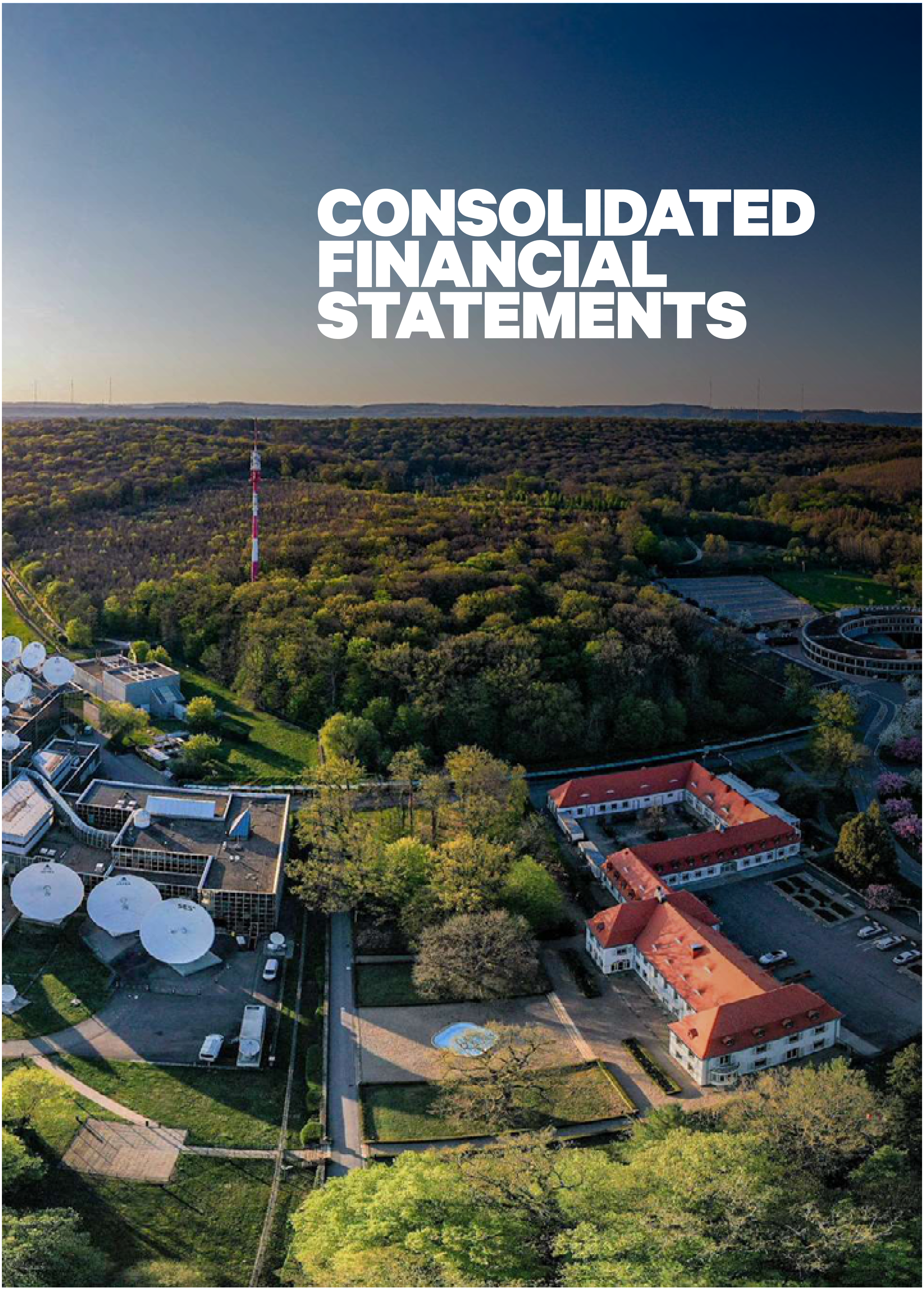
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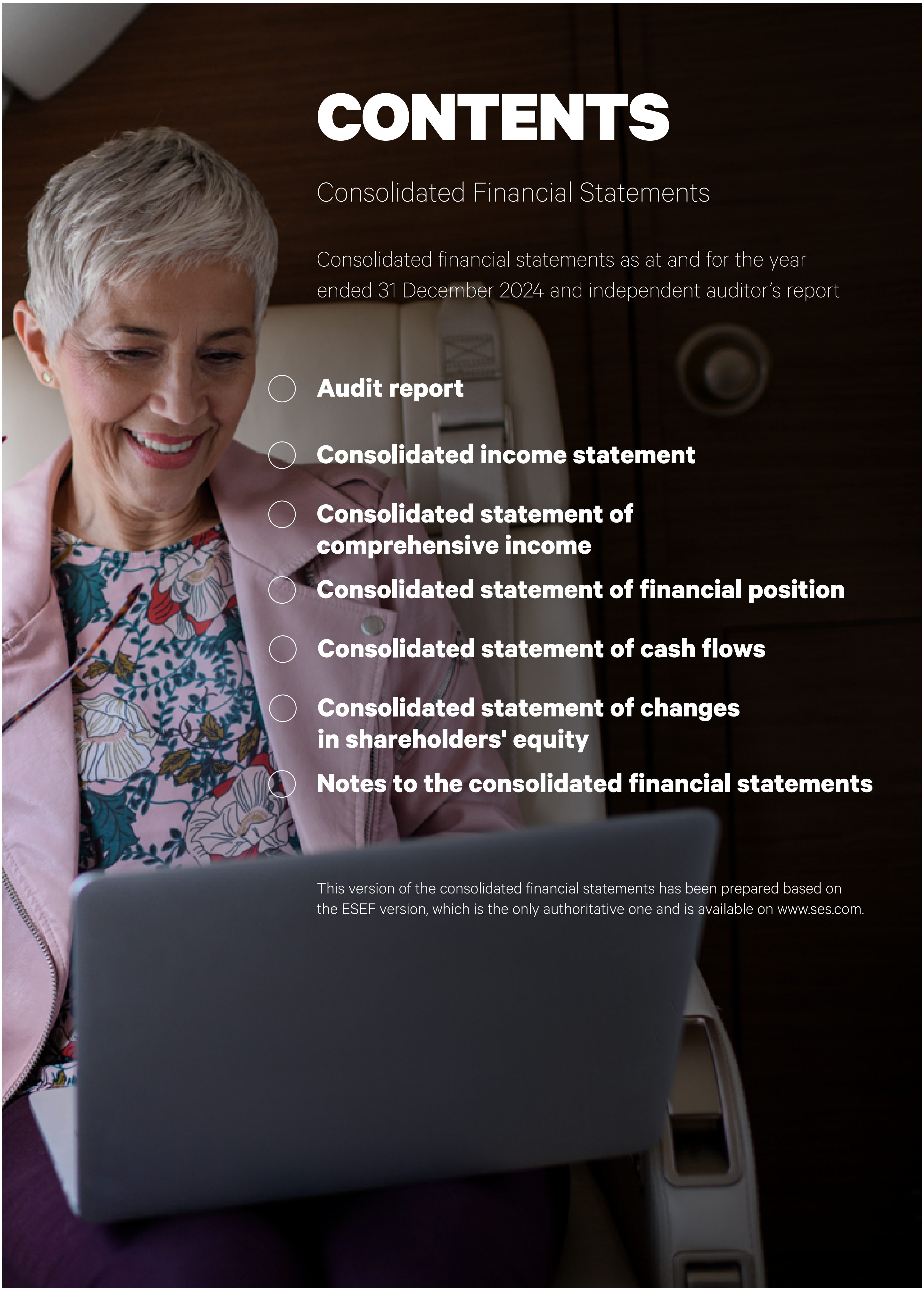
STATEMENTS



CONTENTS

Consolidated Financial Statements

Consolidated financial statements as at and for the year ended 31 December 2024 and independent auditor's report

This version of the consolidated financial statements has been prepared based on the ESEF version, which is the only authoritative one and is available on www.ses.com.

Audit report

To the Shareholders of
SES S.A.

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of SES S.A. (the "Company") and its subsidiaries (the "Group") as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Our opinion is consistent with our additional report to the Audit and Risk Committee.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in shareholders' equity for the year then ended; and
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of the EU Regulation No 537/2014.

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Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518

The non-audit services that we have provided to the Company and its controlled undertakings, if applicable, for the year then ended, are disclosed in Note 5 to the consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of goodwill and orbital slot license rights

As described in Notes 2 and 15 to the consolidated financial statements, at 31 December 2024, the Group's goodwill and orbital slot license rights balances were 143 million EUR and 477 million EUR, respectively.

We focused on this area due to the high level of judgment in relation with the assumptions used in the calculation of the recoverable amounts (revenue, capital expenditure, discount rates and growth rates) and changes to the judgments and estimates applied in the determination of the cash-generating units (“CGUs”).

How our audit addressed the key audit matter

- We evaluated the design and implementation of relevant internal controls;
- We evaluated Management's determination of the CGUs as well as the method and model used for the determination of the recoverable amount, considering the requirements of IAS 36;
- We involved valuation specialists to assist in evaluating the appropriateness of the value in use model and the reasonableness of the discount rates and growth rates assumptions;
- We agreed the forecasted cash flows used for the calculation of the recoverable amount to the Business Plan as approved by the Board of Directors;
- We compared actual revenue with forecasts used in prior Business Plan;
- We evaluated the forecasted revenue assumptions, considering our expectations in terms of significant developments during the forecast period and corroborated these with contractual agreements in place as well as external market data in respect of demand for satellite capacity and pricing;
- We evaluated the capital expenditure assumptions, considering our expectations in terms of significant developments during the forecast period (capital expenditure programs, replacement of satellites) and the expected capital expenditure level in the terminal period in order to maintain the current assets base;
- We performed sensitivity analysis of the models to changes in the key assumptions;
- We evaluated the accuracy and completeness of the disclosures included in the consolidated financial statements.

Impairment of space segment assets including assets under construction

As described in Notes 2, 13 and 14 to the consolidated financial statements, at 31 December 2024, the Group's space segment assets balance, representing primarily satellites were 2,534 million EUR, and space segment assets in the course of construction, representing primarily satellites in the course of construction, were 1,231 million EUR.

We focused on this area due to the high level of judgment in relation with the assumptions used in the calculation of the recoverable amounts (revenue, capital expenditure, discount rates and growth rates).

How our audit addressed the key audit matter

- We evaluated the design and implementation of relevant internal controls;
- We evaluated Management's method and model used for the determination of the recoverable amount, considering the requirements of IAS 36;
- We discussed with Management about any satellite health issues and evaluated their impact on the satellites capability to generate future cash inflows, and implicitly on the recoverable amount of the satellites;
- We agreed the forecasted cash flows used for the calculation of the value in use to the Business Plan as approved by the Board of Directors;
- We compared actual revenue with forecasts used in prior Business Plan;
- We evaluated the forecasted revenue assumptions, considering our expectations in terms of significant developments during the forecast period and corroborate these with contractual agreements in place as well as external market data in respect of demand for satellite capacity and pricing;
- We evaluated the capital expenditure assumptions considering our expectations in terms of significant developments during the forecast period (capital expenditure programs, replacement of satellites) and the expected capital expenditure level in the terminal period in order to maintain the current assets base;
- We involved valuation specialists to assist in evaluating the appropriateness of the value in use model and the reasonableness of the discount rates and growth rates assumptions;
- We performed sensitivity analysis of the models to changes in the key assumptions;
- We evaluated the accuracy and completeness of the disclosures included in the consolidated financial statements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report including the consolidated management report and the Corporate Governance Statement but does not include the consolidated financial statements and our audit report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the consolidated financial statements

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

The Board of Directors is responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities and business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

We assess whether the consolidated financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Report on other legal and regulatory requirements

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the consolidated management report. The information required by Article 68ter Paragraph (1) Letters c) and d) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We have been appointed as "Réviseur d'Entreprises Agréé" by the General Meeting of the Shareholders on 4 April 2024 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 12 years.

We have checked the compliance of the consolidated financial statements of the Group as at 31 December 2024 with relevant statutory requirements set out in the ESEF Regulation that are applicable to consolidated financial statements.

For the Group it relates to the requirement that:

- the consolidated financial statements are prepared in a valid XHTML format;
- the XBRL markup of the consolidated financial statements uses the core taxonomy and the common rules on markups specified in the ESEF Regulation.

In our opinion, the consolidated financial statements of the Group as at 31 December 2024 have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 3 March 2025

François Mousel

Consolidated income statement

For the year ended 31 December 2024

€million		**2024**	2023
Revenue	Note 3	**2,001**	2,030
C-band repurposing income	Note 35	**88**	2,744
Other income		**3**	5
Cost of sales	Note 4	**(461)**	(444)[1]
Staff costs	Note 4	**(402)**	(409)
Other operating expenses	Note 4	**(236)**	(244)[1]
Operating expenses	Note 4	**(1,099)**	(1,097)
EBITDA	Note 37	**993**	3,682
Depreciation expense	Note 13	**(650)**	(603)
Property, plant and equipment impairment	Note 13	**(216)**	(26)
Assets in the course of construction impairment	Note 14	**-**	(425)
Amortisation expense	Note 15	**(156)**	(89)
Intangible assets impairment	Note 15	**93**	(3,225)
Operating profit / (loss)		**64**	(686)
Finance income	Note 6	**136**	64
Finance costs	Note 6	**(139)**	(106)
Net financing costs	Note 6	**(3)**	(42)
Other non-operating income / expenses (net)	Note 7	**21**	-
Profit / (loss) before tax		**82**	(728)
Income tax expense	Note 8	**(55)**	(176)
Profit / (loss) after tax		**27**	(904)
Profit / (loss) for the year		**27**	(904)
Attributable to:			
Owners of the parent		**15**	(905)
Non-controlling interests		**12**	1
		27	(904)
Basic loss per share (in euro)			
Class A shares	Note 11	0.00	(2.14)
Class B shares	Note 11	0.00	(0.86)
Diluted loss per share (in euro)			
Class A shares	Note 11	0.00	(2.14)
Class B shares	Note 11	0.00	(0.86)

[1]Comparative amounts reclassified (see Note 4)

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

Consolidated statement of comprehensive income

For the year ended 31 December 2024

€million		**2024**	2023
Profit/(Loss) for the year		**27**	(904)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligation		**(2)**	-
Income tax effect		**1**	-
Remeasurements of post-employment benefit obligation, net of tax		**(1)**	-
Total items that will not be reclassified to profit or loss		**(1)**	-
Items that may be reclassified subsequently to profit or loss			
Impact of currency translation	Note 10	**228**	(196)
Income tax effect	Note 10	**(12)**	11
Total impact of currency translation, net of tax		**216**	(185)
Net investment hedge	Note 21	**(15)**	22
Income tax effect	Note 21	**4**	(6)
Total net investment hedge, net of tax		**(11)**	16
Total items that may be reclassified subsequently to profit or loss		**205**	(169)
Total other comprehensive (loss)/income for the year, net of tax		**204**	(169)
Total comprehensive (loss)/income for the year, net of tax		**231**	(1,073)
Attributable to:			
Owners of the parent		**218**	(1,074)
Non-controlling interests		**13**	1
		231	(1,073)

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

Consolidated statement of financial position

As at 31 December 2024

€million		2024	2023
Non-current assets			
Property, plant and equipment	Note 13	**2,924**	3,042
Assets in the course of construction	Note 14	**1,348**	1,550
Total property, plant and equipment		**4,272**	4,592
Intangible assets	Note 15	**908**	920
Other financial assets	Note 16	**34**	20
Prepayments		**2**	1
Trade and other receivables	Note 19	**107**	87
Deferred customer contract costs		**1**	3
Deferred tax assets	Note 9	**701**	671
Total non-current assets		**6,025**	6,294
Current assets			
Inventories	Note 17	**49**	55
Trade and other receivables	Note 19	**649**	860
Deferred customer contract costs		**2**	2
Prepayments		**58**	47
Income tax receivable		**23**	19
Cash and cash equivalents	Note 22	**3,521**	2,907
Total current assets		**4,302**	3,890
Total assets		**10,327**	10,184
Equity			
Attributable to the owners of the parent	Note 23	**3,423**	3,701
Non-controlling interests	Note 24	**69**	57
Total equity		**3,492**	3,758
Non-current liabilities			
Borrowings	Note 26	**4,247**	3,443
Provisions	Note 27	**3**	3
Deferred income	Note 18	**338**	337
Deferred tax liabilities	Note 9	**212**	205
Other long-term liabilities	Note 29	**55**	83
Lease liabilities	Note 32	**32**	23
Fixed assets suppliers	Note 30	**426**	313
Total non-current liabilities		**5,313**	4,407
Current liabilities			
Borrowings	Note 26	**273**	716
Provisions	Note 27	**128**	88
Deferred income	Note 18	**225**	224
Trade and other payables	Note 28	**678**	390
Lease liabilities	Note 32	**19**	16
Fixed assets suppliers	Note 30	**184**	455
Income tax liabilities		**15**	130
Total current liabilities		**1,522**	2,019
Total liabilities		**6,835**	6,426
Total equity and liabilities		**10,327**	10,184

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

Consolidated statement of cash flows

For the year ended 31 December 2024

€million		2024	2023
Profit/(Loss) before tax		**82**	(728)
Taxes paid during the year		**(168)**	(442)
Interest expense on borrowings	Note 6	**104**	86
Interest income		**(127)**	(51)
Depreciation, amortisation and impairment	Notes 12, 13, 14	**929**	4,368
Amortisation of client upfront payments		**(45)**	(45)
Other non-cash items in the consolidated income statement		**-**	173
Consolidated operating profit adjusted for non-cash items and tax payments and before working capital changes		**775**	3,361
Changes in working capital			
(Increase) in inventories		**-**	(26)
Decrease in trade and other receivables		**38**	13
Decrease/(increase) in prepayments		**7**	(2)
Increase/(decrease) in trade and other payables		**205**	(4)
(Decrease)/increase in upfront payments		**(19)**	137
Changes in working capital		**231**	118
Net cash generated by operating activities		**1,006**	3,479
Cash flow from investing activities			
Payments for purchases of intangible assets		**(23)**	(22)
Payments for purchases of tangible assets		**(280)**	(383)
Interest received		**158**	45
Other investing activities		**(14)**	(10)
Net cash absorbed by investing activities		**(159)**	(370)
Cash flow from financing activities			
Proceeds from borrowings	Note 33, 26	**1,034**	-
Repayment of borrowings	Note 33, 26	**(717)**	(706)
Partial redemption of perpetual bond		**(35)**	-
Transaction costs in respect of undrawn facilities		**(22)**	-
Coupon paid on perpetual bond	Note 23	**(49)**	(49)
Dividends paid on ordinary shares[1]	Note 12	**(320)**	(220)
Interest paid on borrowings		**(110)**	(109)
Payments for acquisition of treasury shares		**(128)**	(22)
Proceeds from treasury shares sold and exercise of stock options		**-**	1
Lease payments	Note 32	**(26)**	(22)
Payment in respect of changes in ownership interest in subsidiaries		**(2)**	1
Net cash absorbed by financing activities		**(375)**	(1,126)
Net foreign exchange movements		**142**	(123)
Net increase / (decrease) in cash		**614**	1,860
Cash and cash equivalents at start of the year	Note 22	**2,907**	1,047
Cash and cash equivalents at end of the year	Note 22	**3,521**	2,907

1 Dividends are presented net of dividends received on treasury shares of EUR 15 million (2023: EUR 3 million)

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

Consolidated statement of changes in shareholders' equity

For the year ended 31 December 2024

€million	Issued capital	Share premium	Treasury shares	Perpetual bond	Other reserves[2]	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interest	Total equity
	Attributable to owners of the parent									
At 1 January 2024	**696**	**1,564**	**(95)**	**625**	**2,137**	**(905)**	**(321)**	**3,701**	**57**	**3,758**
Result for the year	-	-	-	-	-	15	-	15	12	**27**
Other comprehensive income	-	-	-	-	(1)	-	204	203	1	**204**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**(1)**	**15**	**204**	**218**	**13**	**231**
Allocation of 2023 result	-	-	-	-	(905)	905	-	**-**	-	**-**
Partial redemption of perpetual bond (Note 23)	-	-	-	(37)	2	**-**	**-**	**(35)**	**-**	**(35)**
Coupon on perpetual bond (Note 23)	-	-	-	-	(49)	-	-	**(49)**	-	**(49)**
Tax on perpetual bond coupon (Note 23)	-	-	-	-	6	-	-	**6**	-	**6**
Transactions with owners in their capacity as owners:										
Dividends provided for or paid[1]	-	-	-	-	(320)	-	-	**(320)**	-	**(320)**
Purchase of treasury shares	-	-	(124)	-	-	-	-	**(124)**	-	**(124)**
Share-based compensation expense (Note 25)	-	-	-	-	10	-	-	**10**	-	**10**
Exercise of share-based compensation	-	-	21	-	(22)	-	-	**(1)**	-	**(1)**
Income tax relating to treasury shares impairment expense or reversal	-	-	-	-	20	-	-	**20**	-	**20**
Transactions with non-controlling interest and other movements	-	-	-	-	(3)	-	-	**(3)**	(1)	**(4)**
Total transactions with owners in their capacity as owners	**-**	**-**	**(103)**	**-**	**(315)**	**-**	**-**	**(418)**	**(1)**	**(419)**
At 31 December 2024	**696**	**1,564**	**(198)**	**588**	**875**	**15**	**(117)**	**3,423**	**69**	**3,492**

1 Dividends are presented net of dividends received on treasury shares of EUR 15 million.

2 The non-distributable items included in other reserves are described in Note 23.

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

Consolidated statement of changes in shareholders' equity

For the year ended 31 December 2023

€million	Issued capital	Share premium	Treasury shares	Perpetual bond	Other reserves[2]	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interest	Total equity
	Attributable to owners of the parent									
At 1 January 2023	**696**	**1,564**	**(80)**	**1,175**	**2,428**	**(34)**	**(153)**	**5,596**	**62**	**5,658**
Result for the year	-	-	-	-	-	(905)	-	(905)	1	**(904)**
Other comprehensive income	-	-	-	-	-	-	(169)	(169)	-	**(169)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**(905)**	**(169)**	**(1,074)**	**1**	**(1,073)**
Allocation of 2022 result	-	-	-	-	(34)	34	-	**-**	-	**-**
Reclassification of perpetual bond (Note 23)	-	-	-	(550)	-	**-**	**-**	**(550)**	**-**	**(550)**
Coupon on perpetual bond (Note 23)	-	-	-	-	(49)	-	-	**(49)**	-	**(49)**
Tax on perpetual bond coupon (Note 23)	-	-	-	-	14	-	-	**14**	-	**14**
Transactions with owners in their capacity as owners:										
Dividends provided for or paid[1]	-	-	-	-	(220)	-	-	**(220)**	-	**(220)**
Purchase of treasury shares	-	-	(27)	-	-	-	-	**(27)**	-	**(27)**
Share-based compensation expense (Note 25)	-	-	-	-	9	-	-	**9**	-	**9**
Exercise of share-based compensation	-	-	12	-	(10)	-	-	**2**	-	**2**
Transactions with non-controlling interest and other movements	-	-	-	-	(1)	-	1	**-**	(6)	**(6)**
Total transactions with owners in their capacity as owners:	**-**	**-**	**(15)**	**-**	**(222)**	**-**	**1**	**(236)**	**(6)**	**(242)**
At 31 December 2023	**696**	**1,564**	**(95)**	**625**	**2,137**	**(905)**	**(321)**	**3,701**	**57**	**3,758**

1 Dividends are presented net of dividends received on treasury shares of EUR 3 million.

2 The non-distributable items included in other reserves are described in Note 23.

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

Notes to the consolidated financial statements

Note 1 - Corporate information

SES S.A. ('SES' or 'the Company') was incorporated on 16 March 2001 as a limited liability company (Société Anonyme) under Luxembourg Law. References to 'the Group' in the following notes are to the Company and its subsidiaries. SES trades under 'SESG' on the Luxembourg Stock Exchange and Euronext, Paris. The registered office of the Company is at Château de Betzdorf, L-6815 Betzdorf, Luxembourg.

SES is a leader in global content connectivity solutions, leveraging a vast and intelligent network spanning satellite and ground infrastructure to create, deliver and manage video and data solutions enabling customers to connect more people in more places with content that enriches their personal stories with knowledge, entertainment and opportunity.

The consolidated financial statements of SES as at, and for the year ended, 31 December 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 25 February 2025. Under Luxembourg Law, the consolidated financial statements are approved by the shareholders at their Annual General Meeting.

Significant changes in the current period

Intelsat acquisition

On April 30, 2024, SES S.A. announced an agreement to purchase 100% of the equity of Intelsat Holdings S.à r.l. for a cash consideration of USD 3.1 billion (EUR 2.8 billion) and certain contingent value rights. The transaction is subject to relevant regulatory filings and clearances as well as customary provisions concerning cooperation and measures in seeking such regulatory clearances, which are expected to be received during the second half of 2025.

SES secured financing for the acquisition through an initial EUR 3 billion bridge facility dated April 30, 2024 (the Bridge Facility), and a USD 1 billion Term Loan A Facility dated June 14, 2024 ("TLA"). Upon entering the TLA, EUR 930 million of the Bridge Facility was cancelled. Additionally, on September 12, 2024, the Company raised EUR 1 billion in Hybrid financing, which similarly led to the cancellation of an equivalent portion of the Bridge Facility.

Share buyback programme

A share buyback programme of EUR 150 million was completed in October 2024 in respect of Class-A shares with 24 million A-shares being purchased at an average price of EUR 5.22 per A-share and 12 million B-shares were purchased at an average price of EUR 2.09 per share The acquired shares will be cancelled after the expiry of one year which will reduce the total number of voting and economic shares in issue.

Repurchase of Deeply Subordinated Fixed Rate Resettable Securities

Beginning on 19 November 2024 the Group initiated a programme to repurchase in the open market up to a nominal amount of EUR 100 million of its EUR 625 million Deeply Subordinated Fixed Rate Resettable Securities issued on 27 May 2021. These will be cancelled in accordance with the terms and conditions of the Securities. See also Notes 23 and 36.

SpaceRISE signs concession contract to deliver Europe's IRIS² connectivity network

On 16 December 2024 the SpaceRISE consortium, led by SES, signed a Concession Contract with the European Commission to design, deliver, and operate the innovative, multi-orbit "Infrastructure for Resilience, Interconnectivity and Security by Satellite" ("IRIS^2") sovereign connectivity system for a period of 12 years, with the network expected to provide services from the beginning of 2030. This will be the European Union's (EU) preferred and trusted network to provide reliable, secure, and cost-effective communication solutions for governmental institutions, commercial organisations, and European citizens.

SES's contribution to IRIS^2 will be to develop, procure, and operate 18 new MEO satellites providing 100% pole-to-pole coverage with carrier-grade connectivity solutions. SES expects to have rights to commercialise the MEO capacity and part of the LEO capacity of the IRIS^2 system. The compelling combination of high throughput data rates, low latency, service flexibility, and managed solutions will cater to EU's sophisticated requirements, as well as allied nations and SES's customers around the world. See also Notes, 22, 28 and 31.

Note 2 - Summary of material accounting policies

Basis of preparation

The consolidated financial statements have been prepared in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board (‘IASB’), as adopted by the European Union (‘IFRS Accounting Standards’), as at 31 December 2024.

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

The consolidated financial statements are presented in euro (EUR). Unless otherwise stated, all amounts are rounded to the nearest million, except share and earnings per share data and audit and non-audit fee disclosures.

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS Accounting Standards, effective from 1 January 2024 and adopted by the Group, as well as changes in the accounting policy of orbital slot rights, as disclosed under “Significant accounting judgments and estimates” below. Any new IFRS Accounting Standards amendments, effective from 1 January 2024 and not mentioned below are not applicable to the Group.

1 Amendments to IAS 1 on classification of liabilities as current or non-current

On 23 January 2020, the IASB issued “Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)”. The amendment will affect the presentation of liabilities in the consolidated statement of financial position. The amendment clarifies that the classification of a liability as current or non-current should be based on rights in existence at the end of the reporting period to defer settlement of a liability by at least 12 months. The amendment also clarifies that the classification of a liability should be unaffected by the entity’s expectations regarding whether it will exercise its rights to defer payment. The amendments were endorsed by the EU and are effective for annual reporting periods beginning on or after 1 January 2024. The adoption of these amendments did not have any material impact on the Group’s consolidated financial statements.

2 Amendments to IAS 1 on non-current liabilities with covenants

On 31 October 2022, the IASB issued “Non-current Liabilities with Covenants”. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. The amendments were endorsed by the EU and are effective for annual reporting periods beginning on or after 1 January 2024. The adoption of these amendments did not have any material impact on the Group’s consolidated financial statements.

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are relevant for the Group and effective for annual periods beginning on or after 1 January 2025, and have not been early adopted in preparing these consolidated financial statements:

1. 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 non-monetary 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.

2. IFRS 18 Presentation and Disclosure in Financial Statements

   On 9 April 2024, the IASB issued 'IFRS 18 Presentation and Disclosure in Financial Statements'. This new standard focuses on updates to the statement of profit or loss. The key concepts introduced in IFRS 18 relate to the structure of the statement of profit or loss, required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (management-defined performance measures) and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

   IFRS 18 will replace IAS 1, many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

   IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information. The new standard was not yet endorsed by the EU. The Group has yet to assess the impact to its consolidated financial statements of the changes in presentation and disclosure required by IFRS 18.

3. Amendment to IFRS 9 and IFRS 7—Classification and Measurement of Financial Instruments

   On 30 May 2024, the IASB issued 'Amendment to IFRS 9 and IFRS 7—Classification and Measurement of Financial Instruments'. These amendments: clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI). The amendments to IFRS 9 and IFRS 7 will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The amendments were not yet endorsed by the EU. The Group has yet to assess the impact of these amendments to its 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 38.

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, consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of financial position respectively.

Investments in joint arrangements

Under IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Joint ventures are accounted for using the equity method whereby the interest is initially recognised at cost and is then adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture (including any long-term interest which, in substance, forms part of the Group's net investment in the joint venture), the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealised gains on transactions between the Group and a joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Financial statements of joint ventures are prepared for the same reporting year as the Group with adjustments made as necessary to bring the accounting policies used into line with those of the Group.

The Group assesses investments in joint ventures for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication of impairment exists, the carrying amount of the investment is compared with its recoverable amount, being the higher of its fair value less costs to sell and value-in-use. Where the carrying amount exceeds the recoverable amount, the investment is written down to its recoverable amount. The Group ceases to use the equity method of accounting on the date from which it no longer has joint control over the joint venture or when the investment is classified as held for sale.

Investments in associates

An associate is an entity in which the Group has significant influence but not control or joint control. The Group accounts for investments in associates using the equity method of accounting as described above. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount within 'Share of associates' result' in the consolidated income statement.

The Group's share of post-acquisition profit or loss is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals, or exceeds, its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. In general, the financial statements of associates are prepared for the same reporting year as the parent company, using consistent accounting policies. If required, adjustments are made to align any dissimilar accounting policies that may exist. For details regarding the associates included in the consolidated financial statements see Note 38.

Profits and losses resulting from upstream and downstream transactions between the Group and an associates are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the associate. Dilution gains and losses arising in investments in associates are recognised in the consolidated income statement.

The Group ceases to use the equity method of accounting on the date from which it no longer has significant influence over the associate, or when the interest becomes classified as an asset held for sale.

Significant accounting judgments and estimates

1 Changes in accounting estimates

In 2024 management has made three changes to the judgments and estimates applied for the financial year ended 31 December 2023 as described below.

i. The alignment of the treatment of all orbital slot rights to be definite-life intangible assets

<u>GEO orbital slot rights</u>

Up until 2023, the Group's accounting estimate concerning the appropriate useful economic life of GEO orbital slot rights has been that they will be of indefinite life unless there was something in the terms of the licence to indicate that they could either not be renewed at the end of the term, or that such a renewal would not be at insignificant cost. Following this assumption, as at the end of 2023 the Group disclosed EUR 326 million of indefinite life orbital slot rights and EUR 107 million of definite-life rights.

The Company applied an indefinite life as it was expected that it would maintain operations at all the relevant GEO orbital locations and hence was consistent with the provision in paragraph 88 of IAS 38 below:

> "An intangible asset shall be regarded by the entity as having an indefinite useful life when there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity."

The Company is now evolving in the direction of a multi-orbit provider of satellite services, and hence is diverting a large part of its capital expenditure to non-GEO orbit satellite procurement. For that reason, the number of occupied operational GEO slots is likely to decline over time and management no longer believes that the level of certainty as to foreseeable future operations implied by paragraph 88 of IAS 38 is met.

For that reason, management has updated its estimate in this area such that all GEO orbital slot rights are now presented as definite-life assets. For those rights which were formerly presented as indefinite life assets, their residual carrying value will generally be amortised over the remaining life of the on-station satellite operating at that orbital position in accordance with the provisions of paragraph 90 of IAS 38. Where more than one satellite is collocated at one position then the latest end of depreciation life amongst those satellites is used. Where a replacement satellite for an orbital position has already been contracted, then the expected end of life of that replacement satellite is taken. Similarly, where the likelihood of procuring a replacement satellite is probable, then management calculates the end of life of that uncommitted replacement and applies it in computing the amortisation life of the relevant orbital slight rights.

This change in accounting estimate for GEO orbital slot rights which came into effect on 1 January 2024 triggered an impairment test as at that date under the provisions of paragraph 10 of IAS 36. This test resulted in a net reversal of previous impairments of EUR 29 million. As there were no changes to the business plan since the impairment tests performed as at 31 December 2023, the net reversal was caused by the reduction in useful lives explained above (causing a reduction in cash flows taken into account in the valuation) which is more than offset by the impact of the disaggregation of regional cash-generating units used in the monitoring of GEO orbital slot rights explained below (see ii. below).

<u>MEO orbital slot rights</u>

Concerning MEO orbital rights, these had a brought forward carrying value of EUR nil as at 31 December 2024, reflecting an impairment charge of EUR 1,166 million recorded in 2023. Up until 2023 the Company had presented its MEO slot rights as indefinite life intangible assets, consistent with the approach taken for most of the GEO orbital slot rights. The Group continues to build out its MEO constellation as a key element of its commercial offering and strategic positioning with the latest generation of MEO satellites having entered service in April 2024 with the six initial mPOWER satellites. The upgraded second-generation constellation of seven mPOWER satellites is expected to be fully in service in 2027. These mPOWER satellites operate on an equatorial orbital plane using a combination of frequency filings which were assembled to facilitate operations on that plane.

The Company currently expects future MEO operations to operate on multiple orbital planes offering full 'pole-to-pole' coverage. This is the fleet configuration underpinning the Company's proposal in the IRIS[2] Concession Contract with the European Commission which was submitted in final form to the Commission in the third quarter of 2024 and which was incorporated in the final Concession Contract signed in December 2024. Given the above, management's estimate for the useful economic life of current MEO orbital slot rights is that these should also be presented as definite-life intangible assets with a useful life anchored to the expected end of depreciation life of the upgraded second mPOWER constellation.

The overall impact of the change in accounting estimate for GEO and MEO orbital slot rights has been an increase of EUR 63 million in the amortisation versus what would have been recorded using the previous estimate (see Note 15).

ii. Disaggregation of regional cash-generating units used in the monitoring of GEO orbital slot rights.

In recent years the Company has tested the carrying value of its orbital slot rights by grouping them into three regional groupings (Europe, North America and International). These regional groupings were based on the assumption of inter-operability of the Group's services from different slots within the same region and hence the view that these inflows did not meet the threshold for mutual independence required for separate cash generating units under IAS 38.

Reflecting the comments in point i above, it is likely that less investment in specifically GEO orbit satellites will occur – and hence the options for interoperability of regional GEO operations will decline. Furthermore, there were few examples in recent years where the provision of customer services was switched between different satellites in the same region. For these reasons, management believes that this interoperability premise – and resultant regional groupings of orbital slot rights for the impairment testing of orbital slot rights - should be revised. Whilst this switch of investment to non-GEO constellations has been a trend for some time, the significant additional investments in the new mPOWER satellites on mid-Earth orbit are very much reinforcing that trend. Hence management has elected with effect from 1 January 2024 to disaggregate those regional cash-generating units and instead look at the carrying value of our orbital slot rights on a slot-by-slot basis; combined as a cash-generating unit ('CGU') with the satellite(s) operating at that specific orbital position as described in section i above.

iii. Grouping of regional cash-generating units used in the impairment testing of GEO goodwill

For the financial years from 2021 to 2023, management disaggregated the former single global GEO CGU into three regions (Europe, North America and International) to align it with the approach taken for the testing of orbital slot rights and to reflect the material regional cash inflows expected to be realised through the commercialisation of the group's portfolio of orbital slot rights; specifically in North America due to the C-band repurposing project in the U.S. following the adoption by the Federal Communications Commission of its Report and Order and Order of Proposed Modification to clear a 300 MHz band of C-band downlink spectrum between 3,700 and 4,000 MHz.

The Company completed the activities necessary to implement that repurposing in 2023 and received the final tranche of the C-Band Accelerated Relocation Payments in that year. No projects of similar materiality have currently been initiated and the specific organisational and reporting activities associated with that C-Band activity have been disbanded.

The combination of the above with the disaggregation of the regional CGUs for the impairment testing purposes of orbital slot rights, leads management to believe that the return to a single global GEO better reflects how the remaining goodwill is being monitored, and has hence reverted to this approach with effect from 1 January 2024.

There were no additional impairment reversal or charges resulting from this change in estimate.

2 Judgments

Other than the changes in accounting estimates mentioned above, in the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

i. Taxation

The Group operates in numerous tax jurisdictions and management is required to assess tax issues and exposures across its entire operations and to accrue for potential liabilities based on its interpretation of country-specific tax law and best estimates. In conducting this review management assesses the magnitude of the issue and the likelihood, based on experience and specialist advice, as to whether it will result in a liability for the Group. If this is deemed to be the case, then a provision is recognised for the potential taxation charges. More details are given in Notes 8 and 27.

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

ii. The impact of changes in inflation and interest rates

The Group has considered the potential impact of changes in inflation and interest rates during the period on its financial statements particularly in its estimations of future cash flows and assumptions about financing costs.

The main effect observed in 2024 has been an increase in discount rates applied to USD flows used to reflect the time value of money and adjustments to cash flows to account for an increase in risk-free rates. The discount rates applied to EUR flows were unchanged as a decrease in corporate spreads offset an increase in the market-capitalisation based firm-specific risk premium. Please refer to Note 15 (‘Intangible assets’) for further details.

iii. Consolidation of entities in which the Group holds 50% or less

The Group consolidates a subsidiary where it has: power over the subsidiary; exposure, or rights, to variable returns from that subsidiary; and, the ability to use its power over the subsidiary to affect the amount of the Group’s returns.

- **Al Maisan Satellite Communication LLC (trading as ‘Yahlive’)**

  Management has concluded that the Group controls Yahlive even though it holds a 35% economic interest in the company since it has the majority of the voting rights on Yahlive’s Board of Directors and there are no voting rights at the shareholder level which could affect SES’ control. SES has effective control over the relevant activities of Yahlive, such as budget approval, appointment and removal of the Chief Executive Officer and senior management team members as well as over the appointment or removal of the majority of the members of the Board of Directors. The entity is therefore consolidated with a 65% non-controlling interest (see Note 24).

- **LuxGovSat S.A. (‘LuxGovSat’)**

  SES and the Luxembourg government jointly incorporated LuxGovSat subscribing equally in the equity of the company. Management has concluded that the Group controls LuxGovSat since it has effective control over the relevant activities of the entity. It is therefore consolidated with a 50% non-controlling interest (see Note 24).

- **West Africa Platform Services Ltd, Ghana (‘WAPS’)**

  Management has concluded that the Group controls WAPS even though it holds a 49% economic interest in the company since it has the majority of the voting rights on the company’s board of directors and there are no voting rights at the shareholder level which could affect SES’ control. Through control over the selection of key management positions and oversight of the company’s day-to-day operations, the Company has the requisite powers to control and consolidate the company with a 51% non-controlling interest. Note that the Company disposed of its interest in WAPS during the fourth quarter of 2024.

- **Luxembourg Space Sector Development SCSp**

  Management has concluded that the Group controls this entity since whilst SES and the Government of Luxembourg have equal voting rights in the fund’s Investor Committee, and hence jointly set the investment policy and approve investments, an SES affiliate, in its capacity as fund manager, oversees all day-to-day management and investment aspects of the fund and retains the decision-making power with regard to any decision not specifically attributed to the Investor Committee.

iv. SES Space and Defense, Inc. (‘SES SD’)

SES SD and its 100% subsidiary Global Enterprise Solutions Inc. acquired on 1 August 2022, are subject to specific governance rules and are managed through a Proxy Agreement agreed with the Defense Security Service (‘DSS’) department of the US Department of Defense (‘DOD’). The DSS is a governmental authority responsible for the protection of information deemed classified or sensitive with respect to the national security of the United States of America. A proxy agreement is an instrument intended to mitigate the risk of foreign ownership, control or influence when a foreign person acquires or merges with a US entity that has a facility security clearance. A proxy agreement conveys a foreign owner’s voting rights to proxy holders, comprising the proxy board. Proxy holders are cleared US citizens approved by the DSS.

The DSS requires that SES SD enter into a proxy agreement because it is indirectly owned by SES and SES SD has contracts with the DOD which contain classified information. The Proxy Agreement enables SES SD to participate in such contracts with the US Government despite being owned by a non-US corporation.

As a result of the Proxy Agreement, certain limitations are placed on the information which may be shared, and the interaction which may occur, between SES SD and other Group companies. The Proxy Holders, besides acting as directors of SES SD, are entitled to vote in the context of a trust relationship with SES on which basis their activity is performed in the interest of SES’s shareholders and of US national security.

SES’s assessment of the effective control over the relevant activities of SES SD encompassed the activities of operating and capital decision making, the appointment and remuneration of key management, and the exposure to the variability of financial returns based on the financial performance of SES SD.

Based on this assessment, SES concluded that, from an IFRS 10 perspective, SES has, and is able to exercise, power over the relevant activities of SES SD and has an exposure to variable returns from its involvement in SES SD - and therefore controls the entity.

3 Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year(s), are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in revisions to the assumptions when they occur.

i. Impairment testing for goodwill, definite-life intangible assets, and space segment assets including assets under construction

The Group performs impairment tests to determine whether goodwill, definite-life intangible assets (principally orbital slot rights), and space segment assets (including assets under construction) are impaired. Impairment testing procedures are performed annually, or whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. 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. The annual impairment tests are performed as of 31 December each year. The recoverable amounts are determined based on a value-in-use calculation using the five-year business plans approved by the board of directors.

Establishing the value-in-use requires the Group to make an estimate of the expected future post-tax cash flows from the CGU and to choose a suitable post-tax discount rate and post-business plan growth rate to calculate the present value of those cash flows. For the Group's slot-satellite CGUs, the estimation of the value-in-use also requires estimations of the future commercial revenues to be generated by each slot and the satellites located therein, particularly related to new markets or services, the impact of past in-orbit anomalies and their potential impact on the satellite's ability to provide its expected commercial service, and the amount and timing of future capital expenditures to maintain those revenues, if required.

The calculations of value-in-use are most sensitive to:

a. Movements in the underlying business plan assumptions

Business plans are drawn up annually and provide an assessment of the expected developments for a five-year period beyond the end of the year when the plan is drawn up. These business plans reflect both the most up-to-date assumptions concerning the CGU's markets and business trends. For the provision of satellite capacity these will particularly consider the following factors:

- revenue: based on expected developments in transponder fill rates, including the impact of replacement capacity, and customer pricing;
- capital expenditure: any changes in the expected capital expenditure cycle, for example due to the technical degradation of a satellite or the need for replacement capacity; and any changes in satellite procurement, launch or cost assumptions, including launch schedules.

b. Changes in discount rates

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

c. Changes in growth rate assumptions

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

ii. 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.

iii. Expected credit losses on trade receivables and unbilled accrued revenue

The Group estimates expected credit losses on trade receivables and unbilled accrued revenues using a provision matrix based on loss expectancy rates and forward-looking information. The Group records additional losses if circumstances or forward-looking information cause the Group to believe that an additional collectability risk exists which is not reflected in the loss expectancy rates (Note 21).

iv. Insurance claim in connection with first generation mPOWER satellites

In 2023, health issues emerged with the initial four mPower satellites, prompting SES to initiate insurance claims under its ‘Launch plus sixteen months’ insurance policies. The Company submitted Proof-of-Loss documentation to its insurers and negotiations with those companies were initiated in 2024 and will continue beyond the year-end. In the absence of formal acceptance of the claims by most of the external insurers, management is of the view that these claims qualify as contingent assets in the sense of IAS 37. Accordingly, income is only recognised when claims with individual insurers are agreed and settled.

v. Reimbursement of costs associated with C-band repurposing

As detailed in SES's Transition Plan initially disclosed to the public in September 2021, SES's strategy included the development of six satellites (four operational satellites and two spare satellites) to meet the deadlines for releasing the C-band spectrum. This strategy incurred significant expenditures, which are being substantially reimbursed by the Relocation Payment Clearinghouse (‘RPC or ‘Clearinghouse’ - refer also to Note 35).

As of 31 December 2024, SES has received reimbursements totaling USD 1,314 million from the Clearinghouse. There remains an outstanding unpaid receivable of USD 91 million (EUR 87 million) as of 31 December 2024 (compared to EUR 350 million as of 31 December 2023) related to these reimbursements.

Management believes that this outstanding balance will be refunded based on the track record of past refunds, which indicate that the majority of SES’s claims have been approved and refunded. Ongoing discussions with the Clearinghouse suggest a mutual interest in expediting the remaining satellite reimbursements.

Business combinations

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

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

For each business combination, SES measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition costs incurred are expensed and included in other operating expenses.

When the Group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Assets acquired, and liabilities assumed, are recognised at fair value.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition-date fair value of any previous equity interest in the acquired entity;

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. If the business combination is achieved in stages, the acquisition date carrying value of the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by SES will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset, or a liability, will be recognised in profit or loss.

Property, plant and equipment

Property, plant and equipment is initially recorded at historical cost, representing either the acquisition or manufacturing cost. Satellite cost includes the launcher and launch insurance. The impact of changes resulting from a revision of management's estimate of the cost of property, plant and equipment is recognised in the consolidated income statement in the period concerned.

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

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

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a term of twelve months or less. Low-value assets comprise IT-equipment and small items of office furniture. Costs for the repair and maintenance of these assets are recorded as an expense.

Property, plant and equipment is depreciated using the straight-line method, generally based on the following useful lives:

• Buildings	Up to 40 years
• Space segment assets	3 to 18 years
• Ground segment assets	3 to 15 years
• Other fixtures, fittings, tools and equipment	3 to 15 years
• Right-of-use assets	6 to 12 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the derecognition of an asset is included in the consolidated income statement in the period the asset is derecognised. The residual values, remaining useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted where necessary.

For reimbursable capitalised costs related to the procurement of satellites, launches, and upgraded ground facilities as part of the U.S. C-band repurposing project, the Group applies government grant accounting. The Group records credits to the recorded book values of the related asset when the costs have been incurred and the Group has obtained reasonable assurance that the costs will be reimbursed and that it will comply with the requirements attached to the reimbursement. See additional information in Note 35.

Assets in the course of construction

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

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

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

Borrowing costs

Borrowing costs directly attributable to the construction or production of a qualifying asset are capitalised during the construction period as part of the cost of the asset. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Intangible assets

1 Goodwill

Goodwill is measured as described in the accounting policy for business combinations set out in Note 2.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For impairment testing, goodwill from the acquisition date is allocated to each of the Group's CGUs that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units.

The carrying value of acquisition goodwill is not amortised, but rather is tested for impairment annually, or more frequently if required to establish whether the value is still recoverable. The recoverable amount is defined as the higher of: (1) fair value less costs to sell and, (2) value-in-use. Impairment expenses are recorded in the consolidated income statement. Impairment losses relating to goodwill cannot be reversed in future periods.

The Group estimates value-in-use based on the estimated discounted cash flows to be generated by a CGU, generally using the five-year business plans approved by the Board of Directors. Beyond a five-year period, cash flows are usually estimated on the basis of stable rates of growth or decline, although longer periods may be considered where relevant to accurately calculate the value-in-use.

Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, then the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on its disposal. Goodwill disposed of in this situation is measured based on the relative values of the operation disposed of and the portion of the CGU unit retained.

2 Other intangibles

i Orbital slot rights

Other intangibles consists mainly of rights of usage of orbital frequencies. The Group is authorised by governments to operate satellites at certain orbital locations. Governments acquire rights to these orbital locations through filings made with the International Telecommunication Union ('ITU'), a sub-organisation of the United Nations. The Group will continue to have rights to operate at its orbital locations so long as it maintains its authorisations to do so. The straight-line amortisation lives applied from January 2024 range from 1 to 21 years.

As noted above, beginning in 2024 the Company treats all orbital slot rights as definite-life assets which are amortised over the depreciation lives of the corresponding on-station satellites or their expected successor spacecraft where relevant. Orbital rights acquired for a non-cash consideration are initially measured at the fair value of the consideration given.

ii Customer relationships

Customer relationships relate to customer contracts acquired as part of a business combination. They are recognised at their fair value at the date of acquisition, based on internal analysis or more commonly through a third-party valuation at the time of the business combination, and are subsequently amortised on a straight-line based over the expected useful economic life of the asset. The current customer relationship asset is being amortised on a straight-line basis over a 15-year period.

iii Software and development costs

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

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

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Software development costs recognised as assets are amortised over their estimated useful life, not exceeding seven years.

Impairment of other intangible assets, property, plant & equipment and assets in the course of construction

The Group assesses at each reporting date whether there is an indication that the carrying amount of the assets may not be recoverable. If such an indication exists then the recoverable amount of the asset or CGU is reviewed to determine the amount of the impairment, if any. Assets other than goodwill that suffered an impairment in previous periods are reviewed for possible reversal of the impairment at the end of each reporting period.

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.

Other financial assets

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss; and
- those to be measured at amortised cost.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not remeasured to fair value through the consolidated income statement, transaction costs directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value and revalued through the consolidated income statement are expensed in the period when they were incurred. All regular purchases and sales of financial assets are recognised on the date that the Group is committed to the purchase or sale of the asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Equity investments

Unless SES has significant influence, the Group measures all equity investments at fair value. Changes in the fair value of financial assets are recognised in the consolidated income statement.

Deferred customer contract costs

Deferred customer contract costs relate to expenses incurred to fulfil customer contracts, which are directly related to those contracts. Deferred customer contract costs are expensed on a straight line basis over the term of the contracts, consistent with the pattern of recognition of the associated revenue.

Inventories

Inventories primarily consist of equipment held for re-sale, work-in-progress, related accessories and network equipment spares and are stated at the lower of cost and net realisable value, with cost determined on a weighted average-cost method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Obsolescence provisions are recorded on a category-by-category basis for ground equipment as required based on management's review of inventory turnover and aging and business projections concerning future customer requirements.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. For impairment of trade receivables, the Group estimates expected lifetime credit losses that would typically be carried for each receivable based on the credit risk class upon the initial recognition of the receivables. Expected lifetime credit losses are estimated based on historical financial information as well as forward-looking data. Additional provisions are recognised when specific circumstances or forward-looking information lead the Group to believe that additional collectability risk exists with respect to customers that are not adequately reflected in loss expectancy rates. The Group writes off trade receivables when it has no reasonable expectation of recovery. The Group evaluates the credit risk of its customers on an ongoing basis.

Trade and other payables

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

Prepayments

Prepayments represent expenditures paid during the financial year but relating to a subsequent financial year. The prepaid expenses comprise mainly insurance, rental of third-party satellite capacity, advertising expenses as well as loan origination costs related to loan facilities which have not been drawn.

Treasury shares

Treasury shares are mostly acquired by the Group in connection with share-based compensation plans and are presented as a set off to equity in the consolidated statement of financial position. Gains and losses on the purchase, sale, issue or cancellation of treasury shares are not recognised in the consolidated income statement, but rather in the equity.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash on hand and in banks and short-term deposits which are held to maturity are carried at amortised cost.

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 recognizes revenue as and when control of a good or service is transferred to a customer.

Contract modifications are accounted for either as a separate contract or as part of the existing contract, depending on the nature of the modification. The Group accounts for a modification as a separate contract if:

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

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

For contracts in which the Group sells multiple goods and services, the Group evaluates at contract inception whether the goods and services represent separate performance obligations. The Group offers contracts for the provision of satellite capacity services, sale of equipment and a bundle of satellite capacity services, equipment, and services such as service-type warranties. Revenue is recognized separately for capacity, equipment, and services such as service-type warranties as the goods and services are separately identifiable, and the customer can benefit from the goods or services on their own or with other readily available resources. When they represent separate performance obligations, the Group allocates consideration to the goods and services based on relative standalone selling prices using either an expected cost plus a margin approach or an adjusted market assessment approach. When they do not represent separate performance obligations, the Group records revenue related to the single performance obligation over the contract period.

Where a contract contains elements of variable consideration, the Group estimates the amount of variable consideration to which it will be entitled under the contract. Variable consideration can arise, for example, as a result of variable prices, incentives or other similar items. Variable consideration is only included in the transaction price if, and to the extent that, it is highly probable that its inclusion will not result in a significant revenue reversal in the future when the uncertainty has been subsequently resolved.

The Group occasionally receives non-cash consideration as part of a revenue transaction. The Group measures non-cash consideration at fair value unless it is unable to reasonably estimate fair value, in which case the Group measures the consideration indirectly based on the standalone selling price of the goods or services promised to the customer.

Revenue from provision of satellite capacity, communications infrastructure services, and related services

For the Group’s contracts to provide satellite capacity, communications infrastructure services, and related services, the Group makes the services available to customers in a series of time periods that are distinct and have the same pattern of transfer to the customer. The increments of time can vary from hours to months. This applies whether we provide the satellite capacity services for a contract using a single transponder or multiple transponders, or for a contract using a single beam or multiple beams on one or several satellites. The distinct units of volume of satellite capacity for each contract are substantially the same and have the same pattern of transfer to the customer and therefore are treated as a single performance obligation. Revenue from customers under service agreements for these services is generally recognized 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 recognized 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

SES equipment may be sold either on a standalone basis for which one contract includes only a sale of equipment or as part of a bundle for which one contract includes the sale of capacity, equipment, and lifecycle services.

When equipment is sold on a standalone basis, the Group recognises revenue for the sale of equipment at a point in time 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.

When equipment is sold on a bundle basis together with other services, the Group determines the level of customization of the equipment being sold. Our customers typically may use the equipment we sell interchangeably with satellite capacity provided by the Group or other satellite operators and do not require significant integration, customization, or modification services. Such equipment is treated as a separate performance obligation from the bundle and is recognized in the same manner as equipment sold on a standalone basis as described above.

The Group may offer warranties on equipment. Our warranties that are separately priced or offered as extended warranties lasting more than one year provide a service beyond ensuring the goods will function as expected and are considered service-type warranties. The Group treats service-type warranties as separate performance obligations and recognizes 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, require us to repair or replace a delivered good if it does not function as expected, and represent assurance-type warranties. Standard warranties do not represent performance obligations separate from the related equipment, and revenue related to standard warranties is recognized at the same time as the related equipment.

Subscription revenue

The subscription revenue related to HD Plus services is recorded on a linear basis over the term of the subscription agreement.

Revenue generated by engineering services

For engineering services, the Group recognises revenue over time on a basis reflecting the costs incurred to date relative to the total costs expected to be incurred since this best reflects the pattern of transfer of control of the services to the customer.

Lease income

Lease income from operating leases where the Group is lessor is recognised on a straight-line basis over the lease term. The respective right-of-use assets are included in the consolidated statement of financial position together with other assets of the same category.

C-band repurposing income

Income from successfully meeting the separate Phase 1 and Phase 2 C-band Accelerated Relocation Payment deadlines was recognised when the Group had successfully completed Phase 1 and Phase 2 Accelerated Relocations, respectively, and had received validation of the respective relocation certification from the U.S. Federal Communications Commission's ("FCC") Wireless Telecommunications Bureau.

Income arising from settlements from the Clearinghouse are recognised when the expenses have been incurred and the Group has obtained reasonable assurance that the costs will be reimbursed and that it will comply with the requirements attached to the reimbursement. The Group believes it obtains such reasonable assurance either when the RPC specifically validates the costs as being reimbursable, or where the costs fall within applicable cost ranges published by the Clearinghouse in its cost catalogue. More details are given in Note 35.

Other income

Other income arising from settlements under insurance claims and decreases in provisions for in-orbit incentives are recognised when they are virtually certain of being realised. Other income is presented as part of revenue due to its relative insignificance.

Contract assets and contract liabilities

Assets and liabilities related to contracts with customers include trade receivables, unbilled accrued revenue, deferred customer contract costs, and deferred income.

Customer payments received in advance of the provision of service are recorded as contract liabilities and presented as ‘Deferred income’ in the statement of financial position. 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 at times contain prepayment terms that range from one month to one year in advance of providing the service. Since the period of time between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service is one year or less, the Group does not make an adjustment to the transaction price for the effects of a significant financing component.

The unbilled portion of recognised revenues is recorded as a contract asset and presented as ‘unbilled accrued revenue’ within ‘Trade and other receivables’, allocated between current and non-current as appropriate.

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

Dividends

The Company declares dividends after the consolidated financial statements for the year have been approved. Accordingly, dividends are recorded in the subsequent year’s consolidated financial statements.

Provisions

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

Borrowings

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

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

Current taxes

Current tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from, or paid to, the tax authorities. The tax rates and laws used to compute these amounts are those enacted, or substantively enacted, at the reporting date.

Deferred taxes

Deferred tax is determined using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws which have been enacted, or substantively enacted, at the reporting date.

Deferred taxes are classified according to the classification of the underlying temporary difference either as income or as an expense included in profit or loss, or in other comprehensive income or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Translation of foreign currencies

The consolidated financial statements are presented in euro (EUR), which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the entity's functional currency at the exchange rate prevailing at the date of the transaction. The cost of non-monetary assets is translated at the rate applicable at the date of the transaction. All other assets and liabilities are translated at closing rates of the period. During the year, expenses and income expressed in foreign currencies are recorded at exchange rates which approximate the rate prevailing on the date they occur or accrue. All exchange differences resulting from the application of these principles are included in the consolidated income statement.

The Group considers that monetary long-term receivables or loans with a subsidiary that is a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, a part of the entity's net investment in that foreign operation. The related foreign exchange differences and income tax effect of the foreign exchange differences are included in the foreign currency translation reserve within equity. On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that foreign operation is reclassified to the consolidated income statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

The assets and liabilities of consolidated foreign operations are translated into euro at the year-end exchange rates, while the income and expense items of these foreign operations are translated at the average exchange rate of the year. The related foreign exchange differences are included in the foreign currency translation reserve within equity. On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that foreign operation is reclassified to the consolidated income statement as part of the gain or loss on disposal.

The US dollar exchange rates used by the Group during the year were as follows:

	Average rate for 2024	**Closing rate for 2024**	Average rate for 2023	Closing rate for 2023
USD	**1.0863**	**1.0389**	1.0797	1.1050

Basic earnings per share

The Company's capital structure consists of Class A and Class B shares, entitled to the payment of annual dividends as approved by the shareholders at their annual meetings. Holders of Class B shares participate in earnings and are entitled to 40% of the dividends payable per Class A share. Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders, adjusted by deducting the assumed coupon, net of tax, on the perpetual bonds, by the weighted average number of common shares outstanding during the period as adjusted to reflect the economic rights of each class of shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to reflect the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Hedge of a net investment in a foreign operation

Changes in the fair value of a derivative or non-derivative instrument that is designated as a hedge of a net investment are recorded in the foreign currency translation reserve within equity to the extent that it is deemed to be an effective hedge. The ineffective portion is recognised in the consolidated income statement as a financial income or expense.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, the hedge no longer qualifies for hedge accounting, or the Group revokes the designation. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity is kept in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the period.

The Group formally documents all relationships between hedging instruments and hedged items, as well as its risk-management objective and strategy for undertaking various hedge transactions. This process includes allocating all derivatives that are designated as net investment hedges to specific assets and liabilities in the consolidated statement of financial position. The Group also formally assesses both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item. If it is determined that a derivative is not highly effective as a hedge, or if a derivative ceases to be a highly effective hedge, the Group will discontinue hedge accounting prospectively. The ineffective portion of hedge is recognised in profit or loss.

Derecognition of financial assets and liabilities

1 Financial assets

A financial asset is derecognised where:

- the right to receive cash flows from the asset has expired;
- the Group retains the right to receive cash flows from the asset but has assumed an obligation to pay them in full without material delay to a third party under a ‘pass-through’ arrangement;
- the Group has transferred its rights to receive cash flows from the asset and either:
- has transferred substantially all the risks and rewards of the asset; or
- has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of that asset.

2 Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the consolidated statement of financial position, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Accounting for pension obligations

The Company and certain subsidiaries operate defined contribution pension plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions to a third-party financial institution. The Group has no legal or constructive obligation to pay further contributions if the financial institution’s pension fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Group has no significant defined benefit pension plans.

Share-based payments

1 Equity-settled share-based compensation plans

Employees (including senior executives) of the Group receive remuneration in the form of share-based compensation transactions, whereby employees render services as consideration for equity instruments ('equity-settled transactions'). The cost of equity-settled transactions is measured by reference to the fair value at the date on which they are granted. The fair value is determined by an external valuer using a binomial model for the Stock Appreciation Rights Plan ('STAR Plan') and Equity Based Compensation Plan comprising options ('EBCP Option Plan'). The fair value of EBCP RS is estimated at the date of the grant by restating discounted dividends from share price and taking into account the terms and conditions upon which the shares were granted. The fair value of EBCP PS is estimated at the date of the grant using a Monte-Carlo simulation model and taking into account the terms and conditions upon which the shares were granted. Further details are given in Note 25. In valuing equity-settled transactions, no account is taken of any non-market performance conditions, the valuation being linked only to the price of the Company's shares, if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting date). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The consolidated income statement charge or credit for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 11).

2 Cash-settled share-based compensation plans

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. Further details are given in Note 25.

Deeply Subordinated Fixed Rate Resettable Securities

The Deeply Subordinated Fixed Rate Securities ("Perpetual Bond") issued by the Company are classified as equity when the Company has no contractual obligation to redeem the securities, and coupon payments may be deferred under certain circumstances (more details are given in Note 23) and recorded at fair value at inception. Subsequent changes in fair value are not recognised in equity. Coupon accruals are considered in the determination of earnings for calculating earnings per share (see Note 11).

Subsequent changes in fair value are not recognised in the financial statements. The Perpetual Bonds are presented as borrowings from the point at which the Group issues a Notice of Redemption to bondholders (see Notes 23 and 26).

Deeply Subordinated Fixed Rate Securities issued by the Company are classified as borrowings at inception when the Company has a contractual obligation to redeem the securities and make coupon payments.

Leases

The determination as to whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, primarily whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the Group as lessee has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option. Lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate. At the commencement of a lease the Group recognises a lease asset and a lease liability. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease. Lease payments are apportioned between the finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are charged directly to expense.

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

- using a single discount rate for a portfolio of leases with similar characteristics; and
- not accounting for leases ending within 12 months of the date of the initial application for low value assets.

Note 3 - Revenue from contracts with customers

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

The Senior Leadership Team ('SLT'), which is the chief operating decision-making committee in the Group's corporate governance structure, reviews the Group's financial reporting and generates those proposals for the allocation of the Group's resources which are submitted for validation to the Board of Directors. The main sources of financial information used by the SLT in assessing the Group's performance and allocating resources are:

- analyses of the Group's revenues from its business units SES Video and SES Networks (comprising the sales verticals Fixed Data, Mobility and Government);
- cost and overall Group profitability development;
- internal and external analyses of expected future developments in the markets into which capacity is being delivered and of the commercial landscape applying to those markets.

Revenue by business unit

As reported, the revenue allocated to the relevant business units developed as follows:

€million	**2024**	**2023**	Change Favourable + /- Adverse
SES Video	**914**	967	-5.5%
SES Networks	**1,085**	1,062	2.2%
Sub-total	**1,999**	**2,029**	**-1.5%**
Other [1]	**2**	1	*n/m*
Total	**2,001**	**2,030**	**-1.4%**

n/m = not meaningful (a variance of more than 100% or less than -100%)

€million	**2023**	**2022**	Change Favourable + /- Adverse
SES Video	**967**	1,020	-5.2%
SES Networks	**1,062**	923	15.1%
Sub-total	**2,029**	**1,943**	**4.4%**
Other [1]	**1**	1	*n/m*
Total	**2,030**	**1,944**	**4.4%**

n/m = not meaningful (a variance of more than 100% or less than -100%)

1 Other includes revenue not directly applicable to SES Video or SES Networks

Revenue by category

The Group's revenue analysis from the point of view of category and timing can be found below:

2024 €million	**Revenue recognised at a point in time**	**Revenue recognised over time**	**Total**
Revenue from contracts with customers	**74**	**1,878**	**1,952**
Lease income	**-**	**49**	**49**
Total	**74**	**1,927**	**2,001**

2023 €million	**Revenue recognised at a point in time**	**Revenue recognised over time**	**Total**
Revenue from contracts with customers	59	1,949	2,008
Lease income	-	22	22
Total	59	1,971	2,030

Revenue from contracts with customers recognised at a point in time is mainly related to sales of equipment and amounts to EUR 74 million in 2024 (2023: EUR 59 million).

Remaining performance obligations

Our remaining performance obligations, which the Group refers to as revenue "backlog", represent our expected future revenues under existing customer contracts and include both cancellable and non-cancellable contracts. The backlog was EUR 4.8 billion as of December 31, 2024 (2023: EUR 5.2 billion), EUR 3.7 billion (2023: EUR 4.3 billion) of which related to 'protected' (that is, non-cancellable) backlog and EUR 1.1 billion (2023: EUR 911 million) of which related to 'unprotected' (cancellable) backlog. Approximately 30% of the backlog is expected to be recognised as revenue in 2025, approximately 24% in 2026, and approximately 19% in 2027, with the remaining thereafter.

Protected backlog includes non-cancellable contracts and cancellable contracts with substantive termination fees. For contracts with termination options that do not have substantive termination fees, protected backlog also includes contract periods up to the first optional termination date. Unprotected backlog includes revenue from contracts that are cancellable and not subject to substantive termination fees.

Revenue by country

The Group's revenue from external customers analysed by country using the customer's billing address is as follows:

€million	2024	2023
Luxembourg (SES country of domicile)	**79**	49
United States of America	**713**	759
Germany	**321**	329
United Kingdom	**203**	214
France	**74**	78
Others – Europe	**205**	205
Others	**406**	396
Total	**2,001**	2,030

No single customer accounted for 10%, or more, of total revenue in 2024, or 2023.

Note 4 - Operating expenses

The operating expense categories disclosed include the following types of expenditure:

1 Cost of sales, which excludes staff costs and depreciation, represents expenditures which generally vary directly with revenue. They are incurred in delivering services to customers and include a variety of expenses such as rental of third-party satellite capacity, third-party teleports, connectivity, equipment and equipment rental, customer support costs such as hosting, monitoring, implementation, engineering work. Other cost of sales detailed below mainly include commissions, as well as an amount of EUR 1 million (2023: EUR 2 million) for C-band repurposing related expenses (Note 35).

€million	2024	2023
Rental of third-party satellite capacity	**(157)**	(140)*
Customer support costs	**(238)**	(236)*
Other cost of sales	**(66)**	(68)
Total cost of sales	**(461)**	(444)

* Costs of EUR 7 million in 2024 and EUR 8 million in 2023 associated with satellite telemetry, tracking and control services which were previously included under 'Other operating expenses,' are now reported as part of 'Cost of Sales' to be consistent with the current year presentation and better aligned with the nature of the expenses.

2 Staff costs of EUR 402 million (2023: EUR 409 million) include gross salaries and employer's social security payments, payments into pension schemes for employees, charges arising under share-based payment schemes, as well as staff-related restructuring charges of EUR 54 million (2023: EUR 27 million) and C-band repurposing related expenses of EUR 0 million (2023: EUR 29 million). At the year-end the total full-time equivalent number of members of staff was 2,118 (2023: 2,294).

3 Other operating expenses of EUR 236 million (2023: EUR 244 million*) are, by their nature, less variable with revenue and include office-related and technical facility costs, in-orbit insurance, marketing, general and administrative expenditure, consulting charges, travel-related expenditure and movements in debtor provisions.

Other operating expenses also include an amount of EUR 9 million (2023: nil) of restructuring charges in connection with the Group's ongoing optimisation programme, EUR 4 million (2023: EUR 16 million) of C-band repurposing expenses (Note 35), EUR 55 million (2023: EUR 9 million) of costs associated with the development and / or implementation of merger and acquisition activities, and EUR 3 million for one-off infrastructure costs (2023: EUR 9 million for specific business taxes of a non-recurring nature).

Note 5 - Audit and assurance services fees

For 2024 and 2023 the Group recorded charges, billed and accrued, from its independent auditors, and affiliated companies thereof, as set out below:

€million	**2024**	2023
Audit services [1]	11.3	2.4
All other assurance services [2]	0.3	0.1
Total audit and assurance services fees	11.6	2.5

1 Includes one-time fees in connection with the Company's registration process as a Foreign Private Issuer with the Securities and Exchange Commission, including re-audit fees for 2022 and 2023 in accordance with Public Company Accounting Oversight Board ('PCAOB') audit requirements, and extended PCAOB audit procedures for the year-ended 31 December 2024.

2 Fees incurred in connection with other assurance services rendered to the Company and its controlled undertakings as defined by the Regulation (EU) N°537/2014 amounted to EUR 0.3 million (2023: EUR 0.1) and represented CSRD-related assurance services as well as comfort letters issued in connection with the Company's treasury funding operations.

Note 6 - Finance income and costs

€million	**2024**	2023
Finance income		
Interest income[1]	**127**	51
Finance lease income	**5**	-
Net foreign exchange gains[2]	**4**	13
Total	**136**	64
Finance costs		
Interest expense on borrowings (excluding amounts capitalised)	**(104)**	(86)
Other finance costs	**(25)**	(17)
Amortisation of loan origination costs	**(10)**	(3)
Total	**(139)**	(106)

1 Interest income on term deposits and money market funds: increase in 2024 reflects C-Band Accelerated Relocation Proceeds received (see Note 35)
2 Net foreign exchange gains are mostly related to revaluation of bank accounts, deposits and other monetary items denominated in US dollars.

Note 7 - Other non-operating income / expenses

€million	**2024**	2023
Other non-operating income		
Income from structured financing	**17**	-
Fair value increases on financial assets[1]	**5**	-
Total	**22**	-
Other non-operating expenses		
Fair value losses on other financial assets[1]	**(1)**	-
Total	**(1)**	-

1 Represents fair value increases/ losses on assets included as part of 'Other financial assets' in the consolidated statement of financial position and required to be measured at fair value

Note 8 - Income taxes

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

€million	2024	2023
Current income tax		
Current income tax charge on result of the year	**(55)**	(567)
Adjustments in respect of prior periods	**(6)**	6
Foreign withholding taxes	**(9)**	(8)
Total current income tax	**(70)**	(569)
Deferred income tax		
Relating to origination and reversal of temporary differences	**37**	249
Relating to tax losses carried forward	**0**	340
Changes in tax rate	**(21)**	(1)
Adjustment of prior years	**(1)**	(195)
Total deferred income tax	**15**	393
Income tax expense per consolidated income statement	**(55)**	(176)
Consolidated statement of changes in equity		
Current and Deferred Income tax related to items (charged) or credited directly in equity		
Post-employment benefit obligation	1	-
Impact of currency translation	(12)	11
Net investment hedge - current tax	4	(6)
Tax impact of the treasury shares impairment recorded in the stand-alone financial statements	20	-
Tax impact on Perpetual Bond	6	14
Current and deferred income taxes reported in equity	19	19

A reconciliation between the income tax benefit / (expense) and the profit before tax of the Group multiplied by a theoretical tax rate of 27.19% (2023: 27.19%) which corresponds to the Luxembourg domestic tax rate for the year ended 31 December 2024 is as follows:

€million	2024	2023
Profit before tax	**82**	(728)
Multiplied by theoretical tax rate	**(22)**	198
Effect of different foreign tax rates	**8**	(8)
Tax Exempt Income	**5**	-
Non-deductible expenditures	**(6)**	(2)
Taxes related to prior years	**(7)**	6
Effect of changes in tax rate	**(21)**	-
Other changes in group tax provision not included in separate lines	**-**	(3)
Impairment on investments in subsidiaries and other assets	**7**	(167)
Impact of deferred taxes	**(8)**	(193)
Foreign withholding taxes	**(9)**	(8)
Other	**(2)**	1
Income tax reported in the consolidated income statement	**(55)**	(176)

Effect of changes in tax rate

As a result of the change in the Luxembourg corporate income tax rate from 27.19% to 26.12% effective from 1 January 2025, the relevant year-end deferred tax assets and liabilities balances have been re-measured. The total impact of re-measurement was an income tax expense of EUR 21 million.

Foreign withholding tax

The foreign withholding tax of EUR 9 million includes EUR 4 million of Indian withholding tax retained by customers and paid to the Indian tax authorities. A final decision on Indian withholding taxes is still pending at the level of the Supreme Court. The remaining EUR 5 million relates to withholding tax retained by customers in other jurisdictions.

Impact of deferred taxes

Considering the estimated future taxable income based on the most recent business plan information and tax losses carried forward in the Luxembourg fiscal unity as of the end of 2024 the Company has concluded that the ITCs recognised in all prior years and current year cannot be fully used due to the 10-year carry forward limitation rule. Therefore, the deferred tax assets for ITCs for the Luxembourg fiscal unity were unrecognized in 2024.

Impairment on investments in subsidiaries and other assets

The aggregate impact of EUR 7 million mainly comprises the following:

- The net impairment charge of EUR 50 million (2023: EUR 453 million) recorded on the carrying value of subsidiary investments and other assets held by entities in Luxembourg resulting in an income tax benefit of EUR 11 million (2023: EUR 123 million).
- The net impairment charges of EUR 241 million (2023: EUR 35 million) taken on the carrying value of intercompany receivables held by entities in Luxembourg resulting in an income tax expense of EUR 4 million (2023: tax benefit of EUR 9 million).

OECD Pillar Two Regulations

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting published the Pillar Two model rules designed to address the tax challenges arising from the digitalisation of the global economy.

The Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in Luxembourg, the jurisdiction in which the Ultimate Parent Entity is incorporated and came into effect from 1 January 2024.

Therefore, the Ultimate Parent Entity applies the Income Inclusion Rule for all jurisdictions where Pillar Two rules were not enacted.

The Group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

The top-up tax due under Pillar Two model rules was calculated based on the OECD transitional safe harbour rules except for a smaller jurisdiction where a full-fledged calculation was performed. According to these calculations SES should be liable to a top-up tax of EUR 20 thousand.

Note 9 - Deferred tax balances

The deferred tax positions included in the consolidated financial statements can be analysed as follows:

€million	**Deferred tax assets 2024**	Deferred tax assets 2023	**Deferred tax liabilities 2024**	Deferred tax liabilities 2023
Losses carried forward	654	658	-	-
Tax credits	20	6	-	-
Intangible assets	12	16	(134)	(110)
Tangible assets	5	5	(59)	(83)
Trade and other receivables	20	17	-	-
Other	18	5	(47)	(48)
Total deferred tax assets/(liabilities)	729	707	(240)	(241)
Offset of deferred taxes	(28)	(36)	28	36
Net deferred tax assets/(liabilities)	701	671	(212)	(205)

Deferred tax assets have been offset against deferred tax liabilities where they relate to the same tax authority and the entity concerned has a legally enforceable right to set off current tax assets against current tax liabilities.

Losses carried forward

In 2024 the Group recognised a net deferred tax asset ('DTA') for tax losses carried forward in Luxembourg of EUR 35 million (2023: EUR 356 million). Tax losses can be carried forward in Luxembourg for 17 years. As a result of the change in the Luxembourg corporate income tax rate from 27.19% to 26.12% effective from 1 January 2025, the year-end deferred tax assets linked to losses carried forward have decreased by EUR 26 million. Using the estimated future taxable income based on the most recent business plan information approved by the Board of Directors, the Company has concluded that the deferred tax assets of EUR 627 million (2023: EUR 618 million) relating to the remaining tax losses are recoverable.

The Group has deferred tax assets for tax losses carried forward in Germany for EUR 24 million (31 December 2023: EUR 20 million) which can be carried forward indefinitely. The Group has also recognised deferred tax assets for tax losses carried forward in the United States for EUR 3 million (31 December 2023: EUR 20 million) which can be carried forward for varying period ranging from 10 years to indefinitely.

In addition to the recoverable tax losses for which the Group has recognised deferred tax assets, the Group has further tax losses of EUR 578 million as at 31 December 2024 (31 December 2023: EUR 305 million) which are available for offset against future taxable profits of the companies in which the losses arose. EUR 456 million (31 December 2023: 193 million) of these tax losses were generated in the US for state taxes. EUR 88 million (31 December 2023: EUR 86 million) of these tax losses were generated in Israel. EUR 15 million of tax losses (31 December 2023: EUR 8 million) were generated in Ghana. Deferred tax assets have not been recognised in respect of these losses as they cannot be used to offset taxable profits elsewhere in the Group and they have arisen in subsidiaries which are not expected to generate taxable profits against which they could be offset in the foreseeable future.

Investment tax credits ('ITCs')

Considering the total tax losses carried forward and future taxable income based on the most recent business plan information for Luxembourg entities, the Company has concluded that prior and current year ITCs cannot be fully used due to a 10 year carry forward limitation rule. Therefore, no deferred tax asset was recorded in 2024.

Considering the total tax losses carried forward and future taxable income based on the most recent business plan information for LuxGovSat S.A., the Company has concluded that LuxGovSat S.A. can recognise a DTA of EUR 14 million for future use of ITCs (2023: EUR 6 million).

Other

No deferred income tax liabilities have been recognised for withholding tax and other taxes which would be payable on the unremitted earnings of certain subsidiaries. Such amounts are permanently reinvested or not subject to taxation.

Movement in deferred income tax assets and liabilities

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances, is as follows:

Deferred tax assets	Losses carried forward	Tax credits	Tangible assets	Intangible assets	Trade and other receivables	Other	Total
At 1 January 2023	**296**	**206**	**-**	**20**	**15**	**5**	**542**
(Charged)/credited to the income statement	363	(200)	5	(4)	3	-	167
Exchange difference[1]	(1)	-	-	-	(1)	-	(2)
At 31 December 2023	**658**	**6**	**5**	**16**	**17**	**5**	**707**
(Charged)/credited to the income statement	(4)	14	-	(4)	2	1	9
Transfers	-	-	-	-	-	11	11
Exchange difference[1]	-	-	-	-	1	1	2
At 31 December 2024	**654**	**20**	**5**	**12**	**20**	**18**	**729**

Deferred tax liabilities	Intangible assets	Tangible assets	Other	Total
At 1 January 2023	**335**	**99**	**43**	**477**
(Charged)/credited to the income statement	(217)	(14)	5	(226)
Exchange difference[1]	(8)	(2)	-	(10)
At 31 December 2023	**110**	**83**	**48**	**241**
Charged/(credited) to the income statement	17	(22)	(1)	(6)
Exchange difference[1]	7	(2)	-	5
At 31 December 2024	**134**	**59**	**47**	**240**

1 A foreign exchange impact arises due to the translation of Group's operations with a different functional currency than euro. This amounts to EUR 3 million as at 31 December 2024 (2023: EUR 8 million)

Note 10 - Components of other comprehensive income

€million	**2024**	2023
Impact of currency translation	**228**	(196)
Income tax effect	**(12)**	11
Total impact of currency translation, net of tax	**216**	(185)

The impact of currency translation in other comprehensive income relates to exchange gains and losses arising on the translation of the net assets of foreign operations from their functional currency to the euro, which is the Company's functional and presentation currency.

The unrealised gain in 2024 of EUR 228 million (2023: unrealised loss of EUR 196 million) reflects the impact on the valuation of SES's net US dollar assets due to the strengthening of the US dollar against the euro from USD 1.1050 to USD 1.0389 (2023: the weakening of the US dollar against the euro from USD 1.0666 to USD 1.1050). This effect is partially offset by the impact of the net investment hedge (Note 21).

Note 11 - Earnings per share

Earnings per share is calculated by dividing the net profit or loss for the year attributable to ordinary shareholders of each class of shares by the weighted average number of shares outstanding during the year as adjusted to reflect the economic rights of each class of share. The net profit or loss for the year attributable to ordinary shareholders has been adjusted to include an assumed coupon, net of tax, on the Perpetual Bonds.

For 2024, a basic loss/gain per Class A share and Class B share of EUR nil (2023: basic loss per Class A share of EUR 2.14, basic loss per Class B share of EUR 0.86), have been calculated as follows:

Profit/(loss) attributable to the owners of the parent for calculating basic earnings per share, adjusted to include the assumed coupon net of tax:

€million	**2024**	2023
(Loss)/profit attributable to owners of the parent	15	(905)
Assumed coupon on Perpetual Bond (net of tax)	(15)	(36)
Total	-	(941)
Split between:		
Class A shares (in million)[1]	-	(781)
Class B shares (in million)[2]	-	(160)

1 Calculated as 83% of adjusted loss attributable to owners of the parent, based on the weight of the Class A weighted average number of shares out of the total shares.

2 Calculated as 17% of adjusted loss attributable to owners of the parent, based on the weight of the Class B weighted average number of shares out of the total shares.

Assumed coupon accruals of EUR 15 million (net of tax) for the year ended 31 December 2024 (2023: EUR 36 million) related to the Perpetual Bonds in issue have been considered for the calculation of the basic and diluted earnings available for distribution.

The weighted average number of shares based on the capital structure of the Company as described in Note 23, net of own shares held, and adjusted to reflect the relative economic rights of the Class A shares and Class B shares for calculating basic earnings per share was as follows:

	2024	2023
Class A shares (in million)	**351.7**	364.8
Class B shares (in million)[1]	**72.9**	74.3
Total	**424.6**	439.1

1 Weighted average number of Class B shares of 182.3 (in million), net of own shares held, was multiplied by 40% considering the relative economic rights.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares which are primarily related to the share-based compensation plans. A calculation is done to determine the number of shares that could have been acquired at fair value based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options and the difference, if it results in a dilutive effect, is considered to adjust the weighted average number of shares.

For 2024, a diluted loss/gain per Class A share and Class B share of EUR nil (2023: diluted loss per Class A share of EUR 2.14, diluted loss per class B share of EUR 0.86), have been calculated as follows:

€million	**2024**	2023
Loss attributable to owners of the parent	15	(905)
Assumed coupon on Perpetual Bonds (net of tax)	(15)	(36)
Total	-	(941)
Split between:		
Class A shares (in million)[1]	-	(781)
Class B shares (in million)[2]	-	(160)

1 Calculated as 83% of adjusted loss attributable to owners of the parent, based on the weight of the Class A weighted average number of shares out of the total shares.

2 Calculated as 17% of adjusted loss attributable to owners of the parent, based on the weight of the Class B weighted average number of shares out of the total shares.

The weighted average number of shares, net of own shares held, and adjusted in order to reflect the relative economic rights of the Class A shares and Class B shares for calculating diluted earnings per share was as follows:

	2024	2023[2]
Class A shares (in million)	**356.2**	364.8
Class B shares (in million)[1]	**72.9**	74.3
Total	**429.1**	439.1

1 Weighted average number of Class B shares of 182.3 (in million), net of own shares held, was multiplied by 40% considering the relative economic rights.

2 Weighted average number of Class A shares and Class B shares has been revised in order to exclude anti-dilutive effects.

Note 12 - Dividends paid and proposed

Dividends declared are paid net of any withholding tax (2024: EUR 36 million, 2023: EUR 25 million).

Gross dividends declared and paid during the year:

€million	**2024**	2023
Class A dividend for 2023 paid in April: EUR 0.50 (2022: EUR 0.50)	**186**	186
Class B dividend for 2023 paid in April: EUR 0.20 (2022: EUR 0.20)	**37**	37
Class A interim dividend for 2024 paid in October: EUR 0.25 (2022: EUR 0.50)	**93**	-
Class B interim dividend for 2024 paid in October: EUR 0.10 (2022: EUR 0.20)	**19**	-
Total	**335**	223

Dividends proposed for approval at the annual general meeting to be held on 3 April 2025, which are not recognised as a liability as at 31 December 2024:

€million	**2025**
Class A dividend for 2024: EUR 0.25	**93**
Class B dividend for 2024: EUR 0.10	**19**
Total	**112**

Note 13 - Property, plant and equipment

€million	Land and buildings	Space segment	Ground Segment	Other fixtures & fittings, tools and equipment	Total
Cost					
As at 1 January 2024	**281**	**10,241**	**767**	**300**	**11,589**
Additions	2	23	22	8	55
Disposals	-	-	-	(3)	(3)
Retirements[1]	(26)	(707)	(128)	(68)	(929)
Transfers from assets in course of construction (Note 14)	17	950	82	14	1,063
Other movements[2]	20	2	(21)	7	8
Impact of currency translation	7	321	21	8	357
As at 31 December 2024	**301**	**10,830**	**743**	**266**	**12,140**
Depreciation					
As at 1 January 2024	**(209)**	**(7,536)**	**(564)**	**(238)**	**(8,547)**
Depreciation	(10)	(557)	(57)	(26)	(650)
Impairment expense	-	(290)	-	-	(290)
Impairment reversal	-	74	-	-	74
Disposals	-	-	-	2	2
Retirements[1]	25	707	126	68	926
Transfer of impairment from assets in course of construction (Note 14)	-	(434)	-	-	(434)
Other movements[2]	(7)	(2)	15	(15)	(9)
Impact of currency translation	(5)	(258)	(17)	(8)	(288)
As at 31 December 2024	**(206)**	**(8,296)**	**(497)**	**(217)**	**(9,216)**
Net book value as at 31 December 2024	**95**	**2,534**	**246**	**49**	**2,924**

1 Satellites ASTRA 2C, Ciel-2, and NSS-7 were deorbited in 2024

2 Other movements include presentational adjustments and transfers between categories

€million	Land and buildings	Space segment	Ground Segment	Other fixtures and fittings, tools and equipment	Total
Cost					
As at 1 January 2023	**300**	**11,368**	**902**	**312**	**12,882**
Additions	-	13	9	5	27
Disposals[1]	(8)	(151)	(3)	(6)	(168)
Retirements[2]	(9)	(805)	(154)	(25)	(993)
Transfers from assets in course of construction (Note 14)	2	8	30	14	54
Impact of currency translation	(4)	(192)	(17)	-	(213)
As at 31 December 2023	**281**	**10,241**	**767**	**300**	**11,589**
Depreciation					
As at 1 January 2023	**(215)**	**(8,118)**	**(675)**	**(244)**	**(9,252)**
Depreciation	(13)	(503)	(57)	(30)	(603)
Impairment expense	-	(56)	-	-	(56)
Impairment reversal	-	30	-	-	30
Disposals[1]	8	151	3	6	168

€million	Land and buildings	Space segment	Ground Segment	Other fixtures and fittings, tools and equipment	Total
Retirements[2]	9	805	154	25	993
Impact of currency translation	2	155	11	5	173
As at 31 December 2023	**(209)**	**(7,536)**	**(564)**	**(238)**	**(8,547)**
Net book value as at 31 December 2023	**72**	**2,705**	**203**	**62**	**3,042**

1 Sale of AMC-11

2 Satellites ASTRA 1G, ASTRA 2D, AMC-18, AMC-1, AMC-4, and NSS-6 were deorbited in 2023

The Group's policy in setting the useful economic life of its satellites is to initially use the satellite design life and then, once sufficient time has passed to allow for initial anomalies to be investigated and future fuel projections to be stabilised, to adjust the depreciation life to take into account factors such as the technical condition of the satellite, its projected remaining fuel life, and replacement or redeployment plans.

The review in 2024 resulted in a revision to the remaining useful economic lives of one GEO satellite but did not have a significant impact on 2024 depreciation expense due to the low net book value of the satellite concerned. The review in 2023 resulted in no revisions to the remaining useful economic lives of any GEO satellites.

As at 31 December 2024 the amount of the property, plant and equipment pledged in relation to Group liabilities was nil (2023: nil). For further information related to right-of-use assets, see Note 32.

Impairment of space segment assets

In 2024 the net impairment expense recorded for space segment assets was EUR 216 million (2023: EUR 26 million), with EUR 290 million of impairment charges (2023: EUR 56 million) being offset by EUR 74 million in reversals of previous impairment charges (2023: EUR 30 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 and are caused by changes in the underlying business plans for these assets as compared to the prior year, and also the higher discount rate applied to assets with predominantly USD cash inflows.

As discussed in Note 2, from 1 January 2024 the Group performs an impairment test on space segment assets together with orbital slot rights. The following table discloses the applicable amounts and post-tax discount rates used in the impairment test for those geostationary satellites and orbital slot rights subject to impairment charges or reversals during 2024.

€million	Value-in-use	Discount rate	Satellite impairment	Slot impairment
2024 – GEO Charges	750	8.9%	237	93
2024 – GEO Reversals	1,005	6.8% - 8.9%	(74)	(186)
2024 – MEO Charges	1,419	8.9%	53	-
2024 – Net Impact			216	(93)

As discussed in Note 2, in relation to the disaggregation of CGUs, management has begun to use currency-based discount rates in line with the underlying cash flows of the assets tested.

For 2023, the following table discloses the applicable amounts and pre-tax discount rates used in the impairment test for those geostationary satellites subject to impairment charges or reversals.

€million	Value-in-use	Discount rate	Satellite impairment
2023 – GEO Charges	540	7.1% - 10.5%	56
2023 – GEO Reversals	177	10.5%	(30)
2023 – Net Impact			26

The impairment charges and reversals recorded reflect updated business assumptions for the satellites through to the end of their useful economic lives. In general, these updated assumptions reflect a combination of revised commercial developments and expectations, updated assessments of the regulatory environment impacting certain assets (and hence the Group's ability to achieve the forecast commercial exploitation), changes in the competitive environment in which the Group operates, and certain changes in the operation of the satellites (for example the decision to place a particular satellite into inclined orbit, or changes to the timing thereof) or associated ground segment infrastructure.

As part of standard impairment testing procedures, the Group assesses the impact of changes in the discount and growth rates and reductions in cash flows. Discount and growth rates are simulated up to 1% below and above the CGU's specific rate used in the base valuation and cash flows projections are simulated up to 5% below and above the base valuation. In this way a matrix of valuations is generated, which reveals the potential exposure to impairment expenses based on movements in valuation parameters which are within the range of outcomes foreseeable at the valuation date.

For GEO satellites and orbital slot rights taken together, the most recent testing showed that a 1% decrease in the declining growth rates would increase the impairment by EUR 15 million. A 1% increase in the after-tax discount rate would increase the impairment by EUR 49 million. Taken together, a 1% increase in the after-tax discount rate and a 1% decrease in the declining growth rates would increase the impairment by EUR 64 million. Taken separately from changes in discount and declining growth rates, a 5% reduction in cash flows would increase the impairment by EUR 61 million.

For MEO satellites, the most recent testing showed that a 1% decrease in the declining growth rates would increase the impairment by EUR 40 million. A 1% increase in the after-tax discount rate would increase the impairment by EUR 85 million. Taken together, a 1% increase in the after-tax discount rate and a 1% decrease in the declining growth rates would increase the impairment by EUR 122 million. Taken separately from changes in discount and declining growth rates, a 5% reduction in cash flows would increase the impairment by EUR 73 million.

Note 14 - Assets in the course of construction

€million	Land and Buildings	Space segment	Ground segment	Fixtures, tools & equipment	Total
Cost and net book value as at 1 January 2024	**15**	**1,367**	**150**	**18**	**1,550**
Movements in 2024					
Additions[1]	4	325	51	17	397
Transfers to assets in use (Note 13)[2]	(17)	(516)	(82)	(14)	(629)
Transfers from/(to) intangible assets (Note 15)	(2)	-	(16)	-	(18)
Transfers from/(to) inventory	-	-	(20)	10	(10)
Impact of currency translation	-	55	2	1	58
Cost and net book value as at 31 December 2024	**0**	**1,231**	**85**	**32**	**1,348**

[1] Additions mainly related to SES-24, SES-25, SES-26, O3b mPOWER, C-band

[2] Includes transfer EUR 434 million of assets in the course of construction impairment booked in 2023

€million	Land and Buildings	Space segment	Ground segment	Fixtures, tools & equipment	Total
Cost and net book value as at 1 January 2023	**8**	**1,675**	**159**	**17**	**1,859**
Movements in 2023					
Additions[1]	9	170	43	17	**239**
Transfers to assets in use (Note 13)	(2)	(8)	(30)	(14)	(54)
Transfers from/(to) intangible assets (Note 15)	-	-	(20)	-	(20)
Impairment	-	(425)	-	-	(425)
Impact of currency translation	-	(45)	(2)	(2)	(49)
Cost and net book value as at 31 December 2023	**15**	**1,367**	**150**	**18**	**1,550**

[1] Additions mainly related to O3b mPOWER, SES-24, SES-25, SES-26, C-band, partly offset by C-band reimbursable space segment cost of EUR 36 million and ground segment cost of EUR 2 million

Borrowing costs of EUR 16 million (2023: EUR 28 million) arising from financing specifically relating to satellite procurements were capitalised during the year and are included under 'Space segment' additions in the table above. A weighted average effective rate of 3.45% (2023: 3.10%) was used, representing the Group's average weighted cost of borrowing. Excluding the impact of loan origination costs and commitment fees, the average weighted interest rate was 3.14% (2023: 2.97%).

The main space segment additions in 2024 were for:

- O3b mPOWER at EUR 159 million (2023: EUR 85 million);
- replacements satellites for the orbital positions 19.2°E and 57°E for EUR 129 million (2023: EUR 71 million); described in Note 30; and,
- additions of EUR 34 million in respect of C-band in-kind reimbursements of EUR 22 million and reimbursement denial of EUR 11 million (2023: EUR 48 million additions substantially offset by EUR 36 million of C-band reimbursements). See Note 35.

Concerning the additions for the C-band repurposing, these are included in the Group's assets in the course of construction space segment and included in 'Payments for purchases of tangible assets' within the consolidated statement of cash flows, only to the extent that payments were made to the suppliers. C-band reimbursements in respect of capital expenditures are presented in Note 35.

In 2023, in conjunction with the annual impairment test, SES recorded an impairment charge of EUR 425 million against the assets under construction related to certain mPOWER satellites, reflecting technical issues arising on those satellites during on-orbit testing and the impact of those on the commercialisation assumptions of the overall programme. No impairment charge to assets in the course of construction was required as a result of the 2024 impairment test.

Note 15 - Intangible assets

€million	Orbital slot licence rights (indefinite-life)	Go od will	Orbital slot licence rights (definite life)	Customer relationships	Other definite life intangibles	Internally generated developme nt costs	Total
Cost							
As at 1 January 2024	**2,124**	**140**	**234**	**292**	**462**	**22**	**3,274**
Additions	-	-	1	-	4	18	23
Disposals	-	-	-	-	-	-	-
Retirement[1]	-	-	(80)	-	(158)	-	(238)
Transfer to definite life	(2,124)	-	2,134	-	(10)	-	-
Transfers from/(to) assets in course of construction	-	-	-	-	45	(27)	18
Impact of currency translation	-	3	117	(5)	4	1	120
As at 31 December 2024	**0**	**143**	**2,406**	**287**	**347**	**14**	**3,197**
Amortisation							
As at 1 January 2024	**(1,798)**	**-**	**(127)**	**(27)**	**(402)**	**-**	**(2,354)**
Amortisation	-	-	(72)	(31)	(53)	-	(156)
Impair-ment reversals	-	-	93	-	-	-	93
Retirement[1]	-	-	80	-	158	-	238
Transfer to definite life	1,798	-	(1,798)	-	-	-	-
Impact of currency translation	-	-	(105)	(3)	(2)	-	(110)
As at 31 December 2024	**-**	**-**	**(1,929)**	**(61)**	**(299)**	**-**	**(2,289)**
Net book value as at 31 December 2024	**-**	**143**	**477**	**226**	**48**	**14**	**908**

1 Orbital slot retirements related to 85°W, 105.5°W, 68.5°W, 65°E, 63°E, and certain rights at 129°W

€million	Orbital slot licence rights (indefinite-life)	Goodw ill	Orbital slot licence rights (definite life)	Customer relationships	Other definite life intangibles	Internally generated developme nt costs	Total
Cost							
As at 1 January 2023	**2,193**	**2,740**	**234**	**292**	**507**	**51**	**6,017**
Additions	-	-	-		2	20	22
Disposals	-	-	-	-	-	-	-
Retirement[1]	-	(2,500)	-	-	(111)	-	(2,611)
Transfers from/(to) assets in course of construction	-	-	-	-	69	(49)	20
Impact of currency translation	(69)	(100)	-	-	(5)	-	(174)
As at 31 December 2023	**2,124**	**140**	**234**	**292**	**462**	**22**	**3,274**

Amortisation							
As at 1 January 2023	**(139)**	**(1,002)**	**(113)**	**(8)**	**(464)**	**-**	**(1,726)**
Amortisation	-	-	(13)	(19)	(57)	-	(89)
Impairment	(1,677)	(1,548)	-	-	-	-	(3,225)
Retirement[1]	-	2,500	-	-	111	-	2,611
Impact of currency translation	18	50	(1)	-	8	-	75
As at 31 December 2023	**(1,798)**	**-**	**(127)**	**(27)**	**(402)**	**-**	**(2,354)**
Net book value as at 31 December 2023	**326**	**140**	**107**	**265**	**60**	**22**	**920**

1 Goodwill retirements of the period relate primarily to those elements of brought forward goodwill from which no future economic benefits are expected. This includes all goodwill associated with the GEO North America, GEO International and MEO cash-generating units. Similarly, the retirements of fully amortised other definite life intangibles represent items from which no future economic benefits are expected.

Definition of cash-generating units for intangible assets

As described in Note 2, as of 1 January 2024 management has aggregated the individual slot-satellite GEO CGUs into a single global GEO CGU for goodwill impairment testing purposes (“GEO CGU”). Management continues to identify the Group’s MEO assets and operations as a separate CGU (“MEO CGU”).

The Group’s business plan is approved by the Board of Directors based on consolidated data. The consolidated data is in turn based on separate data prepared for each legal entity of the Group (see Note 38). To prepare business plans for the GEO and MEO CGUs, management allocates revenues, expenses, and other cash flows based on a detailed analysis of the nature of the inflow or outflow. Due to their nature, some expenditures are allocated based on an allocation matrix based on other criteria.

Discount rates applied

The post-tax discount rates for each CGU are presented below:

	2024	2023
GEO CGU	**8.07%**	-
GEO Europe	**-**	6.83%
GEO North America	**-**	8.57%
GEO International	**-**	8.53%
MEO CGU	**8.89%**	8.51%

These discount rates were computed using market interest rates and commercial spreads, the capital structure of businesses in the Group’s business sector, and the risk profile of the businesses concerned. Specific risks relating to certain cash flows are taken into account in the development of the cash flow forecasts.

Perpetual Growth Rate (‘PGR’) assumptions

The PGR for GEO was calculated at -2.0%. In 2023, separate perpetual growth rates were calculated for the GEO regions as follows: Europe -1.5%, North America -5.2%, and International -1.9%.

For MEO, in 2023, management applied a ‘fading growth statistical model’, or ‘H-model’. Under this model, following the five-year business plan period, cash flows were expected to continue to grow at a higher rate for a time, which then reduces for a period until the perpetual growth rate is reached. Management believed this was a valid assumption as the MEO fleet, specifically the mPOWER fleet which was in the middle of its launch campaign, would not reach its maximum utilisation projection until after the business plan period. In line with growth projections at the end of the prior business plan period, management selected +5.0% as the higher growth rate, which reduced on a straight-line basis over nine years until the perpetual growth rate is reached. The perpetual growth rate used for MEO was +3.0%.

In 2024, as discussed in Note 2, the Group changed its estimate of the economic useful life of the MEO orbital slot rights from an indefinite life to a definite life in the second half of 2024. Accordingly, the H-model, which assumes an indefinite life, no longer applies. Therefore, management applied a -3.8% declining growth rate through the assumed end of life of the mPOWER fleet in 2037, reflecting its estimate of price erosion on a static fleet size, with no perpetual capital expenditures or other cash flows thereafter.

These rates reflect the most recent long-term planning assumptions approved by the Board of Directors and can be supported by reference to the trading performance over a longer period and incorporate also projected growth rates for wide-beam and high-throughput satellites markets from external data sources.

Impairment charges recorded for 2024

i Goodwill

As a result of the impairment tests conducted as of 31 December 2024, no impairment charges against goodwill were recorded (2023: EUR 1,548 million). The balance of the Group’s goodwill is EUR 143 million (2023: EUR 140 million attributable to the former GEO Europe CGU) and allocable to the GEO CGU. Goodwill in the MEO CGU, as well as in the former GEO North America and GEO International CGUs, were fully impaired in the prior period.

As part of standard impairment testing procedures, the Group assesses the impact of changes in the discount and growth rates and reductions in cash flows. Discount and growth rates are simulated up to 1% below and above the CGU’s specific rate used in the base valuation and cash flows projections are simulated up to 5% below and above the base valuation. In this way a matrix of valuations is generated, which reveals the potential exposure to impairment expenses based on movements in valuation parameters which are within the range of outcomes foreseeable at the valuation date.

For the GEO CGU, the most recent testing showed that there would be no impairment even applying the most adverse combination of developments (a 1% increase in after-tax discount rates and a 1% decrease in the perpetual growth rate). Taken separately from changes in discount and perpetual growth rates, a 5% reduction in cash flows would also not lead to an impairment expense.

ii Orbital slot rights

The cash flows from GEO orbital slot rights are inseparable from the satellites located in those orbital positions, and thus are tested as slot-satellite CGUs.

MEO orbital slot rights are tested for impairment together with the MEO satellites in use and under construction.

Management applies the post-tax discount rate set out in Note 13 based on the currency of the underlying cash flows at the orbital location.In 2024, the net impairment reversal recorded for orbital slot licence rights was EUR 93 million (2023:
EUR 1,677 million charge), with EUR 93 million of impairment charges (2023: EUR 1,677 million) offsetting EUR 186 million in reversals of previous impairment charges (2023: nil). The pre-tax discount rates applied in the prior year were 9.4% to 12.6%. The charges and reversals are the aggregation of impairment testing procedures on specific orbital slot rights used by the Group’s geostationary fleet and are caused by the disaggregation of the former regional grouping of orbital slot rights, changes in the underlying business plans for these rights as compared to the prior year, and the higher discount rate applied to rights with predominantly USD cash inflows.

As the Group now tests its orbital slot rights together with its satellites, the applicable amounts and discount rates for orbital slot rights for 2024 are presented together with the same information for satellites in Note 13. As part of standard impairment testing procedures, the Group assesses the impact of changes in the discount and growth rates and reductions in cash flows. Discount and growth rates are simulated up to 1% below and above the CGU's specific rate used in the base valuation and cash flows projections are simulated up to 5% below and above the base valuation. In this way a matrix of valuations is generated, which reveals the potential exposure to impairment expenses based on movements in valuation parameters which are within the range of outcomes foreseeable at the valuation date.

See Note 13 for the sensitivity analysis on GEO orbital slot licence rights as they are grouped with GEO satellites. MEO orbital slot licence rights were fully impaired in 2023.

iii Definite-life intangible assets

The definite-life intangible assets as at 31 December 2024 have a net book value by country as presented below:

	2024		
€million	Orbital slot licence rights	Customer relationships	Other
United States of America	116	226	8
Luxembourg	143	-	44
Netherlands	169	-	-
Sweden	39	-	-
Brazil	7	-	1
Germany	-	-	6
Other	3	-	3
Total	**477**	**226**	**62**

The definite-life intangible assets as at 31 December 2023 have a net book value by country as presented below:

	2023		
€million	Orbital slot licence rights	Customer relationships	Other
United States of America	-	265	3
Luxembourg	105	-	46
Brazil	2	-	1
Germany	-	-	9
Other	-	-	1
Total	**107**	**265**	**60**

As at 31 December 2024, the amount of the intangible assets pledged in relation to the Group's liabilities is nil (2023: nil).

Note 16 - Other financial assets

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Changes in the fair value of financial assets at FVTPL are recognised in 'Other non-operating income / expenses ' in the statement of profit or loss as applicable (refer to Note 7).

€million	2024	2023
Other financial assets include the following:		
Listed equity securities	**1**	1
Other equity securities	**19**	16
Other financial assets	**14**	3
	34	20

Note 17 - Inventories

€million	2024	2023
Current assets		
Work in progress	**9**	9
Finished goods	**40**	46
	49	55

‘Work in Progress’ represents equipment being prepared for delivery to the Group’s customers whereas ‘Finished goods’ is the available on-hand equipment ready for deliver to customers.

In 2024 the Group recognised an inventory provision of EUR 7 million (2023: reversal of EUR 1 million of the previous inventory provision) based on stock movements in the period.

The adjustments have been included in cost of sales in the consolidated income statement.

Note 18 - Assets and liabilities related to contracts with customers

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

€million	2024	2023
Current contract assets		
Trade receivables	**429**	405
Provision for trade receivables	**(80)**	(96)
Trade receivables, net of provisions	**349**	309
Unbilled accrued revenue	**139**	100
Provision for unbilled accrued revenue	**(4)**	(3)
Unbilled accrued revenue, net of provisions	**135**	97
Deferred customer contract costs	**2**	2
	486	408
Non-current contract assets		
Unbilled accrued revenue	**137**	102
Provision for unbilled accrued revenue	**(30)**	(15)
Unbilled accrued revenue, net of provisions	**107**	87
Deferred customer contract costs	**1**	3
	108	90
Current contract liabilities		
Deferred income	**225**	224
Non-current contract liabilities		
Deferred income	**338**	337

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

€million	Non-current	Current
As at 1 January 2024	**337**	**224**
Revenue recognised during the year	-	(1,884)
New billings	-	1,810
Other movements*	(12)	70
Impact of currency translation	13	5
As at 31 December 2024	**338**	**225**

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

€million	Non-current	Current
As at 1 January 2023	**359**	**189**
Revenue recognised during the year	-	(1,609)
New billings	-	1,671
Other movements*	(15)	(26)
Impact of currency translation	(7)	(1)
As at 31 December 2023	**337**	**224**

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

Note 19 - Trade and other receivables

€million	**2024**	2023
Trade receivables, net of provisions	**349**	309
Unbilled accrued revenue, net of provisions	**242**	184
Other receivables	**165**	454
Total trade and other receivables	**756**	947
Financial receivables	**726**	912
Non-financial receivables	**30**	35
Of which:		
Non-current	**107**	87
Current	**649**	860

Unbilled accrued revenue represents revenue recognised, but not billed, under long-term customer contracts. Billing will occur based on the terms of the contracts. The non-current balance represents entirely unbilled accrued revenue. Other receivables include EUR 87 million (2023: EUR 350 million) to be received as part of the C-band repurposing project (refer to Note 35).

An amount of EUR 6 million (2023: EUR 12 million) was expensed in 2024 reflecting a decrease in the impairment of trade and other receivables. This amount is recorded in ‘Other operating expenses’ and includes a reversal of provision of EUR 33 million (2023: EUR 30 million) mainly related to cash collections in respect of trade receivable balances previously provisioned. As at 31 December 2024, trade and other receivables with a nominal amount of EUR 114 million (2023: EUR 114 million) were impaired. Movements in the provision for the impairment of trade and other receivables were as follows:

€million	**2024**	2023
As at 1 January	**114**	114
Increase in provision	**39**	42
Reversals of provision	**(33)**	(30)
Utilised	**(10)**	(5)
Other movements	**-**	(3)
Impact of currency translation	**4**	(4)
As at 31 December	**114**	114

Note 20 - 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:

i Level 1 - Quoted prices in active markets for identical assets or liabilities;

ii Level 2 - Other techniques for which all inputs which have a significant effect on the recorded fair value are observable either directly or indirectly;

iii Level 3 - Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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

As at 31 December 2024 and 2023, the Group does not have any financial derivatives outstanding.

Fair values

The fair value of borrowings has been calculated with the quoted market prices except for the LuxGovSat Fixed Term Loan Facility, SES Astra 1P Fixed Term Loan Facility, and SES Satellites Ventures Floating Term Loan Facility, for which the discounted expected future cash flows at prevailing interest rates has been used. The fair value of foreign currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. All borrowings are measured at amortised cost.

Unless otherwise stated, the fair value of each class of financial assets and liabilities measured at amortised cost approximates their carrying amount. To that effect, for instruments carried at amortised cost, the Group determined that the fair value at origination date approximates the carrying amount, either due to the short-term nature of the instruments, or because the stated rates are close to the prevailing market rates and / or there were no significant origination costs at origination date.

Set out below is a comparison by category of carrying amounts and fair values of all the Group's financial instruments that are carried in the financial statements.

€ million	Carried at fair value		Carried at amortised cost	
At 31 December	**2024**	**2023**	**2024**	**2023**
Financial receivables	-	-	726	912
Cash and cash equivalents	-	-	3,521	2,907
Other financial assets*	34	20	-	-
Total assets	**34**	**20**	**4,247**	**3,819**
Borrowings – Level 1	-	-	4,127	3,943
Borrowings – Level 2	-	-	393	216
Borrowings**	-	-	4,520	4,159
Lease liabilities	-	-	51	39
Fixed asset suppliers***	-	-	610	768
Other long-term liabilities	-	-	55	83
Financial liabilities	-	-	663	359
Total liabilities	**-**	**-**	**5,899**	**5,408**

* Level 2 hierarchy measurement

** Fair value of the borrowings in 2024 is EUR 4,137 million (2023: EUR 3,880 million)

*** Fair value of the fixed asset suppliers in 2024 is EUR 592 million (2023: EUR 752 million)

Note 21 - Financial risk management objectives and policies

The Group’s financial instruments comprise: a syndicated loan, Eurobonds, US dollar bonds (144A), a Euro-dominated Private Placement, German Bonds (‘Schuldschein’), deeply-subordinated loans, committed credit facilities for specified satellites and projects, cash, money market funds and short-term deposits.

The main purpose of the debt instruments is to raise funds to finance the Group’s day-to-day operations, as well as for other general business purposes. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group’s financial instruments are liquidity risks, foreign currency risks, interest rate risks and credit risks. The general policies are periodically reviewed and approved by the board.

1 Liquidity risk

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

The Group operates a centralised treasury function which manages, amongst others, the liquidity of the Group to optimise the funding costs. This is supported by a daily cash pooling mechanism.

Liquidity is monitored regularly through a review of cash balances, the drawn and issued amounts and the availability of additional funding under committed credit lines, the commercial paper programme and the EMTN Programme (EUR 6,752 million as at 31 December 2024 and EUR 4,560 million as at 31 December 2023 - more details in Note 26).

The table below summarises the projected contractual undiscounted cash flows of the non-derivative financial liabilities based on the maturity profile as at 31 December 2024 and 2023.

€million	Within 1 year	Between 1 and 5 years	After 5 years	Total
As at 31 December 2024:				
Borrowings	273	2,509	1,773	4,555
Future interest commitments	160	552	638	1,350
Trade and other payables	663	-	-	663
Other long-term liabilities	-	56	-	56
Lease liabilities	19	28	8	55
Fixed assets suppliers	184	426	-	610
Total maturity profile	**1,299**	**3,571**	**2,419**	**7,289**
As at 31 December 2023:				
Borrowings	716	1,989	1,479	4,184
Future interest commitments	133	347	580	1,060
Trade and other payables	359	-	-	359
Other long-term liabilities	-	83	-	83
Lease liabilities	17	19	9	45
Fixed assets suppliers	455	313	-	768
Total maturity profile	**1,680**	**2,751**	**2,068**	**6,499**

2 Foreign currency risk

SES is active in markets outside the Eurozone, with business operations in many locations throughout the world. The Group's main exposures to foreign currency at the end of the reporting period are in respect of balances denominated in US dollars related to cash and cash equivalents (2024: EUR 2,338 million; 2023: EUR 2,169 million), intercompany balances (2024: EUR -2,048 million; EUR -1,859 million) and fixed assets suppliers (2024: EUR -192 million; EUR -342 million).

The aggregate net foreign exchange gains/ losses recognised in profit or loss were:

	2024	2023
Net foreign exchange gain included in main currencies	2	3
Net foreign exchange gain/ (loss) included in other currencies	-1	2
Net foreign exchange gain included in foreign exchange transactions	4	8
Total	**5**	**13**

SES uses certain financial instruments to manage its exposure to fluctuations in foreign currency exposure rates. Examples used to mitigate such exposures are the spot or forward buying and selling of foreign currencies, creating natural hedges (for example intercompany loans, quasi-equity qualification of such intercompany loans, intercompany dividend distributions), and external hedging, whereby speculative foreign exchange trading is disallowed under internal policies.

The Group may enter into forward currency contracts to eliminate or reduce the currency exposure arising from individual capital expenditure projects such as satellite procurements, tailoring the maturities to each milestone payment to maximise effectiveness. Depending on the functional currency of the entity with the capital expenditure commitment, the foreign currency risk may be in euro or in US dollar. The forward contracts are in the same currency as the hedged item and can cover up to 100% of the total value of the contract.

The Group has a corresponding exposure in the consolidated income statement, excluding the impacts of C-band repurposing, of EUR 1,209 million or 60.4% of the Group’s revenue and other income (2023: EUR 1,239 million or 60.9%) and EUR 492 million or 45.0% of its operating expenses (2023: EUR EUR 567 million or 54.0%) being denominated in US dollars.

3 Hedge of net investment in foreign operations

As at 31 December 2024 and 2023, certain borrowings denominated in US dollars were designated as hedges of the net investments in SES Global Americas Inc. in 2023 and SES Americom Inc. in 2024, following 2024 mergers of SES Global Americas Inc. into SES Global Americas Holdings Inc., which then merged into SES Americom Inc. and its subsidiaries (‘SES Americas’), SES Holdings (Netherlands) BV and its subsidiaries (‘SES Netherlands’) and MX1 Limited to hedge the Group’s exposure to foreign exchange risk on these investments.

As at 31 December 2024, all designated net investment hedges were assessed to be highly effective and a total gain of EUR 11 million, stated net of tax of EUR 4 million is included as part of other comprehensive income for the period (2023: gain of EUR 16 million, stated net of tax of EUR 6 million).

The following table sets out the hedged portion of USD statement of financial position exposure as at 31 December:

$million	2024	2023
USD statement of financial position exposure:		
SES Americas	225	281
SES Netherlands	1,797	1,899
MX1 Limited, Israel	17	30
Total	**2,039**	**2,210**
Hedged with:		
US Bonds	**250**	**750**
Total	**250**	**750**
Hedged proportion	**12%**	**34%**

The following table demonstrates the sensitivity to a +/- 20% change in the US dollar exchange rate on the nominal amount of the Group’s US dollar net investment, with all other variables held constant. All value changes are eligible to be recorded in other comprehensive income with no impact on profit and loss. 2024 was marked by EUR/USD fluctuation. The macro-outlook and global uncertainties along with worries regarding high energy prices and inflation result in the maintenance of a wide sensitivity range.

31 December 2024	Amount in USD million	Amount in EUR million at closing rate of 1.04	Amount in EUR million at rate of 1.25	Amount in EUR million at rate of 0.83
USD statement of financial position exposure:				
SES Americas	225	217	180	272
SES Netherlands	1,797	1,730	1,438	2,166
MX1 Limited, Israel	17	16	14	20
Total	**2,039**	**1,963**	**1,632**	**2,458**
Hedged with:				
US Bonds	250	241	200	301
Other external borrowings	-	-	-	-
Total	**250**	**241**	**200**	**301**
Hedged proportion	**12%**			
Absolute difference without hedging			(331)	494
Absolute difference with hedging			(291)	433

31 December 2023	Amount in USD million	Amount in EUR million at closing rate of 1.105	Amount in EUR million at rate of 1.33	Amount in EUR million at rate of 0.88
USD statement of financial position exposure:				
SES Americas	281	255	212	320
SES Netherlands	1,899	1,718	1,428	2,158
MX1 Limited, Israel	30	27	22	34
Total	**2,210**	**2,000**	**1,662**	**2,512**
Hedged with:				
US Bonds	750	679	564	852
Other external borrowings	-	-	-	-
Total	**750**	**679**	**564**	**852**
Hedged proportion	**34%**			
Absolute difference without hedging			(338)	512
Absolute difference with hedging			(223)	339

4 Interest rate risk

The Group’s exposure to market interest rate risk relates primarily to its debt portion at floating rates. In order to mitigate this risk, the Group generally contracts its debt at fixed rates, and monitors carefully the evolution of market conditions, adjusting the mix between fixed and floating rate debt if necessary.

To mitigate the Group’s interest rate risk in connection with near-term debt refinancing needs, the Group may from time to time enter into interest rate hedges. As per 31 December 2024 and 31 December 2023, the Group had no interest rate hedges outstanding.

The table below summarises the split of the carrying amount of the Group’s debt between fixed and floating rate.

€million	At fixed rates	At floating rates	Total
Borrowings at 31 December 2024	**4,510**	**10**	**4,520**
Borrowings at 31 December 2023	4,009	150	4,159

As of 31 December 2023, the interest rate applying to the floating rate instrument (EUR 150 million German bond) has been fixed through to its maturity date in June 2024. Thus, there is no residual interest-rate risk on this floating rate instrument.

Euro interest rates €million	Floating rate borrowings	Increase in rates Pre-tax impact	Decrease in rates Pre-tax impact
Borrowings at 31 December 2024	**10**	**0.0**	**-**
Borrowings at 31 December 2023	150	0.0	-

The Group's debt portion at floating rate is a USD denominated junior loan. The interest rate risk was calculated based on prognosis for USD fluctuations.

5 Customer credit risk

The Group has the following types of financial assets subject to the 'expected credit loss' model: trade receivables; unbilled accrued revenue; and, C-band repurposing reimbursement receivables.

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

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

Following this credit analysis, the customer is classified into a credit risk category which can be as follows: 'Prime' (typically publicly rated and listed entities), 'Market' (usually higher growth companies with higher leverage), 'Sub-prime' (customers for which viability is dependent on continued growth with higher leverage), or Government (governments or governmental institutions, subject to the corresponding country meeting minimum credit rating criteria). The credit profile is updated at least once a year for all key customers with an ongoing contractual relationship.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

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

In order to compute the provision, the gross trade receivables balance is reduced for any portion representing deferred revenue and any securities held. Trade receivables and unbilled accrued revenue are written off when there is no reasonable expectation of recovery. The Group's largest customers are large media companies and government agencies, and hence the credit risk associated with these contracts is assessed as low.

The Company calculates loss expectancy rates based on the history of losses to create a provision matrix. On that basis, the provision as at 31 December 2024 and 31 December 2023 is as follows:

€million

31 December 2024	Current	Less than 1 month	Between 1 and 3 months	More than 3 months	Total
Average expected loss rate (by portfolio)	2.8%	3.9%	7.0%	13.1%	
Gross carrying amount – trade receivables	208	51	38	133	430
Provision	**2**	**-**	**-**	**14**	**16**

31 December 2023	Current	Less than 1 month	Between 1 and 3 months	More than 3 months	Total
Average expected loss rate (by portfolio)	3.0%	4.1%	6.5%	9.8%	
Gross carrying amount – trade receivables	162	66	48	129	405
Provision	**2**	**-**	**-**	**11**	**13**

The provision in respect of unbilled accrued revenue as at 31 December 2024 amounts to EUR 34 million and the corresponding expected credit loss is 12.0% (31 December 2023: EUR 18 million, 9.0%).

An amount of EUR 1 million (2023: EUR 6 million) was expensed in 2024 reflecting an increase in the IFRS 9 related provision for trade and other receivables.

Additional provisions are recorded for trade receivable balances if specific circumstances or forward-looking information lead the Group to believe that additional collectability risk exists with respect to customers that are not reflected in the loss expectancy rates. A cumulative provision for trade receivables of EUR 64 million has been recorded as of 31 December 2024 (31 December 2023: EUR 83 million).

The movement in provisions for trade receivables and unbilled accrued revenue as at 31 December 2024 and 2023 are as follows:

€million	**Provisions for trade receivables**		**Provisions for unbilled accrued revenue**	
	2024	2023	**2024**	2023
At 1 January	**96**	**100**	**18**	**14**
Increase in provision recognised in profit or loss during the year	30	41	9	1
Receivables written off during the year as uncollectible	(18)	(13)	8	8
Unused amount reversed	(31)	(29)	(2)	(1)
Other movements	-	-	-	(3)
Impact of currency translation	3	(3)	1	(1)
At 31 December	**80**	**96**	**34**	**18**

6 C-band repurposing receivables risk

The Group records reimbursement receivables for capital expenditure and operational costs only when the expenses have been incurred and the Group has obtained reasonable assurance that the costs will be reimbursed and that it will comply with the requirements attached to the reimbursement. In both cases, the Group believes it obtains such reasonable assurance when either the Clearinghouse specifically validates the costs as being reimbursable, or the costs fall within cost ranges for the applicable costs as published by the FCC in a cost catalogue. Hence the Group believes the credit risk related to the C-band repurposing receivables at the end of 2024 and 2023 is insignificant and concluded that the expected credit losses is zero. (See also Note 35)

7 Financial credit risk

With respect to the credit risk relating to financial assets, this exposure relates to the potential default of the counterparty, with the maximum exposure being equal to the carrying amount of these instruments. The counterparty risk from a cash management perspective is reduced by the implementation of several cash pools, accounts and related paying platforms with different counterparties.

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

8 Capital management

The Group aims to have a balanced mix of equity and debt capital. In addition, it is the Group's policy is to attain and retain an investment grade rating from at least two reputable rating agencies. These investment grade ratings serve to maintain investor, creditor, and market confidence. Within this framework, the Group manages its capital structure and liquidity in order to reflect changes in economic conditions to keep its cost of debt low, maintain the confidence of debt investors at a high level and to create added value for shareholders.

The Group's dividend policy takes into account the financial performance of the year, business plan cash flow requirements and other factors such as yield and pay-out ratio.

Note 22 - Cash and cash equivalents

€million	**2024**	2023
Cash at bank and in hand	**290**	283
Cash and cash equivalents subject to contractual restrictions	**300**	-
Term deposits	**1,458**	1,336
Money market funds	**1,473**	1,288
Total cash and cash equivalents	**3,521**	2,907

Cash at banks and money market funds are subject to interest at floating rates based on daily bank rates. Short-term deposits are made for varying periods, depending on the immediate cash requirements of the Group - and earn interest at the respective deposit rates. Cash and cash equivalents are held at various financial institutions meeting the credit rating criteria set out in Note 21 above. See also Note 35 in connection with the receipt of C-band Accelerated Relocation Payments around the year end.

Cash and cash equivalents subject to contractual restrictions of EUR 300.0 million (2023: EUR nil) represents funds received from European Commission in relation to the IRIS² (Infrastructure for Resilience, Interconnectivity and Security by Satellite) programme. This represents initial funding from the EU Commission for programme costs arising in the first year of the programme for both SES ASTRA S.A. and other consortium members and subcontractors. At the year-end, the Group has a deposit of EUR 300.0 million (2023: EUR nil) in relation to the IRIS² programme.

Note 23 - Shareholders' equity

Issued capital

SES has a subscribed capital of EUR 696 million (2023: EUR 696 million), represented by 371,457,600 Class A shares (2023: 371,457,600 Class A shares) and 185,728,800 Class B shares (2023: 185,728,800 Class B shares) with no par value.

The movement between the opening and closing number of shares issued per class of share can be summarised as follows:

	Class A shares	Class B shares	Total shares
As at 1 January 2024	**371,457,600**	**185,728,800**	**557,186,400**
Shares issued during the year	-	-	-
Shares cancelled during the year	**-**	**-**	**-**
As at 31 December 2024	**371,457,600**	**185,728,800**	**557,186,400**

	Class A shares	Class B shares	Total shares
As at 1 January 2023	**371,457,600**	**185,728,800**	**557,186,400**
Shares issued during the year	-	-	-
Shares cancelled during the year	-	-	-
As at 31 December 2023	**371,457,600**	**185,728,800**	**557,186,400**

Fiduciary Deposit Receipts (‘FDRs’) with respect to Class A shares are listed on the Luxembourg Stock Exchange and on Euronext Paris. They can be traded freely and are convertible into Class A shares at any time and at no cost at the option of the holder under the conditions applicable in the Company’s articles of association and in accordance with the terms of the FDRs.

All Class B shares are currently held by the State of Luxembourg, or by Luxembourg public institutions. Dividends paid for one share of Class B equal 40% of the dividend for one share of Class A.

A shareholder, or a potential shareholder, who seeks to acquire, directly or indirectly, more than 20% of the shares of the Company must inform the Chairman of the Board of Directors of the Company of such an intention. The Chairman of the Board of Directors of the Company shall forthwith inform the government of the Grand Duchy of Luxembourg of the envisaged acquisition which may be opposed by the government within three months should the government determine that such an acquisition would be against the general public interest.

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

Share buyback programme

On 3 August 2023 the Company announced a share buyback programme under the authorisation given by the Annual General Meeting of shareholders held on 6 April 2023. In connection with this programme, as of 31 December 2024 the Group acquired 23,952,416 FDRs at a weighted average price of EUR 5.22 per FDR and 11,976,209 Class B shares at an average price of €2.09 per B-share, resulting in a total cost of the programme of EUR 150 million.

Subject to the agreement of the shareholders, the Company also purchases FDRs in connection with executives’ and employees’ share-based payment plans. At the year-end, the Company held 3,898,699 FDRs relating to such plans. These FDRs are disclosed as treasury shares in the consolidated statement of financial position and are carried at acquisition cost as a deduction from equity.

	2024	**2023**
FDRs held as at 31 December	**27,851,115**	9,615,110
Carrying value of FDRs held (*€million*)	**173**	90
Class B shares held as at 31 December	**11,976,209**	-
Carrying value of Class B shares held (*€million*)	**25**	-

EUR 550 million Deeply Subordinated Fixed Rate Resettable Securities

In November 2016 SES issued Deeply Subordinated Fixed Rate Resettable Securities for an amount of EUR 550 million, with a first call on 29 January 2024. The securities bear a coupon of 5.625% per annum to the first call date and were priced at 99.304% of their nominal value. Tender premium and transaction costs for this transaction amounted to EUR 8 million and were deducted from “Other reserves”.

On December 4, 2023 the Company issued a notice of redemption to holders of its EUR 550 million Deeply Subordinated Fixed Rate Resettable Securities with a call date on January 29, 2024, on which date the Company fully settled those securities.

EUR 625 million Deeply Subordinated Fixed Rate Resettable Securities

In May 2021 SES issued Deeply Subordinated Fixed Rate Resettable Securities for an amount of EUR 625 million, with a first call date on 27 August 2026. The securities bear a coupon of 2.875% per annum and were priced at 99.409% of their nominal value. Tender premium and transaction costs for this transaction amounted to EUR 26 million and were deducted from “Other reserves”.

Coupon payments in respect of the Deeply Subordinated Fixed Rate Resettable Securities occurred on 30 January 2024 (EUR 31 million), 30 August 2024 (EUR 18 million) and have been deducted from 'Other reserves'. The corresponding payments in 2023 were on 30 January 2023 (EUR 31 million), 28 August 2023 (EUR 18 million) and were also deducted from 'Other reserves'. Tax on the Perpetual Bonds coupon accrual of EUR 6 million (2023: EUR 14 million) has been credited to 'Other reserves'.

In 2024 the Group repurchased in the open market an aggregate amount of EUR 37 million in principal amount of its EUR 625 million Deeply Subordinated Fixed Rate Resettable Securities issued on 27 May 2021. The Group's cash outflow in respect to the repurchase amounted to EUR 35 million and the repurchase resulted in EUR 2 million gain being recorded in 'Other reserves'. In accordance with the terms and conditions of the Securities, the purchased Securities will be cancelled. Following these transactions, the outstanding principal amount of the Securities at the year-end was EUR 588 million.

The Company may, at its discretion, elect to defer all or part of any interest payment. Coupon accruals may be paid at the option of the Company in whole or in part at any time. Coupons become payable under the following circumstances: whenever the Company makes dividend payments or other distributions in respect of any junior obligations or parity obligations of the Company or the guarantor (SES Americom Inc.); whenever the Company or the guarantor elects to redeem, repurchase or otherwise acquire any junior obligations or parity obligations; whenever the Company does not elect to defer all of the interest accrued in respect of the relevant interest period; or upon redemption or repayment of the securities.

Other reserves

In accordance with Luxembourg legal requirements, a minimum of 5% of the yearly statutory net profit of the Company is transferred to a legal reserve which is non-distributable. This requirement is satisfied when the reserve reaches 10% of the issued share capital. As at 31 December 2024 a legal reserve of EUR 70 million (2023: EUR 72 million) is included within other reserves. Other reserves include a non-distributable amount of EUR 198 million (2023: EUR 95 million) linked to treasury shares, and an amount of EUR 54 million (2023: EUR 101 million) representing the net worth tax reserve for 2018-2019, for which the distribution would result in the payment of net worth tax at a rate of up to 20% of the distributed reserve in accordance with Luxembourg law requirement.

Note 24 - Non-controlling interests

Set out below is the summarised financial information for each subsidiary that has non-controlling interests (NCI) that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

€million	LuxGovSat S.A. (50% NCI)*		Al Maisan Satellite Communications LLC, UAE (65% NCI)*	
Summarised balance sheet	**2024**	2023	**2024**	2023
Current assets	**23**	12	**4**	5
Current liabilities	**(25)**	(22)	**(2)**	(2)
Current net (liabilities)/assets	**(2)**	(10)	**2**	3
Non-current assets	**131**	137	**24**	20
Non-current liabilities	**(34)**	(50)	**-**	-
Non-current net assets	**97**	87	**24**	20
Net assets	**95**	77	**26**	23
Accumulated NCI	**48**	39	**17**	15
Transactions with non-controlling interests	**-**	-	**-**	-

* Refer to Note 2

€million	LuxGovSat S.A. (50% NCI)		Al Maisan Satellite Communications LLC, UAE (65% NCI)	
Summarised statement of comprehensive income	**2024**	2023	**2024**	2023
Revenue	**38**	31	**10**	**7**
Operating expenses	**(12)**	(12)	**(4)**	**(4)**
Profit/(loss) for the period	**9**	4	**2**	**-**
Other comprehensive income	**-**	-	**-**	**-**
Total comprehensive income	**9**	4	**2**	**-**
Profit/(loss) allocated to NCI	**4**	2	**1**	**-**
Dividend paid to NCI	**-**	-	-	-

€million	LuxGovSat S.A. (50% NCI)		Al Maisan Satellite Communications LLC, UAE (65% NCI)	
Summarised cash flows	**2024**	2023	**2024**	2023
Cash flows from/(absorbed by) operating activities	**37**	16	**6**	5
Cash flows from/(absorbed by) investing activities	**-**	-	**-**	-
Cash flows from/(absorbed by) financing activities	**(37)**	(16)	**(6)**	(12)
Net foreign exchange movements	**-**	-	**-**	(1)
Net increase/(decrease) in cash and cash equivalents	**-**	-	**-**	(8)

Note 25 - Share-based compensation plans

The Group has three share-based compensation plans which are detailed below.

1 Simulated Restricted Share Units ('SRSU')

SRSU are cash-settled awards delivered on 1 June following a three-year vesting period. The liability for the cash-settled awards is measured initially and at the end of each reporting period until settled, at the fair value of the share appreciation rights, taking into account the terms and conditions on which the stock appreciation rights were granted and recognised to the extent to which the employees have rendered services to date.

During 2024, no SRSU have been granted (2023: 1,233,352). During the same period, 282,548 SRSUs have been forfeited (2023: 172,473) and 647,870 SRSU have been vested (2023: 652,648). A liability of EUR 3,525,918 has been recognised in the consolidated statement of financial position as of 31 December 2024 (31 December 2023: EUR 7,290,615) based on the 1,735,344 outstanding SRSUs (31 December 2023: 2,665,762) measured at the Group's share price at the end of the year on a pro-rata basis over 3 years vesting period.

2 Equity Based Compensation Plan comprising options ('EBCP Option')

The EBCP Option is usually available to Group executives. Under the plan, the "date of Option Grant" means the first business day that follows fifteen (15) market trading days for Shares after the Allocation Period during which the Fair Market Value is fixed. For EBCP Option grants till year 2020 inclusive and prior, one-quarter of the entitlement vests on each 1 January of the four years following the Date of Option Grant. For EBCP Grants from 2021 onwards a 3-year cliff vesting on June 1 (Y+3) was introduced. One EBCP Grant has an exceptional vesting arrangement whereby one fifth of the entitlement vests on each 1 June of the five years following the Date of Option Grant. There was no stock option issuance in year 2024. Once vested, the options can be exercised until the tenth anniversary of the original grant.

	2024	2023
Outstanding options at the end of the year	**15,165,029**	19,049,997
Weighted average exercise price in euro	**11.54**	11.88

Out of 15,165,029 outstanding options as the end of 2024 (2023: 19,049,997), 12,183,981 options are exercisable (2023: 11,242,584). In 2024 59,060 treasury shares were delivered at a weighted average exercise price of EUR 5.97 each, while in 2023 147,451 treasury shares were delivered at a weighted average exercise price of EUR 6.11 each. On average, in 2024, the related weighted average share price at the time of exercise during 2024 was EUR 6.11 per share.

Movements in the number of share options outstanding and their related weighted average exercise prices in euro are as follows:

	2024 Average exercise price per share option	**Number of options**	2023 Average exercise price per share option	Number of options
At 1 January	**11.88**	**19,049,997**	12.09	20,348,470
Granted	**-**	**-**	-	-
Forfeited	**13.33**	**(3,825,908)**	16.32	(1,151,022)
Exercised	**5.97**	**(59,060)**	6.11	(147,451)
At 31 December	**11.54**	**15,165,029**	11.88	19,049,997

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

Grant	Expiry date	Exercise price per share options	Number of options	
			2024	2023
2022	2032	8.40	**3,037,691**	**3,805,164**
2022	2032	6.00	**196,834**	**247,307**
2021	2031	6.40	**2,571,440**	**3,069,930**
2020	2030	5.97	**2,810,388**	**3,434,330**
2019	2029	15.01	**1,304,353**	**1,638,010**
2018	2028	18.23	**242,000**	**407,000**
2018	2028	12.67	**2,540,829**	**3,038,030**
2017	2027	21.15	**1,249,983**	**1,600,721**
2016	2026	24.39	**888,300**	**1,084,398**
2015	2025	32.73	**323,211**	**407,535**
2014	2024	26.5	**0**	**317,572**
			15,165,029	**19,049,997**

3 Equity Based Compensation Plan ('EBCP')

The EBCP is also a programme for executives and senior executives of the Group, comprising performance shares ('EBCP PS') and restricted shares ('EBCP RS'). Under the plan, restricted shares are allocated to executives at the beginning of May each year and these vest on the 1 June following the third anniversary of the grant. Performance shares are allocated at the beginning of May each year. Vesting for performance shares are subject to the achievement of the Total Shareholder Return ("TSR"), measured on a relative basis to the median TSR performance of a panel of comparable companies and reviewed by the Remuneration Committee prior to the Share Vesting Date. In addition, starting from share grant 2023, with first vesting being on 1 June 2026, the performance shares for members of the Senior Leadership Team, are subject to Environmental, Social and Governance ("ESG") metrics which will be applied as a modifier to the TSR and will be reviewed by the Remuneration Committee prior to the Share Vesting Date.

	2024	2023
Restricted and performance shares outstanding at the end of the year	**4,438,497**	4,215,486
Weighted average fair value in euro	**5.51**	5.44

During 2024, 456,894 restricted shares (2023: 451,705) and 1,635,264 (2023: 1,287,594) performance shares were granted; 196,299 restricted shares (2023: 67,853) and 355,197 performance shares (2023: 86,772) were forfeited; and 944,846 performance shares (2023: 604,047) and 372,805 restricted shares (2023: 238,645) were exercised.

The fair value of EBCP Option granted is estimated as at the date of the grant using a binomial model. The fair value of EBCP RS is estimated at the date of the grant by restating discounted dividends from share price and taking into account the terms and conditions upon which the shares were granted. The fair value of EBCP PS is estimated at the date of the grant using a Monte-Carlo simulation model and taking into account the terms and conditions upon which the shares were granted.

The following table lists the average value of inputs to the model used for the years ended 31 December 2024 and 31 December 2023.

2024	**EBCP PS and EBCP RS**
Dividend yield (%)	**11.04%**
Risk-free interest rate (%)	**2.80%**
Expected life of options (years)	**3**
Share price at inception (EUR)	**5.26**
Fair value per option/share (EUR)	**4.23-3.83**
Total expected cost for each plan (*€million*)	**4.95-1.87**

2023	**EBCP PS and EBCP RS**
Dividend yield (%)	**10.22%**
Risk-free interest rate (%)	**2.74%**
Expected life of options (years)	**3**
Share price at inception (EUR)	**5.59**
Fair value per option/share (EUR)	**5.41-4.16**
Total expected cost for each plan (*€million*)	**8.60**

The expected life of options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may or may not necessarily be the actual outcome.

The total charge for the year for share-based compensation amounted to EUR 10 million (2023: EUR 13 million), out of which equity-settled EUR 10 million (2023: EUR 9 million) and cash-settled EUR 0 million (2023: EUR 4 million).

Note 26 - Borrowings

As at 31 December 2024 and 2023, the Group's interest-bearing borrowings were:

€million	Effective interest rate	Maturity	**Amounts outstanding 2024, carried at amortised cost**
Non-current			
Eurobond 2026 (EUR 650 million)	1.625%	March 2026	651
Euro Private Placement 2027 (EUR 140 million under EMTN)	4.00%	May 2027	140
Eurobond 2027 (EUR 500 million)	0.875%	November 2027	499
Eurobond 2028 (EUR 400 million)	2.00%	July 2028	398
Eurobond 2029 (EUR 750 million)	3.50%	January 2029	746
Fixed Term Loan (LuxGovSat), non-listed	3.30%	December 2027	32
German bond (EUR 50 million), non-listed	4.00%	November 2032	50
US Bond (USD 250 million)	5.30%	April 2043	235
US Bond (USD 500 million)	5.30%	March 2044	468

€million	Effective interest rate	Maturity	Amounts outstanding 2024, carried at amortised cost
Hybrid Bond NC5.25 (EUR 500 million)	5.50%	September 2054	494
Hybrid Bond NC8 (EUR 500 million)	6.00%	September 2054	496
Fixed Term Loan (SES Astra 1P Sarl), non-listed	3.15%	March 2031	28
Floating Term Loan Facility (SES Satellites Ventures Sarl), non-listed	SOFR 3M + 2.2%	March 2030	10
Total non-current			**4,247**
Current			
German bond (EUR 250 million), non-listed	1.71%	December 2025	250
Fixed Term Loan (LuxGovSat), non-listed	3.30%	December 2027	17
Fixed Term Loan (SES Astra 1P Sarl), non-listed	3.15%	March 2031	6
Total current			**273**

€million	Effective interest rate	Maturity	Amounts outstanding 2023, carried at amortised cost
Non-current			
German bond (EUR 250 million)	1.71%	December 2025	250
Eurobond 2026 (EUR 650 million)	1.625%	March 2026	652
Euro Private Placement 2027 (EUR 140 million under EMTN)	4.00%	May 2027	140
Eurobond 2027 (EUR 500 million)	0.875%	November 2027	497
Eurobond 2028 (EUR 400 million)	2.00%	July 2028	397
Eurobond 2029 (EUR 750 million)	3.50%	January 2029	745
Fixed Term Loan (LuxGovSat), non-listed	3.30%	December 2027	50
German bond (EUR 50 million)	4.00%	November 2032	50
US Bond (USD 250 million)	5.30%	April 2043	220
US Bond (USD 500 million)	5.30%	March 2044	442
Total non-current			**3,443**
Current			
Perpetual Bond (EUR 550 million)	5.625%	January 2024	550
German bond (EUR 150 million), non-listed	EURIBOR 6M + 0.80%	June 2024	150
Fixed Term Loan (LuxGovSat), non-listed	3.30%	December 2027	16
Total current			**716**

European Medium-Term Note (‘EMTN’) programme

SES has an EMTN programme enabling SES, or SES Americom Inc., to issue as and when required notes up to a maximum aggregate amount of EUR 5,500 million. As at 31 December 2024, SES had issued EUR 3,440 million (2023: EUR 2,440 million) under the EMTN programme with maturities ranging from 2026 to 2054.

German bond issue of EUR 400 million (2024/2025)

In 2018 the Group issued EUR 400 million in the German bond (‘Schuldschein’) market. The transaction consisted of two individual tranches:

- a EUR 150 million tranche with a floating interest rate of a six-month EURIBOR plus a margin of 0.8% and a final maturity date on 18 June 2024 was settled in full at maturity.
- a EUR 250 million tranche with a fixed interest rate of 1.71% and a final maturity date on 18 December 2025.

EUR 650 million Eurobond (2026)

In 2018 SES issued a EUR 500 million 8-year bond under the EMTN programme. On the 22 June 2021 SES announced the successful launch and pricing of a tap of its 1.625% Notes in which it has agreed to sell incremental senior unsecured fixed rate notes of EUR 150 million. These notes were priced at 106.665% of their nominal value. The bond bears interest at a fixed rate of 1.625% and has a final maturity date on 22 March 2026.

EUR 500 million Eurobond (2027)

In November 2019, SES issued a EUR 500 million bond under the EMTN programme. The bond has an 8-year maturity and bears interest at a fixed rate of 0.875% and has a final maturity date of 4 November 2027.

EUR 140 million Private Placement (2027)

In 2012 SES issued three individual tranches of a total EUR 140 million Private Placement under the EMTN programme with ING Bank N.V. The Private Placement has a 15-year maturity, beginning 31 May 2012, and bears interest at a fixed rate of 4.00%.

EUR 400 million Eurobond (2028)

In July 2020, SES issued a EUR 400 million bond under the EMTN programme. The bond has an 8-year maturity and bears interest at a fixed rate of 2.00% and has a final maturity date on 2 July 2028.

EUR 750 million Eurobond (2029)

On 14 June 2022, SES issued a EUR 750 million bond under the EMTN programme. The bond has a 7-year maturity, bears interest at a fixed rate of 3.50%, and has a final maturity date on 14 January 2029.

German bond issue of EUR 50 million (2032)

In 2012 the Group signed an agreement to issue EUR 50 million in the German bond (‘Schuldschein’) market. The German bond bears a fixed interest rate of 4.00% and matures on 12 November 2032.

144A Bond USD 250 million (2043)

In 2013 SES completed a 144A offering in the US market issuing a USD 250 million 30-year bond with a coupon of 5.30% and a final maturity date on 4 April 2043.

144A Bond USD 500 million (2044)

In 2014 SES completed a 144A offering in the US market issuing a USD 500 million 30-year bond with a coupon of 5.30% and a final maturity date of 25 March 2044.

Syndicated loan

The facility is 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. Another extension in 2024 set the termination date to 26 June 2028. The facility is for EUR 1,200 million and the interest payable is linked to a ratings grid. At the current SES credit rating of BBB/ Baa3, the interest rate is 45 basis points over EURIBOR/SOFR. As at 31 December 2024 and 2023, no amount had been drawn under this facility.

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

On 16 December 2022 SES signed a seven-year contract with the EIB which will support the funding of SES’s three fully digital satellites serving Western Europe, Africa and the Middle East. The facility is available for disbursement at fixed or floating rates linked to a ratings grid. At the current SES credit rating of BBB/ Baa3 this equates to 0.42% per annum over EURIBOR (in case of a floating rate) or over a base rate as determined by the EIB (in the case of a fixed rate). As at 31 December 2024 no amount had been drawn under this facility.

2016 Deeply Subordinated Fixed Rate Resettable Securities for EUR 550 million (“Perpetual Bond”)

In November 2016 SES issued Deeply Subordinated Fixed Rate Resettable Securities of EUR 550 million at a coupon of 5.625 percent. On 4 December 2023 the Company issued a ‘Notice of Redemption’ to holders of the securities with a call date on 29 January 2024. Consequently, the Bond has now been fully settled.

EUR 115 million LuxGovSat Credit Facility

In 2015 LuxGovSat S.A. signed a financing agreement with BGL BNP Paribas for EUR 115 million at a fixed coupon rate of 3.30%. The facility is repayable in 14 semi-annual instalments and has a final maturity date of 1 December 2027. As at 31 December 2024, total borrowings of EUR 49 million were outstanding under the fixed term facility and the Company is in compliance with the covenants specified in the facility.

European Commercial Paper programme

In 2012 SES signed the documentation for the inception of a joint EUR 1,000 million guaranteed European commercial paper programme of SES S.A. and SES Americom Inc. (previously SES Global Americas Holdings Inc.). Issuances under the programme represent senior unsecured obligations of the issuer and any issuance under the programme is guaranteed by the non-issuing entity. The programme is rated by Moody’s Investors Services and Fitch Ratings and is compliant with the standards set out in the STEP Market Convention. On 4 July 2024, this programme was updated. As at 31 December 2024 and 2023, no borrowings were outstanding under this programme.

Deeply Subordinated Fixed Rate Resettable Securities (‘Hybrid Dual-tranche Bond Offering’)

On September 6, 2024, SES S.A. announced the successful launch and pricing of a hybrid dual-tranche bond offering of EUR 1 billion. The settlement took place on September 12, 2024 and the notes are listed on the Luxembourg Stock Exchange. The transaction is composed of:

- a EUR 500 million 30-year Non-Call (NC) 5.25-year tranche with a first reset date on December 12, 2029, and
- a EUR 500 million 30-year NC 8-year tranche with a first reset date on September 12, 2032.

The NC 5.25-year notes bear a coupon of 5.5% per annum and were priced at 99.473% of their nominal value, while the NC 8-year notes will bear a coupon of 6% per annum and were priced at par.

Fixed Term Loan (SES Astra 1P S. à r.l.)

In December 2024, SES received an interest-bearing loan of EUR 33.5 million from Volantis S.à r.l.. The loan has a fixed interest rate of 3.15%, will be repaid in instalments, and matures in 2031.

Floating Term Loan Facility (SES Satellites Ventures S. à r.l.)

In December 2024, SES entered into a loan agreement with Elm (Luxembourg) S.à r.l. for USD 28.1 million to be granted in several instalments. The loan has at Term SOFR plus 2.2% variable interest rate. As of 31 December 2024, the Group had received USD 10.5 million. The loan is repayable in instalments, with a final maturity date in 2030.

Term Loan Agreement

The facility is provided by 24 banks and has been structured as a 5-year term loan facility. The facility amount is EUR 963 million (USD 1,000 million), and the termination date is set for 15 June 2029. The agreement was signed on 14 June 2024 and is related to the acquisition of Intelsat. The interest payable is linked to a ratings grid, with the rate based on the Term SOFR plus a margin that varies according to the SES credit rating. As at 31 December 2024, no amount had been drawn under this facility.

Bridge Facility Agreement

The facility has been structured as a EUR 3 billion bridge facility. The agreement was signed on 30 April 2024 and is related to the acquisition of Intelsat. The interest payable is linked to a ratings grid, with the rate based on the EURIBOR plus a margin that varies according to the SES credit rating. SES secured financing for the acquisition through this initial EUR 3 billion bridge facility and a EUR 963 million (USD 1 billion) Term Loan Facility dated 14 June 2024 ("TLA"). Upon entering the TLA, EUR 930 million of the Bridge Facility was cancelled. Additionally, on 12 September 2024, the Company raised EUR 1 billion in Hybrid financing, which similarly led to the cancellation of an equivalent portion of the Bridge Facility. As at 31 December 2024, the facility amount is EUR 1,079 million and no amount had been drawn under this facility.

European Investment Bank ('EIB') Financing Facility EUR 25 million

On 23 December 2024, SES signed a finance contract with the EIB to support the funding of a satellite communications system for rural Central Asia. The facility is available for disbursement at fixed or floating rates linked to a ratings grid. At the current SES credit rating of BBB/Baa3, this equates to 0.36% per annum over EURIBOR (in the case of a floating rate) or over a base rate as determined by the EIB (in the case of a fixed rate). Final availability date falls 24 months after the signature of the contract. As at 31 December 2024, no amount has been drawn under this facility.

European Investment Bank ('EIB') Financing Facility EUR 125 million

On 23 December 2024, SES signed a finance contract with the EIB to support the funding of a satellite constellation project. The facility is available for disbursement at fixed or floating rates linked to a ratings grid. At the current SES credit rating of BBB/Baa3, this equates to 0.36% per annum over EURIBOR (in the case of a floating rate) or over a base rate as determined by the EIB (in the case of a fixed rate). Final availability date falls 24 months after the signature of the contract. As at 31 December 2024, no amount has been drawn under this facility.

IBOR Reform

Regulatory authorities have identified and recommended alternative benchmark rates and best practice to support the transition of IBORs to respective alternatives (e.g. SOFR, €STR, SONIA) . These changes have been reviewed and do not have any material impact on the Group's consolidated financial statements and future funding capabilities.

Note 27 - Provisions

€million	**2024**	2023
Non-current	**3**	3
Current	**128**	88
Total	**131**	91

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 2024	**59**	**31**	**1**	**91**
Additional provisions recognised	4	63	5	72
Unused amounts reversed	-	-	-	-
Used during the year	-	(41)	-	(41)
Reclassifications	(30)	(2)	40	8
Impact of currency translation	1	-	-	1
As at 31 December 2024	**34**	**51**	**46**	**131**
Non-current	2	-	1	3
Current	32	51	45	128

€million	**Group tax provision**	**Restructuring provision**	**Other provisions**	**Total**
As at 1 January 2023	**58**	**14**	**2**	**74**
Additional provisions recognised	7	27	-	34
Unused amounts reversed	-	-	(1)	(1)
Used during the year	-	(10)	-	(10)
Reclassification to income tax payable	(3)	-	-	(3)

€million	Group tax provision	Restructuring provision	Other provisions	Total
Impact of currency translation	(3)	-	-	(3)
As at 31 December 2023	**59**	**31**	**1**	**91**
Non-current	2	-	1	3
Current	57	31	-	88

Group tax provision

Group tax provision mainly relates to disputed withholding tax ('WHT') obligations in India where tax authorities have sought to impose WHT on payments from Indian customers despite the existence of a tax treaty that SES believes does not permit this. New Skies Satellites B.V., a Dutch subsidiary of SES providing services in India, has consistently appealed against these decisions from the Indian tax authorities and the case is currently pending before the Indian Supreme Court. Despite the tax technical merits of SES's arguments, there remains a high-level of uncertainty as to how the Indian Supreme Court will rule. Management believes that it is at present more-likely-than-not that New Skies Satellites B.V. will not be able to obtain a favorable ruling from the Indian Supreme Court and therefore records a provision for this uncertain tax position representing management's best estimate of the most likely cash out. The increase in the Group tax provision was mainly due to a refund of withholding taxes under litigation.

The accrued interest on the disputed WHT position (EUR 30 million) has been reclassified in 2024 as 'Other provisions' (EUR 40 million) and 'Deferred Tax Asset' (EUR 10 million).

Restructuring provision

Expenses of the year include an amount of EUR 54 million (2023: EUR 27 million) of staff-related restructuring expenses (Note 4). The consolidated statement of financial position includes a provision of EUR 51 million (2023: EUR 31 million).

Note 28 - Trade and other payables

€million	**2024**	2023
Trade creditors	**58**	60
Payments received in advance (please also see Note 29	**25**	25
Liability in respect of IRIS^2	**300**	-
Interest on borrowings	**63**	52
Personnel-related liabilities	**69**	90
Tax liabilities other than for income tax	**15**	31
Other financial liabilities	**148**	132
Total	**678**	390
Financial liabilities	**663**	359
Non-financial liabilities	**15**	31

Tax liabilities mainly relate to VAT payables in the amount of EUR 10 million as of 31 December 2024 (2023: EUR 22 million).

Funds received in connection with the EU IRIS^2 project

On 16 December 2024, the European Commission has awarded the SpaceRISE consortium the contract to design, deliver, and operate IRIS^2 for the next 12 years (see Note 1). The amount of EUR 300.0 million (2023: EUR nil) represents the funds received from European Commission in relation to this programme, representing initial funding for programme costs arising in the first year of the programme for both SES ASTRA S.A. and other consortium members and subcontractors.

Note 29 - Other long-term liabilities

€million	**2024**	2023
Employee benefits obligations	**14**	13
Payments received in advance	**23**	47
Other long-term financial liabilities	**18**	23
Total	**55**	83

Employee benefits obligations

In the Group's US operations certain employees benefit from an externally-insured post-retirement health benefit plan. As at 31 December 2024, accrued premiums of EUR 7 million (2023: EUR 6 million) are included in this position.

There were no contributions made in 2024 to Group pension schemes (2023: nil).

In addition, certain employees of the US operations benefit from defined contribution pension plans. A liability of EUR 8 million has been recognised as at 31 December 2024 (2023: EUR 10 million) in this respect, out of which EUR 0 million is included under 'Trade and other payables' (2023: EUR 2 million).

Payments received in advance

In the framework of receivables securitisation transactions completed in June 2019 the Group received a net cash amount of EUR 59 million, from the financial institution as advance settlement of future receivables arising between 2022 and 2024 under contracts with a specific customer. The entire outstanding balance of EUR 25 million as at 31 December 2023 was repaid to the financial institution in January 2024.

In June 2022, the Company received a net cash amount of EUR 47 million from the financial institution as advance settlement of future receivables arising between 2024 and 2025 under contracts with a specific customer. A corresponding aggregate liability including interest of EUR 48 million (2023: EUR 72 million), representing SES's obligation towards the financial institution to continue to provide services to the customer in accordance with the terms of the customer contract, is recorded in the consolidated statement of financial position as at 31 December 2024 under 'Trade and other payables' for EUR 25 million (2023: EUR 25 million) and under 'Other financial long-term liabilities' for EUR 23 million.

Other long-term liabilities

The other long-term liabilities include customer collateral deposits amounting to EUR 18 million (2023: EUR 23 million).

Note 30 - Fixed assets suppliers

€million	**2024**	2023
Non-current	**426**	313
Current	**184**	455

Fixed assets suppliers represent liabilities for assets being either acquired directly through procurement contracts with asset manufacturers, or in the framework of agreements whereby the asset is being acquired by an intermediary but where in substance SES bears the risks and rewards of the procurement. In the latter case the Company accrues for construction-related liabilities on the basis of pre-determined milestones agreed between the manufacturer and the relevant parties, see also Note 29. Non-current fixed assets suppliers are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

The main procurements under this caption are:

1 Satellites for the mPOWER MEO constellation: EUR 233 million (2023: EUR 377 million)

2 Three replacement GEO satellites: EUR 347 million (2023: 330 million EUR)

3 One GEO satellite already in orbit: EUR 0 million (2023: EUR 31 million)

mPOWER satellites

In September 2017, the Company, jointly with its subsidiary O3b Networks Limited, entered as Procurement Agent into a Master Procurement Agency and Option Agreement with a financial institution in connection with the procurement by that financial institution of seven medium-Earth orbit satellites from a satellite manufacturer. At the end of the satellite construction period the Group has the right to acquire, or lease, the satellites from the financial institution or to direct their sale to a third-party.

In August 2020 the Company exercised the option under the Purchase and Sale agreement to procure four additional O3b mPOWER satellites. The Company, again jointly with its subsidiary O3b Networks Limited, entered as Procurement Agent into a second Master Procurement Agency and Option Agreement with a financial institution in connection with the procurement by that financial institution of the additional satellites. At the end of the satellite construction period, foreseen in 2023, the Group again has the right to acquire, or lease, the satellites from the financial institution or to direct their sale to a third-party.

In November 2023 the Company exercised the option under the Purchase and Sale agreement to procure two additional O3b mPOWER satellites to be delivered in 2026. In December 2024, the Company exercised the option to purchase mPOWER satellites 8 and 11.

Since the underlying Satellite Purchase and Sale Agreements are directly between the financial institutions and the satellite manufacturer, there is no contractual obligation on the side of the Procurement Agents during the satellite construction process. However, SES management takes the view that there is a constructive obligation arising over the procurement period and hence the Group is accruing for the costs of this programme.

SES has the right to nominate shortly before the end of the construction period the entity within the Group which will acquire or lease those assets. SES management expects that the satellites will be acquired or leased in due course by the company SES mPOWER S.à r.l. in Luxembourg, except satellites 12 and 13 which will be acquired or leased by SES Satellites Ventures S.à r.l..

Three replacement GEO satellites

In 2021, the Company entered into a procurement agreement for the acquisition of three GEO satellites. Payment of milestones is done through signatures of a series of promissory notes with a maturity date of January 2025, 2026 and 2027, respectively.

GEO satellite already in orbit

In 2016, the Company entered into a procurement agreement for the acquisition of one of the Company’s GEO satellites. The final obligations in connection with this satellite were settled in December 2024.

Note 31 - Commitments and contingencies

Intelsat Acquisition

On April 30, 2024, SES S.A. announced an agreement to purchase 100% of the equity of Intelsat Holdings S.à r.l. for a cash consideration of USD 3.1 billion (EUR 2.8 billion) and certain contingent value rights. The transaction is subject to relevant regulatory filings and clearances as well as customary provisions concerning cooperation and measures in seeking such regulatory clearances, which are expected to be received during the second half of 2025.

Intelsat or SES may be required to pay the other party a Breach Termination Fee of USD 300 million plus certain documented out-of-pocket expenses, if the Share Purchase Agreement is terminated under certain circumstances, Intelsat may be required to pay SES a Vote Condition Termination Fee of USD 300 million, plus certain documented out-of-pocket expenses, if the Share Purchase Agreement is terminated under certain circumstances, and SES may be required to pay Intelsat a Regulatory Condition Termination Fee of USD 250 million, plus certain documented out-of-pocket expenses, if the Share Purchase Agreement is terminated under certain other circumstances.

IRIS² Concession Agreement

On 16 December 2024, the European Commission awarded the SpaceRISE consortium ("Consortium"), consisting of SES ASTRA S.A. (Consortium Lead Member), a subsidiary of the Company, Eutelsat and Hispasat, the Concession Agreement to design, deliver, and operate IRIS² (Infrastructure for Resilience, Interconnectivity and Security by Satellite) programme for the next 12 years, EU's new state-of-the-art multi-orbit connectivity system.

SES's contribution to IRIS² will be to develop, procure, and operate 18 new MEO satellites. The initial phases of IRIS² will benefit from upfront public funding with limited need for private financing in the early years of design and procurement. In total, SES expects to contribute approximately 40% **-** 50% of the MEO cost while having the benefit of commercialising over 90% of the MEO capacity and part of the LEO capacity. The capital expenditure for IRIS² of up to EUR 1.8 billion would be spread across the period from 2027 and 2030.

Under the IRIS² contract, SES's commitment to invest the above-mentioned amount is subject to confirmation twelve months after the original contract signature date (16 December 2024) through a contractual mechanism which allows SES to evaluate the status of the IRIS² contract execution and its compliance with SES's investment conditions. If such conditions are not met, SES will propose to the European Commission and the other parties involved necessary adjustments to the terms and conditions of the IRIS² contract. In the absence of an agreement with the European Commission on such a revised proposal then SES would be able to unilaterally terminate its contractual commitments under the IRIS² contract at the cost of circa EUR 8 million in termination fees.

In December 2024 the Group received an initial funding ("Pre-financing") of EUR 300 million (2023: EUR nil) from the European Commission for IRIS² programme costs arising in the first year of the programme for both the Group and other consortium members and subcontractors. In the event of an early termination of the Concession Agreement for IRIS², the Group has a contractual commitment to refund the European Commission any residual portion of the EUR 300 million Pre-financing which is unused or uncleared against milestones accepted in accordance with the Concession Agreement.

Capital expenditure commitments

The Group had outstanding commitments in respect of contracted capital expenditure totaling EUR 281 million as at 31 December 2024 (2023: EUR 376 million). These commitments largely reflect the procurement of satellites and satellite launchers and are stated net of liabilities under these programmes which are already disclosed under "Fixed assets suppliers", see Note 30. The commitments as at 31 December 2024 also include EUR 64 million (2023: EUR 67 million) in connection with the renewal of the agreement with Luxembourg government in respect of SES's concession to operate satellites under Luxembourg's jurisdiction.

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

€million	**2024**	2023
Within one year	**96**	258
After one year but not more than five years	**143**	72
After more than five years	**42**	46
Total	**281**	376

Other commitments

The Group's other commitments include transponder service agreements for the purchase of satellite capacity from third parties under contracts with a maximum life of eight years for EUR 47 million (2023: EUR 24 million), cloud computing service agreements for EUR 59 million (2023: EUR 78 million), as well as EUR 64 million (2023: EUR 67 million) in connection with capital contributions into a Luxembourg space sector fund in connection with the renewal of the agreement with Luxembourg government in respect of SES's concession to operate satellites under Luxembourg's jurisdiction.

€million	**2024**	2023
Within one year	**160**	152
After one year but not more than five years	**130**	130
After more than five years	**45**	47
Total	**335**	329

The total expense recognised for transponder service agreements in 2024 was EUR 158 million (2023: EUR 141 million).

Litigation

There were no significant litigation claims against the Group as at 31 December 2024, or as at 31 December 2023.

Guarantees

On 31 December 2024 the Group had outstanding bank guarantees of EUR 39 million (2023: EUR 48 million) with respect to performance and warranty guarantees for services of satellite operations.

Note 32 - Leases

Lessor

During 2024 the Group recognised EUR 49 million of leasing income (2023: EUR 22 million) related to customer lease contracts (see Note 3) and EUR 5 million of finance lease income (2023: nil) related to an equipment finance lease contract (see Note 6).

Lessee

The Group's right-of-use assets and associated liabilities are measured at the present value of the remaining lease payments, discounted using the Group's weighted average incremental borrowing rate of the previous year, namely 2.97% (2023: 2.87%).

Amounts recognised in the consolidated statement of financial position

The Group leases office buildings, third-party transponders, ground segment assets and other fixtures and fittings, tools and equipment as set out below.

€million	Buildings	Transponders (included within Space Segment)	Ground segment	Other fixtures and fittings, tools and equipment	31 December 2024
Right-of-use assets					
Cost	32	27	25	2	86
Accumulated depreciation	(15)	(10)	(10)	(1)	(36)
Total	**17**	**17**	**15**	**1**	**50**

€million	Buildings	Transponders (included within Space Segment)	Ground segment	Other fixtures and fittings, tools and equipment	31 December 2023
Right-of-use assets					
Cost	49	15	14	2	80
Accumulated depreciation	(29)	(7)	(5)	(1)	(42)
Total	**20**	**8**	**9**	**1**	**38**

There were EUR 39 million (2023: EUR 18 million) additions to the right-of-use assets during 2024, partially offset by EUR 35 million (2023: EUR 5 million) disposals of expired assets. The depreciation charge for the year on such assets was EUR 25 million (2023: EUR 19 million).

Lease liabilities are presented below as at 31 December:

€million	**2024**	**2023**
Maturity analysis - contractual undiscounted cash flows		
Within one year	19	17
After one year but not more than five years	28	19
More than five years	8	9
Total	**55**	**45**
Lease liabilities included in the statement of financial position at 31 December		
Current	19	16
Non-current	32	23
Total	**51**	**39**

The leases of office buildings typically run for a period of 2-10 years and leases of ground segment assets for 5 years. Some leases include an option to renew the lease for an additional period after the end of the contract term. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension option. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Amounts recognised in the consolidated income statement

Depreciation charge of right-of-use assets:

€million	**2024**	**2023**
Buildings	5	6
Transponders (included within Space Segment)	15	9
Ground segment	4	3
Other fixtures and fittings, tools and equipment	1	1
Total	**25**	**19**

Finance cost:

€million	**2024**	**2023**
Interest expense	2	2
Total	**2**	**2**

The total cash outflow for leases in 2024 was EUR 26 million (2023: EUR 22 million).

Note 33 - Cash flow information

Net cash generated by operating activities

Other non-cash items in the consolidated income statement, disclosed in other notes are:

- Restructuring expense (Note 4)
- Charge for share-based compensation (Note 25)
- Provision for the impairment of trade and other receivables (Note 19)
- Inventory provision (Note 17)
- Net foreign exchange gains (Note 6)
- Finance lease income (Note 6)
- Interest income (Note 6)
- Amortisation of loan originations costs (Note 6)
- Income from structured financing (Note 7)
- Fair value gains/ losses on financial assets (Note 7)

Non-cash investing activities

Purchases of property, plant and equipment or intangible assets not included as a cash outflow in the consolidated statement of cash flows are disclosed in Notes 13, 14 and 15.

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for 2024 and 2023.

€million	**2024**	2023
Cash and cash equivalents	**3,521**	2,907
Borrowings - repayable within one year	**(273)**	(716)
Borrowings - repayable after one year	**(4,247)**	(3,443)
Net debt[1]	**(999)**	(1,252)

€million	**2024**	2023
Cash and cash equivalents	**3,521**	2,907
Borrowings - floating rates	**(10)**	(150)
Borrowings - fixed interest rates	**(4,510)**	(4,009)
Net debt[1]	**(999)**	(1,252)

1 Net debt excludes lease liabilities. Including these, net debt as at 31 December 2024 was EUR 1,050 million (2023: EUR 1,292 million). The total cash outflow for leases in 2024 was EUR 26 million (2023: EUR 22 million).

€million	Cash and cash equivalents	Borrowings repayable within one year	Borrowings repayable after one year	**Total**
Net debt as at 1 January 2024	**2,907**	**(716)**	**(3,443)**	**(1,252)**
Cash flows (net)	472	717	(1,034)	155
Foreign exchange adjustments	142	-	(42)	100
Transfers (see Note 26)	-	(273)	273	-
Other non-cash movements*	-	(1)	(1)	(2)
Net debt as at 31 December 2024	**3,521**	**(273)**	**(4,247)**	**(999)**

€million	Cash and cash equivalents	Borrowings repayable within one year	Borrowings repayable after one year	**Total**
Net debt as at 1 January 2023	**1,047**	**(719)**	**(3,629)**	**(3,301)**
Cash flows (net)	1,983	706	-	2,689
Foreign exchange adjustments	(123)	-	36	(87)
Transfers (see Note 26)	-	(700)	150	(550)
Other non-cash movements*	-	(3)	-	(3)
Net debt as at 31 December 2023	**2,907**	**(716)**	**(3,443)**	**(1,252)**

* *related to loan origination costs*

During 2024 the Group issued a hybrid dual-tranche bond for EUR 1 billion and entered into two new loan agreements for total amounts of EUR 33.5 million and USD 28.1 million to be granted in several instalments. The Group also reimbursed the 2016 Perpetual Bond for EUR 550 million and a EUR 150 million tranche of the German bond.

Note 34 - Related parties

The state of Luxembourg holds a direct 11.58% voting interest in the Company and two indirect interests, both of 10.88% each, through two state owned banks, Banque et Caisse d'Epargne de l'Etat and Société Nationale de Crédit et d'Investissement and is therefore deemed to have a significant influence over the Company. These shares constitute the Company's Class B shares, as described in Note 23.

In 2024 the Company generated revenue of EUR 31 million (2023: EUR 27 million) with departments of the Government of the state of Luxembourg and held a trade receivable of EUR 0 million as at 31 December 2024 (2023: EUR 4.1 million).

There were no transactions with other related parties in 2024, nor in 2023, which would require disclosure.

The total remuneration paid to directors for attendance at board and committee meetings in 2024 amounted to EUR 1.2 million (2023: EUR 1.2 million). These amounts are computed on a fixed and variable basis, the variable part being based upon attendance at board and committee meetings.

The key management of the Group, defined as the Senior Leadership Team, received compensation as follows:

€million	**2024**	2023
Remuneration including bonuses and other benefits*	**8**	10
Share-based compensation plans	**2**	1
Total	**10**	11

* *2024 remuneration of SLT members includes EUR 0 million (2023: EUR 1.6 million) of contractual severance payment for departing Senior Leadership Team members*

The total outstanding amount in respect of share-based payment instruments allocated to key management as at 31 December 2024 was 2,542,423 (2023: 3,868,807).

Note 35 - C-band repurposing

The Group was subject to the Federal Communications Commission's Report and Order and Order of Proposed Modification dated 28 February 2020 ('the Order') in connection with the clearing of a 300 MHz band of C-band downlink spectrum between 3,700 and 4,000 MHz by December 2025 to support the rapid deployment of terrestrial 5G services in the continental United States ('CONUS').

SES filed its Phase II Certification of Accelerated Relocation with the FCC on 10 July 2023, completing SES's obligations under the Order. The FCC validated the certificate on 9 August 2023, at which time the EUR 2,714 million (USD 2,991 million) of Accelerated Relocation Payments were fully earned. SES received the Accelerated Relocation Payments between 24 August 2023 and 13 October 2023. SES paid EUR 424 million of income tax in respect of the Accelerated Relocation Payments in 2023. Since the C-band repurposing project is not the result of a contract with a customer, the proceeds were not accounted for as revenue but rather as 'C-band repurposing income'.

To facilitate the clearing of the spectrum SES procured six C-band satellites and necessary launch vehicles. The Group's ground facilities were also consolidated and upgraded to comply with the provisions of the Order, with customers and affiliated earth stations being equipped with special filters, new antennae and/or other capabilities so that they can be migrated to work with services operating in the remaining 200 MHz of spectrum (between 4,000 MHz and 4,200 MHz) available to satellite operators.

For capitalised costs related to the procurement of the C-band satellites, launches, and upgraded ground facilities, the Group recorded credits to the recorded book values of the related asset when the costs had been incurred and the Group had obtained reasonable assurance that the costs will be reimbursed and that it will comply with the requirements attached to the reimbursement. The costs and expected reimbursements recorded in the consolidated statement of financial position under "Assets in the course of construction" (Note 14) are presented in the following table:

€million	Space segment	Ground segment	Total
Cost as at 1 January 2024	**1,033**	**55**	**1,088**
Additions	-	-	**-**
Impact of currency translation	65	4	69
Cost as at 31 December 2024	**1,098**	**59**	**1,157**

€million	Space segment	Ground segment	Total
Expected reimbursements as at 1 January 2024	**243**	**50**	**293**
Additions / (rejections) (net)	(11)	1	(10)
Repayments	(213)	(44)	(257)
In-kind reimbursements	(22)	-	(22)
Impact of currency translation	5	2	7
Expected reimbursements as at 31 December 2024	**2**	**9**	**11**
Cost as at 1 January 2023	**1,022**	**53**	**1,075**
Additions	48	4	52
Impact of currency translation	(37)	(2)	(39)
Cost as at 31 December 2023	**1,033**	**55**	**1,088**
Expected reimbursements as at 1 January 2023	**345**	**51**	**396**
Additions (net)	36	2	38
Repayments	(129)	(1)	(130)
Impact of currency translation	(9)	(2)	(11)
Expected reimbursements as at 31 December 2023	**243**	**50**	**293**

In 2024 the Group incurred no capital expenditures (2023: EUR 52 million) which were partially offset by expected reimbursements as per the table above. Due to the finalization of reimbursable amounts versus expectations, an amount of EUR 11 million was reclassified from 'Other receivables' to 'Assets-under-construction' (2023: EUR 38 million reclassified from 'Assets-under-construction' to 'Other receivables').

With effect from 28 February 2024, the Group and the C-Band overlay licensees entered into two Settlement Agreements whereby the Group would retain its legal title to the two C-Band satellites SES-19 and SES-23 for an aggregate amount of USD 24 million (EUR 22 million).

The Group records repurposing operating expenses as incurred and corresponding reimbursement income when the Group has obtained reasonable assurance that the costs will be reimbursed and that it will comply with any associated requirements.

In 2024 the Group recorded C-band repurposing income of EUR 88 million (2023: EUR 2,744 million), including the Accelerated Relocation Payments mentioned above. C-band-related expenses of EUR 5 million (2023: EUR 47 million) represent cost of sales of EUR 1 million (2023: EUR 2 million), accumulated staff costs is nil (2023: EUR 29 million) and other operating expenses (including travel and consulting charges) of EUR 4 million (2023: EUR 16 million).

As at 31 December 2024, in connection with the operating expenses and capital expenditures above, the Group had other receivables of EUR 87 million (2023: EUR 350 million) related to the C-band repurposing project. Of the outstanding amount, EUR 79 million is expected to be received in March 2025 with the balance received later in 2025.

As at 31 December 2024, SES had no remaining commitments for C-band repurposing expenditures (2023: EUR 3 million).

Note 36 - Subsequent events

Repurchase of Deeply Subordinated Fixed Rate Resettable Securities

On 23 January 2025, SES S.A. announced it has repurchased in the open market an aggregate amount of EUR 100 million in principal amount of its EUR 625 million Deeply Subordinated Fixed Rate Resettable Securities issued on 27 May 2021. In accordance with the terms and conditions of the Securities, the purchased Securities will be cancelled. Following these transactions, the outstanding principal amount of the Securities is EUR 525 million.

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

Note 37 - Alternative performance measures

SES regularly uses alternative performance measures to present the performance of the Group.

These measures may not be comparable to similarly titled measures used by other companies and are not measurements under IFRS Accounting Standards or any other body of generally accepted accounting principles, and thus should not be considered substitutes for the information contained in the Group's financial statements.

1 Net debt

Net debt is defined as current and non-current borrowings less cash and cash equivalents, all as disclosed on the consolidated statement of financial position. The Group believes that net debt is relevant to investors, since it gives an indication of the absolute level of non-equity funding of the business. This can be compared to the income and cash flows generated by the business, and available undrawn facilities.

The following table reconciles net debt to the relevant statement of financial position line items:

€million	**2024**	2023
Borrowings - non-current	**4,247**	3,443
Borrowings – current	**273**	716
Borrowings – total	**4,520**	4,159
Less: Cash and equivalents	**(3,521)**	(2,907)
Net debt[1]	**999**	1,252

[1] Net debt excludes current and non-current fixed asset suppliers and lease liabilities. Including these, net debt as at 31 December 2024 was EUR 1,660 million (2023: EUR 2,059 million)

2 EBITDA and EBITDA margin

EBITDA is defined as profit or loss for the period before the impact of depreciation, amortisation, net financing costs and income tax. EBITDA Margin is defined as EBITDA divided by the sum of revenue and other income including C-band repurposing income. The Group believes that EBITDA and EBITDA margin are useful supplemental indicators that may be used to assist in evaluating a Company's operating performance.

The following table reconciles EBITDA to the consolidated income statement line items from which it is derived:

€million	**2024**	2023
(Loss)/profit before tax	**82**	(728)
Add: Depreciation and impairment expense	**866**	1,054
Add: Amortisation and impairment expense	**63**	3,314
Add: Net financing costs	**3**	42
Add: Other non-operating income / expenses (net)	**(21)**	-
EBITDA	**993**	3,682

The following table provides a reconciliation of EBITDA margin:

€million	**2024**	2023
Revenue	**2,001**	2,030
C-band repurposing income	**88**	2,744
Other income	**3**	5
EBITDA	**993**	3,682
EBITDA Margin (%)	**47.5%**	77.0%

3 Adjusted EBITDA and Adjusted EBITDA margin

Adjusted EBITDA is defined as EBITDA adjusted to exclude 'significant special items'. Significant special items need to be approved as such by management and individually exceed a threshold of EUR 5 million at first recognition. The current significant special items relate primarily to the impact of C-Band repurposing, restructuring charges, costs associated with the development and / or implementation of merger and acquisition activities, as well as specific business taxes of a non-recurring nature.

€million	**2024**	2023
EBITDA	**993**	3,682
Deduct: C-band repurposing income (Note 35)	**(88)**	(2,744)
Deduct: Other income (Note 4)	**(3)**	(5)
Add: C-band repurposing expenses (Note 35)	**5**	47
Add: Other significant special items (Note 4)	**121**	45
Adjusted EBITDA	**1,028**	1,025

Other significant special items include restructuring charges of EUR 63 million (2023: EUR 27 million), costs associated with the development and / or implementation of merger and acquisition activities EUR 55 million (2023: EUR 9 million), specific business taxes of a non-recurring nature EUR 0 million (2023: EUR 9 million) and EUR 3 million other infrastructure charges of non-recurring nature (2023: nil).

Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by revenue. The following table provides a reconciliation of the Adjusted EBITDA Margin:

€million	**2024**	2023
Revenue	**2,001**	2,030
Adjusted EBITDA	**1,028**	1,025
Adjusted EBITDA Margin (%)	**51.4%**	50.5%

4 Adjusted Net Debt

Adjusted Net Debt is defined as current and non-current borrowings excluding 50% of the Group's Perpetual Bonds classified as borrowings, less cash and cash equivalents, and also includes 50% of the Group's Perpetual Bonds classified as equity. The treatment of the Group's Perpetual Bonds is consistent with rating agencies' methodology. The Group believes that Adjusted Net Debt is relevant to investors, since it gives an indication of the absolute level of non-equity funding of the business. This can be compared to the income and cash flows generated by the business, and available undrawn facilities.

The following table reconciles Adjusted Net Debt to the relevant line items on the statement of financial position from which it is derived:

€million	**2024**	2023
Borrowings – non-current	**4,247**	3,443
Borrowings – current	**273**	716
Borrowings – total	**4,520**	4,159
Add: 50% of the Group's EUR 588 million (2023: EUR 625 million) of Perpetual Bonds	**294**	313
Deduct: 50% of the Group's EUR 1 billion hybrid dual-tranche bond (2023: EUR nil)	**(500)**	-
Less: Cash and cash equivalents	**(3,521)**	(2,907)
Add: Cash and cash equivalents subject to contractual restrictions	**300**	-
Adjusted Net Debt	**1,093**	1,565

5 Adjusted Net Debt to Adjusted EBITDA ratio

The Adjusted Net Debt to Adjusted EBITDA ratio is defined as Adjusted Net Debt divided by Adjusted EBITDA. The Group believes that the Adjusted Net Debt to Adjusted EBITDA ratio is a useful measure to demonstrate to investors its ability to generate the recurring income needed to be able to settle its borrowings as they fall due.

€million	2024	2023
Adjusted Net Debt	**1,093**	1,565
Adjusted EBITDA	**1,028**	1,025
Adjusted Net Debt to Adjusted EBITDA ratio	**1.06 times**	1.53 times

6 Adjusted Net Profit and Adjusted Earnings per Share

Adjusted Net Profit is defined as profit or loss of the period attributable to shareholders of the group adjusted to exclude the after-tax impact of significant special items (as defined above) and impairment charges and related valuation allowance adjustments on deferred tax assets on ITCs, as well as the tax impact of impairment charges on shareholdings arising at the Company or subsidiary level.

The tax rate applied to the pre-tax impact of the C-band operating expenses is the US tax rate. The rate applied for other special significant items and impairment expenses represents the computed weighted average tax rate of the relevant jurisdictions:

€million	2024	2023
Profit/ (Loss) of the group attributable to shareholders of the parent	**15**	(905)
C-band net income	***(83)***	*(2,697)*
Other income	***(3)***	*(5)*
Other significant special items	***121***	*45*
Impairment expenses	***123***	*3,676*
Add: Total significant special items	***158***	*1,019*
Tax on C-band net income, at 23% (2023:18%)	***19***	*484*
Tax on other significant special items, at 25% (2023: 25%)	***(28)***	*(9)*
*Tax on impairment expenses, at -25.3% (2023: -10.7%)**	***(31)***	*(394)*
Add: Tax on significant special items	***(40)***	*81*
Add: Tax expense in respect of impairment expenses on the carrying value of subsidiary investments and other assets eliminated at consolidation level	***(7)***	*20**
Adjusted Net Profit	**126**	215

* Includes valuation allowance on deferred tax assets for ITCs, triggered by impairments.

Adjusted Earnings per Share is the Adjusted Net (Loss)/Profit, including an assumed coupon net of tax, divided by the weighted average number of shares. For 2024, Adjusted Earnings per Share of EUR 0.26 per Class A share (2023: EUR 0.41), and EUR 0.10 per Class B share (2023: EUR 0.16) have been calculated on the following basis:

€million	2024	2023
Adjusted Net Profit	**126**	215
Assumed coupon on perpetual bond (net of tax)	**(15)**	(36)
Total	**111**	179
Split between:		
Class A shares (in million)[1]	**92**	149
Class B shares (in million)[2]	**19**	30

1 Calculated as 83% of adjusted loss attributable to owners of the parent, based on the weight of the Class A weighted average number of shares out of the total shares.

2 Calculated as 17% of adjusted loss attributable to owners of the parent, based on the weight of the Class B weighted average number of shares out of the total shares.

The weighted average number of shares, net of own shares held and adjusted to reflect the economic rights, for calculating Adjusted Earnings per Share – unchanged from the numbers of shares applied in the calculation of basic earnings per share:

	2024	2023
Class A shares (in million)	**351.7**	364.8
Class B shares (in million)	**182.3**	185.7
Total	**534.0**	550.5

Adjusted Earnings per share	**2024**	2023
Class A shares	**0.26**	0.41
Class B shares	**0.10**	0.16

7 Free cash flow before dividend and treasury activities

Free cash flow before financing activities is defined as net cash generated by operating activities, adjusted for the net cash absorbed by investing activities. In addition, free cash flow before dividend and treasury activities considers the effect of the coupon paid on perpetual bond, interest paid on borrowings and lease payments on the computed free cash flow before financing activities. The Group believes that the free cash flow before dividend and treasury activities is relevant to the investors, since it gives an indication of the Group's ability to generate cash after payment taxes and other committed financing charges.

€million	**2024**	2023
Net cash generated by operating activities	**1,006**	3,479
Net cash absorbed by investing activities	**(159)**	(370)
Free cash flow before financing activities	**847**	3,109
Coupon paid on perpetual bond	**(49)**	(49)
Interest paid on borrowings	**(110)**	(109)
Lease payments	**(26)**	(22)
Free cash flow before equity distributions and treasury activities	**662**	2,929

8 Adjusted Free Cash Flow

Adjusted Free Cash Flow is defined as **Free cash flow before financing activities excluding the effect of cash flows generated by significant special items.**

€million	**2024**	2023
Free cash flow before equity distributions and treasury activities	**662**	2,929
C-band cash flows	**202**	2,516
IRIS² related payable	**300**	
Payments in respect of other significant special items	**(93)**	(18)
***Exclude*: Total cash flows related to significant special items**	**409**	2,498
Adjusted Free Cash Flow	**253**	431

9 Constant FX

Movements in foreign exchange rates have impact on SES's results of operations. SES's management reviews the variance of certain of its results, including revenue and adjusted EBITDA, at constant rates of exchange. Thus, when analysing the performance of the Group against the prior period figures, these are presented both as reported and at 'constant FX', whereby they are recomputed using the prevailing exchange rates for each corresponding month of the current period. SES calculates these financial measures at constant rates of exchange based on a retranslation of prior year measures at current year prevailing exchange rates for each corresponding month of the current period. SES does not adjust for the normal transactional gains and losses in operations that are generated by exchange movements.

Although SES does not believe that these measures are a substitute for IFRS measures, SES does believe that such results excluding the impact of currency fluctuations year-on-year provide additional useful information to investors regarding the operating performance on a local currency basis.

Revenue by business unit

At constant FX, the revenue allocated to the relevant business units developed as follows:

€million	**2024**	Constant FX 2023	Change Favourable +/- Adverse (constant FX)
SES Video	**914**	964	-5.3%
SES Networks	**1,085**	1,055	2.9%
Sub-total	**1,999**	**2,019**	**-1.0%**
Other [1]	**2**	1	*n/m*
Group Total	**2,001**	**2,020**	**-0.9%**

n/m = not meaningful (a variance of more than 100% or less than -100%)

€million	**2023**	Constant FX 2022	Change Favourable +/- Adverse (constant FX)
SES Video	**967**	1,011	-4.4%
SES Networks	**1,062**	899	18.1%
Sub-total	**2,029**	**1,910**	**6.2%**
Other [1]	**1**	1	*n/m*
Group Total	**2,030**	**1,911**	**6.2%**

n/m = not meaningful (a variance of more than 100% or less than -100%)

1 Other includes revenue not directly applicable to SES Video or SES Networks

The performance of the Group against the prior period figures at constant FX developed as follows:

€million	**2024**	Constant FX 2023	Change Favourable +/- Adverse
Revenue	**2,001**	2,020	-0.9%
C-band repurposing income	**88**	2,793	-96.8%
Other income	**3**	5	n/m
Operating expenses	**(1,099)**	(1,093)	-0.5%
EBITDA	**993**	3,725	-73.3%
EBITDA margin (%)	**47.5%**	77.0%	-29.5% pts
Depreciation and impairment	**(866)**	(1,065)	+18.8%
Amortisation and impairment	**(63)**	(3,396)	+98.2%
Operating (loss)/profit	**64**	(736)	n/m

n/m = not meaningful (a variance of more than 100% or less than -100%)

€million	2023	Constant FX 2022	Change Favourable +/- Adverse
Revenue	**2,030**	1,911	6.2%
C-band repurposing income	**2,744**	171	n/m
Other income	**5**	-	n/m
Operating expenses	**(1,097)**	(877)	-25.1%
EBITDA	**3,682**	1,205	n/m
EBITDA margin (%)	**77.0%**	57.9%	+19.1% pts
Depreciation and impairment	**(1,054)**	(821)	-23.0%
Amortisation and impairment	**(3,314)**	(256)	n/m
Operating (loss)/profit	**(686)**	128	n/m

n/m = not meaningful (a variance of more than 100% or less than -100%)

Note 38 - Consolidated subsidiaries, associates

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

	Country	Economic interest % 2024	Consolidation method 2024	Economic interest % 2023	Consolidation method 2023
Luxembourg Space Sector Development General Partner S.à r.l.	Luxembourg	100	Full	100	Full
Luxembourg Space Sector Development SCSp	Luxembourg	50	Full	50	Full
LuxGovSat S.A.	Luxembourg	50	Full	50	Full
SES-17 S.à r.l. [1]	Luxembourg	-	-	100	Full
SES Asia S.à r.l.	Luxembourg	100	Full	100	Full
SES Astra S.A.	Luxembourg	100	Full	100	Full
SES Astra Services Europe S.à r.l.	Luxembourg	100	Full	100	Full
SES Engineering (Luxembourg) S.à r.l.	Luxembourg	100	Full	100	Full
SES Finance S.à r.l. [1]	Luxembourg	-	-	100	Full
SES Insurance International (Luxembourg) S.A.	Luxembourg	100	Full	100	Full
SES Insurance International Re (Luxembourg) S.A.	Luxembourg	100	Full	100	Full
SES Latin America S.à r.l.	Luxembourg	100	Full	100	Full
SES LU Satellite Holdings S.à r.l.	Luxembourg	100	Full	100	Full
SES LU US Holdings S.à r.l.	Luxembourg	100	Full	100	Full
SES mPOWER S.à r.l.	Luxembourg	100	Full	100	Full
SES Participations S.A. [1]	Luxembourg	-	-	100	Full
SES Networks Lux S.à r.l.	Luxembourg	100	Full	100	Full
SES Networks Satellites S.à r.l.	Luxembourg	100	Full	100	Full
SES Techcom S.A.	Luxembourg	100	Full	100	Full
SES Astra 1P S.à r.l.[6]	Luxembourg	100	Full	-	-
SES Satellites Ventures S.à r.l.[6]	Luxembourg	100	Full	-	-
Société Européenne des Satellites Telecomunicaciones de Argentina S.A.	Argentina	100	Full	100	Full
New Skies Satellites Australia Pty Ltd [1]	Australia	-	-	100	Full
O3b Teleport Services (Australia) Pty Ltd.	Australia	100	Full	100	Full
Redu Operations Services S.A. [3]	Belgium	100	Full	48	Equity
Redu Space Services S.A. [3]	Belgium	100	Full	52	Full
Satellites Ventures (Bermuda) Ltd	Bermuda	50	Full	50	Full
New Skies Satellites Ltda	Brazil	100	Full	100	Full
SES DTH do Brasil Ltda	Brazil	100	Full	100	Full
SES Satelites Directo Ltda	Brazil	100	Full	100	Full
SES Telecomunicações do Brasil Ltda.	Brazil	100	Full	100	Full
Northern Americas Satellite Ventures Inc.	Canada	100	Full	100	Full
SES Telecomunicaciones de Chile SpA	Chile	100	Full	100	Full
SES Telecomunicaciones de Colombia S.A.S.	Colombia	100	Full	100	Full
GSN GoSat Distribution Network Limited[1]	Cyprus	-	-	100	Full
ASTRA France S.A.	France	100	Full	100	Full

	Country	Economic interest % 2024	Consolidation method 2024	Economic interest % 2023	Consolidation method 2023
HD Plus GmbH	Germany	100	Full	100	Full
SES Germany GmbH	Germany	100	Full	100	Full
SES Media Solutions GmbH	Germany	100	Full	100	Full
SES HD Plus Ghana Limited Company	Ghana	100	Full	84.7	Full
West Africa Platform Services Limited[1]	Ghana	-	-	49	Full
SES Satellites (Gibraltar) Limited	Gibraltar	100	Full	100	Full
Jio Space Technology Limited [7]	India	49	Equity	49	Equity
Orbitconnect India Private Limited	India	75	Full	75	Full
SES Satellites India Private Limited	India	100	Full	100	Full
SES Global technology Services India Private Limited [4]	India	100	Full	-	-
SES Satellite Leasing Limited [1]	Isle of Man	--	--	100	Full
MX1 Limited	Israel	100	Full	100	Full
O3b Limited	Jersey	100	Full	100	Full
O3b Networks Limited [1]	Jersey	-	-	100	Full
Sirius Satellite Services SIA	Latvia	100	Full	100	Full
QuetzSat Directo S. de R.L. de C.V.	Mexico	100	Full	100	Full
QuetzSat S. de R.L. de C.V.	Mexico	100	Full	100	Full
Satelites Globales S. de R.L. de C.V.	Mexico	100	Full	100	Full
SES Mexico, S. de R.L. de C.V.	Mexico	100	Full	100	Full
New Skies Satellites BV	Netherlands	100	Full	100	Full
New Skies Satellites Argentina BV	Netherlands	100	Full	100	Full
New Skies Satellites Licensee BV	Netherlands	100	Full	100	Full
New Skies Satellites Mar BV	Netherlands	100	Full	100	Full
SES Engineering (Netherlands) BV	Netherlands	100	Full	100	Full
SES Holdings (Netherlands) BV	Netherlands	100	Full	100	Full
SES New Skies Marketing BV	Netherlands	100	Full	100	Full
SES Satellite Nigeria Limited	Nigeria	100	Full	100	Full
O3b Teleport Services (Peru) SAC	Peru	100	Full	100	Full
O3b Services (Portugal) Ltda	Portugal	100	Full	100	Full
SES Services Romania S.R.L.	Romania	100	Full	100	Full
SES World Skies Singapore Pte Limited	Singapore	100	Full	100	Full
SES ASTRA Africa Proprietary Limited	South Africa	100	Full	100	Full
SES Satélites Ibérica, S.L.	Spain	100	Full	100	Full
SES Astra AB	Sweden	100	Full	100	Full
SES Finance Services AG	Switzerland	100	Full	100	Full
SES Sirius Ukraina	Ukraine	100	Full	100	Full

	Country	Economic interest % 2024	Consolidation method 2024	Economic interest % 2023	Consolidation method 2023
Al Maisan Satellite Communications Company LLC	UAE	35	Full	35	Full
ASTRA (GB) Limited	UK	100	Full	100	Full
SES Defence UK Limited	UK	100	Full	100	Full
Americom Asia Pacific LLC	USA	100	Full	100	Full
Global Enterprise Solutions Inc.	USA	100	Full	100	Full
O3b Networks USA LLC	USA	100	Full	100	Full
SES 5G Customer Services LLC	USA	100	Full	100	Full
SES Americom (Asia 1A) LLC	USA	100	Full	100	Full
SES Americom Inc.	USA	100	Full	100	Full
SES Global-Americas Inc. [1]	USA	-	-	100	Full
SES Global Americas Holdings Inc. [1]	USA	-	-	100	Full
SES Satellites International, LLC	USA	100	Full	100	Full
SES Space and Defense, Inc.	USA	100	Full	100	Full
SES US Satellite Holdings LLC	USA	100	Full	100	Full
SES SD Mission Partners, Inc [5]	USA	100	Full	-	-

1. Entity sold, merged, or liquidated in 2024
2. Entity sold, merged or liquidated after the reporting date
3. SES Techcom S.A. acquired all shares in Redu Space Services S.A. and Redu Operations Services S.A. on 22 May 2024
4. SES Global Technology Services India Private Limited was incorporated on 20 July 2024
5. SES SD Mission Partners, Inc. incorporated on 13 March 2024
6. SES Astra 1P S.à r.l. and SES Satellites Ventures S.à r.l. were incorporated on 8 November 2024
7. Jio Space Technology Limited is an entity existing in the framework of SES’s collaboration with Reliance Jio but had no significant operations in 2024

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