million	Provisions for trade receivables		Provisions for unbilled accrued revenue	
	2023	2022	2023	2022
At 1 January	100	93	14	13
Increase in provision recognised in profit or loss during the year	41	38	1	3
Receivables written off during the year as uncollectible	(13)	(20)	8	-
Unused amount reversed	(29)	(16)	(1)	(4)
Other movements	-	-	(3)	1
Impact of currency translation	(3)	5	(1)	1
At 31 December	96	100	18	14

C-band repurposing receivables

The Group records reimbursement receivables for capital expenditure and operational costs only when the expenses have been incurred and the Group has obtained reasonable assurance that the costs will be reimbursed and that it will comply with the requirements attached to the reimbursement. In both cases, the Group believes it obtains such reasonable assurance when either the Clearinghouse specifically validates the costs as being reimbursable, or the costs fall within cost ranges for the applicable costs as published by the FCC in a cost catalogue. Hence the Group believes the credit risk related to the C-band repurposing receivables at the end of 2023 and 2022 is insignificant and concluded that the expected credit losses is zero. (See also Note 33)

Financial credit risk

With respect to the credit risk relating to financial assets, this exposure relates to the potential default of the counterparty, with the maximum exposure being equal to the carrying amount of these instruments. The counterparty risk from a cash management perspective is reduced by the implementation of several cash pools, accounts and related paying platforms with different counterparties.

To mitigate the counterparty risk, the Group only deals with recognised financial institutions with an appropriate credit rating - generally 'A' and above - and in adherence to 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 in the relevant jurisdiction. The counterparty risk portfolio is analysed on a quarterly basis. Moreover, to mitigate any 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 aims to have a balanced mix of equity and debt capital. In addition, it is the Group's policy is to attain and retain an investment grade rating from at least two reputable rating agencies. These investment grade ratings serve to maintain investor, creditor, and market confidence. Within this framework, the Group manages its capital structure and liquidity in order to reflect changes in economic conditions to keep its cost of debt low, maintain the confidence of debt investors at a high level and to create added value for shareholders.

The Group's dividend policy takes into account the financial performance of the year, business plan cash flow requirements and other factors such as yield and pay-out ratio.

On 4 December 2023 the Company issued a Notice of Redemption to the holders of the EUR 550 million Deeply Subordinated Fixed Rate Resettable Securities with a call date on 29 January 2024. This has resulted in it being reclassified to 'Borrowings' within current liabilities.

Note 20 - Cash and cash equivalents

€million	2023	2022
Cash at bank and in hand	283	388
Term deposits	1,336	359
Money market funds	1,288	300
Total cash and cash equivalents	2,907	1,047

Cash at banks and money market funds are subject to interest at floating rates based on daily bank rates. Short-term deposits are made for varying periods, depending on the immediate cash requirements of the Group - and earn interest at the respective deposit rates. Cash and cash equivalents are held at various financial institutions meeting the credit rating criteria set out in Note 19 above. See also Note 33 in connection with the receipt of C-band Accelerated Relocation Payments around the year end.

Note 21 - Shareholders' equity

Issued capital

SES has a subscribed capital of EUR 696 million (2022: EUR 696 million), represented by 371,457,600 Class A shares (2022: 371,457,600 Class A shares) and 185,728,800 Class B shares (2022: 185,728,800 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 2023	371,457,600	185,728,800	557,186,400
Shares issued during the year	-	-	-
Shares cancelled during the year	-	-	-
As at 31 December 2023	371,457,600	185,728,800	557,186,400
	Class A shares	Class B shares	Total shares
As at 1 January 2022	383,457,600	191,728,800	575,186,400
Shares issued during the year	-	(6,000,000)	(18,000,000)
Shares cancelled during the year	(12,000,000)	-	(12,000,000)
As at 31 December 2022	371,457,600	185,728,800	557,186,400

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 an 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 should the government determine that such an acquisition would be against the general public interest.

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

Share buyback programme

On 3 August 2023 the Company announced a share buyback programme under the authorisation given by the Annual General Meeting of shareholders held on 6 April 2023. In connection with this programme, during the year the Group acquired 4,039,700 FDRs at a weighted average price of EUR 5.46 per FDR and no Class B shares. An accrual of EUR 4 million was recorded in respect of Class B shares.

Subject to the agreement of the shareholders, the Company also purchases FDRs in connection with executives' and employees' share-based payment plans. At the year-end, the Company held 5,575,410 FDRs relating to such plans. These FDRs are disclosed as treasury shares in the consolidated statement of financial position and are carried at acquisition cost as a deduction from equity.

	2023	2022
FDRs held as at 31 December	9,615,110	6,565,553
Carrying value of FDRs held (€million)	90	81
Class B shares held as at 31 December	-	-
Carrying value of Class B shares held (€million)	-	-

EUR 550 million Deeply Subordinated Fixed Rate Resettable Securities

In November 2016 SES issued Deeply Subordinated Fixed Rate Resettable Securities for an amount of EUR 550 million, with a first call on 29 January 2024. The securities bear a coupon of 5.625% per annum to the first call date and were priced at 99.304% of their nominal value. Tender premium and transaction costs for this transaction amounted to EUR 8 million and were deducted from "Other reserves".

On 4 December 2023 the Company issued a Notice of Redemption to holders of these securities to their first call date on 29 January 2024. This resulted in them being reclassified to 'Borrowings' and presented within current liabilities (see Note 24).

EUR 625 million Deeply Subordinated Fixed Rate Resettable Securities

In May 2021 SES issued Deeply Subordinated Fixed Rate Resettable Securities for an amount of EUR 625 million, with a first call date on 27 August 2026. The securities bear a coupon of 2.875% per annum and were priced at 99.409% of their nominal value. Tender premium and transaction costs for this transaction amounted to EUR 26 million and were deducted from "Other reserves".

Coupon payments in respect of the Deeply Subordinated Fixed Rate Resettable Securities occurred on 30 January 2023 (EUR 31 million), 28 August 2023 (EUR 18 million) and have been deducted from 'Other reserves'. The corresponding payments in 2022 were on 31 January 2022 (EUR 31 million), 29 August 2022 (EUR 18 million) and were also deducted from 'Other reserves'. Tax on the Perpetual Bonds coupon accrual of EUR 14 million (2022: EUR 14 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 2023 a legal reserve of EUR 72 million (2022: EUR 72 million) is included within other reserves.

Other reserves include a non-distributable amount of EUR 95 million (2022: EUR 80 million) linked to treasury shares, and an amount of EUR 101 million (2022: EUR 142 million) representing the net worth tax reserve for 2018-2019, 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 requirement.

Note 22 - Non-controlling interests

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.

€million	LuxGovSat S.A. (50% NCI)*		AI Maisan Satellite Communications LLC, UAE (65% NCI)*	
	2023	2022	2023	2022
Summarised balance sheet				
Current assets	12	11	5	11
Current liabilities	(22)	(20)	(2)	(3)
Current net (liabilities)/assets	(10)	(9)	3	8
Non-current assets	137	150	20	26
Non-current liabilities	(50)	(67)	-	-
Non-current net assets	87	83	20	26
Net assets	77	74	23	34
Accumulated NCI	39	37	15	22
Transactions with non-controlling interests	-	-	-	-

* Refer to Note 2

€million	LuxGovSat S.A. (50% NCI)		AI Maisan Satellite Communications LLC, UAE (65% NCI)	
	2023	2022	2023	2022
Summarised statement of comprehensive income				
Revenue	31	27	7	9
Operating expenses	(12)	(15)	(4)	(5)
Profit/(loss) for the period	4	(2)	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income	4	(2)	-	-
Profit/(loss) allocated to NCI	2	(1)	-	-
Dividend paid to NCI	-	-	-	-

€million	LuxGovSat S.A. (50% NCI)		AI Maisan Satellite Communications LLC, UAE (65% NCI)	
	2023	2022	2023	2022
Summarised cash flows				
Cash flows from/(absorbed by) operating activities	16	10	5	6
Cash flows from/(absorbed by) investing activities	-	-	-	-
Cash flows from/(absorbed by) financing activities	(16)	(10)	(12)	(7)
Net foreign exchange movements	-	-	(1)	-
Net increase/(decrease) in cash and cash equivalents	-	-	(8)	(1)

Note 23 - 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.

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. 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. There were no outstanding options as at 31 December 2023 (2022: 372,942). No options were exercised in 2023 or in 2022.

	2023	2022
Outstanding options at the end of the year	-	372,942
Weighted average exercise price in euro	-	24.37

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

	2023 Average exercise price per share option	Number of options	2022 Average exercise price per share option	Number of options
As at 1 January	24.37	372,942	27.61	700,553
Forfeited	24.39	(372,942)	31.31	(327,611)
Exercised	-	-	-	-
At 31 December	-	-	24.37	372,942

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	
			2023	2022
2016	2023	24.39	-	372,942
			-	372,942

Simulated Restricted Share Units ('SRSU')

In 2017 the Group introduced a new compensation plan which has progressively replaced the STAR Plan. SRSU are cash-settled awards delivered on 1 June following a three-year vesting period. The liability for the cash-settled awards is measured initially and at the end of each reporting period until settled, at the fair value of the share appreciation rights, taking into account the terms and conditions on which the stock appreciation rights were granted and recognised to the extent to which the employees have rendered services to date.

During 2023, 1,233,352 SRSU have been granted (2022: 940,222). During the same period, 172,473 SRSUs have been forfeited (2022: 230,131) and 652,648 SRSU have been vested (2022: 245,995). A liability of EUR 7,290,615 has been recognised in the consolidated statement of financial position as of 31 December 2023 (31 December 2022: EUR 6,886,104) based on the 2,665,762 outstanding SRSUs (31 December 2022: 2,257,531) measured at the Group's share price at the end of the year on a pro-rata basis over 3 years vesting period.

Equity Based Compensation Plan comprising options ('EBCP Option')

The EBCP Option is usually available to Group executives. Under the plan, the "date of Option Grant" means the first business day that follows fifteen (15) market trading days for Shares after the Allocation Period during which the Fair Market Value is fixed. For EBCP Option grants till year 2020 inclusive and prior, one-quarter of the entitlement vests on each 1 January of the four years following the Date of Option Grant. For EBCP Grants from 2021 onwards a 3-year cliff vesting on June 1 (Y+3) was introduced. One EBCP Grant has an exceptional vesting

arrangement whereby one fifth of the entitlement vests on each 1 June of the five years following the Date of Option Grant. There was no stock option issuance in year 2023. Once vested, the options can be exercised until the tenth anniversary of the original grant.

	2023	2022
Outstanding options at the end of the year	19,049,997	20,348,470
Weighted average exercise price in euro	11.88	12.09

Out of 19,049,997 outstanding options as the end of 2023 (2022: 20,348,470), 11,242,584 options are exercisable (2022: 10,456,400). In 2023 147,451 treasury shares were delivered at a weighted average price of EUR 6.11 each, while in 2022 715,431 treasury shares were delivered at a weighted average price of EUR 5.97 each. On average, in 2023, the related weighted average share price at the time of exercise during 2023 was EUR 6.69 per share.

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

	2023 Average exercise price per share option	Number of options	2022 Average exercise price per share option	Number of options
At 1 January	12.09	20,348,470	13.17	18,767,922
Granted	-	-	8.26	4,286,464
Forfeited	16.32	(1,151,022)	16.25	(1,990,485)
Exercised	6.11	(147,451)	5.97	(715,431)
At 31 December	11.88	19,049,997	12.09	20,348,470

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	
			2023	2022
2022	2032	8.40	3,805,164	3,925,594
2022	2032	6.00	247,307	247,307
2021	2031	6.40	3,069,930	3,183,714
2020	2030	5.97	3,434,330	3,657,372
2019	2029	15.01	1,638,010	1,755,453
2018	2028	18.23	407,000	407,000
2018	2028	12.67	3,038,030	3,253,658
2017	2027	21.15	1,600,721	1,757,123
2016	2026	24.39	1,084,398	1,181,646
2015	2025	32.73	407,535	447,665
2014	2024	26.5	317,572	347,511
2013	2023	23.51	-	184,427
			19,049,997	20,348,470

Equity Based Compensation Plan ('EBCP')

The EBCP is also a programme for executives and senior executives of the Group, comprising performance shares ('EBCP PS') and restricted shares ('EBCP RS'). Under the plan, restricted shares are allocated to executives at the beginning of May each year and these vest on the 1 June following the third anniversary of the grant. Performance shares are allocated at the beginning of May each year. Vesting for performance shares will be subject to the achievement of the Total Shareholder Return ("TSR"), measured on a relative basis to the median TSR performance of a panel of comparable companies and reviewed by the Remuneration Committee prior to the Share Vesting Date. In addition, from 2023, the vesting performance shares for members of the Senior Leadership Team, will also be subject to Environmental, Social and Governance ("ESG") metrics which will apply as a modifier to TSR and to be reviewed by the Remuneration Committee prior to the Share Vesting Date.

	2023	2022
Restricted and performance shares outstanding at the end of the year	4,215,486	3,473,504
Weighted average fair value in euro	5.44	6.07

During 2023, 1,287,594 restricted shares (2022: 1,041,237) and 451,705 (2022: 763,102) performance shares were granted; 67,853 restricted shares (2022: 48,270) and 86,772 performance shares (2022: 67,256) were forfeited; and 604,047 performance shares (2022: 313,357) and 238,645 restricted shares (2022: 144,736) were exercised.

The fair value of STARs and EBCP Option granted is estimated as at the date of the grant using a binomial model. The fair value of EBCP PS and EBCP RS is estimated at the date of the grant by restating discounted dividends from share price and taking into account the terms and conditions upon which the options were granted.

The following table lists the average value of inputs to the model used for the years ended 31 December 2023 and 31 December 2022.

2023	EBCP PS and EBCP RS	
Dividend yield (%)		10.22%
Risk-free interest rate (%)		2.74%
Expected life of options (years)		3
Share price at inception (EUR)		5.59
Fair value per option/share (EUR)		4.16
Total expected cost for each plan (€million)		8.60
2022	EBCP Option	EBCP PS and EBCP RS
Dividend yield (%)	6.40%-10.18%	6.29%-9.71%
Expected volatility (%)	32.33%-33.19%	33.54%-34.04%
Risk-free interest rate (%)	0.66%-1.71%	0.42%-1.54%
Expected life of options (years)	10-9.66	3-2.66
Share price at inception (EUR)	8.59-5.86	8.59-5.86
Fair value per option/share (EUR)	1.376-0.645	7.1-4.41
Total expected cost for each plan (€million)	4.72-0.1	8.95-2.54

The expected life of 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 13 million (2022: EUR 12 million), out of which equity-settled EUR 9 million (2022: EUR 9 million) and cash-settled EUR 4 million (2022: EUR 3 million).

Note 24 - Borrowings

As at 31 December 2023 and 2022, the Group's interest-bearing borrowings were:

€million	Effective interest rate	Maturity	Amounts outstanding 2023, carried at amortised cost
Non-current			
German bond (EUR 250 million)	1.71%	December 2025	250
Eurobond 2026 (EUR 650 million)	1.625%	March 2026	652
Euro Private Placement 2027 (EUR 140 million under EMTN)	4.00%	May 2027	140
Eurobond 2027 (EUR 500 million)	0.875%	November 2027	497
Eurobond 2028 (EUR 400 million)	2.00%	July 2028	397
Eurobond 2029 (EUR 750 million)	3.50%	January 2029	745
Fixed Term Loan (LuxGovSat), non-listed	3.30%	December 2027	50
German bond (EUR 50 million)	4.00%	November 2032	50
US Bond (USD 250 million)	5.30%	April 2043	220
US Bond (USD 500 million)	5.30%	March 2044	442
Total non-current			3,443
Current			
Perpetual Bond (EUR 550 million)	5.625%	January 2024	550
German bond (EUR 150 million), non-listed	EURIBOR 6M + 0.80%	June 2024	150
Fixed Term Loan (LuxGovSat), non-listed	3.30%	December 2027	16
Total current			716

€million	Effective interest rate	Maturity	Amounts outstanding 2022, carried at amortised cost
Non-current			
German bond (EUR 150 million), non-listed	EURIBOR 6M + 0.80%	June 2024	150
German bond (EUR 250 million)	1.71%	December 2025	250
Eurobond 2026 (EUR 650 million)	1.625%	March 2026	653
Euro Private Placement 2027 (EUR 140 million under EMTN)	4.00%	May 2027	140
Eurobond 2027 (EUR 500 million)	0.875%	November 2027	498
Eurobond 2028 (EUR 400 million)	2.00%	July 2028	396
Eurobond 2029 (EUR 750 million)	3.50%	January 2029	745
Fixed Term Loan (LuxGovSat), non-listed	3.30%	December 2027	65
German bond (EUR 50 million)	4.00%	November 2032	50
US Bond (USD 250 million)	5.30%	April 2043	228
US Bond (USD 500 million)	5.30%	March 2044	454
Total non-current			3,629
Current			
US Bond (USD 750 million)	3.60%	April 2023	703
Fixed Term Loan (LuxGovSat), non-listed	3.30%	December 2027	16
Total current			719

European Medium-Term Note ('EMTN') programme

SES has an EMTN programme enabling SES, or SES Global Americas Holdings Inc., to issue as and when required notes up to a maximum aggregate amount of EUR 4,000 million. As at 31 December 2023, SES had issued EUR 2,440 million (2022: EUR 2,440 million) under the EMTN Programme with maturities ranging from 2026 to 2028.

German bond issue of EUR 400 million (2024/2025)

In 2018 the Group issued EUR 400 million in the German bond ('Schuldschein') market. The transaction consisted of two individual tranches - a EUR 150 million tranche with a floating interest rate of a six-month EURIBOR plus a margin of 0.8% and a final maturity date on 18 June 2024 as well as a EUR 250 million tranche with a fixed interest rate of 1.71% and a final maturity date on 18 December 2025.

EUR 650 million Eurobond (2026)

In 2018 SES issued a EUR 500 million 8-year bond under the EMTN programme. On the 22 June 2021 SES announced the successful launch and pricing of a tap of its 1.625% Notes in which it has agreed to sell incremental senior unsecured fixed rate notes for a total amount of EUR 150 million. The new notes were priced at 106.665% of their nominal value. The bond bears interest at a fixed rate of 1.625% and has a final maturity date on 22 March 2026.

EUR 500 million Eurobond (2027)

In November 2019, SES issued a EUR 500 million bond under the EMTN programme. The bond has an 8-year maturity and bears interest at a fixed rate of 0.875% and has a final maturity date on 4 November 2027.

EUR 140 million Private Placement (2027)

In 2012 SES issued three individual tranches of a total EUR 140 million Private Placement under the EMTN programme with ING Bank N.V. The Private Placement has a 15-year maturity, beginning 31 May 2012, and bears interest at a fixed rate of 4.00%.

EUR 400 million Eurobond (2028)

In July 2020, SES issued a EUR 400 million bond under the EMTN programme. The bond has an 8-year maturity and bears interest at a fixed rate of 2.00% and has a final maturity date on 2 July 2028.

EUR 750 million Eurobond (2029)

On 14 June 2022, SES issued a EUR 750 million bond under the EMTN programme. The bond has a 7-year maturity, bears interest at a fixed rate of 3.50%, and has a final maturity date on 14 January 2029.

German bond issue of EUR 50 million (2032)

In 2012 the Group signed an agreement to issue EUR 50 million in the German bond ('Schuldschein') market. The German bond bears a fixed interest rate of 4.00% and matures on 12 November 2032.

144A Bond USD 750 million (2023)

In 2013 SES completed a 144A offering in the US market issuing USD 750 million 10-year bond with a coupon of 3.60%. The Bond was settled in full at maturity on 4 April 2023.

144A Bond USD 250 million (2043)

In 2013 SES completed a 144A offering in the US market issuing USD 250 million 30-year bond with a coupon of 5.30% and a final maturity date on 4 April 2043.

144A Bond USD 500 million (2044)

In 2014 SES completed a 144A offering in the US market issuing USD 500 million 30-year bond with a coupon of 5.30% and a final maturity date of 25 March 2044.

Syndicated loan 2019

The facility is being provided by 19 banks and has been structured as a 5-year multi-currency revolving credit facility. In 2021 the Company extended the termination date from 26 June 2025 to 26 June 2026. The facility is for EUR 1,200 million and the interest payable is linked to a ratings grid. At the current SES credit rating of BBB/ Baa3, the interest rate is 45 basis points over EURIBOR/SOFR. As at 31 December 2023 and 2022, no amount had been drawn under this facility.

European Investment Bank ('EIB') Financing Facility EUR 300 million (2029)

On 16 December 2022 SES signed a seven-year contract with the EIB which will support the funding of SES's three fully digital satellites serving Western Europe, Africa and the Middle East. The facility is available for disbursement at fixed or floating rates linked to a ratings grid. At the current SES credit rating of BBB/ Baa3 this equates to 0.42% per annum over EURIBOR (in case of a floating rate) or over a base rate as determined by the EIB (in the case of a fixed rate). As at 31 December 2023 no amount has been drawn under this facility.

2016 Perpetual Bond for EUR 550 million

In November 2016 SES issued a Perpetual Bond of EUR 550 million at a coupon of 5.625 percent. On 4 December 2024 the Company issued the Notice of Redemption to Holders of the EUR 550 million Deeply Subordinated Fixed Rate Resettable Securities with a call date on 29 January 2024 triggering its reclassification from equity to short-term borrowings.

EUR 115 million Credit Facility (LuxGovSat)

In 2015 LuxGovSat S.A. signed a financing agreement with BGL BNP Paribas for EUR 115 million at a fixed rate coupon of 3.30%. The facility is repayable in 14 semi-annual instalments and has a final maturity date of 1 December 2027. As at 31 December 2023, total borrowings of EUR 66 million were outstanding under the fixed term facility and the company is in compliance with the covenants specified in the facility.

Negotiable European Commercial Paper "NEU CP" (formerly French Commercial paper programme)

In 2005 SES put in place a EUR 500 million 'NEU CP' programme in accordance with articles L213-1 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 million or its counter value at the date of issue in any other authorised currency. On 25 April 2023, this programme was extended for one further year. As at 31 December 2023 and 2022, 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 million guaranteed European commercial paper programme of SES S.A. and SES Global Americas Holdings Inc.. Issuances under the programme represent senior unsecured obligations of the issuer and any issuance under the programme is guaranteed by the non-issuing entity. The programme is rated by Moody's Investors Services and Fitch Ratings and is compliant with the standards set out in the STEP Market Convention. On 9 July 2021, this programme was updated and extended. As at 31 December 2023 and 2022, no borrowings were outstanding under this programme.

IBOR Reform

Regulatory authorities have identified and recommended alternative benchmark rates and best practice to support the transition of IBORs to respective alternatives (e.g. SOFR, €STR, SONIA). These changes have been reviewed and do not have any material impact on the Group's consolidated financial statements and future funding capabilities.

Note 25 - Provisions

€million	2023	2022
Non-current	3	7
Current	88	67
Total	91	74

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

€million	Group tax provision	Restructuring provision	Other provisions	Total
As at 1 January 2023	58	14	2	74
Additional provisions recognised	7	27	-	34
Unused amounts reversed	-	-	(1)	(1)
Used during the year	-	(10)	-	(10)
Reclassification to income tax payable	(3)	-	-	(3)
Impact of currency translation	(3)	-	-	(3)
As at 31 December 2023	59	31	1	91
Non-current	2	-	1	3
Current	57	31	-	88
€million	Group tax provision	Restructuring provision	Other provisions	Total
As at 1 January 2022	44	16	2	62
Additional provisions recognised	15	9	-	24
Unused amounts reversed	-	-	-	-
Used during the year	-	(13)	-	(13)
Reclassification to income tax payable	1	-	-	1
Impact of currency translation	(2)	2	-	-
As at 31 December 2022	58	14	2	74
Non-current	5	-	2	7
Current	53	14	-	67

Group tax provision

Group tax provision mainly relates to Indian withholding taxes and potential associated interest charges. The increase in the Group tax provision was mainly due to a refund of withholding taxes under litigation and higher associated interest charges.

Restructuring provision

Expenses of the year include an amount of EUR 27 million (2022: EUR 9 million) of staff-related restructuring expenses (Note 5). The consolidated statement of financial position includes a provision of EUR 31 million (2022: EUR 14 million).

Note 26 - Trade and other payables

€million	2023	2022
Trade creditors	60	81
Payments received in advance (please also see Note 27)	25	25
Interest on borrowings	52	47
Personnel-related liabilities	90	69
Tax liabilities other than for income tax	31	17
Other liabilities	132	128
Total	390	367

Tax liabilities mainly relate to VAT payables in the amount of EUR 22 million as of 31 December 2023 (2022: EUR 11 million).

Note 27 - Other long-term liabilities

€million	2023	2022
Employee benefits obligations	13	15
Payments received in advance	47	70
Other long-term liabilities	23	22
Total	83	107

Employee benefits obligations

In the Group's US operations certain employees benefit from an externally insured post-retirement health benefit plan. As at 31 December 2023, accrued premiums of EUR 6 million (2022: EUR 7 million) are included in this position.

There were no contributions made in 2023 to Group pension schemes (2022: nil).

In addition, certain employees of the US operations benefit from defined contribution pension plans. A liability of EUR 10 million has been recognised as at 31 December 2023 (2022: EUR 11 million) in this respect, out of which EUR 2 million is included under 'Trade and other payables' (2022: EUR 3 million).

Payments received in advance

In the framework of receivables securitisation transactions completed in June 2019 the Group received a net cash amount of EUR 59 million, from the financial institution as advance settlement of future receivables arising between 2022 and 2024 under contracts with a specific customer. From the outstanding balance of EUR 49 million as at 31 December 2022, an amount of EUR 25 million was repaid to the financial institution in January 2023.

In June 2022, the Company received a net cash amount of EUR 47 million from the financial institution as advance settlement of future receivables arising between 2024 and 2025 under contracts with a specific customer, which is presented under 'Other long-term liabilities'.

A corresponding aggregate liability of EUR 72 million (2022: EUR 95 million), representing SES's obligation towards the financial institution to continue to provide services to the customer in accordance with the terms of the customer contract, is recorded in the consolidated statement of financial position as at 31 December 2023 under 'Other long-term liabilities' for EUR 47 million (2022: EUR 70 million) and under 'Trade and other payables' for EUR 25 million (2022: EUR 25 million).

Other long-term liabilities

The other long-term liabilities include customer collateral deposits amounting to EUR 23 million (2022: EUR 22 million).

Note 28 - Fixed assets suppliers

€million	2023	2022
Non-current	313	740
Current	455	264

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 29. Non-current fixed assets suppliers are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

The main procurements under this caption are:

- ▲ Satellites for the mPOWER MEO constellation: EUR 377 million (2022: EUR 545 million)
- ▲ Three replacement GEO satellites for 19.2°E and 57°E: EUR 330 million (2022: 262 million EUR)
- ▲ One GEO satellite already in orbit: EUR 31 million (2022: EUR 157 million)

Acquisition of the SES O3b mPOWER medium-Earth orbit constellation and launchers

In September 2017, the Company, jointly with its subsidiary O3b Networks Limited, entered as Procurement Agent 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 the Group has the right to acquire, or lease, the satellites from the financial institution or to direct their sale to a third-party.

In August 2020 the Company exercised the option under the Purchase and Sale agreement to procure four additional O3b mPOWER satellites. The Company, again jointly with its subsidiary O3b Networks Limited, entered as Procurement Agent into a second Master Procurement Agency and Option Agreement with a financial institution in connection with the procurement by that financial institution of the additional satellites. At the end of the satellite construction period, foreseen in 2023, the Group again has the right to acquire, or lease, the satellites from the financial institution or to direct their sale to a third-party.

In November 2023 the Company exercised the option under the Purchase and Sale agreement to procure two additional O3b mPOWER satellites to be delivered in 2026.

Since the underlying Satellite Purchase and Sale Agreements are directly between the financial institutions and the satellite manufacturer, there is no contractual obligation on the side of the Procurement Agents during the satellite construction process. However, SES management takes the view that there is a constructive obligation arising over the procurement period and hence the Group is accruing for the costs of this programme.

SES has the right to nominate shortly before the end of the construction period the entity within the Group which will acquire or lease those assets. SES management expects that the satellites will be acquired or leased in due course by the company SES mPOWER S.à r.l. in Luxembourg.

Note 29 - Commitments and contingencies

Capital expenditure commitments

The Group had outstanding commitments in respect of contracted capital expenditure totalling EUR 376 million as at 31 December 2023 (2022: EUR 404 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 28. The commitments as at 31 December 2023 also include EUR 67 million (2022: EUR 68 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 15 - "Intangible assets".

The capital expenditure commitments arising under these agreements as at 31 December are as follows:

€million	2023	2022
Within one year	258	252
After one year but not more than five years	72	103
After more than five years	46	49
Total	376	404

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 67 million (2022: EUR 68 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.

€million	2023	2022
Within one year	152	126
After one year but not more than five years	130	162
After more than five years	47	51
Total	329	339

The total expense recognised for transponder service agreements in 2023 was EUR 141 million (2022: EUR 94 million).

Litigation

There were no significant litigation claims against the Group as at 31 December 2023, or as at 31 December 2022.

Guarantees

On 31 December 2023 the Group had outstanding bank guarantees of EUR 48 million (2022: EUR 72 million) with respect to performance and warranty guarantees for services of satellite operations.

Note 30 - Leases

Lessor

During 2023 the Group did not recognise any leasing income (2022: EUR nil million) related to customer lease contract.

Lessee

The Group has recognised right-of-use assets, and associated liabilities, in relation to contracts previously classified as "operating leases" under the provision of IFRS 16. These assets and liabilities were measured at the present value of the remaining lease payments, discounted using the Group's weighted average incremental borrowing rate of 2.97% as at 31 December 2023 (2.87% as at 31 December 2022). The difference between the operating lease commitments and the right-of-use assets recognised represents impact of discounting over the outstanding lease term.

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.

€million	Buildings	Transponders (included within Space Segment)	Ground segment	Other fixtures and fittings, tools and equipment	31 December 2023
Right-of-use assets					
Cost	49	15	14	2	80
Accumulated depreciation	(29)	(7)	(5)	(1)	(42)
Total	20	8	9	1	38

€million	Buildings	Transponders (included within Space Segment)	Ground segment	Other fixtures and fittings, tools and equipment	31 December 2022
Right-of-use assets					
Cost	51	5	13	2	71
Accumulated depreciation	(23)	(4)	(3)	(1)	(31)
Total	28	1	10	1	40

There were no material additions to the right-of-use assets during 2023, depreciation charge for the year was EUR 19 million (2022: EUR 19 million).

Lease liabilities are presented below as at 31 December:

€million	2023	2022
Maturity analysis - contractual undiscounted cash flows		
Within one year	17	15
After one year but not more than five years	19	24
More than five years	9	12
Total	45	51
Lease liabilities included in the statement of financial position at 31 December		
Current	16	15
Non-current	23	30
Total	39	45

The leases of office buildings typically run for a period of 2-10 years and leases of ground segment assets for 5 years. Some leases include an option to renew the lease for an additional period after the end of the contract term. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension option. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Amounts recognised in the consolidated income statement

Depreciation charge of right-of-use assets:

€million	2023	2022
Buildings	6	10
Transponders (included within Space Segment)	9	4
Ground segment	3	4
Other fixtures and fittings, tools and equipment	1	1
Total	19	19

Finance cost:

€million	2023	2022
Interest expense	2	2
Total	2	2

The total cash outflow for leases in 2023 was EUR 22 million (2022: EUR 17 million).

Note 31 - 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 13, 14 and 15.

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for 2023 and 2022.

€million	2023	2022
Cash and cash equivalents	2,907	1,047
Borrowings - repayable within one year	(716)	(719)
Borrowings - repayable after one year	(3,443)	(3,629)
Net debt¹	(1,252)	(3,301)

€million	2023	2022
Cash and cash equivalents	2,907	1,047
Borrowings - floating rates	(150)	(150)
Borrowings - fixed interest rates	(4,009)	(4,198)
Net debt¹	(1,252)	(3,301)

¹Net debt excludes current and non-current lease liabilities. Including these, net debt as at 31 December 2023 was EUR 1,291 million (2022: EUR 3,346 million)

€million	Cash and cash equivalents	Borrowings repayable within one year	Borrowings repayable after one year	Total
Net debt as at 1 January 2023	1,047	(719)	(3,629)	(3,301)
Cash flows (net)	1,983	706	-	2,689
Foreign exchange adjustments	(123)	-	36	(87)
Transfers (see Note 24)	-	(700)	150	(550)
Other non-cash movements*	-	(3)	-	(3)
Net debt as at 31 December 2023	2,907	(716)	(3,443)	(1,252)

€million	Cash and cash equivalents	Borrowings repayable within one year	Borrowings repayable after one year	Total
Net debt as at 1 January 2022	1,049	(57)	(3,524)	(2,532)
Cash flows (net)	(17)	57	(744)	(704)
Foreign exchange adjustments	15	-	(90)	(75)
Transfers	-	(719)	719	-
Other non-cash movements*	-	-	10	10
Net debt as at 31 December 2022	1,047	(719)	(3,629)	(3,301)

* related to loan origination costs

During 2023 the Group issued European Commercial Paper for EUR 260 million (2022: EUR nil million) and reimbursed EUR 260 million (2022: EUR nil million). These have been presented net in the consolidated statement of cash flows.

Note 32 - Related parties

The state of Luxembourg holds a direct 11.58% voting interest in the Company and two indirect interests, both of 10.88% each, through two state owned banks, Banque et Caisse d'Epargne de l'Etat and Société Nationale de Crédit et d'Investissement. These shares constitute the Company's Class B shares, as described in Note 21.

The total remuneration paid to directors for attendance at board and committee meetings in 2023 amounted to EUR 1.2 million (2022: EUR 1.0 million). These amounts are computed on a fixed and variable basis, the variable part being based upon attendance at board and committee meetings.

The key management of the Group, defined as the Senior Leadership Team, received compensation as follows:

€million	2023	2022
Remuneration including bonuses and other benefits*	10	7
Share-based compensation plans	1	3
Total	11	10

* 2023 remuneration of SLT members includes EUR 1.6 million of contractual severance payment for departing Senior Leadership Team members

The total outstanding amount in respect of share-based payment instruments allocated to key management as at 31 December 2023 was 3,868,807 (2022: 5,455,577).

Note 33 - C-band repurposing

The Group continued to fulfil its obligations under the Federal Communications Commission's Report and Order and Order of Proposed Modification dated 28 February 2020 ('the Order') in connection with the clearing of a 300 MHz band of C-band downlink spectrum between 3,700 and 4,000 MHz by December 2025 to support the rapid deployment of terrestrial 5G services in the continental United States ('CONUS').

To facilitate the clearing of the spectrum SES procured six C-band satellites and necessary launch vehicles. The Group's ground facilities were also consolidated and upgraded to comply with the provisions of the Order, with customers and affiliated earth stations being equipped with special filters, new antennae and/or other capabilities so that they can be migrated to work with services operating in the remaining 200 MHz of spectrum (between 4,000 MHz and 4,200 MHz) available to satellite operators.

SES filed its Phase II Certification of Accelerated Relocation with the FCC on 10 July 2023. The FCC validated the certificate on 9 August 2023, at which time the EUR 2,714 million (USD 2,991 million) of Accelerated Relocation Payments were fully earned. SES received the Accelerated Relocation Payments between 24 August 2023 and 13 October 2023.

Since the C-band repurposing project is not the result of a contract with a customer, the proceeds are not accounted for as revenue but rather as 'C-band repurposing income'.

For capitalised costs related to the procurement of the C-band satellites, launches, and upgraded ground facilities, the Group recorded credits to the recorded book values of the related asset when the costs had been incurred and the Group had obtained reasonable assurance that the costs will be reimbursed and that it will comply with the requirements attached to the reimbursement. The costs and expected reimbursements recorded in the consolidated statement of financial position under "Assets in the course of construction" (Note 14) are presented in the following table:

€million	Space segment	Ground segment	Total
Cost as at 1 January 2022	668	37	705
Additions	315	14	329
Impact of currency translation	39	2	41
Cost as at 31 December 2022	1,022	53	1,075
Expected reimbursements as at 1 January 2022	(668)	(37)	(705)
Additions	(311)	(13)	(324)
Repayments	679	1	680
Impact of currency translation	(45)	(2)	(47)
Expected reimbursements as at 31 December 2022	(345)	(51)	(396)

<i>€million</i>	Space segment	Ground segment	Total
Cost as at 1 January 2023	1,022	53	1,075
Additions	48	4	52
Impact of currency translation	(37)	(2)	(39)
Cost as at 31 December 2023	1,033	55	1,088
Expected reimbursements as at 1 January 2023	(345)	(51)	(396)
Additions	(36)	(2)	(38)
Repayments	129	1	130
Impact of currency translation	9	2	11
Expected reimbursements as at 31 December 2023	(243)	(50)	(293)

In 2023 the Group incurred EUR 52 million (2022: EUR 329 million) in capital expenditure which has been partially offset by expected reimbursements as per the table above of EUR 38 million (2022: EUR 324 million) and hence reclassified from 'Assets-under-construction' to 'Other receivables'.

The Group records repurposing operating expenses as incurred and corresponding reimbursement income when the Group has obtained reasonable assurance that the costs will be reimbursed and that it will comply with any associated requirements.

In 2023 the Group recorded C-band repurposing income of EUR 2,744 million (2022: EUR 184 million), including the Accelerated Relocation Payments mentioned above. The 2022 C-band repurposing income included EUR 173 million of Verizon accelerated clearing proceeds (nil in 2023). C-band-related expenses of EUR 47 million (2022: EUR 30 million) represent cost of sales of EUR 2 million (2022: EUR 3 million), accumulated staff costs of EUR 29 million (2022: EUR 12 million) and other operating expenses (including travel and consulting charges) of EUR 16 million (2022: EUR 15 million).

During 2023 EUR 424 million of income tax was paid in respect of the Accelerated Relocation Payments.

As at 31 December 2023, in connection with the operating expenses and capital expenditures above, the Group had other receivables of EUR 350 million (2022: EUR 480 million) related to the C-band repurposing project.

The Group has been amortising certain deferred charges in connection with the C-band repurposing through to the end of 2023 such that their carrying value is now EUR nil million (31 December 2022: EUR 5 million).

As at 31 December 2023, SES's other commitments for C-band repurposing expenditures represent EUR 3 million (2022: EUR 22 million).

Note 34 - Subsequent events

Submission of mPOWER Proof-of-Loss for mPOWER satellites

On 22 February 2024 the company issued Proof-of-Loss documentation to its insurers in connection with the first four satellites of its MEO mPOWER constellation. The aggregate amount of the claim being made is USD 472.2 million.

Settlement of EUR 550 million Deeply Subordinated Fixed Rate Resettable Securities

On 4 December 2023 the Company issued a notice of redemption to holders of its EUR 550 million Deeply Subordinated Fixed Rate Resettable Securities with a call date on 29 January 2024, on which date the Company fully settled those securities.

Other than the above, there have been no material events occurring between the reporting date and the date when the consolidated financial statements were approved by the Board of Directors.

Note 35 - Alternative performance measures

SES regularly uses alternative performance measures to present the performance of the Group.

These measures may not be comparable to similarly titled measures used by other companies and are not measurements under IFRS Accounting Standards 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 statement of financial position line items:

€million	2023	2022
Borrowings - non-current	3,443	3,629
Borrowings – current	716	719
Borrowings – total	4,159	4,348
Less: Cash and equivalents	(2,907)	(1,047)
Net debt¹	1,252	3,301

¹ Net debt excludes current and non-current lease liabilities. Including these, net debt as at 31 December 2023 was EUR 1,291 million (2022: EUR 3,346 million)

2 EBITDA and EBITDA margin

EBITDA is defined as profit or loss for the period before the impact of depreciation, amortisation, net financing costs and income tax. EBITDA Margin is defined as EBITDA divided by the sum of revenue and other income including C-band repurposing income. The Group believes that EBITDA and EBITDA margin are useful supplemental indicators that may be used to assist in evaluating a Company's operating performance.

The following table reconciles EBITDA to the consolidated income statement line items from which it is derived:

€million	2023	2022
(Loss)/profit before tax	(728)	52
Add: Depreciation and impairment expense	1,054	836
Add: Amortisation and impairment expense	3,314	266
Add: Net financing costs	42	88
EBITDA	3,682	1,242

The following table provides a reconciliation of EBITDA margin:

€million	2023	2022
Revenue	2,030	1,944
C-band repurposing income	2,744	184
Other income	5	-
EBITDA	3,682	1,242
EBITDA Margin (%)	77.0%	58.3%

3 Adjusted EBITDA and Adjusted EBITDA margin

Adjusted EBITDA is defined as EBITDA adjusted to exclude 'significant special items'. Significant special items need to be approved as such by management and individually exceed a threshold of EUR 5 million at first recognition. The current significant special items relate primarily to the impact of C-Band repurposing, restructuring charges, costs associated with the development and / or implementation of merger and acquisition activities, as well as specific business taxes of a non-recurring nature.

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€million	2023	2022
EBITDA	3,682	1,242
Deduct: C-band repurposing income (Note 33)	(2,744)	(184)
Deduct: Other income (Note 4)	(5)	-
Add: C-band repurposing expenses (Note 33)	47	30
Add: Other significant special items (Note 4)	45	17
Adjusted EBITDA	1,025	1,105

Other significant special items include restructuring charges of EUR 27 million (2022: EUR 9 million), costs associated with the development and / or implementation of merger and acquisition activities EUR 9 million (2022: EUR 3 million), specific business taxes of a non-recurring nature EUR 9 million (2022: nil) and regulatory charges arising outside ongoing operations of nil (2022: EUR 5 million).

Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by revenue. The following table provides a reconciliation of the Adjusted EBITDA Margin:

€million	2023	2022
Revenue	2,030	1,944
Adjusted EBITDA	1,025	1,105
Adjusted EBITDA Margin (%)	50.5%	56.9%

4 Operating profit and operating profit margin

Operating profit is defined as profit or loss for the year before the impact of net financing charges, income tax, the Group's share of the results of associates. 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:

€million	2023	2022
(Loss)/profit before tax	(728)	52
Add: Net financing costs	42	88
Operating (loss)/profit	(686)	140

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:

€million	2023	2022
Revenue	2,030	1,944
Operating (loss)/profit	(686)	140
Operating profit margin	-33.8%	7.2%

5 Adjusted Net Debt

Adjusted Net Debt is defined as current and non-current borrowings less cash and cash equivalents, all as disclosed on the consolidated statement of financial position, and also includes 50% of the Group's Perpetual Bonds (consistent with rating agencies' methodology). The Group believes that Adjusted Net Debt is relevant to investors, since it gives an indication of the absolute level of non-equity funding of the business. This can be compared to the income and cash flows generated by the business, and available undrawn facilities.

The following table reconciles Adjusted Net Debt to the relevant line items on the statement of financial position from which it is derived:

€million	2023	2022
Borrowings – non-current	3,443	3,629
Borrowings – current	716	719
Borrowings – total	4,159	4,348
50% of the Group's EUR 625 million (2022: EUR 1.2 billion) of Perpetual Bonds	313	588
Less: Cash and cash equivalents	(2,907)	(1,047)
Adjusted Net Debt	1,565	3,889

6 Adjusted Net Debt to Adjusted EBITDA ratio

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

€million	2023	2022
Adjusted Net Debt	1,565	3,889
Adjusted EBITDA	1,025	1,105
Adjusted Net Debt to Adjusted EBITDA ratio	1.53 times	3.52 times

7 Adjusted Net Profit and Adjusted Earnings per Share

Adjusted Net Profit is defined as profit or loss of the period attributable to shareholders of the group adjusted to exclude the after-tax impact of significant special items (as defined above) and impairment charges and related valuation allowance adjustments on deferred tax assets on ITCs, as well as the tax impact of impairment charges on shareholdings arising at the Company or subsidiary level.

The tax rate applied to the pre-tax impact of the C-band operating expenses is the US tax rate. The rate applied for other special significant items and impairment expenses represents the computed weighted average tax rate of the relevant jurisdictions:

€million	2023	2022
Loss of the group attributable to shareholders of the parent	(905)	(34)
<i>C-band net income</i>	<i>(2,697)</i>	<i>(154)</i>
<i>Other income</i>	<i>(5)</i>	<i>-</i>
<i>Other significant special items</i>	<i>45</i>	<i>17</i>
<i>Impairment expenses</i>	<i>3,676</i>	<i>397</i>
<i>Add: Total significant special items</i>	<i>1,019</i>	<i>260</i>
<i>Tax on C-band net income, at 18% (2022: 18.3%)</i>	<i>484</i>	<i>28</i>
<i>Tax on other significant special items, at 25% (2022: 25%)</i>	<i>(9)</i>	<i>(3)</i>
<i>Tax on impairment expenses, at -10.7% (2022: 8.3%)*</i>	<i>(394)</i>	<i>33</i>
<i>Add: Tax on significant special items</i>	<i>81</i>	<i>58</i>
<i>Add: Tax expense in respect of impairment expenses on the carrying value of subsidiary investments and other assets eliminated at consolidation level</i>	<i>20</i>	<i>16</i>
Adjusted Net Profit	215	300

* Includes valuation allowance on deferred tax assets for ITCs, triggered by impairments. Comparatives have been adjusted by EUR 110 million.

Adjusted Earnings per Share is the Adjusted Net (Loss)/Profit, including an assumed coupon net of tax, divided by the weighted average number of shares. For 2023, Adjusted Earnings per Share of EUR 0.41 per Class A share (2022: EUR 0.60), and EUR 0.16 per Class B share (2022: EUR 0.24) have been calculated on the following basis:

€million	2023	2022
Adjusted Net Profit	215	300
Assumed coupon on perpetual bond (net of tax)	(36)	(36)
Total	179	264

The weighted average number of shares, net of own shares held, for calculating Adjusted Earnings per Share – unchanged from the numbers of shares applied in the calculation of basic earnings per share:

	2023	2022
Class A shares (in million)	364.8	364.1
Class B shares (in million)	185.7	185.8
Total	550.5	549.9

Adjusted Earnings per share	2023	2022
Class A shares	0.41	0.60
Class B shares	0.16	0.24

8 Free cash flow before dividend and treasury activities

Free cash flow before financing activities is defined as net cash generated by operating activities, adjusted for the net cash absorbed by investing activities. In addition, free cash flow before dividend and treasury activities considers the effect of the coupon paid on perpetual bond, interest paid on borrowings and lease payments on the computed free cash flow before financing activities. The Group believes that the free cash flow before dividend and treasury activities is relevant to the investors, since it gives an indication of the Group's ability to generate cash after payment taxes and other committed financing charges.

€million	2023	2022
Net cash generated by operating activities	3,479	1,471
Net cash absorbed by investing activities	(370)	(1,793)
Free cash flow before financing activities	3,109	(322)
Coupon paid on perpetual bond	(49)	(49)
Interest paid on borrowings	(109)	(103)
Lease payments	(22)	(17)
Free cash flow before equity distributions and treasury activities	2,929	(491)

9 Adjusted Free Cash Flow

Adjusted Free Cash Flow is defined as **Free cash flow before financing activities excluding the effect of cash flows generated by significant special items.**

€million	2023	2022
Free cash flow before equity distributions and treasury activities	2,929	(491)
Payments for acquisition of subsidiary, net of cash acquired	-	(435)
C-band cash flows	2,516	138
Payments in respect of other significant special items	(18)	(13)
Exclude: Total cash flows related to significant special items	2,498	(310)
Adjusted Free Cash Flow	431	(181)

Note 36 - Consolidated subsidiaries, associates

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

	Country	Economic interest % 2023	Consolidation method 2023	Economic interest % 2022	Consolidation method 2022
Luxembourg Space Sector Development General Partner S.à r.l.	Luxembourg	100	Full	100	Full
Luxembourg Space Sector Development SCSp	Luxembourg	50	Full	50	Full
LuxGovSat S.A.	Luxembourg	50	Full	50	Full
SES-10 S.à r.l. ¹	Luxembourg	-	-	100	Full
SES-17 S.à r.l.	Luxembourg	100	Full	100	Full
SES Asia S.à r.l.	Luxembourg	100	Full	100	Full
SES Astra S.A.	Luxembourg	100	100	100	100
SES Astra Services Europe S.à r.l.	Luxembourg	100	Full	100	Full
SES Engineering (Luxembourg) S.à r.l.	Luxembourg	100	Full	100	Full
SES Finance S.à r.l. ²	Luxembourg	100	Full	100	Full
SES Insurance International (Luxembourg) S.A.	Luxembourg	100	Full	100	Full
SES Insurance International Re (Luxembourg) S.A.	Luxembourg	100	Full	100	Full
SES Latin America S.à r.l.	Luxembourg	100	Full	100	Full
SES LU Satellite Holdings S.à r.l.	Luxembourg	100	Full	100	Full
SES LU US Holdings S.à r.l.	Luxembourg	100	Full	100	Full
SES mPOWER S.à r.l.	Luxembourg	100	Full	100	Full
SES Participations S.A. ²	Luxembourg	100	Full	100	Full
SES Networks Lux S.à r.l.	Luxembourg	100	Full	100	Full
SES Networks Satellites S.à r.l.	Luxembourg	100	Full	100	Full
SES Techcom S.A.	Luxembourg	100	Full	100	Full
Société Européenne des Satellites Telecomunicaciones de Argentina S.A.	Argentina	100	Full	100	Full
New Skies Satellites Australia Pty Ltd	Australia	100	Full	100	Full
O3b Teleport Services (Australia) Pty Limited	Australia	100	Full	100	Full
Redu Operations Services S.A. ³	Belgium	48	Equity	48	Equity
Redu Space Services S.A.	Belgium	52	Full	52	Full
Satellites Ventures (Bermuda) Ltd	Bermuda	50	Full	50	Full
New Skies Satellites Ltda	Brazil	100	Full	100	Full
SES DTH do Brasil Ltda	Brazil	100	Full	100	Full
SES Satelites Directo Ltda	Brazil	100	Full	100	Full
SES Telecomunicações do Brasil Ltda.	Brazil	100	Full	100	Full
Northern Americas Satellite Ventures, Inc.	Canada	100	Full	100	Full
SES Telecomunicaciones de Chile SpA	Chile	100	Full	100	Full
SES Telecomunicaciones de Colombia S.A.S.	Colombia	100	Full	100	Full
GSN GoSat Distribution Network Limited	Cyprus	100	Full	100	Full
ASTRA France S.A.	France	100	Full	100	Full
HD Plus GmbH	Germany	100	Full	100	Full
ASTRA Deutschland GmbH ¹	Germany	-	-	100	Full
SES Germany GmbH	Germany	100	Full	100	Full
SES Media Solutions GmbH	Germany	100	Full	100	Full
SES Networks GmbH ¹	Germany	-	-	100	Full
SES Technologies Verwaltungs GmbH ¹	Germany	-	-	100	Full
SES HD Plus Ghana Limited Company	Ghana	84.7	Full	84.7	Full
West Africa Platform Services Limited	Ghana	49	Full	49	Full
SES Satellites (Gibraltar) Limited	Gibraltar	100	Full	100	Full

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Jio Space Technology Limited ⁴	India	49	Equity	49	Equity
Orbitconnect India Private Limited ⁵	India	75	Full	100	Full
SES Satellites India Private Limited	India	100	Full	100	Full
PT MX1 Smartcast Indonesia	Indonesia	100	Full	100	Full
SES Satellite Leasing Limited	Isle of Man	100	Full	100	Full
MX1 Limited	Israel	100	Full	100	Full
O3b Limited	Jersey	100	Full	100	Full
O3b Networks Limited	Jersey	100	Full	100	Full
Sirius Satellite Services SIA ²	Latvia	100	Full	100	Full
QuetzSat Directo S. de R.L. de C.V.	Mexico	100	Full	100	Full
QuetzSat S. de R.L. de C.V.	Mexico	100	Full	100	Full
Satelites Globales S. de R.L. de C.V.	Mexico	100	Full	100	Full
SES Mexico, S. de R.L. de C.V.	Mexico	100	Full	100	Full
New Skies Satellites BV	Netherlands	100	Full	100	Full
New Skies Satellites Argentina BV	Netherlands	100	Full	100	Full
New Skies Satellites Licensee BV	Netherlands	100	Full	100	Full
New Skies Satellites Mar BV	Netherlands	100	Full	100	Full
O3b Sales B.V. ¹	Netherlands	-	-	100	Full
SES Engineering (Netherlands) BV	Netherlands	100	Full	100	Full
SES Holdings (Netherlands) BV	Netherlands	100	Full	100	Full
SES New Skies Marketing BV	Netherlands	100	Full	100	Full
SES Satellite Nigeria Limited	Nigeria	100	Full	100	Full
O3b Teleport Services (Peru) SAC	Peru	100	Full	100	Full
O3b Services (Portugal) Ltda	Portugal	100	Full	100	Full
SES Services Romania S.R.L.	Romania	100	Full	100	Full
SES World Skies Singapore Pte Limited	Singapore	100	Full	100	Full
SES ASTRA Africa Proprietary Limited	South Africa	100	Full	100	Full
SES Satélites Ibérica, S.L.	Spain	100	Full	100	Full
SES Astra AB	Sweden	100	Full	100	Full
SES Finance Services AG	Switzerland	100	Full	100	Full
SES Sirius Ukraina	Ukraine	100	Full	100	Full
Al Maisan Satellite Communications Company LLC	UAE	35	Full	35	Full
ASTRA (GB) Limited	UK	100	Full	100	100
SES Defence UK Limited	UK	100	Full	100	Full
Americom Asia Pacific LLC	USA	100	Full	100	Full
Global Enterprise Solutions Inc.	USA	100	Full	100	Full
Global Networks Services LLC ¹	USA	-	-	100	Full
MX1 LLC ¹	USA	-	-	100	Full
O3b Networks USA LLC	USA	100	Full	100	Full
SES 5G Customer Services LLC	USA	100	Full	100	Full
SES Americom (Asia 1A) LLC	USA	100	Full	100	Full
SES Americom Inc.	USA	100	Full	100	100
SES Engineering (US) Inc. ¹	USA	-	-	100	Full
SES Global-Americas Inc.	USA	100	Full	100	Full
SES Global Americas Holdings Inc.	USA	100	Full	100	Full
SES Satellites International, LLC	USA	100	Full	100	100
SES Space & Defense, Inc.	USA	100	Full	100	Full
SES US Satellite Holdings LLC	USA	100	Full	100	Full
TSI International LLC ¹	USA	-	-	100	Full

1. Entity sold, merged, or liquidated in 2023

2. Entity sold, merged or liquidated after the reporting date

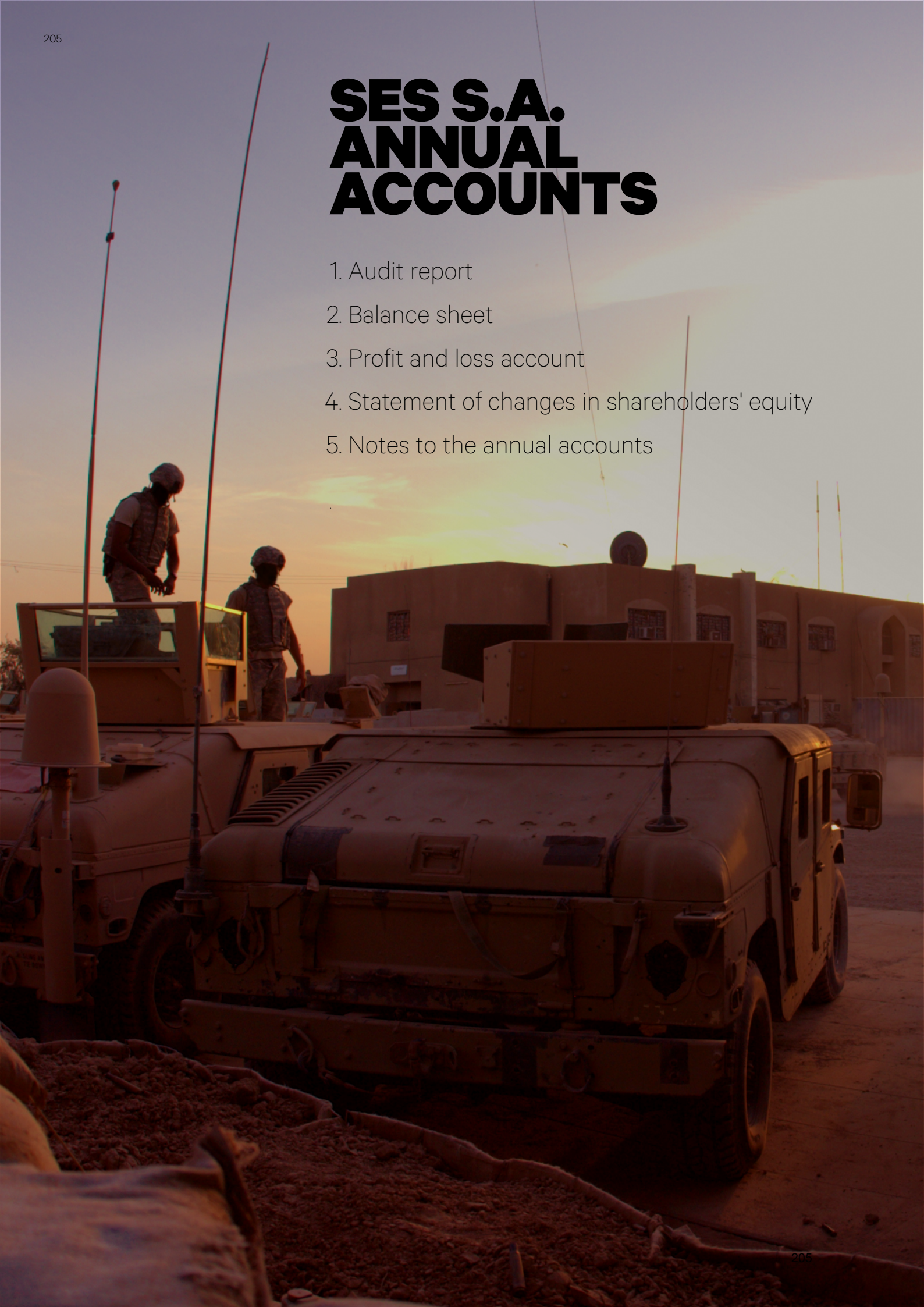
3. Redu Operations Services S.A. is a service provider in the area of ground operations

4. Jio Space Technology Limited is a sales entity established in connection with SES's cooperation with Reliance Jio

5. Formerly SES Marketing India Private Limited

SES S.A. ANNUAL ACCOUNTS

1. Audit report
2. Balance sheet
3. Profit and loss account
4. Statement of changes in shareholders' equity
5. Notes to the annual accounts





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 2023, 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 2023;
- the profit and loss account for the year then ended;
- the statement of changes in shareholders' equity for the year then ended; and
- the notes to the annual accounts, which include a summary of significant accounting policies.

Basis for opinion

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

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

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

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

The non-audit services that we have provided to the Company and its controlled undertakings, if applicable, for the year then ended, are disclosed in Note 24 to the annual accounts.

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Key audit matters

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

Valuation of the shares in affiliated undertakings

The Company has investments in shares in affiliated undertakings in net amount of 5,078.1 million EUR (see Note 4 to the annual accounts), which includes 1,728.5 million EUR (see Note 22 to the annual accounts) of value adjustments recorded during the year then ended.

Management's assessment of the recoverable amount of investments in subsidiaries requires significant judgement in the determination of the level at which the investments in affiliated undertakings are tested for impairment taking into account the substance of the business activity, interdependency of the cash flows between the different subsidiaries and their level of integration.

Moreover, the determination of the recoverable value requires significant estimates as it relates to the estimation of the forecasted cash flows and of the discount rates and long-term growth rates.

We focused on this area due to the inherent complexity and judgement in the estimate for the recoverable amount of the investments in affiliated undertakings and the materiality of the balance.

How our audit addressed the key audit matter

- We evaluated the design and implementation of relevant internal controls;
- We evaluated Management's methodology used to estimate the recoverable amount of the investments in affiliated undertakings. To that effect, we noted that Management has grouped certain undertakings together for the purposes of testing them for impairment in order to appropriately reflect the substance of the activity, interdependency of cash flows and the level of integration of their operations;
- We evaluated, where Management planned a divestiture/restructuring at undertaking level, the impact on the recoverable amount determined at the individual affiliated undertaking level;
- When Management has grouped certain undertakings together for the purposes of testing them for impairment, we involved valuation specialists and independently recalculated the weighted average cost of capital based on the use of market data and challenged the long-term growth rate applied based on market data;
- We agreed the forecasted cash flows used for the determination of the recoverable value to the 2024 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 the 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 4 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 annual report including consolidated management report and the Corporate Governance Statement but does not include the annual accounts and our audit report thereon.

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

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

Responsibilities of the Board of Directors and those charged with governance for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

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

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

The Board of Directors is responsible for presenting the annual accounts in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when

it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

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

- identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the



key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

We assess whether the annual accounts have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Report on other legal and regulatory requirements

The consolidated 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 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 annual accounts and has been prepared in accordance with applicable legal requirements.

We have been appointed as “Réviseur d’Entreprises Agréé” by the General Meeting of the Shareholders on 6 April 2023 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 11 years.

We have checked the compliance of the annual accounts of the Company as at 31 December 2023 with relevant statutory requirements set out in the ESEF Regulation that are applicable to annual accounts.

For the Company it relates to the requirement that annual accounts are prepared in a valid XHTML format.

In our opinion, the annual accounts of the Company as at 31 December 2023, identified as “SES_Annual_report_-2023-12-31-en”, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 29 February 2024

A handwritten signature in blue ink, appearing to read "F. Mousel".

François Mousel

Assets

	Note	2023 €million	2022 €million
Fixed Assets			
Intangible assets	2	0.4	8.7
Financial assets	2, 4		
Shares in affiliated undertakings	4 A	5,078.1	5,421.7
Loans to affiliated undertakings	4 B	1,568.7	2,805.3
		<u>6,647.2</u>	<u>8,235.7</u>
Current Assets			
Debtors	2		
Amounts owed by affiliated undertakings	2, 5		
becoming due and payable within one year	5	2,594.0	3,646.7
becoming due and payable after more than one year	5	11.2	269.7
Other debtors			
becoming due and payable within one year	6	33.4	30.9
Investments			
Own shares	2, 7	33.2	40.0
Cash at bank and cash in hand		<u>2,766.5</u>	<u>890.7</u>
		5,438.3	4,878.0
Prepayments	2	20.1	24.7
Total Assets		<u><u>12,105.6</u></u>	<u><u>13,138.4</u></u>

Capital, Reserves and Liabilities

	Note	2023	2022
		€million	€million
Capital and reserves			
Subscribed capital	8	696.5	696.5
Share premium account	8	1,832.3	1,832.3
Reserves			
Legal reserve	9	69.7	71.9
Reserve for own shares	10	33.2	40.0
Profit brought forward		2,565.0	2,132.0
Profit or loss for the financial year		(1,583.4)	646.9
		<u>3,613.3</u>	<u>5,419.6</u>
Creditors	2		
Debtenture loans – Non-convertible loans	11		
becoming due and payable within one year		779.3	778.0
becoming due and payable after more than one year		3,591.2	4,299.4
Amounts owed to credit institutions	12		
becoming due and payable within one year		-	-
becoming due and payable after more than one year		-	-
Trade creditors			
becoming due and payable within one year		1.0	2.0
Amounts owed to affiliated undertakings	13		
becoming due and payable within one year		3,271.1	1,988.9
becoming due and payable after more than one year		493.7	188.0
Other creditors			
Social security authorities		0.5	0.4
Other creditors	14		
becoming due and payable within one year		355.5	203.0
becoming due and payable after more than one year		-	259.1
		<u>8,492.3</u>	<u>7,718.8</u>
Total Capital, Reserves and Liabilities		<u>12,105.6</u>	<u>13,138.4</u>

	Note	2023 €million	2022 €million
Other operating income	15	19.0	17.8
Raw material and consumables and other external expenses			
Other external expenses	16	(30.4)	(27.5)
Staff costs	17		
Wages and salaries		(26.0)	(16.2)
Social security costs			
relating to pensions		(2.0)	(1.8)
other social security costs		(0.4)	0.2
Other staff costs		(0.2)	(0.1)
Value adjustments			
In respect of current assets	2, 18	(8.3)	-
Other operating expenses		(1.5)	(3.3)
Income from participating interest			
derived from affiliated undertakings	2, 19	303.6	688.0
Income from other investments and loans forming part of fixed assets			
derived from affiliated undertakings	20	69.6	90.8
Other interest receivable and similar income			
derived from affiliated undertakings	21 A	106.5	235.5
other interest and similar income	21 B	317.1	221.3
Value adjustment in respect of financial assets and of investments held as current assets	22	(1,764.2)	(158.7)
Interest payable and similar expenses			
concerning affiliated undertakings	23 A	(132.4)	(54.4)
other interest and similar expenses	23 B	(441.8)	(342.8)
Tax on profit or loss		8.0	(1.9)
Profit or (loss) for the financial year		(1,583.4)	646.9

SES, Société Anonyme
Statement of changes in shareholders' equity
for the year ended 31 December 2023



	Subscribed capital €million	Share premium €million	Legal reserve €million	Other reserves* €million	Result for the year €million	Total €million
At 1 January 2022	719.0	1,890.2	71.9	2,830.8	(428.7)	5,083.2
Allocation of result	-	-	-	(428.7)	428.7	-
Share Capital reduction	(22.5)	(57.9)	-	-	-	(80.4)
Distribution of dividends	-	-	-	(230.1)	-	(230.1)
Profit for the financial year	-	-	-	-	646.9	646.9
At 31 December 2022	696.5	1,832.3	71.9	2,172.0	646.9	5,419.6
At 1 January 2023	696.5	1,832.3	71.9	2,172.0	646.9	5,419.6
Allocation of result	-	-	-	646.9	(646.9)	-
Transfer from legal reserve	-	-	(2.2)	2.2	-	-
Distribution of dividends	-	-	-	(222.9)	-	(222.9)
Loss for the financial year	-	-	-	-	(1,583.4)	(1,583.4)
At 31 December 2023	696.5	1,832.3	69.7	2,598.2	(1,583.4)	3,613.3

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

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 at 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 Company prepares consolidated financial statements for the SES Group drawn up in accordance with IFRS Accounting Standards as endorsed by the European Union (‘IFRS Accounting Standards’) and which are published according to the provisions of Luxembourg law. The accounting period of the Company is 1 January to 31 December.

Article 65, Paragraph (1) 2^o 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 financial statements and these consolidated financial statements, and the related management report and auditors’ report thereon, have been lodged with the Luxembourg Trade Registry.

The Company’s Fiduciary Deposit Receipts (‘FDRs’) have been listed on the Luxembourg Stock Exchange since 1998 and on Euronext Paris since 2004 under the symbol SESG. FDRs can be traded freely and are convertible into an equal number of Class A shares at any time, and at no cost, at the option of the holder under the conditions applicable in the Company’s articles of association, and in accordance with the terms of the FDRs.

Until April 2022, the Company had a 99.94% interest in a partnership, SES Global Americas Holdings GP, whose accounts were integrated into those of the Company to the level of its partnership interest. In April 2022 the partnership was converted into a separate legal entity named SES Global Americas Holdings Inc. (refer to Note 3).

Note 2 – Summary of significant accounting policies and valuation rules

Basis of preparation

The annual accounts are prepared in accordance with the Luxembourg legal and regulatory requirements under the historical cost convention relating to the preparation and presentation of the annual accounts. Accounting policies and valuation rules are, besides the ones laid down by the amended Law of 19 December 2002, determined and applied by the Board of Directors.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions are changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

Management makes estimates and assumptions that may affect the reported amounts of assets and liabilities in the next financial year(s). Estimates and judgments are regularly re-evaluated, and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant accounting policies

The main accounting policies and valuation rules applied by the Company are the following:

Intangible assets

Amounts related to the development of software and other related expenses, are included in the balance sheet when incurred. Development expenditure is capitalised when its future recoverability can be regarded as assured. The expenditure is transferred to assets in use, and depreciation commences, when the resulting asset is put into service.

Financial assets

Shares in affiliated undertakings held by the Company are recorded at acquisition cost.

In the case of a permanent diminution in the value of a financial fixed asset in the opinion of the Board of Directors, a value adjustment is made such that the investment is valued at the lower figure. Value adjustments are not maintained if the reasons for which they were made have ceased to apply.

In some instances, where the Board of Directors believes that it is more appropriate under the circumstances and better reflects the substance of the activity, the interdependency of cash flows between SES subsidiaries, and their level of integration, have been considered in assessing the carrying value of the financial assets.

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 Accounting Standards.

However, as set out in Note 4, where a contractual disposal of an investment included in one of the cash-generating units triggers the recognition of a book loss then this loss is recorded by the Company in the result of the period when the transaction was approved and the magnitude of the loss was ascertained.

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.

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.

Investments in own shares

Own shares are recorded at acquisition cost, including expenses incidental thereto. At the balance sheet date, own shares are valued at the lower of acquisition cost and a valuation calculated based on weighted average cost or market value. A value adjustment is recorded where the market value is lower than the acquisition cost. These value adjustments are not maintained if the reasons for which the value adjustments were made have ceased to apply.

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.

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.

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 on a straight-line basis over the term of the borrowing.

Foreign currency translation

The Company maintains its books and records in EUR. Transactions expressed in currencies other than the EUR are translated into EURs at the exchange rates effective at the time of the transaction.

Except for fixed assets, all assets and liabilities denominated in foreign currencies are converted at the rate of exchange ruling at the balance sheet date. Realised and unrealised gains and losses are recognised in the profit and loss account.

Fixed assets denominated in currencies other than EUR, except for loans to affiliated undertakings classified as financial fixed assets, are translated into EUR 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.

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.

Share-based compensation

Employees of the Company receive remuneration in the form of share-based compensation, whereby employees render services to the Company as consideration for equity instruments.

Four share-based compensation 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 has replaced the Star Plan over time. 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 FDR's. For the cash-settled plan, a charge corresponding to the number of SRSUs outstanding at the share price on 31 December 2023 is recognised in the profit and loss account on a pro-rata basis over the vesting period and is presented as part of 'Wages and salaries' in the profit and loss account. A corresponding liability is recorded and presented in the balance sheet under 'Other creditors'.

Note 3 – Conversion of SES Global Americas Holdings GP

Until April 2022, the Company had a 99.94% interest in a partnership, SES Global Americas Holdings GP, whose accounts were integrated into those of the Company to the level of its share in the partnership. In April 2022 the partnership was converted into a separate legal entity named SES Global Americas Holdings Inc..

On conversion, all assets and liabilities of the partnership were deemed disposed against a fair market value of 99.94% interest in SES Global Americas Holdings Inc. in the amount of EUR 2,117.2 million, generating a gain of EUR 135.5 million.

The impact of the conversion on the annual accounts of the Company was as follows:

	€million	
Shares in affiliated undertakings		(831.9)
Disposal of 99.94% in SES Global-Americas, Inc.	(2,919.2)	
Disposal of 32.34% in SES Astra A.B.	(29.9)	
Acquisition of 99.94% in SES Global Americas Holdings Inc	2,117.2	
Debtors		
Amounts owed by affiliated undertakings due and payable within one year		(284.4)
Short term loan to SES Americom Inc.	(284.4)	
Prepayments		(11.7)
Loan origination costs related to 144A Bond USD 500 million (2044)	(11.7)	
Total Assets		<u>(1,128.0)</u>
Creditors		
Debenture loans - Non convertible loans due and payable after one year		(476.7)
144A Bond USD 500 million (2044)	(476.7)	
Amounts owed to affiliated undertakings due and payable within one year		(217.5)
Current accounts	(217.5)	
Amounts owed to affiliated undertakings due and payable after one year		(569.3)
Long term loan from SES Americom Inc.	(569.3)	
Total Liabilities		<u>(1,263.5)</u>
Other interest receivable and similar income – derived from affiliated undertakings		50.3
Gain on sale of 144A Bond USD 500 million (2044)	50.3	
		85.2
Gain on disposal of shares in .SES Global – Americas, Inc.	75.2	
Gain on disposal of shares SES Astra A.B.	10.0	
Profit for the Financial Year		<u>135.5</u>

Note 4 – Financial assets

A. Shares in affiliated undertakings

€million	2023	2022
Historic cost:		
As at 1 January:	7,222.8	7,323.4
Increase	1,946.8	3,933.2
Decrease	(2,168.3)	(3,929.1)
Transfer	66.7	(104.7)
As at 31 December	7,068.0	7,222.8
Accumulated value adjustments		
As at 1 January	(1,801.1)	(2,291.4)
Increase	(1,923.2)	(213.5)
Decrease	1,801.1	599.1
Transfer	(66.7)	104.7
As at 31 December	(1,989.9)	(1,801.1)
Net book value:		
As at 1 January	5,421.7	5,032.0
As at 31 December	5,078.1	5,421.7

As at 31 December the Company held the following investments and associated book values:

	Incorporated in:	2023	2022	2023	2022
				€million	€million
SES Finance S.à r.l.	Luxembourg	0%	100%	-	8.6
SES Holdings (Netherlands) B.V. ¹	Netherlands	100%	100%	667.2	491.4
SES Astra S.A.	Luxembourg	100%	100%	1,046.8	998.9
SES Participations S.A.	Luxembourg	0%	100%	-	2.5
SES Insurance International Re (Luxembourg) S.A.	Luxembourg	100%	100%	90.3	90.3
SES Insurance International (Luxembourg) S.A.	Luxembourg	100%	100%	15.2	15.2
SES Latin America S.à r.l.	Luxembourg	100%	100%	29.7	28.3
SES LU US Holdings S.à r.l.	Luxembourg	100%	100%	3,217.8	3,786.5
SES Astra Services Europe S.à r.l.	Luxembourg	100%	100%	11.1	-
Total				5,078.1	5,421.7

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

Movements in 2023

In April 2023, the Company contributed its loan receivable with SES Networks Lux S.à r.l. of EUR 946.8 million into the share premium of SES LU US Holdings S.à r.l., increasing the carrying value of its interest in that company by the same amount.

In April 2023, the Company received a distribution in cash out of the share premium of SES LU US Holdings S.à r.l. of EUR 367.8 million, decreasing the carrying value of its interest in that company by the same amount.

In September 2023, the Company made a capital contribution of its investment in SES Participations S.A. of EUR 2.5 million (representing a historic cost of EUR 106.8 million, net of accumulated value adjustments of EUR 104.3 million) and in SES Finance S.à r.l. of EUR 8.6 million (representing a historic cost of EUR 1,510.7 million, net of accumulated value adjustments of EUR 1,502.1 million) to SES Astra

Services Europe S.à r.l. of EUR 11.1 million, increasing the carrying value of its interest in SES Astra Services Europe S.à r.l. by the same amount.

In October 2023, the Company converted a portion of its current account with SES mPower S.à r.l. of EUR 377.6 million into four long-term loans and contributed these into the share premium of SES LU US Holdings S.à r.l., increasing the carrying value of its interest in SES LU US Holdings S.à r.l. by the same amount. In December 2023, SES LU US Holdings S.à r.l. reduced its share premium by assigning two of these loans with SES mPower S.à r.l. back to the Company in the amount of EUR 183.0 million, resulting in a reduction in the carrying value of the Company's interest in SES LU US Holdings S.à r.l. by the same amount.

In November 2023, the Company contributed its loans receivable from New Skies Satellites BV of EUR 611.3 million, due in November 2023, into the share premium of SES Holdings (Netherlands) BV, increasing the carrying value of its interest in that company by the same amount.

In 2023, the increase in accumulated value adjustments of EUR 1,923.2 million represents impairments of the investments in SES Holdings (Netherlands) BV (EUR 445.3 million) and SES LU US Holdings S.à r.l. (EUR 1,477.9 million). The decrease of EUR 1,801.1 million in 2023 represents EUR 194.7 million of a reversal of impairments on the investments in SES Astra S.A. (EUR 47.9 million), SES Latin America S.à r.l. (EUR 1.4 million), SES Holdings (Netherlands) BV (EUR 9.8 million), and SES LU US Holdings S.à r.l. (EUR 135.6 million), as well as the disposal of investments in SES Participations S.A. (EUR 104.3 million) and SES Finance S.à r.l. (EUR 1,502.1 million).

The transfers of EUR 66.7 million represent grossing up of a historic cost and accumulated value adjustments of SES Astra Services Europe S.à r.l.

Movements in 2022

In April 2022 SES Global Americas Holdings GP was converted from a partnership into a separate legal entity named SES Global Americas Holdings Inc. As a result of the conversion:

- ▲ the investment in SES Global-Americas, Inc. decreased by EUR 2,919.2 million (representing a decrease in the historic cost of EUR 3,498.1 million net of accumulated value adjustments of EUR 578.9 million),
- ▲ the investment in SES Astra A.B. decreased by 29.9 million (representing a decrease of cost of EUR 50.1 million net of accumulated value adjustments of EUR 20.2 million), and
- ▲ the investment in SES Global Americas Holdings Inc. increased by the amount of EUR 2,117.2 million (refer to Note 3).

The Company then acquired the remaining 0.06% interest in SES Global Americas Holdings Inc from SES Astra S.A. for EUR 1.3 million, and contributed all its shares in SES Global Americas Holdings Inc to SES LU US Holdings S.à r.l. for EUR 2,118.5 million.

In September 2022, the Company contributed its loan receivable with SES Americom, Inc. of EUR 470.6 million into the share premium of SES LU US Holdings S.à r.l., increasing the carrying value of its interest in that company by the same amount.

In November 2022, the Company contributed its loan receivable with SES mPower S.à r.l. of EUR 578.3 million into the share premium of SES LU US Holdings S.à r.l., increasing the carrying value of its interest in that company by the same amount.

In November 2022, the Company made a contribution in cash into the share premium of SES Latin America S.à r.l. of EUR 11.0 million, increasing the carrying value of its interest in that company by the same amount.

In November 2022, SES Finance S.à r.l. reduced its share premium by means of a capital repayment to the Company of EUR 3.5 million, decreasing the carrying value of its interest in SES Finance S.à r.l. by the same amount.

In December 2022, SES Holdings (Netherlands) B.V. reduced its share premium by means of a capital repayment to the Company in the amount of EUR 377.4 million, resulting in a reduction in the Company's carrying value of its interest in SES Holdings (Netherlands) B.V. of the same amount.

In December 2022, the Company converted a portion of its current account with SES Networks Lux S.à r.l. of EUR 377.4 million into a long-term loan and contributed this loan into the share premium of SES LU US Holdings S.à r.l., increasing the carrying value of its interest in that company by the same amount.

In December 2022, the Company made a contribution in cash into share premium of SES LU US Holdings S.à r.l. of EUR 377.4 million, increasing the carrying value of its interest in that company by the same amount.

In 2022, the increase in accumulated value adjustments of EUR 213.5 million represents an impairment of the investment in SES Participations of EUR 18.8 million and an aggregate amount of EUR 194.7 million recorded in connection with the investments in SES LU US Holdings S.à r.l. (EUR 135.6 million), SES Astra S.A. (EUR 47.9 million), SES Holdings (Netherlands) B.V. (EUR 9.8 million) and SES Latin America S.à r.l. (EUR 1.4 million).

Impairment testing procedures

Management identified the following CGUs for the purpose of impairment testing: SES GEO operations ('SES GEO'); and, SES MEO operations ('SES MEO'). The following entities not directly connected to a CGU are considered out of scope: SES Participations S.A., SES Insurance International Re (Luxembourg) S.A. and SES Insurance International (Luxembourg) S.A..

The investment in SES Holdings (Netherlands) BV includes both SES GEO and SES MEO operations and was analysed accordingly for impairment testing purposes. In 2023 the Company contributed an aggregate net amount of EUR 773.6 million to the equity of SES LU US Holdings S.à r.l.. (2022: EUR 754.8 million). As these contributions are MEO-related, they were allocated to the SES MEO CGU.

Affiliated undertakings listed under "SES GEO" form part of the geosynchronous-orbit satellite operations of the SES Group. They are aggregated into one CGU for the purpose of testing their carrying values for impairment, considering the interdependency of their cash flows and their level of integration (see Note 2). Loans to and from SES GEO companies are added to the carrying values of the shares concerned for impairment testing purposes.

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 after-tax discount rate varies based on the geographic region covered by the satellites; the rates used ranged from 6.83% to 8.57% and were 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.

Similarly, the terminal growth rates used in the valuation varied from -1.5% to -5.2%, reflecting the most recent long-term planning assumptions approved by the Board, and are supported by reference to the performance of the SES business concerned over a longer period in the relevant markets. The assessment resulted in EUR 194.7 million impairment reversal on certain investments in 2023 (2022: EUR 194.7 million impairment charge), reflecting the favourable impact of the certain revised assumptions for SES GEO.

SES MEO operations, representing the O3b business acquired in 2016, is considered a separate CGU, as the business currently generates cash inflows that are largely independent from SES GEO operations.

Similar to SES GEO, 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 covering a five years. A specific 'H-model' was used to estimate the cash flows beyond the business plan period in order to capture the

projected growth of the business in connection with the O3b mPOWER constellation which is expected to begin commercial service in the second quarter of 2024. The post-business plan growth rate begins at 5% and reduces on a straight-line basis to a terminal growth rate of 3% over a period of 9 years.

The pre-tax discount rate applied for 2023 was 11.77% (2022: 10.38%) 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. As noted above, the terminal growth rate used was 3.0% (2022: 3.0%), reflecting current long term inflation assumptions.

The assessment resulted in an impairment charge being taken of EUR 1,923.2 million (2022: EUR nil), reflecting primarily the adverse impact of the revised assumptions for SES MEO and reflecting largely the changes in assumptions concerning the ramp up of mPOWER operations of the technical anomalies discovered on the first four mPOWER satellites which have been identified during the in-orbit testing procedures ahead of service commencement, but also deriving from other business developments in 2023 such as changes in the cash flow projections over the business plan period to take account the increasingly competitive market environment.

Note that an impairment test performed on each investment taken individually (the "line-by-line method"), would potentially lead to a different conclusion. However, for the reasons stated above and as described in Note 2, the Board of Directors 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.

B. Loans to affiliated undertakings

Loans to affiliated undertakings as of 31 December 2023 consisted of:

Counterparty	Principal and accrued interest (€million)	Maturity	Interest rate
SES Astra S.A.	600.0	October 2030	0.64%
SES Astra S.A.	48.0	January 2032	2.29%
SES Networks Satellites, S.à r.l.	462.6	October 2029	3.33%
HD Plus GmbH	60.0	November 2030	5.60%
New Skies Satellites B.V.	235.2	December 2032	3.22%
SES mPower S.à r.l.	162.9	October 2033	6.20%
Total	1,568.7		

The Company did not consider any of its affiliate loan balances to be irrecoverable as at 31 December 2023.

Loans to affiliated undertakings as of 31 December 2022 consisted of:

Counterparty	Principal and accrued interest (€million)	Maturity	Interest rate
SES Astra S.A.	700.0	October 2030	0.64%
SES-10 S.à r.l.	53.4	January 2032	2.29%
SES Networks Lux S.à r.l.	958.2	October 2029	3.33%
SES Networks Satellites S.à r.l.	465.0	October 2029	3.33%
New Skies Satellites B.V.	5.3	December 2024	3.01%
New Skies Satellites B.V.	243.6	December 2032	3.01%
SES Holdings (Netherlands) B.V.	180.9	December 2024	3.01%
SES Holdings (Netherlands) B.V.	96.1	December 2024	3.01%
SES Holdings (Netherlands) B.V.	32.8	December 2024	3.01%
HD Plus GmbH	70.0	November 2030	5.60%
Total	2,805.3		

Note 5 – Amounts owed by affiliated undertakings

The SES Group operates a centralised treasury function at the level of the Company, including a cash-pooling mechanism which manages the Group's liquidity and optimises its funding costs.

Amounts owed by affiliated undertakings as at 31 December consist of:

€million	2023	2022
Becoming due and payable within one year		
Intercompany current accounts	1,854.0	2,715.5
Forward Sale Agreement with SES mPower S.à r.l.	342.4	197.2
Short term loan to Luxembourg satellite companies	-	6.6
Short term loan to SES Astra S.A.	107.2	101.3
Short term loan to SES Holdings Netherlands B.V.	299.1	-
Short term loan to SES New Skies Satellites B.V.	5.1	615.2
Short term loan to HD Plus GmbH	10.6	10.9
Short term loan to SES mPower S.à r.l.	18.1	-
Short term loan to SES Media Solutions GmbH	210.0	218.0
Value adjustments	(252.5)	(218.0)
Total intercompany current accounts	2,594.0	3,646.7
Becoming due and payable after more than one year		
Forward Sale Agreement with SES mPower S.à r.l.	-	259.1
Long term advance to SES DTH do Brasil Ltda	11.2	10.6
Total	11.2	269.7

Intercompany current accounts represent short-term advances bearing interest at market rates.

As at 31 December 2023, the Company performed an analysis of the amounts owed by affiliated undertakings and recorded net value adjustment of EUR 34.5 million (see also Note 22) consisting of a value adjustment of intercompany current account with MX1 Limited of EUR 39.0 million, as these amounts are considered to be irrecoverable, and a reversal of value adjustment on intercompany current account with SES Media Solutions GmbH of EUR 4.5 million due to a partial repayment received.

As at 31 December 2022, the Company recorded value adjustments of EUR 218.0 million with respect to short-term loan to SES Media Solutions GmbH of EUR 210.0 million and intercompany current account with SES Media Solutions GmbH of EUR 8.0 million

In 2018, SES entered into a forward sale agreement with SES mPower S.à r.l (see Note 14) in connection with seven mPower satellites currently under construction. In August 2020 an option to procure four additional satellites was exercised.

In September 2022 SES acquired six of the seven initial mPower satellites and in January 2023 SES acquired the seventh of the seven initial mPower satellites.

As at 31 December 2023, SES had a receivable from SES mPower S.à r.l of EUR 342.4 million (2022: EUR 456.3 million) in connection with the procurement of the mPower satellites.

Note 6 – Other debtors

Other debtors as at 31 December consist of:

€million	2023	2022
Becoming due and payable within one year		
Trade debtors	0.4	0.4
Receivable related to VAT	15.5	15.3
Other tax receivables	10.3	14.2
Accrued interest on deposits	7.2	1.0
Total	33.4	30.9

Other tax receivables

The Company is subject to the tax regulations in Luxembourg and, until April 2022, also 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 Finance S.à r.l.
- ▲ SES Astra S.A.
- ▲ SES Asia S.A.
- ▲ SES-10 S.à r.l. (until 1st July 2023 when this company merged with SES Astra S.A.)
- ▲ SES Participations S.A.
- ▲ SES Engineering S.à r.l.
- ▲ SES Astra Services Europe S.A.
- ▲ SES Networks Lux S.à r.l.
- ▲ SES Techcom S.A.
- ▲ SES Latin America S.A.
- ▲ SES Insurance International (Luxembourg) S.A.
- ▲ SES Insurance International Re (Luxembourg) S.A.
- ▲ SES-17 S.à r.l.
- ▲ SES mPower S.à r.l.
- ▲ SES Networks Satellites S.à r.l.
- ▲ SES LU Satellite Holdings S.à r.l.
- ▲ Luxembourg Space Sector Development SCSp
- ▲ Luxembourg Space Sector Development General Partner S.à r.l.
- ▲ SES LU US Holdings S.à r.l.

The balance sheet tax position represents the net amount payable to, or receivable from, the Luxembourg tax authorities by the Company in its role as head of the tax unity. The net tax receivable of EUR 10.3 million as at 31 December 2023 (2022: EUR 14.2 million) includes a receivable for corporate income tax of EUR 4.7 million (2022: EUR nil million) and for municipal business tax of EUR 5.6 million (2022: EUR 14.2 million).

The respective tax charge/income of each subsidiary is computed on a stand-alone basis and it is recorded for the entire Luxembourg tax unity by the Company.

Carried forward tax losses and investment tax credits

Based on the last filed tax return the Company, as the head of Luxembourg fiscal integration, had EUR 925.4 million of carried forward tax losses available as at 31 December 2022 and estimates approximately EUR 1,310.1 million of additional tax losses for 2023. Since these losses were generated

after 2017, they can be carried forward for the seventeen years following the tax year in which the losses arose.

Also based on the last filed tax return, the Company, as the head of Luxembourg fiscal integration, has EUR 309.5 million of carried forward investment tax credits available as at 31 December 2022 and estimates approximately EUR 18.3 million of additional investment tax credits for 2023. These investment tax credits can be carried forward for maximum 10 years.

Pillar Two income taxes

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting published the Pillar Two model rules designed to address the tax challenges arising from the digitalisation of the global economy. The Pillar Two model rules were implemented in Luxembourg on 20 December 2023 by the law n°8292 transposing the EU Council Directive 2022/2523 of 14 December 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups. The law is effective in Luxembourg as of 1 January 2024.

The Company is a part of the SES Group which is in the scope of the the Pillar Two model rules. The Company is the ultimate parent entity of the SES Group and as such is responsible for all the compliance obligations resulting from the Pillar II model rules.

No current tax based on Pillar Two model rules was calculated and booked at 31 December 2023 as the legislation was not effective at the reporting date.

The SES Group has performed a preliminary analysis and assessment of the SES Group's future exposure to Pillar Two income taxes. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the SES Group operates (mainly in Luxembourg and other EU countries). The Company will apply IIR for all jurisdictions where Pillar Two rules were not enacted. The SES Group has run initial testing under the OECD transitional safe harbour rules based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities of the SES Group. The SES Group expects that the majority of jurisdictions will not be subject to top-up tax due to the application of one of the transitional safe harbour rules with the exception of the UAE where the impact is immaterial. In Luxembourg, a top-up tax could be triggered by the use or recognition of ITCs.

Note 7 – Investments – own shares

'Own shares' refers to holdings of the Company's own FDRs. All FDRs held 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 2023, the Company owned 5,575,410 FDRs (2022: 6,565,553) representing a carrying value of EUR 33.2 million (2022: EUR 40.0 million).

Note 8 – Subscribed capital and share premium account

SES has a subscribed capital of EUR 696.5 million (2022: EUR 696.5 million), represented by 371,457,600 Class A shares (2022: 371,457,600) and 185,728,800 Class B shares (2022: 185,728,800) 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 on dissolution 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.

In 2022 SES acquired 12 million Class A shares and 6 million Class B shares from SES Astra S.A., purchased under the share buy-back programme between May and August 2021. SES then cancelled these shares and reduced correspondingly its share capital by EUR 22.5 million to EUR 696.5 million, represented by a total of 557,186,400 million shares and a reduction of its share premium account by EUR 57.9 million to EUR 1,832.3 million.

The movement between the opening and closing number of shares issued per class of share was as follows:

	Class A shares	Class B shares	Total shares
As at 1 January 2023	371,457,600	185,728,800	557,186,400
Reduction of shares during the year	-	-	-
As at 31 December 2023	371,457,600	185,728,800	557,186,400

	Class A shares	Class B shares	Total shares
As at 1 January 2022	383,457,600	191,728,800	575,186,400
Reduction of shares during the year	(12,000,000)	(6,000,000)	(18,000,000)
As at 31 December 2022	371,457,600	185,728,800	557,186,400

Note 9 – Legal reserve

In accordance with Luxembourg law, a minimum of 5% of the annual net profit is transferred to a legal reserve which is non-distributable. This requirement is satisfied when the reserve reaches 10% of the issued share capital.

Note 10 – Reserve for own shares

In accordance with the Law, the Company has created a non-distributable “reserve for own shares” of EUR 33.2 million (2022: EUR 40.0 million), corresponding to the balance of the own shares held as of year end.

Note 11 – Debenture loans – non-convertible loans

The maturity profile of notes and bonds is as follows as at 31 December 2023.

Creditors - Financial liabilities (€million)	Interest rate	Maturity	2023
a) Debenture loans - Non convertible loans			
becoming due and payable within one year			779.3
Debenture loan accrued interest			79.3
EUR 550 million deeply subordinated fixed rate resettable securities	5.625%	January 2024	550.0
German Bond EUR 150 million	Floating	June 2024	150.0
becoming due and payable between two and five years			1,940.0
German Bond EUR 250 million	1.71%	December 2025	250.0
EUR 650 million Eurobond	1.625%	March 2026	650.0
EUR 140 million Private Placement	4.00%	May 2027	140.0
EUR 500 million Eurobond	0.875%	November 2027	500.0
EUR 400 million Eurobond	2.00%	July 2028	400.0
becoming due and payable after five years			1,651.2
EUR 750 million Eurobond	3.50 %	January 2029	750.0
144A Bond USD 250 million	5.30%	April 2043	226.2
German Bond EUR 50 million	4.00%	November 2032	50.0
EUR 625 million deeply subordinated fixed rate resettable securities	2.875%	N/A*	625.0

* First reset date August 2026

The maturity profile of notes and bonds is as follows as at 31 December 2022.

Creditors - Financial liabilities (€million)	Interest rate	Maturity	2022
a) Debenture loans - Non convertible loans			
becoming due and payable within one year			778.0
Debenture loan accrued interest			74.8
144A Bond USD 750 million	3.60%	April 2023	703.2
becoming due and payable between two and five years			1,690.0
German Bond EUR 150 million	Floating	June 2024	150.0
German Bond EUR 250 million	1.71%	December 2025	250.0
EUR 650 million Eurobond	1.625%	March 2026	650.0
EUR 140 million Private Placement	4.00%	May 2027	140.0
EUR 500 million Eurobond	0.875%	November 2027	500.0
becoming due and payable after five years			2,609.4
EUR 750 million Eurobond	3.50 %	January 2029	750.0
144A Bond USD 250.0 million	5.30%	April 2043	234.4
German Bond EUR 50 million	4.00%	November 2032	50.0
EUR 550 million deeply subordinated fixed rate resettable securities	5.625%	N/A*	550.0
EUR 625 million deeply subordinated fixed rate resettable securities	2.875%	N/A**	625.0
EUR 400 million Eurobond	2.00%	July-28	400.0

* First reset date January 2024 / ** First reset date August 2026

European Medium-Term Note Programme ('EMTN')

SES has an EMTN Programme enabling SES, or SES Global Americas Holdings Inc., to issue as and when required notes up to a maximum aggregate amount of EUR 4,000 million. As at 31 December 2023, SES had issued EUR 2,440 million (2022: EUR 2,440 million) under the programme with maturities ranging from 2026 to 2029.

EUR 550 million Deeply Subordinated Fixed Rate Resettable Securities (2024)

In November 2016, SES issued Deeply Subordinated Fixed Rate Resettable Securities for EUR 550 million at a coupon of 5.625% to the first call date, a price of 99.304% and a yield of 5.75%. On 4 December 2024 the Company issued a notice of redemption to holders these securities to the first call date on 29 January 2024.

EUR 625 million Deeply Subordinated Fixed Rate Resettable Securities

In May 2021 the Company issued Deeply Subordinated Fixed Rate Resettable Securities for EUR 625 million, with a first reset date on 27 August 2026. The securities bear a coupon of 2.875% per annum and were priced at 99.409% of their nominal value.

EUR 650 million Eurobond (2026)

In 2018 SES issued a EUR 500 million 8-year bond under the Company's EMTN Programme. On the 22 June 2021 SES announced the successful launch and pricing of a tap of its 1.625% Notes in which it agreed to sell incremental senior unsecured fixed rate notes for a total amount of EUR 150 million. The new notes were priced at 106.665% of their nominal value. The bond bears interest at a fixed rate of 1.625% and has a final maturity date on 22 March 2026.

EUR 500 million Eurobond (2027)

In November 2019 SES issued a EUR 500 million bond under the EMTN Programme. The bond has an 8-year maturity and bears interest at a fixed rate of 0.875% with final maturity in November 2027.

EUR 400 million Eurobond (2028)

In July 2020, SES issued a EUR 400 million bond under the Company's EMTN Programme. The bond bears interest at a fixed rate of 2.00% and has a final maturity date in July 2028.

EUR 750 million Eurobond (2029)

In June 2022 SES issued a EUR 750 million bond under the EMTN Programme. The bond bears interest at a fixed rate of 3.50% and has a final maturity date in January 2029.

EUR 140 million Private Placement (2027)

In 2012 SES issued three individual tranches of a total EUR 140 million Private Placement under the Company's EMTN Programme to ING Bank N.V.. The Private Placement has a 15-year term, beginning in May 2012, and bears interest at a fixed rate of 4.00%.

German bond issue of EUR 50 million (2032)

In 2012 the Company issued EUR 50 million in the German bond ('Schuldschein') market. The German bond bears a fixed interest rate of 4.00% and matures in November 2032.

German bond issue of EUR 400 million (2024/2025)

In 2018 the Company issued a EUR 400 million bond in the German bond ('Schuldschein') market. The transaction comprised two tranches: a EUR 150 million tranche with a floating interest rate of a six-month EURIBOR plus a margin of 0.8% and a final maturity date in June 2024; and, a EUR 250 million tranche with a fixed interest rate of 1.71% and a final maturity date in December 2025.

144A Bond USD 750 million (2023)

In 2013 SES completed a 144A offering in the US market issuing USD 750 million 10-year bond with a coupon of 3.60%. The Bond was settled in full at maturity on 4 April 2023.

144A Bond USD 250 million (2043)

In 2013 SES completed a 144A offering in the US market issuing USD 250 million 30-year bond with a coupon of 5.30% and a final maturity date on 4 April 2043.

144A Bond USD 500 million (2044)

In 2014 SES Global Americas Holdings Inc. completed a 144A offering in the US market issuing for a USD 500 million 30-year bond with a coupon of 5.30% and a final maturity date in March 2044 (see Note 3).

Note 12 – Amounts owed to credit institutions

There were no amounts owed to credit institutions as of 31 December 2023.

Syndicated Loan Facility 2019

The facility is provided by 19 banks and is structured as a 5-year multi-currency revolving credit facility. In 2021 the Company extended the termination date from 26 June 2025 to 26 June 2026. The facility is for EUR 1,200 million and the interest payable is linked to a ratings grid. At the current SES credit rating of BBB/Baa3, the interest rate is 45 basis points over EURIBOR/SOFR. As at 31 December 2023 and 2022, no amount has been drawn under this facility.

European Investment Bank ('EIB') Financing Facility EUR 300 million (2029)

On 16 December 2022 SES signed a seven-year facility with the EIB to support the funding of three fully-digital satellites serving Western Europe, Africa and the Middle East. The facility is available for disbursement at fixed or floating rates linked to a ratings grid. At the current SES credit rating of BBB/Baa3 this equates to 0.42% per annum over EURIBOR (in the case of a floating rate) or over a base rate

as determined by the EIB (in case of fixed rate). As at 31 December 2023 no amount has been drawn under this facility.

European commercial paper programme

In 2012 SES incepted a joint EUR 1,000 million guaranteed European commercial paper programme of SES S.A. and SES Global Americas Holdings Inc.. 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 FitchRatings and is compliant with the standards set out in the STEP Market Convention. On 9 July 2021, this programme was updated and extended. As at 31 December 2023 and 2022, no borrowings were outstanding under this programme.

Negotiable European Commercial Paper "NEU CP" (former French Commercial paper programme)

In 2005 SES put in place a EUR 500 million 'NEU CP' programme in accordance with articles L.213-1 to L.213-4 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 million or its counter value at the date of issue in any other authorised currency. On 25 April 2023 the programme was extended for a further year. As at 31 December 2023 and 2022, no borrowings were outstanding under this programme.

Note 13 – Amounts owed to affiliated undertakings

Amounts owed to affiliated undertakings of EUR 3,764.8million (2022: EUR 2,176.9 million) include the following:

€million	2023	2022
Current accounts	3,132.1	1,948.4
Long term loans (payable within one year)	139.0	40.5
Long term loans (payable between 2 and 5 years)	493.7	188.0
Long term loans (payable after five years)	-	-
Total	3,764.8	2,176.9

"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 the liquidity of the Group and the optimisation of its funding costs.

As at 31 December 2023, long-term loans included:

- ▲ A loan issued in 2020 of SEK 450.0 million (EUR 40.6 million) from SES Astra AB with a maturity date of November 2023 was not repaid and therefore was, in line with the loan agreement, automatically converted into a new loan in an aggregate principal amount equal to the outstanding principal amount with a maturity date of November 2026 and bearing interest at a rate of 1.0%.
- ▲ A loan issued in 2022 of USD 200.0 million (EUR 181.5 million) from New Skies Satellites B.V. with a maturity date of December 2027 and bearing interest at a rate of 3.22%.
- ▲ A loan issued in 2023 of USD 300.0 million (EUR 271.6 million) from New Skies Satellites B.V. with a maturity date of December 2027 and bearing interest at a rate of 3.22% and yearly installment repayments of USD 150 million. Current portion of this loan repayable in 2024 including accrued interest represents USD 153.6 million (EUR 139.0 million).
- ▲ Following the conversion of SES Global Americas Holdings GP in April 2022 from a partnership into a separate legal entity, current accounts of EUR 217.5 million and a loan of USD 600.4 million (EUR 569.3 million) from SES Americom Inc. with a maturity date of March 2024 and bearing interest at a rate of 3.7%, were deemed disposed of by the Company (see Note 3).

As at 31 December 2022, long-term loans included:

- ▲ A loan of SEK 450.0 million (EUR 40.5 million) from SES Astra AB with a maturity date of November 2023 and bearing interest at a rate of 0.72%.
- ▲ A loan issued in 2022 of USD 200.0 million (EUR 187.8 million) from New Skies Satellites B.V. with a maturity date of December 2027 and bearing interest at a rate of 3.01%.

Note 14 – Other creditors

Acquisition of SES mPower medium-Earth orbit ('MEO') constellation

On 11 September 2017, the Company, jointly with its subsidiary O3b Networks Limited, entered as Procurement Agent 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, SES has the right to acquire, or lease, the satellites from the financial institution or to direct their sale to a third-party.

In August 2020 the Company exercised the option under the Purchase and Sale agreement to procure four additional O3b mPOWER satellites. The Company, jointly with its subsidiary O3b Networks Limited, entered as Procurement Agent into a second Master Procurement Agency and Option Agreement with a financial institution in connection with the procurement by that financial institution of the additional satellites. At the end of the satellite construction period, foreseen in 2023, the Group again has the right to acquire, or lease, the satellites from the financial institution or to direct their sale to a third-party.

In November 2023 the Company exercised the option under the Purchase and Sale agreement to procure two additional O3b mPOWER satellites to be delivered in 2026.

Since the underlying Satellite Purchase and Sale Agreement is directly between the financial institution and The Boeing Company, there is no contractual obligation on the side of the Procurement Agents during the satellite construction process. However, SES management took the view that there was a constructive obligation arising over the construction period and hence the Company, and the SES Group, accrued those programme costs.

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. This entity was nominated to be SES mPower S.à r.l. in Luxembourg and to this end the Company entered into a forward sale agreement with that entity in May 2018 whereby as the satellite construction process proceeded, and the Procurement Agents confirmed that construction milestones had been achieved, the underlying asset-under-construction was transferred by the Company to that entity against an intercompany receivable.

In September 2022, SES acquired the first six mPower satellites from the financial institution; the seventh followed in January 2023.

As at 31 December 2023 an amount of EUR 342.4 million (2022: 197.2 million) was recorded under the caption 'Other creditors – becoming due and payable within one year' and EUR nil million (2022 EUR 259.1 million) presented under the caption 'Other creditors – becoming due and payable after one year'. These amounts are corresponding to the constructive obligation of the Company towards the financial institution procuring the satellites

The corresponding amounts due to the Company from SES mPower S.à r.l. under the forward purchase agreement were disclosed on the balance sheet under the caption 'Amounts owed by affiliated undertakings – becoming due and payable within one year' for an amount of EUR 342.4 million (2022: EUR 197.2 million) and 'Amounts owed by affiliated undertakings – for an amount of EUR nil million (2022: EUR 259.1 million) becoming due and payable after one year' - see also Note 5.

Other Creditors as at 31 December consist of:

€million	2023	2022
Becoming due and payable within one year		
SES mPower acquisition	342.4	197.2
Personnel-related accruals	12.2	5.8
Other creditors	0.9	-
Total	355.5	203.0
Becoming due and payable after one year		
SES mPower acquisition	-	259.1
Total	-	259.1

Note 15 – Other operating income

Other operating income of EUR 19.0 million (2022: EUR 17.8 million) consists mainly of intra-group recharge income from advisory support services rendered to various affiliates.

Note 16 – Other external expenses

Other external expenses of EUR 30.4 million (2022: EUR 27.5 million) consists mainly of intra-group recharge expenses for advisory support services rendered to the Company by various affiliates.

Note 17 – Staff costs

As at 31 December 2023 the number of full-time equivalent employees was 118 (2022: 113) and the average number of employees in the workforce for 2023 was 115 (2022: 108). The average number of employees by functional area was as follows:

	2023	2022
Finance	48	43
Strategy and Product	22	15
People and Culture	16	14
Legal	13	13
Global Services	0	7
Corporate Development	4	7
Internal Audit	4	4
General Management	2	2
Engineering and Operations	5	2
Sales Networks and Video	1	1
Total	115	108

Staff costs can be analysed as follows:

€million	2023	2022
Wages and salaries	26.0	16.2
Social security costs relating to pension	2.0	1.8
Other social security costs	0.4	(0.2)
Other staff costs	0.2	0.1
Total	28.6	17.9

Note 18 – Value adjustments in respect of current assets

In 2023 the Company recorded a value adjustment of EUR 8.3 million (2022: EUR nil) in connection with costs arising in 2021 and 2022 associated with a commercial project which the Company has elected not to pursue.

Note 19 – Income from participating interests

€million	2023	2022
Dividends received SES Finance S.à r.l	-	4.0
Dividends received SES Astra S.A.	300.0	545.0
Dividends received SES Participations S.A.	0.3	14.0
Dividends received SES Holdings Netherland B.V.	-	96.4
Dividends received SES Astra Services Europe S.A.	-	25.0
Dividends received on own shares	3.3	3.6
Total	303.6	688.0

Note 20 – Income from other investments and loans forming part of fixed assets

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

€million	2023	2022
Interest income from affiliated undertakings	69.6	90.8
Total	69.6	90.8

Note 21 – Other interest receivable and similar income

A. Derived from affiliated undertakings

Other interest receivable and similar income derived from affiliated undertakings of EUR 106.5 million (2022: EUR 100.0 million) represents interest income on intercompany current accounts. In 2022, the conversion of SES Global Americas Holdings GP generated a EUR 135.5 million gain on sale of the 144A Bond USD 500 million (Note 3).

B. Other interest and similar income

€million	2023	2022
Interest income on bank accounts	1.6	0.7
Interest income on deposits	25.3	3.6
Interest income on money market funds	20.9	
Foreign exchange gain	269.3	215.7
Gain on disposal on own shares	-	1.3
Total	317.1	221.3

Note 22 – Value adjustments in respect of financial assets and investments held as current assets

Value adjustments of financial assets and investments held as current assets were recorded in respect of:

€million	2023	2022
Shares in affiliated undertakings (Note 4)	1,728.5	213.5
Amounts owed by affiliated undertakings (Note 5)	34.5	(61.8)
Net loss on SES FDRs	1.2	7.0
Total	1,764.2	158.7

As at 31 December 2023 the Company recorded value adjustments in respect of shares in affiliated undertakings of EUR 1,728.5 million (2022: EUR 213.5) (see Note 4) and value adjustments of EUR 34.5 million in respect of amounts owed by affiliated undertakings (2022: released value adjustments of EUR 61.8 million) (see Note 5).

A net loss of EUR 1.2 million (2022: EUR 7.0 million) was recorded on FDRs comprising a loss on disposals of EUR 5.7 million (2022: EUR 7.4 million) and a revaluation gain on FDRs held as at 31 December 2023 of EUR 4.5 million (2022: EUR 0.4 million) 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 5.96 as at 31 December 2023 (2022: EUR 6.09).

Note 23 – Interest payable and similar expenses

A. Derived from affiliated undertakings

€million	2023	2022
Interest charges on intercompany current accounts	132.4	54.4

B. Other interest and similar expenses

Other interest and similar financial expenses include the following:

€million	2023	2022
Interest charges on loans and bank accounts	140.3	179.9
Loan fees and origination costs	7.4	4.7
Foreign exchange loss	292.3	158.2
Loss on disposal of own shares	1.8	-
Total	441.8	342.8

Note 24 – Audit fees

Art. 65 Paragraph (1) 16° of the Law requires the disclosure of the independent auditor fees. In conformity with the Law these details have been omitted as the Company prepares consolidated accounts in which this information is disclosed, and these consolidated accounts and the related consolidated management report and auditors' report thereon have been lodged with the Luxembourg Trade Registry.

Fees incurred in connection with other assurance and non-audit services rendered to the Company and its controlled undertakings as defined by the Regulation (EU) N°537/2014 amounted to EUR nil (2022: EUR 34,850) and represented comfort letters issued in connection to the Company's treasury funding operations.

Note 25 – Board of Directors' remuneration

Total payments to directors for attendance at board and committee meetings in 2023 amounted to EUR 1.1 million (2022: EUR 1.1 million). These payments are computed on a fixed and variable basis, the variable part being based upon attendance at board and committee meetings.

Note 26 – Off balance sheet commitments

Capital commitments

On 11 September 2017, SES S.A., jointly with O3b Networks Limited, entered as Procurement Agents into a Master Procurement Agency and Option Agreement with a financial institution in connection with the procurement by that financial institution of seven medium-Earth orbit satellites from The Boeing Company. In August 2020 the company exercised its option to procure an additional four satellites. In September 2022, SES acquired six of the initial seven satellites. In November 2023 the Company exercised the option under the Purchase and Sale agreement to procure two additional O3b mPOWER satellites to be delivered in 2026. The outstanding commitment of the Company in respect of the related contracted capital expenditure as at 31 December 2023 was EUR 83.4 million (2022: EUR 21.9 million).

Guarantees

On 31 December 2023 the Company had outstanding bank guarantees provided for an amount of EUR 48.4 million (2022: EUR 71.8 million) with respect to performance and warranty guarantees for services of satellite operations.

Parental guarantees

SES S.A. issued letters of guarantee to three of its subsidiaries to provide them with sufficient financial support to meet their obligations in full for at least two years after the issuance date of the 31 December 2022 standalone financial statements of the subsidiary.

Litigation

SES S.A. is not currently subject to any material legal proceedings or litigation arising in the normal course of business.

Note 27 – Subsequent events

On 4 December 2023 the Company issued a notice of redemption to holders of its EUR 550 million Deeply Subordinated Fixed Rate Resettable Securities with a call date on 29 January 2024, on which date the Company fully settled those securities.

Other than the above, there have been no material events between the reporting date and the date when the annual accounts were approved by the Board of Directors.



ADDITIONAL INFORMATION

FINANCIAL CALENDAR

2023 Full Year Results	29 February 2024
Annual General Meeting	4 April 2024
2024 Q1 Results	2 May 2024
2024 H1 Results	1 August 2024
2024 Q3 Results	7 November 2024

IMPRINT

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