SES Global Americas Holdings Inc.
Formerly SES Global Americas Holdings,
General Partnership

Consolidated financial statements
as at and for the year ended 31 December 2022 and
independent auditor's report

Contents

Audit report

To the Shareholder of
SES GLOBAL AMERICAS HOLDINGS INC. (formerly SES GLOBAL AMERICAS HOLDINGS GP)

Our opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of SES GLOBAL AMERICAS HOLDINGS INC. (formerly SES GLOBAL AMERICAS HOLDINGS GP), (the "Company") and its subsidiaries (the "Group") as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2022;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in shareholders' equity for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the 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 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.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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 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 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.

Restriction on distribution and use

This report, including the opinion, has been prepared for and only for the Shareholder and the Board of Directors in accordance with the terms of our engagement letter and is not suitable for any other purpose. We do not accept any responsibility to any other party to whom it may be distributed.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 19 May 2023

Electronically signed by:
François Mousel

François Mousel

Consolidated income statement

For the year ended 31 December 2022

$ million		**2022**	2021
Revenue	Note 4	**601.1**	478.2
C-band repurposing income	Note 28	**181.4**	1,051.9
Cost of sales	Note 5	**(229.7)**	(241.6)
Staff costs	Note 5	**(117.5)**	(107.8)
Other operating expenses	Note 5	**(165.4)**	(443.7)
Operating expenses		**(512.6)**	(793.1)
EBITDA		**269.9**	737.0
Depreciation expense	Note 9	**(109.1)**	(89.5)
Property, plant and equipment impairment reversal / (expense)	Note 9	**(32.1)**	11.3
Amortisation expense	Note 11	**(12.8)**	(9.8)
Gain on disposal of equity interest	Note 12	**7.9**	-
Operating profit		**123.8**	649.0
Net financing costs	Note 6	**(59.0)**	(31.2)
Share of associates' result, net of tax	Note 12	**1.1**	1.5
Impairment on investment in associate	Note 12	**6.7**	(19.8)
Profit before tax		**72.6**	599.5
Income tax benefit / (expense)	Note 7	**5.8**	(142.6)
Profit for the year		**78.4**	456.9
Attributable to:			
Owners of the parent		78.7	456.9
Non-controlling interests		(0.3)	-

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

Consolidated statement of comprehensive income

For the year ended 31 December 2022

$ million	**2022**	2021
Profit for the year	**78.4**	456.9
Other comprehensive income / (loss)		
Items that will not be reclassified to profit or loss		
Remeasurements of post-employment benefit obligation	**2.4**	2.6
Income tax effect	**(0.5)**	(0.6)
Remeasurements of post-employment benefit obligation, net of tax	**1.9**	2.0
Total items that will not be reclassified to profit or loss	**1.9**	2.0
Items that may be reclassified subsequently to profit or loss		
Impact of currency translation	**(10.1)**	20.0
Total items that may be reclassified subsequently to profit or loss	**(10.1)**	20.0
Total other comprehensive loss for the year, net of tax	**(8.2)**	22.0
Total comprehensive (loss) / income for the year, net of tax	**70.2**	478.9
Attributable to:		
Owners of the parent	**70.8**	478.9
Non-controlling interests	**(0.6)**	-

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

Consolidated statement of financial position

As at 31 December 2022

$ million		2022	2021
Non-current assets			
Property, plant and equipment	Note 9	**423.8**	518.3
Assets in the course of construction	Note 10	**39.2**	26.9
Total property, plant and equipment		**463.0**	545.2
Intangible assets	Note 11	**508.7**	14.4
Investments in associates	Note 12	**37.4**	44.7
Prepayments		**2.0**	0.5
Receivables with related parties	Note 27	**0.0**	0.1
Total non-current assets		**1,011.1**	604.9
Current assets			
Inventories		**0.1**	0.2
Trade and other receivables	Note 14	**613.6**	1,503.0
Receivables with related parties	Note 27	**1,030.3**	585.5
Prepayments		**20.7**	18.9
Cash and cash equivalents	Note 17	**26.9**	20.1
Total current assets		**1,691.6**	2,127.7
Total assets		**2,702.7**	2,732.6
Equity			
Attributable to the shareholders / partners		**719.0**	649.8
Non-controlling interest		**0.7**	-
Total equity		**719.7**	649.8
Non-current liabilities			
Borrowings	Note 20	**484.4**	483.7
Lease liabilities	Note 25	**11.8**	11.4
Provisions	Note 21	**2.4**	2.1
Loans from related parties	Note 27	**450.0**	-
Deferred income	Note 13	**57.2**	70.4
Deferred tax liabilities	Note 8	**71.5**	34.6
Other long-term liabilities	Note 23	**19.3**	22.1
Total non-current liabilities		**1,096.6**	624.3
Current liabilities			
Provisions	Note 21	**8.3**	10.9
Lease liabilities	Note 25	**8.4**	4.6
Deferred income	Note 13	**24.7**	18.6
Trade and other payables	Note 22	**108.6**	69.7
Fixed assets suppliers	Note 28	**0.4**	742.8
Income tax liabilities		**2.4**	142.5
Payables to related parties	Note 27	**733.6**	469.4
Total current liabilities		**886.4**	1,458.5
Total liabilities		**1,983.0**	2,082.8
Total liabilities and equity		**2,702.7**	2,732.6

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

Consolidated statement of cash flows

For the year ended 31 December 2022

$ million		2022	2021
(Loss) / profit before tax		**72.6**	599.5
Taxes paid during the year		**(161.7)**	(2.1)
Interest expense	Note 6	**71.9**	27.6
Interest income	Note 6	**(18.4)**	(1.3)
Depreciation, amortisation and impairment	Notes 9,11	**154.0**	88.0
Amortisation of client upfront payments		**(17.1)**	(18.5)
Other non-cash items in the consolidated income statement		**(35.4)**	(59.7)
Consolidated operating loss adjusted for non-cash items and tax payments and before working capital changes		**65.9**	633.5
Changes in working capital			
Decrease in inventories		**3.5**	-
(Increase) in trade and other receivables		**615.6**	(695.6)
(Increase) / decrease in prepayments and deferred charges		**2.2**	5.2
Increase / (decrease) in trade and other payables		**1.8**	16.3
Increase in deferred income and upfront payments		**(2.0)**	3.6
Changes in working capital		**621.1**	(670.5)
Net cash generated by operating activities		**687.0**	(37.0)
Cash flow from investing activities			
Payments for acquisition of subsidiary, net of cash acquired	Note 3	**(438.6)**	-
Payments for purchases of intangible assets		**(1.2)**	(4.2)
Payments for purchases of tangible assets		**(402.8)**	(64.6)
Loans (granted to) / repaid by related parties	Note 27	**0.1**	50.0
Cash pooling with related parties	Note 27	**(516.1)**	(132.4)
Interest received on cash pooling	Note 27	**18.4**	1.3
Dividends received	Note 12	**4.5**	7.8
Net cash (absorbed) / generated by investing activities		**(1,335.7)**	(142.1)
Cash flow from financing activities			
Interest paid on borrowings		**(26.6)**	(26.5)
Long-term loan granted by RP		**450.0**	-
Lease payment	Note 25	**(8.3)**	(5.2)
Cash pooling with related parties	Note 27	**278.5**	216.5
Interest paid on cash pooling	Note 27	**(38.2)**	(1.1)
Net cash generated / (absorbed) by financing activities		**655.4**	183.7
Net foreign exchange movements		**0.1**	-
Net decrease in cash		**6.8**	4.6
Cash and cash equivalents at beginning of the year	Note 17	**20.1**	15.5
Cash and cash equivalents at end of the year	Note 17	**26.9**	20.1

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

$ million	Partners’ capital	Share capital	Share premium	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interest	Total equity
At 1 January 2022 (Partnership)	**2,791.0**	**-**	**24.9**	**(2,167.6)**	**1.5**	**649.8**	**-**	**649.8**
Incorporation of partnership (Notes 1, 18)	(2,791.0)	0.0	**2,791.0**	-	-	-	-	-
Result for the year	-	-	-	78.7	-	78.7	(0.3)	78.4
Other comprehensive income	-	-	-	1.9	(9.8)	(7.9)	(0.3)	(8.2)
Total comprehensive income (loss) for the year	(2,791.0)	**-**	**2,791.0**	**80.6**	**(9.8)**	**70.8**	**(0.6)**	**70.2**
Other movements	-	-	-	(1.6)	-	(1.6)	1.3	(0.3)
At 31 December 2022 (Corporation)	**0.0**	**0.0**	**2,815.9**	**(2,088.6)**	**(8.3)**	**719.0**	**0.7**	**719.7**

	Attributable to the partners				
$ million	Partners’ capital	Share premium	Retained earnings	Foreign currency translation reserve	Total equity
At 1 January 2021	**2,791.0**	**-**	**(2,597.6)**	**(18.5)**	**174.9**
Result for the year	-	-	456.9	-	456.9
Other comprehensive income	-	-	2.0	20.0	22.0
Total comprehensive income (loss) for the year	**-**	**-**	**458.9**	**20.0**	**478.9**
Increase in share premium	-	24.9	-	-	24.9
Other movements	-	-	(28.9)	-	(28.9)
At 31 December 2021	**2,791.0**	**24.9**	**(2,167.6)**	**1.5**	**649.8**

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

Notes to the consolidated financial statements
31 December 2022

Note 1 – Corporate information

SES Global Americas Holdings Inc. ("SES Americas" or "the Company" – formerly "SES Global Americas Holdings General Partnership" or "the Partnership") was incorporated on 9 April 2003 in Delaware, United States of America, as a General Partnership under American law. The registered office is located at The Corporation Trust Company, 1209 Orange Street, City of Wilmington, County of New Castle in the State of Delaware, U.S.A. References to 'the Group' or to 'the SES Americas Group' in the following notes are to the Company and its subsidiaries and associates.

The Partnership was converted to a limited liability company on 29 April 2022. As part of this conversion SES Astra S.A. sold its 0.06% interest in the Partnership to SES S.A., such that SES S.A. became the sole shareholder of the newly-incorporated company with effect from 29 April 2022.

SES S.A. then contributed its 100% interest in the Company to its subsidiary SES LU US Holdings S.à r.l. which thereby became the sole shareholder of SES Americas with effect from the date of the conversion. SES LU US Holdings S.à r.l. is a company registered in Luxembourg with its registered address at Château de Betzdorf, L-6815 Luxembourg. The ultimate holding company is SES S.A., a company domiciled in Luxembourg and listed, under 'SESG', on the Euronext Paris and Luxembourg stock exchanges.

The principal purposes of the Company are:

i. to hold the SES group's interest in SES Global-Americas, Inc., a Delaware corporation and a wholly owned subsidiary of SES Americas

ii. to incur certain indebtedness for purposes of refinancing certain existing debt; and

iii. to make additional capital contributions to SES Global-Americas, Inc. as the shareholders may agree from time to time.

As at 31 December 2022 the SES Americas group ('the Group') has shareholders' equity of USD 719.7 million (31 December 2021: partnership equity of USD 649.8 million).

The consolidated financial statements of SES Americas as at, and for the year ended, 31 December 2022 were authorised for issue in accordance with a resolution of the directors on 19 May 2023.

Note 2 – Summary of significant accounting policies

Basis of preparation

The consolidated financial statements of the Group have been prepared in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union ('IFRS') as at 31 December 2022.

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

The consolidated financial statements are presented in U.S. dollars ('USD' or '$'). Unless otherwise stated, all amounts are presented in millions of US dollars ($ million) to one decimal place.

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS, effective from 1 January 2022 and adopted by the Group. Any new IFRS amendments, effective from 1 January 2022 and not mentioned below are not applicable to the Group.

Amendments to IFRS 3, IAS 16, IAS 37 and annual improvements to IFRS 1, IFRS 9, IAS 41 and IFRS 16

Amendments to IFRS 3, "Business combinations" update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

Amendments to IAS 16, "Property, plant and equipment" prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

Amendments to IAS 37, "Provisions, contingent liabilities and contingent assets" specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements resulted in minor amendments to IFRS 1, "First-time adoption of IFRS", IFRS 9. "Financial instruments", IAS 41. "Agriculture" and the illustrative examples accompanying IFRS 16, 'Leases'. The amendments were endorsed by the EU and are effective for annual reporting periods beginning on or after 1 January 2022. The adoption of these amendments did not have any impact on the Group's consolidated financial statements.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its controlled subsidiaries, after the elimination of all 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 31.

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 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. 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 as part of the line item '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 the consolidated statement of 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 12.

Profits and losses resulting from upstream and downstream transactions between the Group and an associate 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 consolidated financial statements:

(i) Treatment of orbital slot licence rights

The Group's operating companies have obtained rights to operate satellites at certain orbital locations and using certain frequency bands. These licences are obtained through application to the relevant national and international regulatory authorities and are generally made available for a defined period. Where the Group has obtained such rights through the acquisition of subsidiaries and associates, the rights have been identified as an acquired asset and recorded at the fair value attributed to the asset at the time of the acquisition as a result of purchase accounting procedures.

Where, on the expiration of such rights, management believes it will be able to successfully re-apply for their usage at insignificant incremental cost, such rights are deemed to have an indefinite life. Hence these assets are not amortised, but rather are subject to regular impairment reviews to confirm that the carrying value in the Group's financial statements is still appropriate. More details are given in Note 11.

(ii) Taxation

The Group operates in several tax jurisdictions and management is required to assess tax issues and exposures across its entire operations and to accrue for potential liabilities based on its interpretation of country-specific tax law and best estimates. In conducting this review management assesses the magnitude of the issue and the likelihood, based on experience and specialist advice, as to whether it will result in a liability for the Group. If this is deemed to be the case, then a provision is recognised for the potential taxation charges. More details are given in Notes 7, 8 and 21.

One significant area of management judgment is in the area of transfer pricing. Whilst the Group employs dedicated members of staff to establish and maintain appropriate transfer pricing structures and documentation, judgment still needs to be applied and hence potential tax exposures can be identified. The Group, as part of its overall assessment of liabilities for taxation, reviews in detail the transfer pricing structures in place and makes provisions where this seems appropriate on a case-by-case basis.

(iii) The impact of rising inflation and interest rates

The Group has considered the potential impact of rising 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 2022 has been a mechanical increase 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 11 ('Intangible assets') for further details.

(iv) 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.

The Company'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, the Company concluded that, from an IFRS 10 perspective, it 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 are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Impairment testing for goodwill and other indefinite-life intangible assets

The Group determines whether goodwill and other indefinite-life intangible assets are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units ("CGU") to which the goodwill and other indefinite-life intangible assets are allocated. Establishing the value in use requires the Group to make an estimate of the expected future pre-tax cash flows from the CGU and also to choose a suitable pre-tax discount rate and terminal growth rate in order to calculate the present value of those cash flows. More details are given in Note 11.

(ii) Impairment testing for space segment assets

The Group assesses at each reporting date whether there is any indicator that an asset may be impaired. If any such indication exists, the Group determines an estimate of the recoverable amount, as the higher of: (1) the fair value less cost of disposal and, (2) its value in use, to determine whether the recoverable amount exceeds the carrying amount included in the consolidated financial statements. As far as this affects the Group's satellite assets, the estimation of the value in use requires estimations of the future commercial revenues to be generated by each satellite, particularly related to new markets or services, and also the impact of past in-orbit anomalies and their potential impact on the satellite's ability to provide its expected commercial service (Note 9).

(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 revenue using a provision matrix based on loss expectancy rates and forward-looking information. The Group records additional losses if circumstances or forward-looking information cause the Group to believe that additional collectability risk exists that is not reflected in the loss expectancy rates.

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition of the subsidiary is measured as the aggregate of the:

- fair value of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration agreement; and
- fair value of any pre-existing equity interest in the subsidiary.

For each business combination, the Company 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 the Company 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 acquisition or manufacturing cost, which for satellites includes the launcher cost and launch insurance, and is depreciated over the expected useful economic life.

The financial impact of changes resulting from a revision of management's estimate of the cost of the property, plant and equipment is recognised in the consolidated income statement of the period concerned.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

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 value 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 28.

Assets in the course of construction

This caption includes primarily satellites which are under construction. Incremental costs directly attributable to the purchase of satellites and bringing the asset in the condition and location to be used as intended by management, such as launch costs and other related expenses such as ground equipment and borrowing costs, are capitalised as part of the cost of the asset.

The cost of satellite construction may include an element of deferred consideration to satellite manufacturers referred to as satellite performance incentives. The Group is contractually obligated to make these payments over the lives of the satellites, provided the satellites continue to operate in accordance with contractual specifications. Historically, the satellite manufacturers have earned substantially all of these payments. Therefore, the Group accounts for these payments as deferred procurement costs, capitalising the present value of the payments as part of the cost of the satellites and recording a corresponding liability to the satellite manufacturers. Interest expense is recognised on the deferred financing and the liability is accreted based on the passage of time and reduced as the payments are made.

Once the asset enters operational service, the costs are transferred to assets in use and depreciation commences.

Borrowing costs

Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalised as part of the cost of that 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 the purpose of impairment testing, goodwill from the acquisition date is allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree 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 there is an indicator of potential impairment, 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 cash-generating unit using five-year business plans approved by management. Beyond a five-year period, cash flows are generally estimated on the basis of stable rates of growth or decline, although longer periods may be considered where relevant to accurately calculate the value in use.

Where goodwill forms part of a cash-generating unit 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 circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2) Other intangibles

(i) Orbital rights

Intangible assets consist principally of rights of usage of orbital frequencies and acquired transponder service agreements. 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 in the statement of financial position and are subject to impairment testing in line with the treatment outlined for goodwill above. The useful life of an intangible asset with indefinite lives is 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 non-cash consideration are initially measured at the fair value of the consideration given.

(ii) Software and development costs

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed seven years.

Impairment of other intangible assets and property, plant and equipment

The Group assesses at each reporting date whether there is an indication that the carrying amount of the asset may no longer be recoverable. If such indication exists, the recoverable amount of the asset or CGU is determined in order to identify 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 that are 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 trade date, that is to say 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 Americas 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 or net realisable value, with cost determined on a weighted average-cost method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Trade receivables

Trade receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method, less provision for impairment. For impairment of trade receivables, the Group estimates expected lifetime losses that would typically be carried for each receivable based on the credit risk class upon the initial recognition of the receivables. Expected lifetime credit losses are estimated based on historical financial information as well as forwardlooking 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 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks, deposits and short-term, highly-liquid investments readily convertible to known amounts of cash and subject to an insignificant risk of changes in value. Cash on hand and at 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 when or as it transfers control of a good or service to a customer. Contract modifications are accounted for either as a separate contract or as part of the existing contract, depending on the nature of the modification. The Group accounts for a modification as a separate contract if:

- the scope of the contract increases because of the addition of distinct services, and;
- the price of the contract increases by an amount of consideration that reflects the stand-alone selling prices of the additional services.

A modification that does not meet the above criteria to be accounted for as a separate contract is accounted for as an adjustment to the existing contract, either prospectively or through a cumulative catch-up adjustment. The determination depends on whether the remaining services to be provided to the customer under the modified contract are distinct from those already provided, 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

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.

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.

The Group also recognises revenue from certain SES S.A. group companies as listed in Note 27 for the provision of various services to those companies. These services are mainly of three types: engineering; sales and marketing; and, other back office services such as finance, human capital and legal.

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 is recognised when the Group has successfully completed Phase 1 and Phase 2 Accelerated Relocations, respectively, and has received validation of the respective relocation certifications from the U.S. Federal Communications Commission's ("FCC") Wireless Telecommunications Bureau.

Income arising from settlements from the Relocation Payment Clearinghouse ('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 Clearinghouse specifically validates the costs as being reimbursable, or where the costs fall within applicable cost ranges published by the Clearinghouse in its cost catalogueMore details are given in Note 28.

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 consolidated statement of financial position, and for significant advance payments, interest is accrued on the amount received at the effective interest rate at the time of receipt. The Group's contracts may contain prepayment terms that range from one month in advance to one year in advance of service provision. 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 contract revenue' within 'Trade and other receivables', allocated between current and non-current portions as appropriate.

Customer payments are generally due in advance or by the end of the month of capacity service.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

Current taxes

Current tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from, or paid to, the tax authorities. The tax rates and tax laws used to compute the amount are those that are 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 USD, 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 USD exchange rates used by the Group during the year were as follows:

1 USD =	**Average rate for 2022**	**Closing rate for 2022**	Average rate for 2021	Closing rate for 2021
Euro	**0.9474**	**0.9376**	0.8407	0.8829
SEK	**10.0279**	**10.4273**	8.5238	9.0502

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; or
- the Group has transferred its rights to receive cash flows from the asset and either:

  a. has transferred substantially all the risks and rewards of the asset; or
  b. has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of that asset.

2) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or has 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 the consolidated income statement.

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 and other post-retirement employee benefits

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.

Certain of the Company's subsidiaries operate defined-benefit post-retirement healthcare plans. These plans define an amount of post-retirement healthcare benefit that an employee will receive post-retirement, dependent on factors such as age and years of service.

The liability recognised in the consolidated statement of financial position in respect of the defined-benefit post-retirement healthcare plan is the present value of the defined-benefit obligation at the end of the reporting period less the fair value of plan assets. The defined-benefit obligation is calculated annually by independent actuaries using the 'projected unit credit' method, discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid with maturities approximating to those of the related pension obligations. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in the consolidated income statement.

Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based compensation plans, whereby employees render services as consideration for SES S.A. equity. Because the Group does not grant awards in its own equity instruments and has to settle obligations arising to its employees in SES S.A. equity instruments, it accounts for these as cash-settled share-based compensation plans.

The cost of these cash-settled compensation plans is measured initially at fair value at the grant date using a binomial model for the Stock Appreciation Rights Plan ('STAR Plan') and Equity Based Compensation Plan comprising options (EBCP Option Plan'), and a Black Scholes Model for the Equity Based Compensation Plan comprising performance shares ('EBCP PS') and restricted shares ('EBCP RS'), taking into account the terms and conditions upon which the instruments were granted. This fair value is expensed over the vesting period until settlement with recognition of a corresponding liability. The fair value of the liability is re-measured at each reporting date up to and including the settlement date with changes in fair value recognised in the consolidated income statement (under "Staff costs").

In June 2017, SES S.A. established a new compensation plan, which is progressively replacing the STAR Plan. Simulated Restricted Stock Units ('SRSU') are cash-settled awards which will be delivered on 1 June following a three-year vesting period and are settled in cash. The liability for the cash-settled awards is measured, initially and at the end of each reporting period until settled, at the fair value of the share appreciation rights, by applying a binominal model, taking into account the terms and conditions on which the stock appreciation rights were granted, and the extent to which the employees have rendered services to date.

Leases

The determination of 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 has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate. At the commencement of the lease the Group recognises a right-of-use asset and a lease liability. The lease liability is initially measured at the present value of lease payments payable over the lease term, discounted at the rate implicit in the lease. Lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are charged directly to expense.

In its accounting policies the Group applies the following practical expedients:

- using a single discount rate to a portfolio of leases with similar characteristics; and
- not accounting for leases ending within 12 months of the date of the initial application, or if the underlying asset has a low value.

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are relevant for the Group and effective for annual periods beginning after 1 January 2022, 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 amendment is effective for annual reporting periods beginning on or after 1 January 2024. The amendment was not yet endorsed by the EU. The Group does not expect any significant impact of these amendments on its consolidated financial statements.

2) 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 Group does not expect any significant impact of these amendments on its consolidated financial statements.

3) 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 Group does not expect any significant impact of these amendments on its consolidated financial statements.

4) 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.

5) **Amendments to IFRS 16 – Leases on 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. Published in September 2022. Effective date Annual periods beginning on or after 1 January 2024.

6) Amendments to IAS 1 – 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.Published in November 2022. Effective date Annual periods beginning on or after 1 January 2024.

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.

Details of the purchase consideration, net assets acquired, and goodwill arising are as follows:

Purchase consideration

$ million	
Cash paid	443.2
Total consideration	**443.2**

The fair values of the assets and liabilities recognised as a result of the acquisition are as follows:

Property, plant and equipment (Notes 9, 10)	11.9
Intangible asset: Customer relationships (Note 11)	297.7
Current assets	29.5
Non-current assets	1.8
Deferred tax liabilities (Note 8)	(66.4)
Current liabilities	(26.2)
Deferred income	(10.2)
Net identifiable assets acquired	238.1
Add: Goodwill* (Note 11)	205.1
Net assets acquired	**443.2**

**Non-deductible for tax purpose.*

Goodwill mostly represents expected synergies resulting from thr reduction of costs by combining the operations of GES with those of other SES companies, particularly SES Space & Defense, Inc., including the opportunity to migrate some of the GES services on to the Group's own satellite fleet.

The fair value of the acquired trade and other receivables and prepayments with aggregated gross contractual amount of USD 24.7 million was assumed to equal their book value.

The best estimate at the acquisition date of the contractual cash flows not expected to be collected was USD 1 million.

Purchase consideration - cash outflow

$ million	
Cash paid	443.2
Net outflow of cash – investing activities	**443.2**

Transaction-related costs of USD 4 million were recognised directly in other operating expenses. The amounts of post-acquisition GES revenue and net loss included in the consolidated income statement were USD 95.5 million and USD 3.4 million respectively. The Group's 2022 revenue and profit for the year if the acquisition had taken effect on 1 January 2022 would have been USD 711.5 million and USD 79.5 million respectively, instead of the reported revenue and profit for the year of USD 601.1 million and USD 78.4 million respectively.

Note 4 – Segment information

The Group operates in one operating segment, being the provision of satellite-based data transmission capacity, and ancillary services, to customers around the world.

The operations of the Group are managed as part of the integrated management structure of SES S.A. such that there is no dedicated management structure for SES Americas. No dedicated management reporting information is presented for the Group to a chief operating decision maker.

Revenue by category

The Group recorded revenue from contracts with customers recognised at a point in time of USD 13.7m (2021: nil) and revenue recognised over time of USD 587.4 million (2021: USD 478.2 million).

Revenue by country

SES Americas is domiciled in the United States of America. In presenting information on the basis of geographical areas, segment information is based on the geographical area of the customer's billing address, rather than necessarily the region into which the service is provided.

Revenue

$ million	**2022**	2021
United States of America	**311.6**	241.1
Netherlands	**151.3**	110.6
Luxembourg	**122.0**	113.4
Other	**16.2**	13.1
Total	**601.1**	478.2

The Group's property, plant and equipment, assets in the course of construction and intangible assets are located in the United States of America and amount to USD 971.7 million (2021: USD 559.6 million). Note that satellites are allocated to the country where the legal owner of the asset is incorporated.

Major customer
Revenue from customers which individually represent more than 10% of the Group's revenue amounts to USD 529.1 million (2021: USD 260.8 million).

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 as well as commissions. Other cost of sales detailed below include an amount of USD 3.6 million (2021: USD 61.5 million), C-Band related expenses (Note 28).

$ million	**2022**	2021
Rental of third-party satellite capacity	**(158.8)**	(147.8)
Partner services	**(35.7)**	(20.3)
Shared cost of sales	**(4.2)**	(4.2)
Work in progress	**(11.7)**	(9.3)
Other cost of sales	**(19.3)**	(60.0)
Total cost of sales	**(229.7)**	(241.6)

2) Staff costs of USD 117.5 million (2021: USD 107.8 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 USD 3.3 million (2021: USD 0.9 million) and C-band repurposing related expenses of USD 3.9 million (2021: 8.2 million). At the year-end the total number of members of staff on a full-time equivalent basis was 674.7 (2021: 523.7).

3) Other operating expenses of USD 165.4 million (2021: USD 443.7 million) are generally, by their nature, less variable to revenue development. Such costs include office-related and technical facility costs, in-orbit insurance costs, marketing expenses, general and administrative expenditure, consulting charges, travel-related expenditure and movements in provisions for debtors.

   However, due to the inclusion of income and charges in connectrion with the C-band repurposing project (Note 28) under this line item, there are currently significant year-on-year variations. 'Recharges of C-band other income to related parties' of USD 53.7 million in 2022 relate to the Verizon accelerated relocation proceeds whereas 2021 included USD 309.2 million related to Phase I accelerated relocation payments.

   'C-band other operating expenses' of USD 20.3 million (2021: USD 53.2 million) represent repurposing related expenses.

$ million	**2022**	2021
Recharges of C-band other income to related parties	**(53.7)**	(309.2)
C-band other operating expenses	**(24.3)**	(53.2)
Total C-band impact	**(78.0)**	(362.4)
Non-C-band operating expense items	**(87.4)**	(81.3)
Total other operating expenses	**(165.4)**	(443.7)

Note 6 – Finance income and costs

$ million	**2022**	2021
Finance income		
Interest income	**18.8**	1.4
Net foreign exchange gain	**-**	0.1
Subtotal	**18.8**	1.5
Finance costs		
Interest expense on borrowings	**(71.9)**	(27.6)
Net foreign exchange loss	**(1.1)**	-
Loan fees, origination costs and other	**(4.8)**	(5.1)
Subtotal	**(77.8)**	(32.7)
Total	**(59.0)**	(31.2)

Note 7 – Income taxes

Taxes on income comprise the taxes paid or owed on income in the individual countries, as well as deferred taxes. Current and deferred taxes can be analysed as follows:

$ million	**2022**	2021
Consolidated income statement		
Current income tax		
Current income tax (charge)	**(30.2)**	(137.6)
Adjustments in respect of prior years	**6.5**	7.0
Total current income tax	**(23.7)**	(130.6)
Deferred income tax		
Relating to origination and reversal of temporary differences	**28.3**	1.7
Change in tax rate	**2.9**	0.9
Adjustments in respect of prior years	**(1.7)**	(14.6)
Total deferred tax income / (expense)	**29.5**	(12.0)
Income tax benefit / (charge) per consolidated income statement	**5.8**	(142.6)
Consolidated statement of changes in equity		
Income tax related to items (charged) or credited directly in equity		
Retirement benefit obligation	**(0.5)**	(0.6)
Income taxes reported in equity	**(0.5)**	(0.6)

A reconciliation between the income tax benefit / (expense) and the profit before tax of the Group multiplied by a theoretical tax rate of 21% which corresponds to the US Federal tax rate for the year ended 31 December 2022 (2021: 21.00%) is as follows:

$ million	**2022**	2021
Profit/(Loss) before tax	**72.6**	599.5
Multiplied by theoretical tax rate (2022: 21.00%; 2021: 21.00%)	**(15.8)**	(125.9)
Effect of US state taxes	**14.8**	(15.7)
Non-deductible expenditures	**(0.1)**	(0.1)
Group tax provision	**-**	2.7
Impairment on investment in associate	**1.4**	(4.2)
Impairment on other assets	**(16.9)**	-
Other items	**22.4**	0.6
Income tax reported in the consolidated income statement	**5.8**	(142.6)

Impairment on investment in associate

The reversal of impairment charge of USD 6.7 million recorded on the carrying value of the investment held by the Group in SES Astra AB resulted in a positve ETR impact of USD 1.4 million (2021: negative ETR impact of 4.2 million).

Note 8 – Deferred tax balances

The positions related to deferred income tax assets and liabilities included in the consolidated financial statements can be analysed as follows:

$ million	**Deferred tax assets 2022**	Deferred tax assets 2021	**Deferred tax liabilities 2022**	Deferred tax liabilities 2021
Losses carried forward	**26.8**	**20.1**	**-**	**-**
Intangible assets	**-**	**-**	**-**	**(3.4)**
Tangible assets	**-**	**-**	**(102.9)**	**(84.1)**
Employee benefits and share-based compensation	**5.4**	**6.1**	**-**	**-**
Receivables	**15.1**	**20.2**	**-**	**-**
Other	**(15.9)**	**6.5**	**-**	**-**
Total deferred tax assets / (liabilities)	**31.4**	**52.9**	**(102.9)**	**(87.5)**
Offset of deferred taxes	**(31.4)**	**(52.9)**	**31.4**	**52.9**
Net deferred tax assets/ (liabilities)	**-**	**-**	**(71.5)**	**(34.6)**

The net deferred income / (expense) for deferred tax recorded in the consolidated income statement for the year comprises the following elements (Note 7):

$ million	**2022**	2021
Loss carried forward	**6.8**	(1.0)
Intangible assets	**3.4**	2.7
Tangible assets	**24.3**	(9.0)
Employee benefits and share-based compensation	**(0.7)**	(5.8)
Receivables	**(5.1)**	6.1
Other	**0.8**	(5.0)
Total deferred tax income / (expense)	**29.5**	(12.0)

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. Other than the tax losses for which the Group recognised deferred tax assets, there were no tax losses as at 31 December 2022 (2021: nil) available indefinitely for offset against future taxable profits of the companies in which the losses arose. The increase in the net deferred tax liabilitiy reflects the deferred tax income recorded in the period of EUR 29.5 million, as well as the USD 66.4 million impact of the first-time consolidation of Global Enterprise Solutions, Inc. (Note 3).

Note 9 – Property, plant and equipment

$ million	Land and buildings	Space segment	Ground segment	Other	**Total**
Cost					
As at 1 January 2022	**51.2**	**2,265.0**	**250.6**	**69.5**	**2,636.3**
Additions	6.9	0.3	2.0	1.2	**10.4**
Additions through business combinations (Note 3)	5.6	-	-	6.7	**12.3**
Disposals	-	-	(0.9)	-	**(0.9)**
Retirements	(2.7)	(40.3)[1]	(5.8)	(0.7)	**(49.5)**
Transfers from assets in course of construction (Note 10)	0.2	6.0[2]	4.4	11.6	**22.2**
Transfers between categories	(7.1)	5.1	(9.5)	16.3	**4.8**
As at 31 December 2022	**54.1**	**2,236.1**	**240.8**	**104.6**	**2,635.6**
Depreciation					
As at 1 January 2022	**(28.0)**	**(1,871.7)**	**(174.0)**	**(44.3)**	**(2,118.0)**
Depreciation expense	(9.5)	(64.7)	(16.1)	(18.8)	**(109.1)**
Impairment expense	-	(32.1)	-	-	**(32.1)**
Retirements	2.7	40.3[1]	5.8	0.7	**49.5**
Transfers between categories	1.9	(0.3)	6.6	(10.3)	**(2.1)**
As at 31 December 2022	**(32.9)**	**(1,928.5)**	**(177.7)**	**(72.7)**	**(2,211.8)**
Net book value					
As at 31 December 2022	**21.2**	**307.6**	**63.1**	**31.9**	**423.8**

[1] Satellite AMC-8 was retired in 2022

[2] Satellites SES-20, SES-21 and SES-22 became operational in 2022

$ million	Land and buildings	Space segment	Ground segment	Other	**Total**
Cost					
As at 1 January 2021	**41.0**	**2,642.8**	**233.7**	**55.5**	**2,973.0**
Additions	13.6	-	11.7	1.7	**27.0**
Disposals	(4.2)	-	-	-	**(4.2)**
Retirements	-	(377.8)[1]	(0.4)	-	**(378.2)**
Transfers from assets in course of construction (Note 10)	0.8	-	5.6	12.3	**18.7**
As at 31 December 2021	**51.2**	**2,265.0**	**250.6**	**69.5**	**2,636.3**

$ million	Land and buildings	Space segment	Ground segment	Other	Total
Depreciation **As at 1 January 2021**	**(25.1)**	**(2,204.5)**	**(156.3)**	**(34.9)**	**(2,420.8)**
Depreciation expense	(5.7)	(56.3)	(18.1)	(9.4)	**(89.5)**
Impairment expense	-	(3.0)	-	-	**(3.0)**
Impairment reversal	-	14.3	-	-	**14.3**
Disposal	2.8	-	-	-	**2.8**
Retirements	-	377.8[1]	0.4	-	**378.2**
As at 31 December 2021	**(28.0)**	**(1,871.7)**	**(174.0)**	**(44.3)**	**(2,118.0)**
Net book value					
As at 31 December 2021	**23.2**	**393.3**	**76.6**	**25.2**	**518.3**

[1] Satellites AMC-2 and AMC-16 were retired in 2021

Impairment of space segment assets

In 2022, the net impairment expense recorded for space segment assets was USD 32.1 million (2021: net impairment income of USD 11.3 million). 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
2022 – Expense	186.2	154.1	11.1%	32.1
2021 – Expense	47.8	44.8	8.9%	3.0
2021 – Reversal	63.6	94.4	8.9%	(14.3)
2021 – Net impact				**(11.3)**

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. Specific developments, largely in the second half of 2022, in these areas contributed to the weakening of cash flow projections for certain satellites and contributed to the recording of the impairment expenses and reversals 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 the valuation parameters which are within the range of outcomes foreseeable at the valuation date.

The most recent testing showed that for this category of geostationary space segment assets, then 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 USD 17.0 million would be recorded. A 1% increase in the discount rate at a constant EBITDA level would increase satellite impairments by USD 6.5 million. Taken separately, a 5% decrease in EBITDA would increase satellite impairments by USD 10.8 million.

Note 10 – Assets in the course of construction

$ million	Land and buildings	Space segment	Ground segment	Other	Total
Cost and net book value as at 1 January 2022	**6.9**	**0.3**	**16.2**	**3.5**	**26.9**
Movements in 2022					
Additions	2.8	0.8	25.5	7.5	**36.6**
Additions through business combinations (Note 3)	-	-	3.7	-	**3.7**
Transfers to assets in use (Note 9)	(0.2)	(6.0)	(4.4)	(11.6)	**(22.2)**
Transfers between categories	(0.8)	4.9	(17.3)	7.4	(5.8)
Cost and net book value as at 31 December 2022	**8.7**	**-**	**23.7**	**6.8**	**39.2**

$ million	Land and buildings	Space segment	Ground segment	Other	Total
Cost and net book value as at 1 January 2021	**-**	**374.8**	**33.9**	**4.5**	**413.2**
Movements in 2021					
Additions	6.9	0.1	8.2	2.7	**17.9**
Transfers to assets in use (Note 9)	(0.8)	-	(5.6)	(12.3)	**(18.7)**
Transfers to Intangible assets (Note 11)	-	-	(1.9)	-	**(1.9)**
Transfers between categories	0.8	-	(9.4)	8.6	-
C-band repurposing (Note 28)[1]	-	(374.6)	(9.0)	-	(383.6)
Cost and net book value as at 31 December 2021	**6.9**	**0.3**	**16.2**	**3.5**	**26.9**

[1] C-band reimbursable space segment and ground cost (non-cash)

Note 11 – Intangible assets

	Indefinite life					
$ million	Orbital slot licence rights	Goodwill	Definite life intangibles	Customer relationships	Internally-generated development costs	Total
Cost						
As at 1 January 2022	**348.4**	**2,039.1**	**41.3**	**-**	**2.3**	**2,431.1**
Additions	-	-	0.1	-	1.1	1.2
Additions through business combinations (Note 3)	-	205.1	-	297.7	-	502.8
Transfers from assets in course of construction	-	-	1.5	-	(1.5)	-
Transfer from assets in course of construction, property, plant and equipment (Note 10)	**-**	**-**	2.8	-	0.3	**3.1**
As at 31 December 2022	**348.4**	**2,244.2**	**45.7**	**297.7**	**2.2**	**2,938.2**

$ million	Indefinite life Orbital slot licence rights	Indefinite life Goodwill	Definite life intangibles	Customer relationships	Internally-generated development costs	**Total**
Amortisation and impairment						
As at 1 January 2022	**(342.9)**	**(2,039.1)**	**(34.7)**		**-**	**(2,416.7)**
Amortisation	-	-	(4.4)	(8.4)	-	(12.8)
Retirement	-	-	-		-	-
As at 31 December 2022	**(342.9)**	**(2,039.1)**	**(39.1)**	**(8.4)**	**-**	**(2,429.5)**
Net book value as at 31 December 2022	**5.5**	**205.1**	**6.6**	**289.3**	**2.2**	**508.7**

$ million	Indefinite life Orbital slot licence rights	Indefinite life Goodwill	Definite life intangibles	Internally-generated development costs	**Total**
Cost					
As at 1 January 2021	**348.4**	**2,039.1**	**110.2**	**1.6**	**2,499.3**
Additions	-	-	1.1	5.8	6.9
Retirement	-	-	(77.0)	-	(77.0)
Transfers from assets in course of construction	-	-	5.1	(5.1)	-
Transfer from assets in course of construction, property, plant and equipment (Note 10)	**-**	**-**	1.9	-	1.9
As at 31 December 2021	**348.4**	**2,039.1**	**41.3**	**2.3**	**2,431.1**
Amortisation and impairment					
As at 1 January 2021	**(342.9)**	**(2,039.1)**	**(101.9)**	**-**	**(2,483.9)**
Amortisation	-	-	(9.8)	-	(9.8)
Retirement	-	-	77.0	-	77.0
As at 31 December 2021	**(342.9)**	**(2,039.1)**	**(34.7)**	**-**	**(2,416.7)**
Net book value as at 31 December 2021	**5.5**	**-**	**6.6**	**2.3**	**14.4**

Indefinite life intangible assets

The level of integration of SES Americas' operations has led management to conclude that there is only one cash-generating unit ('CGU') to which goodwill and the other indefinite-life intangibles are allocated for impairment testing purposes, being an aggregation of SES Global Americas, Inc. and its subsidiaries together with the Group's share in SES Astra AB. These together represent the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The Group's interests in these operations are supervised in a single management framework at the level of the Group's parent company SES S.A. reflecting the integration of the Group's business operations with those of other SES S.A. group companies. The CGU represents the lowest level at which management is capturing information about indefinite life intangible assets for internal management reporting purposes and at which associated impairment testing procedures are being performed.

- *Orbital slot licence rights*

Interests in orbital slot licence rights were acquired in the course of the acquisition of SES Americom in 2001, as well as through the targeted acquisition of such rights from third parties. The Group believes that it has a high probability of being able to achieve the extension of these rights as the current agreements expire. Hence these assets are not amortised, but rather are held on the statement of financial position at acquisition cost. Impairment procedures are performed at least once a year to assess whether the carrying value is still appropriate.

The calculations of value in use are most sensitive to:

1) Movements in the underlying business plan assumptions for the satellites concerned:

   Business plans are drawn up annually and generally 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 the most up-to-date assumptions concerning the markets and also developments and trends in the business. For the provision of satellite capacity these will particularly take into account the following factors:

   - the expected developments in transponder fill rates and pricing, including the impact of the replacement capacity - note that these developments are forecast at a granular level and no generic annual growth rates are applied;
   - any changes in the timing of the expected capital expenditure cycle – due to technical degradation of a satellite, or through the identified need for replacement capacities; and
   - any changes in satellite procurement, launch or cost assumptions, including launch schedule.

2) Changes in discount rates:

   Discount rates reflect management's estimate of the risks specific to the business. Management uses a pre-tax weighted average cost of capital as the discount rate for the impairment testing. This rate reflects market interest rates on twenty-year bonds in the market concerned, the capital structure of businesses in the Group's business sector, and other factors, as necessary, applying specifically to the CGU concerned.

3) Changes in perpetuity growth rates assumptions:

   Growth rate assumptions used to extrapolate cash flows beyond the business planning period are based on the commercial experience relating to the CGUs concerned and the expectations for developments in the markets which they serve.

The pre-tax discount rate used in 2022 was 12.7% (2021: 10.1%). The terminal growth rate used for the impairment testing as at the end of 2022 of -3.1% (2021: -5.2%), reflecting the most recent long-term planning assumptions and can be supported by reference to the trading performance of the companies concerned over a longer period.

As part of standard impairment testing procedures the Group assesses the impact of potential changes in the discount rates and growth assumptions on the valuation surplus, or deficit as the case may be. Both discount and terminal growth rates are simulated up 1.0% below and above the rate used in the base valuation. In this way a matrix of valuations is generated which reveals the potential exposure to impairment charges for the CGU based on movements in the valuation parameters which are within the range of outcomes foreseeable at the valuation date.

The least favourable case considers an increase in the discount rate from 12.7% to 13.7% and a decrease in the terminal growth rate from -3.1% to -4.1%. The increase in the discount rate and the decrease in the terminal growth rate would not require an impairment.

Note 12 – Investments in associates

SES Astra AB

SES Americas has a 32.34% investment of USD 60.5 million (being the initial acquisition cost) in SES Astra AB in Sweden, representing 77,612 shares. SES Astra AB's assets, liabilities and income and expenses as at 31 December 2022 and 31 December 2021, and for the years then ended, are as follows:

$ million	2022	2021
Non-current assets	**56.2**	128.4
Current assets	**72.0**	34.1
Non-current liabilities	**(20.2)**	(26.7)
Current liabilities	**(3.8)**	(5.9)
Revenue	**32.6**	57.3
Operating expenses	**(16.3)**	(39.4)
Depreciation and amortisation	**(13.5)**	(14.3)
Finance income / (expense), net	**1.6**	1.4
Income tax	**(0.8)**	(1.0)
Net profit of associate	**3.6**	4.0

The Group's share of SES Astra AB's assets and liabilities as at 31 December 2022 and 31 December 2021 are presented in the consolidated statement of financial position under 'Investments in associates'. The Group's share of SES ASTRA AB's income and expenses for the years then ended are included in the consolidated income statement under 'Share of associate's result, net of tax'. During 2022, the Group recorded a reversal of impairment on the investment in ASTRA AB of USD 6.7 million reflecting an updated assessment of the recoverable amount.

In June 2022 the Group received a dividend of USD 4.5 million, from SES Astra AB (June 2021: USD 7.8 million). As at 31 December 2022 and 31 December 2021, SES Astra AB had no significant contingent liabilities, nor capital or operating lease commitments.

On 7 January 2022, the Group increased its holding in Sistemas Satelitales de Mexico S. de R.L. de C.V. from 49% to 95% for nil consideration. As a result of the transaction, the Group acquired control over Sistemas Satelitales de Mexico S. de R.L. de C.V., which had until then been accounted for as an associate using the equity method of accounting. The transition from the equity method to consolidation resulted in a non-cash gain of USD 7.9 million. On 29 August 2022, the Group decreased its holding in Sistemas Satelitales de Mexico S. de R.L. de C.V. from 95% to 89% for nil consideration.

Note 13 – Assets and liabilities related to contracts with customers

The Group has recognised the following assets and liabilities related to contracts with customers:

$ million	2022	2021
Current contract assets		
Trade debtors	**89.0**	30.8
Provision for trade debtors	**(2.1)**	(2.5)
Trade debtors, net of provisions – third parties	**86.9**	28.3
Trade and other debtors – related parties	**74.6**	145.9
Unbilled accrued revenue	**12.3**	6.3
Provision for Unbilled accrued revenue	**(0.8)**	-
Unbilled accrued revenue	**11.5**	6.3
	173.0	180.5

$ million	2022	2021
Current contract liabilities		
Deferred income	**24.7**	18.6
Non-current contract liabilities		
Deferred income	**57.2**	70.4

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

$ million	Non-current	Current
As at 1 January 2022	**70.4**	**18.6**
Revenue recognised during the year	-	(46.5)
New billings	-	23.0
Additions through business combinations (Note 3)	-	11.3
Other movements*	(13.2)	18.3
As at 31 December 2022	**57.2**	**24.7**

$ million	Non-current	Current
As at 1 January 2021	**85.4**	**17.9**
Revenue recognised during the year	-	(22.4)
New billings	1.2	2.8
Other movements*	(16.2)	20.3
As at 31 December 2021	**70.4**	**18.6**

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

Note 14 – Trade and other receivables

$ million	**2022**	2021
Receivables in connection with the C-band repurposing project (Note 28)	**512.5**	1,466.9
Trade debtors with non-related parties, net of provisions	**86.9**	28.3
Unbilled accrued revenue with non-related parties	**11.5**	6.3
Other receivable with non-related parties	**2.7**	1.5
Total trade and other receivables	**613.6**	1,503.0

'Unbilled accrued revenue with non-related parties' represents revenue recognised for provision of satellite capacity under long-term contracts for which, corresponding to the terms of the contract, billing has not been made. Billing will occur based on the terms of the contracts.

Movements in the provision for trade receivables were as follows:

$ million	**2022**	**2021**
As at 1 January	**2.4**	4.0
Increase in provision	**3.7**	1.1
Unused amounts reversed	**(3.6)**	(0.5)
Utilised	**(0.3)**	(0.6)
Other movements*	**0.7**	(1.6)
As at 31 December	**2.9**	2.4

* Other movements contains transfers and new entities in scope

Note 15 – 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:

1. Level 1- Quoted prices in active markets for identical assets or liabilities;
2. Level 2 - Other techniques for which all inputs which have a significant effect on the recorded fair value are observable either directly or indirectly;
3. Level 3 - Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's-length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models.

As at 31 December 2022 and 2021, the Group does not have any financial derivatives.

Fair values

The fair value of borrowings has been calculated by discounting the expected future cash flows at prevailing interest rates (being Level 2). All borrowings are measured at amortised cost. Financial assets and other financial liabilities measured at amortised cost, have a fair value that approximates their carrying amount.

Set out below are the financial instruments classified by category of measurement.

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, Management 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.

$ million	**Carried at amortised cost**	
At 31 December	**2022 USD**	**2021 USD**
Trade and other receivables	613.6	1,503.0
Receivables with related parties	1,030.3	585.6
Cash and cash equivalents	26.9	20.1
Total assets	**1,670.8**	**2,108.7**

At 31 December	**2022**	**2021**
	USD	**USD**
Borrowings*	484.4	483.7
Loans from related parties	450.0	-
Lease liabilities	20.2	16.0
Fixed asset suppliers	0.4	742.8
Other long-term liabilities	19.3	22.1
Trade and other payables	108.6	69.7
Payables to related parties	733.6	469.4
Total liabilities	**1,816.5**	**1,803.7**

*Fair value of the borrowings in 2022 is USD 367.1 million (2021: USD 555.7 million)

Note 16 – Financial risk management objectives and policies

The Group's main financial liabilities comprise U.S. dollar borrowings under issues on the 144A market. 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 SES S.A.'s board.

The Group's risks are similar to SES S.A.'s risks, and are managed at the level of SES S.A. There is no separate "risk management function" at the SES Americas Group level.

Liquidity risk

SES Americas' objective is to efficiently use cash generated to maintain borrowings at an appropriate level. In case of liquidity needs, the Group can call on uncommitted loans, commercial paper programmes and a committed syndicated loan. In addition, if deemed appropriate based on prevailing market conditions, the Group can access additional funds through the European Medium Term Note programme. The Group's debt maturity profile is tailored to allow Group companies to cover repayment obligations as they fall due.

The Group operates a centralised treasury function at the level of SES S.A. which manages, among others, the liquidity of the SES group (including the liquidity of the SES Americas Group) in order to optimise funding costs. This is supported by a daily cash pooling mechanism where liquidity risks are monitored on a daily basis.

As at 31 December 2022, SES Americas has available funding under the syndicated loan and European commercial paper programmes for an aggregate amount of USD 4,010.4 million (2021: USD 5,108.0 million). This funding can be drawn by either SES Americas or SES S.A..

The table below summarises the projected contractual undiscounted cash flows (nominal amount plus interest charges) based on the maturity profile of the Group's borrowings as at 31 December 2022 and 31 December 2021.

$ million	Within 1 year	Between 1 and 5 years	After 5 years	Total
As at 31 December 2022:				
Borrowings	-	-	500.0	500.0
Future interest commitments	26.5	106.0	437.3	569.8
Trade and other payables	842.2	-	-	842.2
Fixed assets suppliers	0.4	-	-	0.4
Other long-term liabilities	-	19.3	-	19.3
Lease liabilities	8.4	11.8	-	20.2
Total maturity profile	**877.5**	**137.1**	**937.3**	**1,951.9**
As at 31 December 2021:				
Borrowings	-	-	500.0	500.0
Future interest commitments	26.5	106.0	463.8	596.3
Trade and other payables	539.1	-	-	539.1
Fixed assets suppliers	742.8	-	-	742.8
Other long-term liabilities	-	22.1	-	22.1
Lease liabilities	4.6	11.4	-	16.0
Total maturity profile	**1,313.0**	**139.5**	**963.8**	**2,416.3**

Foreign currency risk

The Group's consolidated statement of financial position can be impacted by movements in the U.S. dollar / euro exchange rate as the functional currency of the major entities within the Group is the U.S. dollar. To mitigate this exposure the Group may enter into forward foreign exchange contracts or similar derivatives to hedge the exposure on financial debt. As at 31 December 2022 and 2021, there are no borrowings in currencies other than the U.S. dollar.

Interest rate risk

The Group's exposure to market interest rate risk relates primarily to the Group's debt portion at floating rates. In order to mitigate this risk, the Group is generally seeking to contract as much as possible of its debt outstanding at fixed interest rates, and is carefully monitoring the evolution of market conditions, adjusting the mix between fixed and floating rate debt if necessary. To mitigate the Group's interest rate risk in connection with near-term debt refinancing needs, the Group may from time to time enter into interest rate hedges through forward contracts denominated in EUR and USD.

The tables below summarise the split of the nominal value of the Group's borrowings between fixed and floating rate.

$ million	At fixed Rates	At floating rates	**Total**
Borrowings at 31 December 2022	**500.0**	**-**	**500.0**
Borrowings at 31 December 2021	500.0	-	500.0

$ million	At fixed Rates	At floating rates	**Total**
Loans from related parties at 31 December 2022*	**457.1**	**-**	**457.1**
Loans from related parties at 31 December 2021	-	-	-

* including USD 7.1 million of accrued interest

As at 31 December 2022, the Group had no floating rate borrowings outstanding and therefore its sensitivity to a possible change in interest rates was nil.

The table below summarises the split between receivables and payables of the nominal amount of the Group's cash pooling balances with SES S.A. which are all floating rate balances.

$ million	**2022**	2021
Cash pooling receivables with SES S.A.	**955.8**	439.6
Cash pooling payables with SES S.A.	**(709.3)**	(434.1)
Net cash pooling 31 December	**246.5**	5.5

The following table demonstrates the sensitivity of the Group's pre-tax income to reasonably possible changes in interest rates affecting the interest receivable on the net cash pooling balances at floating rates. All other variables are held constant.

The Group believes that a reasonably possible development in U.S. dollar interest rates includes an increase of 50 basis points (2021: increase of 55.8 basis points).

U.S. dollar interest rates $ million	Floating rate receivables (net)	Increase in rates Pre-tax impact	Decrease in rates Pre-tax impact
Net cash pooling at 31 December 2022	**246.5**	**1.2**	**-1.2**
Net cash pooling at 31 December 2021	5.5	-	-

Credit risk

Risk management

The Group has two types of financial assets which are subject to the expected credit loss model: trade receivables and contract assets. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, there was no impairment loss identified as at 31 December 2022.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. To measure the expected credit losses, trade receivables and unbilled accrued revenue have been grouped based on shared credit risk characteristics, country and the days past due. The unbilled accrued revenues have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the unbilled accrued revenue.

The credit verification procedures in relation to the assets above include the assessment of the creditworthiness of the customer by using sources of quality information such as external specialist reports, audited annual reports, press articles or rating agencies. Should the customer be a governmental entity, the official debt rating of the respective country is a key driver in determining the appropriate credit risk category.

Following this credit analysis, the customer is classified into a credit risk category which can be as follows: 'Prime' (typically publicly rated and traded customers), 'Market' (usually higher growth companies with higher leverage) or 'Sub-prime' (customers for which viability is dependent on continued growth with higher leverage). The credit profile is updated at least once a year for all customers with an ongoing contractual relationship with annual revenues over EUR/USD 1 million or the equivalent in any other currency. One of the main external customers of the Group is the US Government and its agencies through its Space & Defense business.

Impairment of trade receivables and unbilled accrued revenue

The Group applies the IFRS 9 simplified approach to measuring expected credit losses for trade receivables and unbilled accrued revenue by measuring the loss allowance at an amount equal to lifetime expected credit losses. To measure the expected credit losses, trade receivables and unbilled accrued revenue have been grouped in portfolios based on shared credit risk characteristics (credit risk profile: Prime, Market and Sub-prime), country and the days past due.

In order to compute the provision, the gross trade receivables balance is reduced for any portion representing deferred revenue, any securities held, and any applicable credit limit provided by credit insurance. Trade receivables are written off when there is no reasonable expectation of recovery. The Group's largest external customers are government agencies and the credit risk associated with these contracts is assessed as low. On that basis, the provisions as at 31 December 2022 and 31 December 2021 were nil.

Additional provisions are recorded for trade receivables balances if specific circumstances or forward-looking information lead the Group to believe that additional collectability risk exists with respect to a specific customer.

A provision of USD 1.7 million was recorded as at 31 December 2022 (31 December 2021: USD 2.1 million).

Aging of net trade debtors $ million		Neither past due nor impaired	Less than 1 month	Between 1 and 3 months	More than 3 months	**Total**
	2022	**60.6**	**21.3**	**5.0**	**2.1**	**89.0**
	2021	28.3	0.2	0.4	1.9	30.8

Impairment of other assets

While receivables with related parties and cash and cash equivalents are also subject to the impairment requirements of IFRS 9, there was no identified impairment loss as of 31 December 2022 and 2021.

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. As a consequence of the cash pooling structure within the SES Group, SES Americas' cash position is largely held with SES S.A. As at 31 December 2022, SES Americas recorded net cash pooling receivables with SES S.A. of USD 246.5 million (2021: USD 5.5 million).

To mitigate the third-party counterparty risk, the Group only deals with recognised financial institutions with an appropriate credit rating - generally 'A' and above - and in adherence of a maximum trade limit for each counterparty which has been approved for each type of transactions. All counterparties are financial institutions which are regulated and controlled by the national financial supervisory authorities of the associated countries. The counterparty risk portfolio is analysed on a quarterly basis. Moreover, to reduce this counterparty risk the portfolio is diversified as regards the main counterparties ensuring a well-balanced relation for all categories of products (derivatives as well as deposits).

Capital management

The policy of SES S.A., which is the guarantor of all borrowings by the SES Americas Group, 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, rating agency and market confidence.

Within this framework, the Group manages its capital structure and liquidity in order to reflect changes in economic conditions to keep its cost of debt low, maintain the confidence of debt investors at a high level and to create added value for the shareholder.

Note 17 – Cash and cash equivalents

$ million	**2022**	2021
Cash at bank and in hand	**26.9**	20.1
Total cash and cash equivalents	**26.9**	20.1

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Note 18 – Shareholders' equity

The Company has subscribed capital of USD 1,000, represented by 1,000 shares with a par value of USD 1 per share.

In March 2021, SES S.A. made a contribution-in-kind to share premium of USD 24.9 million.

Note 19 – Share-based compensation plans

The employees of the SES Americas Group participate in the following share-based compensation plans operated by SES S.A.. The options give rights on the shares of SES S.A. The relevant strike price is defined as the average of the market price of the underlying shares over a period of 15 trading days before the date of the grant.

1. The Stock Appreciation Rights Plan ('STAR Plan')

Under this plan, the Group's employees are granted rights to receive compensation payments reflecting the movement of SES S.A.'s share price in relation to a strike price. A third of the annual STAR Plan grant vests, and can be exercised, each year. After being fully vested, the share options have a four-year exercise period. The options granted and not exercised, are set out below:

	2022	2021
Outstanding options at the end of the year	**124,367**	218,727
Weighted average exercise price in euros	**24.39**	27.41

All of the 124,367 outstanding options as of 31 December 2022 (2021: 218,727), are fully vested and exercisable (2021: 218,727). No options were exercised in 2022 or in 2021. Movements in the number of options outstanding, and their weighted average exercise prices, are as follows:

	2022 Average exercise price per share option EUR	**Number of options**	2021 Average exercise price per share option EUR	Number of options
As at 1 January,	**27.41**	**218,727**	27.22	368,390
Granted	**-**	**-**	-	-
Forfeited	**31.38**	**(94,360)**	26.78	(148,932)
Exercised	**-**	**-**	-	-
Transfer from/to related parties	**-**	**-**	-	(731)
At 31 December	**24.39**	**124,367**	27.41	218,727

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

Grant	Expiry date	Exercise price per share options	Number of options	
		EUR	**2022**	2021
2016	2023	24.39	**124,367**	139,614
2015	2022	32.73	**-**	79,113
			124,367	218,727

2. Simulated Restricted Stock Units ('SRSU')

In June 2017, SES S.A. established a new compensation plan, which is progressively replacing the STAR Plan. Simulated Restricted Stock Units ('SRSU') are cash-settled awards which will be delivered on 1 June following a three-year vesting period and are settled in cash. The liability for the cash-settled awards is measured, initially and at the end of each reporting period until settled, at the fair value of the share appreciation rights, by applying a binominal model, taking into account the terms and conditions on which the stock appreciation rights were granted, and the extent to which the employees have rendered services to date.

During 2022, 282,259 SRSUs have been granted (2021: 253,668 SRSUs). In the same period, 92,475 SRSUs were forfeited (2021: 53,568 SRSUs) and 69,197 SRSUs (2021: 76,947 SRSUs) were vested. An accrual amounting to EUR 2,195,988 has been recognised as at 31 December 2022 (2021: EUR 1,723,176) based on the 714,929 outstanding SRSUs measured at the group's share price at the end of the year (2021: 568,870 outstanding SRSUs) on a pro-rata basis over the three-year vesting period.

3. Equity Based Compensation Plan ('EBCP Option')

The EBCP Option is 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. Generally, one-quarter of the entitlement vests on each 1 January of the four years following the Date of Option Grant, but for one grant, one fifth of the entitlement vests on each 1 June of the five years following the Date of Option Grant. Once vested, the options can be exercised until the tenth anniversary of the original grant. For 2022 EBCP Option Plan grants, one third of the options vest on each 1 June of the following three years.

	2022	2021
Outstanding options at the end of the year	**5,017,585**	4,516,849
Weighted average exercise price in euros	**11.61**	13.17

Out of the 5,017,585 outstanding options as of 31 December 2022 (2021: 4,516,849), 2,388,687 options are exercisable (2021: 2,270,217). Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2022		2021	
	Average exercise price per share option EUR	**Number of options**	Average exercise price per share option EUR	Number of options
At 1 January,	**13.17**	**4,516,849**	15.13	4,140,857
Granted	**7.94**	**1,299,004**	6.40	839,099
Forfeited	**15.55**	**(733,489)**	18.23	(588,926)
Exercised	**5.97**	**(110,886)**	5.97	(46,335)
Transfer from/to related parties	**-**	**46,107**	-	172,154
At 31 December,	**11.61**	**5,017,585**	13.17	4,516,849

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

Grant	Expiry date	Exercise price per share options	Number of options	
		EUR	**2022**	2021
2022	2032	6.0	**247,307**	-
2022	2032	8.4	**975,343**	-
2021	2031	6.40	**751,822**	817,971
2020	2030	5.97	**1,016,089**	1,210,871
2019	2029	15.01	**389,964**	441,989
2018	2028	12.67	**611,037**	697,653
2018	2028	18.23	**132,000**	132,000
2017	2027	21.15	**363,248**	450,792
2016	2026	24.39	**280,195**	361,712
2015	2025	32.73	**110,975**	147,793
2014	2024	26.50	**83,503**	109,401
2013	2023	23.51	**56,102**	70,154
2012	2022	18.10	**-**	76,513
			5,017,585	4,516,849

4. 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. Senior executives also have the possibility to be allocated performance shares whose granting is dependent on the achievement of defined performance criteria which are a) individual objectives and b) the economic value added ('EVA') target established by the Board from time to time. These shares also vest on the 1 June following the third anniversary of the original grant. For 2022 EBCP grants, EVA was replaced by the total shareholder return ('TSR') as the financial performance criteria for vesting of performance shares.

	2022	2021
Restricted and performance shares granted at the year end	**907,703**	601,692
Weighted average fair value in euros	**4.99**	6.04

During 2022, 231,809 restricted shares (2021: 129,304) and 231,928 performance shares (2021: 155,358) have been granted. In the same period, 34,617 restricted shares (2021: 7,896) and 36,955 performance shares (2021: 60,355) were forfeited, and 34,475 restricted shares (2021: 31,450) and 80,775 performance shares (2021: 52,031) have been exercised.

The fair value of equity-settled shares (restricted and performance shares) granted is estimated as at the the date of the grant using a binominal model for STARs and EBCP Option and a Black & Scholes model for EBCP, taking into account the terms and conditions upon which the options (restricted and performance shares) were granted. The following table lists the average value of inputs to the model used for the year ended 31 December 2022.

2022	EBCP Option	EBCP PS and EBCP RS
Dividend yield (%)	**9.46%**	**9.10%-9.16%**
Expected volatility (%)	**32.98%**	**25.24%-33.41%**
Risk-free interest rate (%)	**2.58%**	**2.76%-2.58%**
Expected life of options (years)	**10-9.63**	**3**
Share price at inception (EUR)	**6.09**	**6.09**
Fair value per option/share (EUR)	**0.409-0.817**	**4.63**

2021	EBCP Option	EBCP PS and EBCP RS
Dividend yield (%)	**6.99%**	**6.48%**
Expected volatility (%)	**32.03%**	**34.05%**
Risk-free interest rate (%)	**-0.45%**	**-0.64%**
Expected life of options (years)	**10**	**3**
Share price at inception (EUR)	**6.97**	**6.97**
Fair value per option/share (EUR)	**1.068**	**5.72**

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. In 2022 the Group recorded an expense of USD 2.1 million in respect of the share-based compensation accrual (2021:USD 2.1 million).

Note 20 – Borrowings

As at 31 December 2022 and 31 December 2021, the Group's borrowings were:

$ million	Effective interest rate	Maturity	Carried at amortised cost Amount Outstanding 2022	Carried at amortised cost Amount Outstanding 2021
Non-current				
US 144A Bond 2044 (USD 500 million)	5.30%	March 2044	**484.4**	483.7
Total non-current			**484.4**	483.7

The borrowing above mentioned does not include pledge clauses on particular assets of SES Americas.

European Medium-Term Note programme ('EMTN')

SES has an EMTN programme enabling SES S.A or SES Americas to issue as and when required notes up to a maximum aggregate amount of EUR 4,000.0 million. As at 31 December 2022 and 2021, SES Americas had no issuances under this programme.

SES Americas is a guarantor of the Eurobond 2026 (EUR 650 million), Euro Private Placement 2027 (EUR 140 million), Eurobond 2027 (EUR 500 million), Eurobond 2028 (EUR 400 million) and Eurobond 2029 (EUR 750 million) issued by SES S.A. under the programme.

SEC Rule 144A Bond USD 500 million (2044)

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

Syndicated loan 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 Moody's SES credit rating of Baa3, the interest rate is 50 basis points over EURIBOR / LIBOR. As at 31 December 2022 and 2021, no amount has been drawn under this facility.

European Commercial paper programme

In 2012, SES S.A. and SES Americas incepted a joint EUR 1,000.0 million guaranteed European Commercial paper programme. Issuances under the programme represents senior unsecured obligations of the issuer and 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 2022 and 2021, no borrowings were outstanding under this programme.

The 144A bond, the drawings under Syndicated loan 2019 and the European Commercial paper programme are guaranteed by SES S.A.

European Investment Bank (EIB) Financing Facility EUR 300 million (2029)

On 16 December 2022 SES SA signed the 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.
SES Americas is a guarantor of the EIB Financing Facility. As at 31 December 2022 no amount has been drawn under this facility.

LIBOR Reform

Certain benchmark rates used in financing agreements and financial derivatives are currently being modified and either have been terminated (GBP LIBOR or CHF LIBOR) or are planned to be terminated on 30 June 2023 (USD LIBOR). The Group has financing arrangements which are based on USD LIBOR as benchmark rate. These changes have been reviewed and do not have any material impact on the Group's consolidated financial statements and future funding capabilities.

Note 21 – Provisions

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 2022	**2.1**	**10.9**	**0**	**13.0**
Additional provisions recognised	-	4.7	9.8	14.5
Unused amounts reversed	-	(3.7)	(0.2)	(3.9)
Used during the year	-	(3.6)	(9.3)	(12.9)
Reclassification to income tax payable	-	-	-	-
As at 31 December 2022	**2.1**	**8.3**	**0.3**	**10.7**
Non-current	**2.1**	**-**	**0.3**	**2.4**
Current	**-**	**8.3**	**-**	**8.3**

$ million	Group tax provision	Restructuring provision	Other provisions	Total
As at 1 January 2021	**4.9**	**15.4**	**0.3**	**20.6**
Additional provisions recognised	-	0.9	-	0.9
Unused amounts reversed	(2.8)	-	-	(2.8)
Used during the year	-	(5.5)	(0.3)	(5.8)
Reclassification to income tax payable	-	0.1	-	0.1
As at 31 December 2021	**2.1**	**10.9**	**-**	**13.0**
Non-current	**2.1**	**-**	**-**	**2.1**
Current	**-**	**10.9**	**-**	**10.9**

Group tax provision

Provisions relate to liabilities arising from uncertain tax positions. 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 materiality 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 made for the potential taxation charge arising.

The decrease in the Group tax provision was mainly due to the reversal of provisions following the elimination of the uncertainties that gave rise to the recognition of these provisions.

Restructuring provision

Expenses of the period include an amount of USD 4.7 million (2021: USD 0.9 million) of charges associated with the reorganisation of the Group’s operations, mainly in the framework of the Group’s ‘Simplify & Amplify’ programme. These comprise personnel measures to adjust staffing levels and structures in certain areas.

Reflecting these activities, the consolidated statement of financial position includes a provision of USD 8.3 million (2021: USD 10.9 million). No new initiatives are expected under the current restructuring programme which would result in additional charges in the following years.

Note 22 – Trade and other payables

$ million	2022	2021
Trade creditors with non-related parties	**12.9**	10.5
Personnel-related liabilities	**26.6**	27.1
Tax liabilities other than for income tax	**7.1**	3.3
Interest on borrowings	**7.1**	7.1
Other liabilities with non-related parties	**54.9**	21.7
Total	**108.6**	69.7

‘Personnel-related liabilities’ includes an accrual related to the share-based compensation plans (Note 19) in amount of USD 5.5 million (2021: USD 4.8 million).

Note 23 – Other-long term liabilities

$ million	2022	2021
Employee benefits obligations	**16.0**	19.0
Other	**3.3**	3.1
Total	**19.3**	22.1

As set out in Note 2, certain employees benefit from an externally insured post-retirement health benefit plan. During 2021, changes to the plan's rules resulted in a reduction in the corresponding employee benefit obligations of USD 10.8 million, included under 'Staff costs' in the consolidated income statement. As 31 December 2022, accrued premiums of USD 7.6 million (2021: USD 9.8 million) are included in this position.

There were no contributions made in 2022 to these plans (2021: USD 2.2 million, which are recorded in the consolidated income statement under 'Staff costs').

In addition, certain employees of the U.S. operations benefit from defined contribution pension plans. A liability of USD 11.1 million has been recognised as at 31 December 2022 (2021: USD 11.8 million) in this respect, out of which USD 3.3 million is included under 'Trade and other payables' (2021: USD 3.1 million).

Note 24 – Commitments and contingencies

Capital expenditure commitments

The Group had outstanding commitments in respect of contracted capital expenditure totalling USD 23.3 million as at 31 December 2022 (2021: USD 291.7 million). These commitments reflect the procurement of satellites in connection with the C-Band repurposing activities and as well the expansion of ground station and control facilities. In the case of termination by the Group of these contracts, contractual penalty provisions would apply.

The capital expenditure commitments arising under these agreements as at 31 December are as follows:

$ million	**2022**	2021
Within one year	**21.3**	281.4
After one year but not more than five years	**2.0**	10.3
After more than five years	**-**	-
Total	**23.3**	**291.7**

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. The commitment arising under these agreements as at 31 December was as follows:

$ million	**2022**	2021
Within one year	**14.1**	7.4
After one year but not more than five years	**-**	2.5
After more than five years	**-**	-
Total	**14.1**	**9.9**

Total expense for transponder service agreements with non-related parties was USD 66.4 million in 2022 (2021: USD 44.2 million).

Litigation

There were no significant litigation claims against the Group as at 31 December 2022 and 31 December 2021.

Guarantees

SES Americas is guarantor of the EUR 550.0 million and EUR 625.0 million Deeply Subordinated Fixed Rate Resettable Securities issued by SES S.A. in November 2016 and May 2021 respectively. Additionally, SES Americas is guarantor for the 2043 US Bond (USD 250 million) and the Eurobonds (see Note 20) issued by SES S.A., as well as for SES S.A.'s Coface facility.

Restrictions on use of cash

There were no restricted cash balances as at 31 December 2022 and 31 December 2021.

Note 25 – Leases

The Group has recognised right-of-use assets, and associated liabilities, in relation to contracts previously classified as "operating leases" under the provision of IAS 17. These assets and liabilities were measured at the present value of the remaining lease payments, discounted using the Group's weighted average incremental borrowing rate of 2.87% as at 31 December 2022 (2.76% as at 31 December 2021). The difference between the operating lease commitments and the right-of-use assets recognised represents impact of discounting over the outstanding lease term.

i) Amounts recognised in the consolidated statement of financial position

The Group leases office buildings, ground segment assets and other fixtures and fittings, tools and equipment, information about which is presented below.

$million	Buildings	Transponders (included within Space Segment)	31 December 2022
Right-of-use assets			
Cost	31.1	5.1	36.2
Accumulated depreciation	(17.6)	(3.7)	(21.3)
Total	**13.5**	**1.4**	**14.9**

$million	Buildings	Transponders (included within Space Segment)	31 December 2021
Right-of-use assets			
Cost	25.1	-	25.1
Accumulated depreciation	(12.0)	-	(12.0)
Total	**13.1**	**-**	**13.1**

There were no material additions to the right-of-use assets during 2022. The depreciation charge for the year was USD 10.8 million (2021: USD 3.4 million).

Lease liabilities are presented below as at 31 December:

$ million	**2022**	**2021**
Maturity analysis – contractual undiscounted cash flows		
Within one year	5.8	4.8
After one year but not more than five years	5.6	6.0
More than five years	4.1	-
Total	**15.5**	**10.8**
Lease liabilities included in the statement of financial position at		
Current	8.4	4.6
Non-current	11.8	11.4
Total	**20.2**	**16.0**

The leases of office buildings typically run for a period of three to eleven years and leases of ground segment assets for five years. Some leases include an option to renew the lease for an additional period of time after the end of the contract term. The Group assesses at lease commencement whether it is reasonably certain that the extension option will be exercised. The Group reassesses this assumption whenever there is a significant event or change in circumstances within its control.

ii) Amounts recognised in the consolidated income statement

Depreciation charge of right-of-use assets:

$ million	2022	2021
Buildings	7.4	3.4
Transponders (included within Space Segment)	3.4	-
Total	**10.8**	**3.4**

Finance cost:

$ million	2022	2021
Interest expense	0.9	0.7

The total cash outflow for leases in 2022 was USD 8.3 million (2021: USD 5.2 million).

Note 26 – Cash flow information

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for 2022.

$ million	2022	2021
Cash and cash equivalents	**26.9**	20.1
Borrowings, at fixed rates, repayable after one year	**(484.4)**	(483.7)
Net debt[1]	**(457.5)**	(463.6)

[1] Net debt excludes current and non-current lease liabilities. Including these, net debt as at 31 December 2022 was USD 477.7 million (2021: USD 479.6 million)

$ million	Cash and cash equivalents	Borrowings – repayable after one year	**Total**
Net debt as at 1 January 2022	20.1	(483.7)	(463.6)
Cash flows (net)	6.8	-	6.8
Other non-cash movements*	-	(0.7)	(0.7)
Net debt as at 31 December 2022	**26.9**	**(484.4)**	**(457.5)**

$ million	Cash and cash equivalents	Borrowings – repayable after one year	**Total**
Net debt as at 1 January 2021	15.5	(482.9)	(467.4)
Cash flows (net)	4.6	-	4.6
Other non-cash movements*	-	(0.8)	(0.8)
Net debt as at 31 December 2021	**20.1**	**(483.7)**	**(463.6)**

*related to loan origination costs

Note 27 – Related parties

The Group has recorded the following significant transactions with SES S.A. group companies:

Counterparty $ million	Rate at 31 December	2022	2021
Related party loans receivable			
SES S.A. non-current	4.2%	**0.0**	0.1
SES S.A. current	Overnight Libor + spread	**955.8**	439.6
Trade and other receivables excluding the related pary loans			
New Skies Satellites B.V.		**48.8**	40.0
SES Engineering (Luxembourg) S.à.r.l.		**18.3**	10.4
MX1 Ltd		**1.4**	5.9
SES Insurance International (Luxembourg) S.A.		**2.2**	2.9
O3b Sales B.V.		**1.4**	-
SES Astra S.A.		**0.1**	85.5
Other		**2.3**	1.2
Receivables with related parties		**1,030.3**	585.6

Counterparty $ million	Rate at 31 December	2022	2021
Related party loans payable			
SES S.A.	Overnight Libor + spread	**709.3**	434.1
SES LU US Holdings S.à r.l.	6%	**457.1**	-
Trade and other payables excluding the related party loans			
New Skies Satellites B.V.		**9.1**	8.3
SES Engineering (Luxembourg) S.à r.l.		**2.1**	5.2
SES Engineering (Netherlands) B.V.		**2.1**	-
SES Astra S.A.		**1.7**	3.7
O3b Networks USA LLC		**0.8**	1.2
SES Participations S.A.		**-**	5.0
O3b Sales BV		**-**	0.9
Other		**0.2**	0.2
Liability in respect of purchase of tangible assets			
SES Astra S.A.		**1.2**	10.8
Payables to related parties		**1,183.6**	469.4

Counterparty $ million	2022	2021
Finance income $ million	**2022**	2021
SES S.A.	**18.4**	1.3
Total	**18.4**	1.3

Revenue $ million	2022	2021
New Skies Satellites B.V.	**180.6**	110.6
SES Engineering (Luxembourg) S.à r.l.	**90.3**	86.7
SES Participations S.A.	**27.2**	22.6
MX1 Ltd.	**5.3**	7.0
SES Astra S.A.	**3.6**	1.0
SES Telecommunicaciones de Mexico S. de R.L. de C.V.	**1.1**	0.8
SES mPOWER S.à r.l.	**0.7**	2.4
Other	**2.3**	5.0
Total	**311.1**	236.1

Counterparty $ million	2022	2021
Finance expenses		
SES S.A.	**38.3**	1.1
SES LU US Holdings S.à r.l.	**7.1**	-
Total	**45.4**	1.1
Operating expenses		
New Skies Satellites B.V.	**80.5**	167.4
SES Engineering (Luxembourg) S.à r.l.	**53.0**	43.1
SES Astra S.A.	**45.8**	215.1
O3b Sales BV	**24.6**	35.1
SES Participations S.A.	**16.0**	19.7
O3b Network USA LLC	**5.0**	8.9
SES Insurance International (Luxembourg) SA	**3.2**	3.9
Other	**3.2**	7.7
Total	**231.3**	500.9

The loans are subject to variable interest rates reflecting market conditions.

Note 28 – C-Band repurposing

At its Open Commission Meeting held on 28 February 2020, the Federal Communications Commission (‘FCC’) adopted a Report and Order and Order of Proposed Modification (‘the FCC 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 contiguous United States (‘CONUS’).

On 26 May 2020, SES officially committed to an accelerated version of the C-band clearing programme proposed in the FCC Order, which aims at ensuring a faster deployment of 5G capabilities in the United States. On 1 June 2020, the FCC's Wireless Telecommunications Bureau confirmed that a sufficient number of eligible space station operators had filed similar accelerated relocation elections, triggering the adoption of the accelerated programme pursuant to the schedule set out below:

- Phase I: By 5 December 2021, SES will relocate all of its commercial services out of the 3,700-3,820 MHz band over the CONUS. This will require making equipment changes on all associated incumbent earth stations located in 46 of the top 50 Partial Economic Areas, supplementing telemetry, tracking and control ("TT&C") operations to enhance two earth stations located in Hawley (Pennsylvania, U.S.A.) and Brewster (Washington, U.S.A.) and beginning the consolidation of gateway services currently located at other SES locations, as well as any customer or user gateway services, to Hawley and / or Brewster;

- Phase II: By 5 December 2023, SES will relocate all its CONUS commercial services out of the full 3,700-4,000 MHz band, making necessary equipment changes on all associated incumbent earth stations located in all CONUS Partial Economic Areas, completing its gateway consolidation to the Hawley and Brewster sites and completing TT&C upgrades across SES teleports.

SES filed its Phase I Certification of Accelerated Relocation with the FCC on 1 October 2021 and an amended certificate on 26 October 2021. The FCC validated the amended certificate on 24 November 2021, at which time the USD 976.9 million of Accelerated Relocation Payments were fully earned. SES received the Accelerated Relocation Payments on 29 December 2021 and 3 January 2022.

The Group will receive a further USD 2,991.2 million for Phase II if it successfully completes the clearing of the spectrum as described above. In the case of delays in achieving the Phase II spectrum clearing milestone, then the Accelerated Relocation Payments will decrease on a sliding scale to zero over the six-month period beginning 5 December 2023.

The FCC held a public auction for the repurposed spectrum which began on 8 December 2020 with the winning bidders being announced on 24 February 2021.

To facilitate the clearing of the spectrum SES is procuring six C-band satellites and launch vehicles and is consolidating and upgrading its ground facilities to comply with the provisions of the FCC Order. In parallel, customers and affiliated earth stations are being equipped with special filters, new antennae and/or other technology 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.

The SES Board of Directors approved an investment envelope of USD 1.6 billion for the implementation of the accelerated clearing programme including the procurement and launch of the new satellites and other equipment and services described above. SES expects these spectrum clearing costs to be reimbursed by the Clearinghouse which is administering the transition and related payments with FCC oversight.

The C-band spectrum clearing operational activities are headed by a member of the Group's Senior Leadership Team supported by a team of dedicated functional managers and full-time and part-time resources. The financial impact of these operations is monitored as part of the ongoing financial reporting to the Group's management and Board.

The C-band repurposing project is not the result of a contract with a customer and therefore proceeds from the contract are not accounted for as revenue under IFRS 15 – 'Revenue from contracts with customers', but rather as C-band repurposing income. The FCC is a U.S. governmental agency that developed the rules of the auction, including requiring the Group to clear the lower 300 MHz of C-band spectrum and requiring overlay license auction winners to reimburse the Group for reasonable relocation costs and pay the Group accelerated relocation payments if earned in accordance with the FCC Order. In consideration of the substance of the FCC's rulemaking, the Group believes the payments the FCC requires auction winners to make to the Group are akin to a government grant. Accordingly, the Group is applying the requirements of IAS 20 ('Accounting for Government Grants and Disclosure of Government Assistance') to account for the C-band repurposing income related to reimbursements of reasonable relocation costs and accelerated relocation payments.

For capitalised costs related to the procurement of the C-band satellites, launches, and upgraded ground facilities, 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. The costs and expected reimbursements recorded in the consolidated statement of financial position under "Assets in the course of construction" (Note 10) are presented in the table below:

$ million	Space segment	Ground segment	Total
Cost as at 1 January 2022	**757.0**	**42.4**	**799.4**
Additions	332.9	14.6	**347.5**
Cost as at 31 December 2022	**1,089.9**	**57.0**	**1,146.9**
Expected reimbursements as at 1 January 2022	**(757.0)**	**(41.9)**	**(798.9)**
Additions	(327.8)	(13.7)	(341.5)
Repayments	717.0	1.4	718.4
Expected reimbursements as at 31 December 2022	**(367.8)**	**(54.2)**	**(422.0)**

$ million	Space segment	Ground segment	Total
Cost as at 1 January 2021	**387.6**	**9.5**	**397.1**
Additions	369.4	32.9	**402.3**
Cost as at 31 December 2021	**757.0**	**42.4**	**799.4**
Expected reimbursements as at 1 January 2021	**(13.0)**	**-**	**(13.0)**
Additions	(744.0)	(41.9)	(785.9)
Expected reimbursements as at 31 December 2021	**(757.0)**	**(41.9)**	**(798.9)**

In 2022 the Group expended USD 347.5 million (2021: USD 402.3 million) of capital expenditures which have been partially offset by expected reimbursements as per the above, amounting to USD 341.5 million (2021: USD 785.9 million including a USD 383.6 million reclassification from assets under construction, see Note 10).

The Group records operating expenses as incurred for both equipment transferred to customers and affiliated earth stations to facilitate their migration to the upper 200 MHz of the C-band and other associated spectrum clearing costs. The Group records C-band repurposing reimbursement income related to these expenses 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 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.

In 2022 the Group recorded C-band repurposing income of USD 181.4 million (2021: USD 1,051.9 million) including USD 170.0 million of Verizon accelerated relocation proceeds (2021: USD 976.9 million of accelerated relocation payments recognised pursuant to the FCC's confirmation of Phase 1 completion). C-band-related expenses of USD 31.8 million (2021: EUR 122.9 million) represent cost of sales of USD 3.6 million (2021: USD 61.5 million), accumulated staff costs of USD 3.9 million (2021: USD 8.2 million) and other operating expenses (including travel and consulting charges) of USD 24.3 million (2021: USD 53.2 million).

As at 31 December 2022, in connection with the accelerated relocation payments, operating expenses, and capital expenditures above, the Group has other receivables of USD 512.5 million (2021: USD 1,466.9 million) related to the C-band repurposing project (see Note 14).

Once the accelerated clearing programme had been confirmed, the Group began the amortisation of the remaining balance of deferred charges in connection with the C-band repurposing. The balance as at 31 December 2022 is USD 5.2 million (2021: USD 10.9 million). These deferred charges, which are presented under 'Prepayments' in the Statement of Financial Position are being amortised on a straight-line basis through to the completion of Phase II in December 2023.

SES entered into procurement agreements with three satellite manufacturers to acquire the six satellites needed to facilitate the repurposing of the C-band spectrum representing an aggregate commitment of USD 1,031.1 million, out of which a nil balance (2021: USD 741.9 million) is presented under 'Fixed assets suppliers' in the consolidated statement of financial position.

SES's other commitments for C-band repurposing expenditures represent USD 23.4 million (2021: USD 5.0 million).

Note 29 – Subsequent events

There have been no material events occurring between the reporting date and the date when the consolidated financial statements were authorised by the Board of Directors.

Note 30 – Non-IFRS measures

The following non-IFRS measures reconcile to the relevant consolidated financial statement line items as follows:

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 line items in the consolidated statement of financial position:

$ million	**2022**	2021
Borrowings - non-current	**484.4**	483.7
Borrowings - current	**-**	-
Borrowings, *less*	**484.4**	483.7
Cash and equivalents	**26.9**	20.1
Net debt	**457.5**	463.6

2) EBITDA and EBITDA margin

EBITDA is defined as profit for the period before the impact of depreciation, amortisation, impairment, net financing costs, income tax. EBITDA Margin is defined as EBITDA divided by the sum of revenue and 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 income statement line items from which it is derived:

$ million	**2022**	2021
(Loss) / profit before tax	**72.6**	599.5
Add: Depreciation and impairment expense	**141.2**	78.2
Add: Amortisation and impairment expense	**12.8**	9.8
Add: Impairment on investment in associate	**(6.7)**	19.8
Less: Gain on disposal of equity interest	**(7.9)**	-
Less: Share of associate's result	**(1.1)**	(1.5)
Add: Net financing costs	**59.0**	31.2
EBITDA	**269.9**	737.0

The following table provides a reconciliation of EBITDA Margin:

$ million	**2022**	2021
Revenue and other income	**782.5**	1,530.1
EBITDA	**269.9**	737.0
EBITDA Margin (%)	**34.5%**	48.2%

3) Net debt to EBITDA ratio

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

$ million	**2022**	2021
Net debt	**457.5**	463.6
EBITDA	**269.9**	737.0
Net debt to EBITDA ratio	**1.7**	0.6

Note 31 – Consolidated subsidiaries, associates

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

	Effective Interest (%) 2022	**Method of consolidation 2022**	Effective interest (%) 2021	Method of consolidation 2021
SES Global Americas Inc., U.S.A.	100.00	Full	100.00	Full
SES Americom, Inc., U.S.A.	100.00	Full	100.00	Full
SES Astra AB, Sweden	32.34	Equity	32.34	Equity
SES Space & Defence Inc., U.S.A.[3, 5]	100.00	Full	100.00	Full
SES Mexico, S. de R.L. de C.V., Mexico[4]	88.66	Full	49.00	Equity
SES Satellites International, LLC, U.S.A.	100.00	Full	100.00	Full
SES Satellites (Gibraltar) Ltd, Gibraltar	100.00	Full	100.00	Full
SES Americom (Asia 1A) LLC, U.S.A.	100.00	Full	100.00	Full
Americom Asia Pacific LLC, U.S.A.	100.00	Full	100.00	Full
QuetzSat Directo, S. de R.L. de C.V., Mexico (equity 94.63%)	49.00	Equity	49.00	Equity
SES Engineering (U.S.) Inc., U.S.A.[2]	100.00	Full	100.00	Full
SES 5G Customer Services, LLC, U.S.A.	100.00	Full	100.00	Full
SES US Satellite Holdings, LLC, U.S.A.	100.00	Full	100.00	Full
MX1 LLC U.S.A.[2]	100.00	Full	100.00	Full
Global Enterprise Solutions Inc., U.S.A.[1, 5]	100.00	Full	-	-
SES Technologies Verwaltungs GmbH, Germany[1, 5]	100.00	Full	-	-
Global Networks Services LLC, U.S.A.[1, 5]	100.00	Full	-	-
TSI International LLC, U.S.A.[1, 5]	100.00	Full	-	-

[1] Entities acquired by the Group with effect from 1 August 2022

[2] Entity merged into SES Americom, Inc. with effect from 1 January 2023

[3] Formerly SES Government Solutions, Inc.

[4] Formerly Sistemas Satelitales de Mexico S. de R.L. de C.V.

[5] See Note 2, 'Significant accounting judgments and estimates' and Note 3, 'Business combinations'