20230620150824

ÅRSREDOVISNING

2022-01-01--2022-12-31

för

SES ASTRA AB

556221-2141

Årsredovisningen omfattar:	**Sida**
Förvaltningsberättelse	2
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Fastställelseintyg

Undertecknad verkställande direktör intygar, dels att denna kopia av årsredovisningen fastställts på ordinarie årsstämma den 12/6 2023. Årsstämman beslöt att godkänna syrelsens förslag till vinstdisposition i bolaget.

Stockholm 13/6 2023

Håkan Sjödin

20230620150005

ÅRSREDOVISNING

2022-01-01--2022-12-31

för

SES ASTRA AB

556221-2141

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ÅRSREDOVISNING FÖR SES ASTRA AB

Styrelsen och verkställande direktören för SES ASTRA AB avger härmed årsredovisning för räkenskapsåret 2022-01-01--2022-12-31.

Alla belopp presenteras i kSEK om inget annat anges.

FÖRVALTNINGSBERÄTTELSE

Ägande

Sedan den 31:a December 2010 ingår SES ASTRA AB som ett 100% konsoliderat dotterbolag i SES koncernen.

Moderbolaget, SES S.A, är baserat i Luxemburg och har följande adress:
SES S.A, Chateau de Betzdorf, L-6815, Luxemburg. Org.nr LU18953352.

Verksamheten

SES ASTRA AB har sitt huvudkontor i Kista, Sverige, samt dotterbolag i Lettland (Riga) och Ukraina (Kiev). Bolaget har även representationskontor i Ukraina (Kiev), Turkiet (Istanbul) och i Ryssland (Moskva) Samtliga representationskontor håller på att avvecklas. I Kiev är verksamheten överflyttad till dotterbolaget.

Bolaget äger och driver främst telekommunikationssatelliterna ASTRA 4A (tidigare SIRIUS 4) och SES-5 placerade i banpositionen 5 grader öst. Vidare säljer SES Astra AB tjänster på övriga SES satelliter där kunderna har hemvist i Norden eller Östeuropa.

Via satelliterna erbjuds kommunikationstjänster för TV, radio samt olika typer av bredbandslösningar. Huvudmarknader är Norden, Baltikum, Ukraina och Georgien.

Bolagets resultat och ställning

	2022	2021	2020	2019	2018
Nettoomsättning	325 155	476 699	520 175	516 752	576 871
Rörelseresultat	27 620	33 185	204 812	201 644	284 681
Resultat e. finansiella poster	36 302	34 582	197 656	205 472	303 207
Årets resultat	136 387	135 297	215 448	232 806	273 573
Balansomslutning	1 295 381	1 613 151	1 611 945	1 733 934	1 866 130
Likvida medel, inkl. koncernkonto	199 384	372 630	293 486	655 013	631 416
Soliditet (1)	79,1%	70,3%	81,1%	79,2%	79,8%
Medelantal anställda	12	14	15	17	17

(1) Justerat eget kapital / Balansomslutning.

Bolagets nettoomsättning har minskat med 151,6 MSEK (31,8%) jämfört med 2021.Ett större kundkundkontrakt avslutades tidigt 2022. Kontrakten med ryska kanaler har avslutats.

Verksamheten i Ukraina fortsätter och sändningarna från vår teleport fortgår trots kriget. Kundernas betalningsförmåga är mycket begränsad och en del kunder har avslutat sina kontrakt, trots kraftga rabatter. Upplänkstationen vid Kaknästornet är under avveckling.

Rörelseresultatet minskade med 5,6 MSEK (16,8 %) jämfört med 2021.

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Bolagets balansomslutning har vid årets slut minskat med 317,7 MSEK (19,7%).

Vad beträffar företagets resultat och ställning i övrigt, hänvisas till efterföljande resultat- och balansräkning samt kassaflödesanalys med därtill hörande noter.

2021 års siffror är korrigerade. Vid internprissrättningen togs inte hänsyn till tidigare rättelse av felaktig försäkringskostnad 24,8 MSEK. Reslutaträkning, balansräkning, kassaflöde och noter är ändrade.

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Framtida utveckling

Förutom en fortsatt stark närvaro i Norden och Baltikum, fortsätter SES ASTRA AB marknadssatsningen i Östeuropa och de forna Sovjetrepublikerna exklusive Ryssland och Belarus för tjänster inom Broadcasting och Broadband.

Trots finansiella utmaningar på vissa marknader i Östeuropa är tillväxtpotentialen på vissa marknader stor och antalet TV-kanaler som använder satellit som distributionsform fortsätter att öka. Likaså är utbudet av HD kanaler i östra Europa inte lika omfattande som i Centraleuropa och Norden, varför det på sikt finns en betydande potential för ökad HD distribution på dessa marknader.

På sikt finns även potential för Ultra HD, men på kort sikt så har denna nya teknologi inte fått genomslag. Under året har SES tillhandahållit kapacitet för Ultra HD (4K) i syfte att marknadsföra den nya teknologin ytterligare.
Ultra HD är fortfarande inte kommersiellt fullt gångbart, bland annat till följd av brist på tillräckligt programmaterial. Detta förutspås på sikt komma att förändras. De stora sportevenemangen och ligorna sänds numera även i 4K format.

Bolaget är påverkat av situationen i Ukraina. De mediakontrakt bolaget har ingått med kunderna löper över en längre tid och är ofta denominerade i USD. Så länge kriget pågår förväntas intäkterna från Ukraina vara mycket låga. Den politiska och militära situationen i Ukraina gör att förutsättningarna kan förändras snabbt och kraftgt.

I händelse av en försämring av marknadsituationen i östra Europa gör bolaget bedömningen att den kapacitet som där efterfrågas, i värsta fall, kan avsättas på andra marknader inom täckningsområdet.

Kommande år förväntas dock omsättningen sjunka till följd av minskad kontraktsvolym.

Styrelsens arbete

Styrelsen har under 2022 hållit två sammanträden.

Tillstånds- eller anmälningspliktig verksamhet

Bolaget bedriver inte någon verksamhet som är tillstånds- eller anmälningspliktig enligt miljöbalken. Tillstånd som erfordras för sändningar enligt lagen om elektronisk kommunikation har lämnats av Post- och Telestyrelsen.

Förändringar i eget kapital

	Aktiekapital	Reserv-fond	Balanserat resultat	Årets resultat	Totalt
Utgående balans 2021-12-31 enligt justerad balansräkning	24 000	51 821	21 147	135 297	232 265
Överföring av 2021 års resultat	-	-	135 297	-135 297	-
Utdelning	-	-	-135 000	-	-135 000
Årets resultat	-	-	-	136 386	136 386
Utgående balans 2022-12-31	**24 000**	**51 821**	**21 445**	**136 386**	**233 652**

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Förslag till disposition av årets resultat

Till bolagsstämmans förfogande står följande vinstmedel:

Balanserad vinst från föregående år	**21 445 035 kr**
Årets resultat	**136 386 584 kr**
	157 831 619 kr

Styrelsen föreslår att vinstmedlen disponeras så att

till aktieägarna utdelas	**155 000 000 kr**
i ny räkning balanseras	**2 831 619 kr**
	157 831 619 kr

Till grund för sitt förslag till utdelning har styrelsen enligt 18 kap. 4 § i aktiebolagslagen bedömt bolagets konsolideringsbehov, likviditet, ekonomiska ställning i övrigt, samt förmåga att på sikt infria sina åtaganden. Styrelsen har härvid tagit hänsyn till kända förhållanden som kan ha betydelse för bolagets ekonomiska ställning. Den föreslagna utdelningen begränsar inte bolagets investeringsförmåga eller likviditetsbehov och det är styrelsens bedömning att den föreslagna utdelningen är väl avvägd med hänsyn till verksamhetens art, omfattning och risker samt kapitalbehov, liksom kommande års affärsplaner och ekonomisk utveckling. Bolagets soliditet efter den föreslagna utdelningen uppgår till 76,3%. Den föreslagna utdelningen är därmed förenlig med hänsyn till de krav som ställs i aktiebolagslagen 17:3, andra och tredje stycket.

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Hållbarhetsrapport

Hållbarhetsrapporten är upprättad i enlighet med bestämmelserna i ÅRL, 6:e kapitlet.

SES Astra AB som är ett helägt dotterbolag till SES S.A. omfattas även av koncerns miljöarbete och riskhantering. SES Astra AB omfattas av SES koncernens övriga ansvarspolicies, såsom anti-korruption, jämställdhetsarbete, samt förebyggande arbete för att stödja ett hållbart ekonomiskt och socialt samhälle.

SES affärsmodell innebär tillhandahållande av satellitkapacitet i rymden, jämte tilläggstjänster på marken. SES Astra AB äger två aktiva satelliter, Astra 4A och SES-5. Dessa är placerade på en geostationär position på fem grader öst. Totalt inom koncernen finns drygt 50 satelliter.

Via satelliterna erbjuds kommunikationstjänster (bandbredd) för TV, radio samt olika typer av bredbandslösningar. Huvudmarknader är Norden, Baltikum, Ukraina och Ryssland, samt Georgien.

Försäljningen avser i första hand satellitkapacitet på det egna bolagets satelliter men även på andra av koncernens övriga satelliter. Kundens behov av täckningsområde styr i första hand valet av banposition.

Den främsta underleverantören är Teracom som tillhandahåller utrymmen och tekniska tjänster vid Kaknästornet där upplänkstationen är placerad.

Bolagets verksamhetsområde sammanfaller med satelliternas täckningsområde. SES-5 täcker primärt Norden och Astra 4A täcker Norden och stora delar av Europa till Uralbergen. Full beskrivning av de tjänster som tillhandahålls av SES finns på koncernens officiella hemsida www.ses.com

Miljö

Bolaget bedriver inte någon verksamhet som är tillstånds- eller anmälningspliktig enligt miljöbalken. Tillstånd som erfordras för sändningar enligt lagen om elektronisk kommunikation har lämnats av Post- och Telestyrelsen.

Vad beträffar bolagets miljörisker så är dessa förhållandevis begränsade, då majoriteten av bolagets ekonomiska tillgångar befinner sig i rymden. På senare tid har frågan om rymdskrot blivit föremål för diskussion. SES koncernen är en av grundarna till SDA, Space Data Association, som har till uppgift att samla förebyggande data kring bland annat rymdskrot. Konkreta åtgärder ligger många år fram i tiden. På marken finns inga bolagsspecifika miljörisker och SES Astra AB arbetar inte med några miljöspecifika riskindikatorer inom området.

Vad beträffar miljöpåverkan, så arbetar man på koncernnivå med att mäta utsläpp enligt Carbon Disclosure Project (CDP). Kontorets elförbrukning och förbrukning av kopieringspapper, och övrigt kontorsmateriel följs och rapporteras till koncernens huvudkontor. Dessa har konstaterats vara oförändrade jämfört med tidigare år. Företagets upplänkstation är belägen vid Kaknästornet och använder el som har sitt ursprung i vattenkraft. En betydande del av verksamheten vid Kaknästornet sker i statliga Teracoms regi. Teracom följer ISO 14001:25 och presenterar en hållbarhetsrapport enligt GRI riktlinjerna.

Den miljöpåverkan SES Astra AB kan tänkas ha i sin verksamhet är utsläpp i samband med flygresor för interna möten, samt anställda som vanligtvis åker med bil till arbetet. För att reducera dessa utsläpp arbetar bolaget med att utöka möjligheten för anställda att arbeta hemifrån, för att på så sätt minska belastningen i biltrafiken, samt att tekniska uppgraderingar har gjorts för att förbättra möjligheterna för videokonferenser.

Miljöanalyser, nyckeltal mm tas fram för hela koncernen av koncernmodern SES S.A., därav presenteras inte några data för SES Astra AB.

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Satelliterna

Den viktigaste tillgången i bolaget är de två satelliterna. Det finns ett antal risker förknippade med dessa:

1. Tekniska problem med satelliterna: När satelliterna väl är uppskjutna finns begränsade möjligheter att vidta åtgärder i händelse av tekniska problem. Här fokuseras på att ha en hög kvalitet i tillverkningsskedet. Inga betydande problem har konstaterats på satelliterna. Solpanelerna är de delar som påverkas mest av åldrandet, kapaciteten minskar vilket kan resultera i att eleffekten går ner. En avstänging av någon transponder kan bli konsekvensen.

2. Bränsle. Den faktor som har störst påverkan på satelliternas livslängt är hur mycket bränsle en satellit har kvar. I uppskjutningsskedet förbrukas en del bränsle samt under drift krävs bränsle för att göra små korrigeringar av banpositionen. Båda satelliternas bränslestatus är god och beräknas räcka under hela den beräknade tekniska livsländen.

3. Övervakning och styrning av satelliterna: Företagets två aktiva satelliter övervakas och styrs från koncernens huvudkontor i Luxemburg. Som back up fungerar Rymbolaget i Kiruna (SSC). För att säkerställa att detta fungerar övertar SSC kontrollen översatelliterna kortare perioder.

4. Rymdskrot. Det finns en risk att rymdskrot kan träffa satelliterna. Sannolikheten att en satellit skall träffas av rymdskot eller annan materia i rymden som har en så stor massa att satelliten slås ut är minimal, men inte försumbar.

Sociala förhållanden och personal

Antalet anställda inom bolaget är få och därmed riskerar en presentation av nyckeltal vara utpekande av enskilda individer, därav presenteras inga data utöver könsfördelning.

Hälsa och friskvård

Företaget erbjuder medarbetarna ett gediget hälsopaket med bland annat vårdförsäkring, företagshälsovård, hälsokontroller och friskvårdsbidrag eller ett årskort till ett gym. Stor vikt läggs på förebyggande insatser och fysisk aktivitet uppmuntras. Den största risken är sjukfrånvaro som påverkar det dagliga arbetet, vi har ingen lokal personal som kan fungera som back-up. Vid längre frånvaro kan dock huvudkontorets resurser användas.

Medarbetare inom SES har under året erbjudits utvidgade möjligheter att arbeta från hemmet. För många anställda har restiden varit betydande.

Jämställdhet

Inom koncernen bedrivs ett arbete för att öka andelen kvinnor på ledande positioner. Idag är två av fyra i ledningsgruppen kvinnor i SES Astra AB.
Om arbetsplatsen inte upplevs som jämställd finns det risk att man inte ses som en attraktiv arbetsgivare och rekrytering av personal försvåras.

Sociala förhållanden

De flesta anställda arbetar i Sverige där det finns ett omfattande regelverk som berör sociala förhållanden. Bolaget har en person anställd i Ukraina, Turkiet respektive Ryssland. I dessa länder tar vi hjälp av lokala företag för att försäkra oss om att ländernas regler följs.

Dessutom genomför koncernen medarbetarundersökningar och årliga medarbetarsamtal förs inom ramen för en strukturerad process. Bolaget mäter inte attityder i en kvantifierad process, men personalomsättningen är dock låg.

En risk som föreligger är att förlora kompetens främst inom teknikområdet då det finns en viss svårighet att hitta ersättare med rätt kompetens. Denna risk kan delvis elimineras genom att utnyttja den personal och kompetens som finns tillgänglig på vårt huvudkontor i Luxemburg.

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Mänskliga rättigheter

SES Astra AB tillämpar de regler gällande respekt för mänskliga rättigheter som koncernen lagt fram. De omfattar regler för att förhindra slaveri och uppförandekoder, inte bara för företagets egna anställda, utan även för samarbetsparters. Den största delen av inköpen för från länder där respekten för mänskliga rättigheter är hög. En del av kunderna är verksamma i länder där det råder ett demokratiunderskott, men i bolagets försäljningsprocess ingår verifiering mot sanktionslistor både för leverantörer, kunder samt ägare. De länder där risk föreligger är främst i de forna Sovjetstaterna. Under året har inte något fall av kränkning av dom mänskliga rättigheterna konstaterats eller utretts.

Motverkande av korruption och penningtvätt

Riskerna på företagets primära marknad Sverige bedöms som låg. Däremot förekommer korruption i inte ringa omfattning i många av de forna Sovjetstaterna. I samband med att sändningstillstånd för tv kanaler beviljas till lokala företag kan det finnas risk för mutor. Att alla medarbetare har samsyn kring SES:s värderingar och regler är den enskilt viktigaste korruptionsförebyggande insatsen. En obligatorisk utbildning i antikorruption har hållits, samt för all nyanställd personal.

På koncernens intranät finns en 24 sidig "Code of Conduct" publicerad, som samtlig personal och underleverantörer har skrivit under. I policyn råder nolltolerans mot oetiska affärsmetoder och korruption. En särskilt utsedd person finns representerad i Stockholm som får stöd från huvudkontoret och som har i uppgift att övervaka att reglerna följs. Koncernen har även upprättat en anonym whistleblower-funktion. Ingen anmälan har inkommit under året.

SES Astra AB är även i nära kontakt med bolagets olika finansiella institutioner för att säkerställa att ägardirektiven och penningtvättsdirektiv följs. SES Astra AB får löpande förfrågningar kring enskilda betalningar. Ingen av dessa förfrågningar från banker har föranlett någon specifik åtgärd. Utöver detta har inga övriga misstankar utretts.

Övrigt

SES koncernen har utformat en uppförandekod för leverantörer, advokater, konsulter och andra partners som som koncernen samarbetar med.

FN, EU och USA har infört sanktioner mot vissa länder och individer. En person inom företaget har utsetts att övervaka att dessa följs och tekniska stödfunktioner för detta har implementerats. Som en väsentlig del av företagets affärsprocess genomförs "compliance check" och ingen affärspartner tillåts ingå i kontrakt om inte denna är genomförd. Koncernen har en särskild avdelning där dessa bakgrundskontroller utförs, med en armlängds avstånd från de kommersiella avdelningarna.

Den nya dataskyddsförordningen (GDPR) har trätt i kraft och på koncernnivå har ett omfattande arbete genomförts för att möta kraven. Utbildning för samtliga anställda har hållits. Främst CRM- och HR-relaterade system berörs.

SES koncernens hållbarhetsredovisning mm

SES koncernens hållbarhetsredovisning mm finns tillgänglig på https://www.ses.com/company/investors/reports-and-presentations under rubriker Company/About us. Den omfattar SES S.A. med SES Astra AB som omnämt dotterbolag.

Rapporten beskriver mer detaljerat det hållbarhetsarbete som utförs. Huvudkontoret i Luxemburg står för den största delen av arbetet och de har särskilt utsedd personal som utarbetar riktlinjer och även står för uppföljning och rapportering av resultat på koncernnivå. Koncernens dokument om företagsstyrning mm finns tillgänglig på samma webadress som ovan.

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RESULTATRÄKNING

	Not	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Rörelsens intäkter mm			
Nettoomsättning	3, 4	325 155	476 699
Övriga rörelseintäkter	5	13 193	22 996
		338 348	**499 695**
Rörelsens kostnader			
Kostnad för sålda tjänster	4	-51 002	-120 072
Övriga externa kostnader	7, 8, 28	-95 793	-201 240
Personalkostnader	9	-25 684	-24 746
Avskrivningar av anläggningstillgångar	14,15,16	-120 791	-120 452
Övriga rörelsekostnader	6	-17 458	0
		-310 728	**-466 510**
Rörelseresultat		**27 620**	**33 185**
Resultat från finansiella poster			
Ränteintäkter och liknande resultatposter	10	24 236	26 731
Räntekostnader och liknande resultatposter	11	-15 554	-25 334
Resultat efter finansiella poster		**36 302**	**34 582**
Bokslutsdispositioner	12	138 695	138 178
Skatt på årets resultat	13, 28	-38 610	-37 463
ÅRETS RESULTAT		**136 387**	**135 297**

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BALANSRÄKNING

	Not	2022-12-31	2021-12-31
TILLGÅNGAR			
Immateriella anläggningstillgångar			
Övriga immateriella anläggningstillgångar	14	39 132	47 658
		39 132	**47 658**
Materiella anläggningstillgångar			
Maskiner och andra tekniska anläggningar	15	440 143	565 819
Inventarier	16	0	24
Pågående nyanläggningar	17	95	913
		440 238	**566 756**
Finansiella anläggningstillgångar			
Aktier i dotterbolag	18	6 834	6 834
Fordringar hos koncernföretag		1 112	451 358
Uppskjutna skattefordringar	19	9 411	10 402
		17 357	**468 594**
Summa anläggningstillgångar		**496 727**	**1 083 008**
Omsättningstillgångar			
Kortfristiga fordringar			
Kundfordringar		26 521	63 959
Fordringar hos koncernföretag	28	708 110	311 847
Övriga fordringar		16 078	20 573
Förutbetalda kostnader och upplupna intäkter	20	41 306	32 353
		792 015	**428 732**
Kassa och bank		**6 639**	**101 411**
Summa omsättningstillgångar		**798 654**	**530 143**
SUMMA TILLGÅNGAR		**1 295 381**	**1 613 151**

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BALANSRÄKNING

	Not	2022-12-31	2021-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital	27	24 000	24 000
Reservfond		51 821	51 821
Fritt eget kapital			
Balanserat resultat		21 444	21 147
Årets resultat		136 387	135 297
Summa eget kapital		**233 652**	**232 265**
Obeskattade reserver	22	**996 391**	**1 135 086**
Kortfristiga skulder			
Leverantörsskulder		781	3 402
Skulder till koncernbolag		14 039	189 106
Skatteskulder	13	11 209	3 857
Övriga kortfristiga skulder		3 030	6 373
Upplupna kostnader och förutbetalda intäkter	23	36 279	43 062
		65 338	**245 800**
SUMMA EGET KAPITAL OCH SKULDER		**1 295 381**	**1 613 151**

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KASSAFLÖDESANALYS

	Not	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Den löpande verksamheten			
Rörelseresultat	28	27 620	33 185
Justeringar för poster som inte ingår i kassaflödet	24	127 967	111 156
Kassaflöde från den löpande verksamheten före betalda räntor och inkomstskatter		**155 587**	**144 341**
Erhållen ränta		24 236	26 731
Erlagd ränta		-15 554	-25 334
Betald inkomstskatt		-30 267	-36 507
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital		**134 002**	**109 231**
Kassaflöde från förändringar i rörelsekapital			
Minskning(+)/ökning(-) av fordringar	28	8 243	-32 392
Minskning(-)/ökning(+) av kortfristiga skulder		-180 462	200 231
Kassaflöde från den löpande verksamheten		**-38 217**	**277 070**
Investeringsverksamheten			
Förvärv av immateriella anläggningstillgångar		-606	-501
Förvärv av materiella anläggningstillgångar		-222	-3 571
Förvärv av pågående nyanläggningar		-275	-913
Omklassificering av pågående nyanläggningar		828	4 072
Lån till koncernbolag		246	2 987
Kassaflöde från investeringsverksamheten		**-29**	**2 074**
Finansieringsverksamheten			
Utbetald utdelning		-135 000	-200 000
Kassaflöde från finansieringsverksamheten		**-135 000**	**-200 000**
Årets kassaflöde		**-173 246**	**79 144**
Likvida medel vid årets början		**372 630**	**293 486**
Likvida medel vid årets slut	21	**199 384**	**372 630**

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TILLÄGGSUPPLYSNINGAR

Not 1 Redovisningsprinciper

Årsredovisningen har upprättats enligt årsredovisningslagen och Bokföringsnämdens allmänna råd BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Koncernredovisning

SES Astra AB upprättar ingen koncernredovisning enligt ÅRL 7:2, med hänvisning till att företaget och samtliga dotterföretag omfattas av en koncernredovisning som upprättas av ett överordnat moderföretag. Uppgifter om moderföretaget, se nedan.

Moderbolag

Bolaget är dotterbolag till SES ASTRA S.A. med säte i Betzdorf, Luxemburg. org nr B22589. Övergripande koncernredovisning upprättas av SES-gruppens moderbolag SES S.A. med säte i Betzdorf, Luxemburg. org B81267. Årsredovisningen för SES S.A. går att erhålla hos SES S.A. L-6815 Chateau de Betzdorf, Luxembourg.

Immateriella anläggningstillgångar

Immateriella anläggningstillgångar redovisas till anskaffningsvärde minus ackumulerade avskrivningar och nedskrivningar. Avskrivningstiden är 15 år. Nyttjandeperioden för de immateriella rättigheterna är kopplad till satelliterna, vilka antas ha en livslängd på 18 år

Materiella anläggningstillgångar

Materiella anläggningstillgångar redovisas till anskaffningsvärde minus ackumulerade avskrivningar och nedskrivningar. I anskaffningsvärdet ingår utgifter som direkt kan hänföras till förvärvet av tillgången.
När en komponent i en anläggningstillgång byts ut, utrangeras eventuell kvarvarande del av den gamla komponenten och den nya komponentens anskaffningsvärde aktiveras. Tillkommande utgifter som avser tillgångar som inte uppdelas i komponenter läggs till anskaffningsvärdet till den del tillgångens prestanda ökar i förhållande till tillgångens värde vid anskaffningstidpunkten. Utgifter för löpande reparationer och underhåll redovisas som kostnader. Realisationsvinst respektive realisationsförlust vid avyttring av en anläggningstillgång redovisas som övrig rörelseintäkt respektive övrig rörelsekostnad. Materiella anläggningstillgångar skrivs av systematiskt över tillgångens bedömda nyttjandeperiod. När tillgångarnas avskrivningsbara belopp fastställs, beaktas i förekommande fall tillgångens restvärde.

Avskrivningar enligt plan är gjorda enligt följande:

Satelliter	18 år
Markutrustning	3-10 år
Inventarier	5 år
Datorutrustning	3-5 år

Skillnaden mellan avskrivningar enligt plan och bokförda avskrivningar är redovisad som bokslutsdisposition i moderbolaget.

Aktier i dotterbolag redovisas till det lägsta av anskaffningsvärde och verkligt värde.

Fordringar

Fordringar är redovisade till det belopp varmed de beräknas inflyta.

Fordringar och skulder i utländsk valuta

Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Transaktioner i utländsk valuta omräknas enligt transaktionsdagens avistakurs. Valutasäkring sker endast på koncernnivå.

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Likvida medel

Bolaget har en del av de likvida medel på koncernkonto hos koncernens finansbolag. De delar av de likvida medlen som avser koncernkontobalanser, klassificeras som fordran i balansräkningen och som likvida medel i kassaflödesanalysen.

Låneskulder och leverantörsskulder

Låneskulder och leverantörsskulder redovisas initialt till anskaffningsvärdet efter avdrag för transaktionskostnader. Skiljer sig redovisat belopp från det belopp som skall återbetalas vid förfallotidpunkten periodiseras mellanskillnaden som räntekostnad över lånets löptid med hjälp av instrumentets effektiva ränta. Härigenom överensstämmer vid förfallotidpunkten det redovisade beloppet och det belopp som skall återbetalas.

Intäkter

Bolagets intäkter avser transmissionstjänster och därtill hörande kringtjänster av servicekaraktär. Kontrakterade intäkter erhållna från kunder periodiseras över kontraktens livslängd. Om intäkterna från kontrakten innehåller rörliga delar, till exempel är beroende av antal abonnenter som ser en viss signal, redovisas dessa intäkter vid faktureringstillfället.

Koncernen har bara en verksamhetsgren, försäljning av satellitkapacitet. Bolaget tillhandahåller förvisso även servicetjänster, men ingen av dessa tjänster tillhandahålls separat, utan ingår alltid som *en kompletterande verksamhet till satellitkapacitetsförsäljningen. I flertalet fall är dessa tjänster* kontrakterade som en enhet.

Vad beträffar de geografiska försäljningsmarknaderna så följer de satelliternas olika *täckningsområden, snarare än enskilda länder.*

Ersättning till anställda

Kortfristiga ersättningar
Kortfristiga ersättningar i bolaget utgörs av lön, sociala avgifter, betald semester, betald sjukfrånvaro, sjukvård och bonus.Kortfristiga ersättningar redovisas som en kostnad och en skuld då det finns en legal eller informell förpliktelse att betala ut ersättning.

Ersättning efter avslutat anställning
I företaget förekommer såväl avgiftsbestämda som förmånsbestämnda pensionsplaner. I avgiftsbestämda planer betalar företaget bara fastställda avgifter till ett annat företag och har inte någon legal eller informell förpliktelse att betala något yterligare även om det andra företaget inte kan uppfylla sina åtaganden. Företagets resultat belastas för kostnader i takt med att de anställdas pensionsberättigade tjänster utförs.

Aktierelaterade ersättningar
Anställda i SES Astra AB ingår som en del i SES koncernens globala incitamentsprogram. *Samtliga anställda erhåller personaloptioner, men volymen varierar beroende på tjänstegrad och* anställningstid. Teckningskursen bestäms av moderbolaget och avyttring kan endast ske efter en viss förutbestämd tid. Kostnader för incitamentsprogrammet, jämte sociala kostnader, omvärderas vid tidpunkten för varje rapport.

Kassaflödesanalys

Kassaflödesanalysen upprättas enligt indirekt metod. Det redovisade kassaflödet omfattar endast transaktioner som medför in- eller utbetalningar. Som likvida medel klassificeras, förutom kassa- och banktillgodohavanden även koncernkonto.

Leasing

Finansiella leasingavtal, som i allt väsentligt till bolaget överför alla sådana risker och fördelar avseende den förhyrda tillgången som förknippas med ägandet, redovisas som tillgång i *balansräkningen från och med det att avtalet ingås. Tillgången värderas till det leasade objektets* verkliga värde. Tillgångar enligt finansiella leasingavtal skrivs av över leasingavtalets löptid vilket överensstämmer med den ekonomiska livslängden.

Leasingavtal där, i allt väsentligt, alla risker och fördelar som förknippas med ägandet faller på uthyraren klassificeras som operationella leasingavtal. Leasingavgifter avseende operationella leasingavtal redovisas som kostnad i resultaträkningen och fördelas över avtalets löptid.

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Inkomstsskatter

Aktuella skatter värderas utifrån de skattesatser och skatteregler som gäller på balansdagen. Uppskjutna skatter värderas utifrån de skattesatser och skatteregler som är beslutade före balansdagen.

Not 2 Uppskattningar och bedömningar

Bolaget gör uppskattningar och bedömningar om framtiden. De uppskattningar för redovisningsändamål som blir följden av dessa kommer, definitionsmässigt, sällan motsvara det verkliga resultatet.

Osäkra kundfordringar

Bolaget gör regelbundet en bedömning av osäkra kundfordringar och reserveringar görs på individuell basis, med företagets riktlinjer som grund. Grundregeln är att kundfordringar som överstiger 90 dagar reserveras som osäkra. Som framgår i förvaltningsberättelsen bedrivs en del av bolaget verksamhet i länder med oroligheter och att fastställa nedskrivningsbehovet är en svår bedömningsfråga.

Satellitavskrivningar

Bolaget gör löpande översyn av sateliternas "hälsostatus", med avseende på prestanda och bränsletillgång. Detta kan påverka bolagets avskrivingstider. Under året har ingen ny teknisk bedöming gjorts. Satelliternas avskrivningtid är 18 år.

Not 3 Nettoomsättningens fördelning på geografiska marknader

Nettoomsättningens fördelar sig på geografiska marknader enligt följande	2022	2021
Norden	131 783	192 611
Baltikum	37 463	36 331
Öst/Centraleuropa	124 990	231 638
Övriga marknader	30 919	16 119
Summa	**325 155**	**476 699**

Not 4 Uppgift om inköp och försäljning inom koncernen

Inköp av transpondertjänster, marknadsförings-tjänster och andra tekniska tjänster	2022	2021
SES S.A. och dess dotterbolag	114 084	271 972
Summa	**114 084**	**271 972**

Försäljning av transpondertjänster och andra tekniska tjänster	2022	2021
SES S.A. och dess dotterbolag	50 689	63 743
Summa	**50 689**	**63 743**

Inga transaktioner med närstående har skett.

Not 5 Övriga rörelseintäkter

	2022	2021
Försäkringsersättning	1 756	-
Orealiserade kursvinster	11 321	11 053
Vidarefakturerade kostnader	116	11 943
Summa	**13 193**	**22 996**

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Not 6 Övriga rörelsekostnader

	2022	2021
Förlust vid avyttring av anläggningstillgångar	14 529	-
Orealiserade kursförluster	2 929	-
Summa	**17 458**	**-**

Not 7 Upplysning om revisorns arvode och kostnadsersättning

	2022	2021
Öhrlings PricewaterhouseCoopers AB		
revisionsuppdrag	565	451
revisionsverksamhet utöver revisionsuppdrag	-	-
skatterådgivning	-	-
övriga uppdrag	-	-
Summa	**565**	**451**

Med revisionsuppdrag avses granskningen av årsredovisningen och bokföringen samt styrelsens och verkställande direktörens förvaltning, övriga arbetsuppgifter som det ankommer på bolagets revisorer att utföra samt rådgivning eller annat biträde som föranleds av iakttagelser vid sådan granskning eller genomförande av sådana övriga arbetsuppgifter.

Not 8 Operationella leasingavtal

Årets kostnad för operationella leasingavtal uppgår till 1 240 (f. å. 1 292) och avser främst lokalhyra. Framtida leasingavgifter avseende operationella leasingavtal med återstående löptid överstigande ett år uppgår till:

	2022-12-31	2021-12-31
Förfaller till betalning inom ett år	1 232	1 292
Förfaller till betalning senare än ett år men inom 5 år	1 434	2 669
Förfaller till betalning senare än fem år	-	-
Summa	**2 666**	**3 961**

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Not 9 Antal anställda, löner, andra ersättningar och sociala kostnader

	2022		2021	
Medeltalet anställda	Antal anställda	Varav antal män	Antal anställda	Varav antal män
Sverige	10	7	11	7
Ryssland	1	1	1	1
Turkiet	0	-	1	-
Ukraina	1	1	1	1
Totalt	**12**	**9**	**14**	**9**

	2022-12-31	2021-12-31
Könsfördelning i företagsledningen:		
Antal personer i företagsledningen	4	4
varav män	50%	50%
Antal styrelseledamöter	4	4
varav män	75%	75%
Totalt	**8**	**8**

	2022		2021	
Löner, ersättningar m m	Löner och andra ers	Soc kostn (varav pensions kostnader)	Löner och andra ers	Soc kostn (varav pensions kostnader)
Sverige, Ukraina, Turkiet, Ryssland	16 451	7 361 (2 924)	13 119	6 166 (2 639)

	2022		2021	
Löner och andra ersättningar fördelade mellan styrelseledamöter m fl och anställda	Styrelse och VD (varav tantiem o.d)	Övriga anställda	Styrelse och VD (varav tantiem o.d)	Övriga anställda
Sverige	4 370 (1 526)	12 081	3 628 (550)	9 491

I övriga anställda ingår löner i Turkiet, Ryssland och Ukraina.

Ingen ersättning har utgått till bolagets styrelseledamöter.
Av bolagets pensionskostnader avser 1 178 (f.å. 985) verkställande direktören.
Den verkställande direktörens avtal omfattas av avgångsvederlag uppgående till 12 månadslöner.
Värdet på SES-gruppens optionsprogram för bolagets anställda redovisas som en skuld till de anställda i balansräkningen. På bokslutsdagen uppgick värdet på personaloptionerna inklusive sociala avgifter till 1 623 (f.å. 1 829) och belastade årets personalkostnader med 649 (f.å. 716).

Not 10 Ränteintäkter och liknande resultatposter

	2022	2021
Ränteintäkter	37	-
Ränteintäkter från koncernbolag	4 877	3 666
Valutakursvinster	19 322	23 065
Summa	**24 236**	**26 731**

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Not 11 Räntekostnader och liknande resultatposter

	2022	2021
Räntekostnader	351	264
Valutakursförluster	15 203	25 070
Summa	***15 554***	***25 334***

Not 12 Bokslutsdispositioner

	2022	2021
Återföring av periodiseringsfond	67 199	80 494
Avsättning till periodiseringsfond	-60 683	-58 395
Skillnad mellan bokförda avskrivningar och avskrivningar enligt plan	132 179	116 079
Summa	**138 695**	**138 178**

Not 13 Skatt på årets resultat

	2022	2021
Följande komponenter ingår i skattekostnaden:		
Aktuell skatt	37 619	35 890
Uppskjuten skatt	991	1 573
Redovisad skatt	**38 610**	**37 463**
Avstämning av effektiv skatt:		
Redovisat resultat före skatt	174 997	172 760
Skatt enligt gällande skattesats	36 049	35 589
Ej avdragsgilla kostnader	202	89
Kundförluster	-3	-1 151
Ej skattepliktiga intäkter	-4	-
Korr. försäkringskostnad, förändrad skattesats		-198
Schablonintäkt peridiseringsfond	544	566
Uppräkning vid återföring av periodiseringsfond	831	995
Uppskjuten skatt, res. för osäkra kundfordringar	991	1 573
Förändrad skattesats på uppskjuten skatt på reserv för osäkra kundfordringar	-	-
Redovisad skatt	**38 610**	**37 463**

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Not 14 Immateriella rättigheter

	2022-12-31	2021-12-31
Ingående anskaffningsvärde	136 289	135 788
Försäljningar/utrangeringar	-11 115	-
Omklassificeringar	606	501
Utgående ack. anskaffningsvärden	**125 780**	**136 289**
Ingående avskrivningar enligt plan	-88 631	-79 886
Försäljningar/utrangeringar	11 115	-
Nedskrivningar	-491	-
Årets avskrivningar enligt plan	-8 641	-8 745
Utgående ack. avskrivningar enligt plan	**-86 648**	**-88 631**
Nedskrivningar	-	-
Utgående planenligt restvärde	**39 132**	**47 658**

Not 15 Maskiner och tekniska anläggningar

	2022-12-31	2021-12-31
Ingående anskaffningsvärde	2 646 892	2 643 321
Försäljningar/utrangeringar	-36 274	
Omklassificeringar	222	3 571
Utgående ack. anskaffningsvärden	**2 610 840**	**2 646 892**
Ingående avskrivningar enligt plan	-2 073 573	-1 961 924
Försäljningar/utrangeringar	36 274	-
Nedskrivningar	-14 037	-
Årets avskrivningar enligt plan	-111 861	-111 649
Utgående ack. avskrivningar enligt plan	**-2 163 197**	**-2 073 573**
Ingående nedskrivningar	-7 500	-7 500
Utgående ack. nedskrivningar	**-7 500**	**-7 500**
Utgående planenligt restvärde	**440 143**	**565 819**

Not 16 Inventarier

	2022-12-31	2021-12-31
Ingående anskaffningsvärde	5 956	5 956
Omklassificeringar	265	-
Försäljningar/utrangeringar	-4 239	-
Utgående ack. anskaffningsvärden	**1 982**	**5 956**
Ingående avskrivningar enligt plan	-5 932	-5 874
Försäljningar/utrangeringar	4 239	-
Årets avskrivningar enligt plan	-289	-58
Utgående ack. avskrivningar enligt plan	**-1 982**	**-5 932**
Utgående planenligt restvärde	**0**	**24**

Not 17 Pågående nyanläggningar

	2022-12-31	2021-12-31
Ingående anskaffningsvärde	913	4 071
Under året nedlagda kostnader	285	913
Omklassificering	-10	-
Aktiverade nyanläggningar	-1 093	-4 071
Utgående ack. anskaffningsvärden	**95**	**913**

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Not 18 Aktier i dotterbolag

	2022-12-31	2021-12-31
Ingående anskaffningsvärde	6 834	6 834
Utgående anskaffningsvärde	**6 834**	**6 834**

Företagets namn	Säte	Antal andelar	Kapital-andel %	Bokfört värde
SIA SIRIUS Satellite Services Latvija	Riga, Lettland	100	100%	34
LLC SES SIRIUS UKRAINE Org nr 35 209 409	Kiev, Ukraina	100	100%	6 800
Summa				**6 834**

Företagets namn	Org.nr	Eget kapital	Resultat
SIA SIRIUS Satellite Services Latvija	4000 356 9984	3 165	164
LLC SES SIRIUS UKRAINE	35 209 409	9 422	712

Not 19 Uppskjutna skattefordringar och avsättningar för skatter

	2022-12-31	2021-12-31
Bolagets uppskjutna skattefordringar är hänförlig till:		
Reserv för osäkra kundfordringar	9 411	10 402
Summa	**9 411**	**10 402**

Not 20 Förutbetalda kostnader och upplupna intäkter

	2022-12-31	2021-12-31
Upplupna intäkter	40 085	29 490
Övriga förutbetalda kostnader	1 222	2 863
Summa	**41 307**	**32 353**

Not 21 Likvida medel vid årets slut

	2022-12-31	2021-12-31
Kassa och bank	6 639	101 411
Koncernkonto	192 745	271 219
Kassa och bank	**199 384**	**372 630**

Not 22 Obeskattade reserver

	2022-12-31	2021-12-31
Periodiseringsfond tax 2016	-	67 199
Periodiseringsfond tax 2017	94 974	94 974
Periodiseringsfond tax 2018	115 387	115 387
Periodiseringsfond tax 2019	102 578	102 578
Periodiseringsfond tax 2020	89 090	89 090
Periodiseringsfond tax 2021	58 395	58 395
Periodiseringsfond tax 2022	60 683	
Skillnad mellan bokförda avskrivningar och avskrivningar enligt plan	475 284	607 463
Summa	**996 391**	**1 135 086**

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Not 23 Upplupna kostnader och förutbetalda intäkter

	2022-12-31	2021-12-31
Upplupna personalkostnader	6 827	7 614
Övriga upplupna kostnader	6 829	3 121
Förutbetalda intäkter	22 623	32 327
Summa	**36 279**	**43 062**

Not 24 Justeringar för poster som inte ingår i kassaflödet

	2022	2021
Avskrivningar och nedskrivningar	135 319	120 452
Orealiserade kursvinster/förluster	-8 392	-11 054
Övriga poster	1 040	1 758
Summa	**127 967**	**111 156**

Not 25 Eventualförpliktelser

	2022-12-31	2021-12-31
Eventualförpliktelser	**Inga**	**Inga**

Not 26 Ställda säkerheter

	2022-12-31	2021-12-31
Ställda säkerheter	**Inga**	**Inga**

Not 27 Eget kapital

Aktiekapitalet består av 240 000 aktier

Not 28 Förslag till disposition av årets resultat

Till bolagsstämmans förfogande står följande vinstmedel:

Balanserad vinst från föregående år	**21 445 035 kr**
Årets resultat	**136 386 584 kr**
	157 831 619 kr

Styrelsen föreslår att vinstmedlen disponeras så att

till aktieägarna utdelas	**155 000 000 kr**
i ny räkning balanseras	**2 831 619 kr**
	157 831 619 kr

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Not 29 Rättelse av fel

Under 2020 redovisades en försäkringskostnad 24,9 miljoner kronor felaktigt som en kostnad för bolaget p.g.a. felaktig information från försärkingsbolaget. Detta rättades som en negativ kostnad i bokföringen 2021. Denna korrigering beaktades inte på rätt sätt vid tilläpningen av internprissättningsavtalet 2021. Internprissättningen korrigerades i bokföringen 2022 och i årsredovisningen för 2022 har posten redovisats i de korrigerade siffrorna för 2021.

Rättade poster	Korrigerat 2021	Tidigare årsr. 2021
Resultaträkning		
Övriga externa kostnader	-201 240	-226 074
Rörelseresultat	33 185	8 351
Resultat efter finansiella poster	34 582	9 748
Skatt på årets resultat	37 463	32 347
ÅRETS RESULTAT	135 297	115 579
Balansräkning		
Fordringar hos koncernföretag	311 847	287 013
Aktuella skattefordringar	-	1 259
Aktuella skatteskunder	3 857	
Årets resultat	135 297	115 579
Summa eget kapital	232 265	212 547
BALANSOMSLUTNING	1 613 151	1 589 576
Kassaflöde		
Rörelseresultat	33 185	8 351
Kassaflöde från den löpande verksamheten före betalda räntor och inkomstskatter	144 341	119 507
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital	109 231	84 397

Därutöver har flerårsöversikten i förvaltningsberättelsen korrigerats samt not 13 avseende skatter.

Not 30 Väsentliga händelser efter räkenskapsårets slut

I Ukraina fortsätter verksamheten trots kriget. Den tekniska utrustningen är intakt och upplänkstationen i Kiev fungerar som vanligt. Utifall att upplänkstationen skadas finns möjlighet att flytta sändningarna till Riga.
Utvecklingen i Ukraina är mycket svår att förutspå men vi räknar med mycket låga intäkter det kommande året.

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Stockholm den 29/5-2023

Deepak Mathur
Ordförande

Gustav Jönsson
Ledamot

Håkan Sjödin
Ledamot och verkställande direktör

Vår revisionsberättelse har lämnats den 10/6 2023

Öhrlings PricewaterhouseCoopers AB

Gabriella Hermansson
Auktoriserad revisor

20230520150027

Revisionsberättelse

Till bolagsstämman i SES ASTRA AB, org.nr 556221-2141

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för SES ASTRA AB för år 2022 med undantag för hållbarhetsrapporten på sidorna 5-7.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av SES ASTRA ABs finansiella ställning per den 31 december 2022 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Våra uttalanden omfattar inte hållbarhetsrapporten på sidorna 5-7. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen för SES ASTRA AB.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till SES ASTRA AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Annan information än årsredovisningen

Detta dokument innehåller även annan information än årsredovisningen och återfinns på sidorna 5-7. Det är styrelsen som har ansvaret för denna andra information.

Vårt uttalande avseende årsredovisningen omfattar inte denna information och vi gör inget uttalande med bestyrkande avseende denna andra information.

I samband med vår revision av årsredovisningen är det vårt ansvar att läsa den information som identifieras ovan och överväga om informationen i väsentlig utsträckning är oförenlig med årsredovisningen. Vid denna genomgång beaktar vi även den kunskap vi i övrigt inhämtat under revisionen samt bedömer om informationen i övrigt verkar innehålla väsentliga felaktigheter.

Om vi, baserat på det arbete som har utförts avseende denna information, drar slutsatsen att den andra informationen innehåller en väsentlig felaktighet, är vi skyldiga att rapportera detta. Vi har inget att rapportera i det avseendet.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

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Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

En ytterligare beskrivning av vårt ansvar för revisionen av årsredovisningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för SES ASTRA AB för år 2022 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till SES ASTRA AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation, och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Den verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

pwc

En ytterligare beskrivning av vårt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Revisorns yttrande avseende den lagstadgade hållbarhetsrapporten

Det är styrelsen som har ansvaret för hållbarhetsrapporten på sidorna 5-7 och för att den är upprättad i enlighet med årsredovisningslagen.

Vår granskning har skett enligt FAR:s uttalande RevR 12 Revisorns yttrande om den lagstadgade hållbarhetsrapporten. Detta innebär att vår granskning av hållbarhetsrapporten har en annan inriktning och en väsentligt mindre omfattning jämfört med den inriktning och omfattning som en revision enligt International Standards on Auditing och god revisionssed i Sverige har. Vi anser att denna granskning ger oss tillräcklig grund för vårt uttalande.

En hållbarhetsrapport har upprättats.

Stockholm den 10 juni 2023

Öhrlings PricewaterhouseCoopers AB

Gabriella Hermansson
Auktoriserad revisor

20230620150229

SES

ANNUAL REPORT 2022

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OUR COMPANY

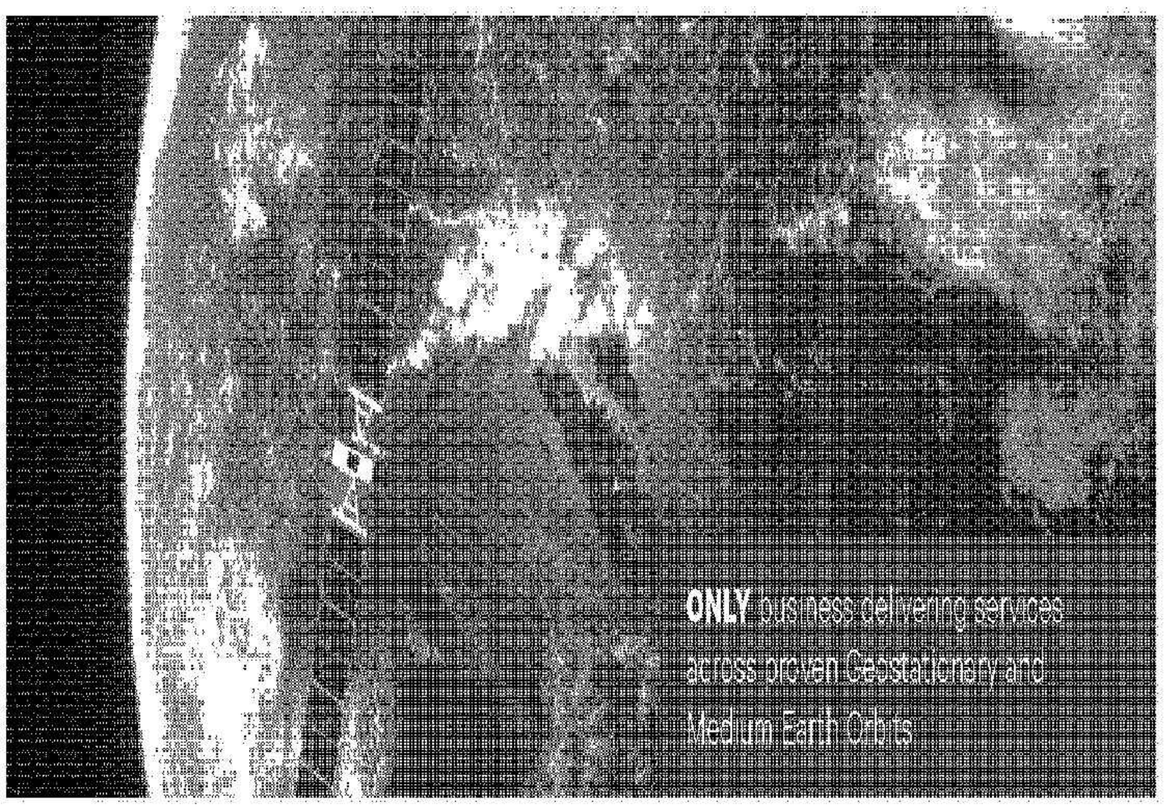
EMPOWERING BILLIONS OF STORIES

SES is more than a 'satellite operator'. We are a leader in global content connectivity solutions



DOING THE EXTRAORDINARY IN SPACE

Our unique and seamlessly integrated multi-orbit network covers 99% of the world's population



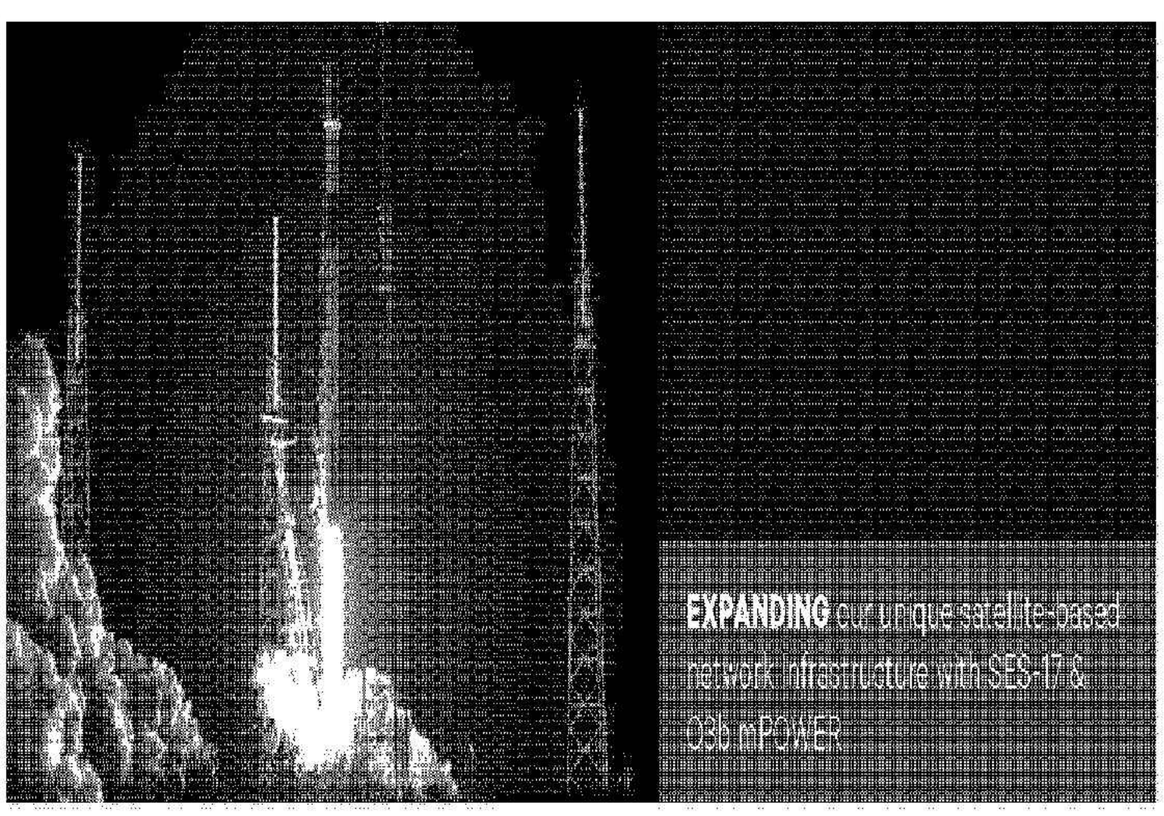
CREATING CHANGE WITH YOU

We deliver amazing experiences on everywhere on Earth and solutions that matter



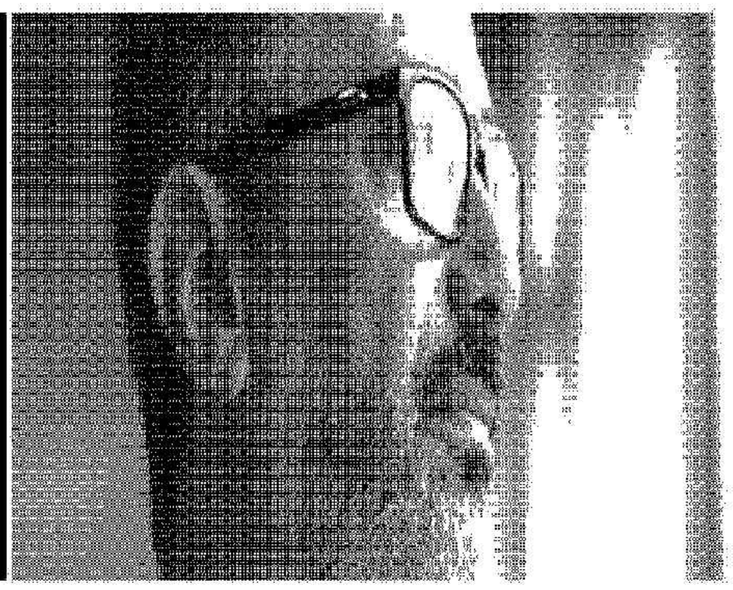
REAL INNOVATION FOR REAL PROGRESS

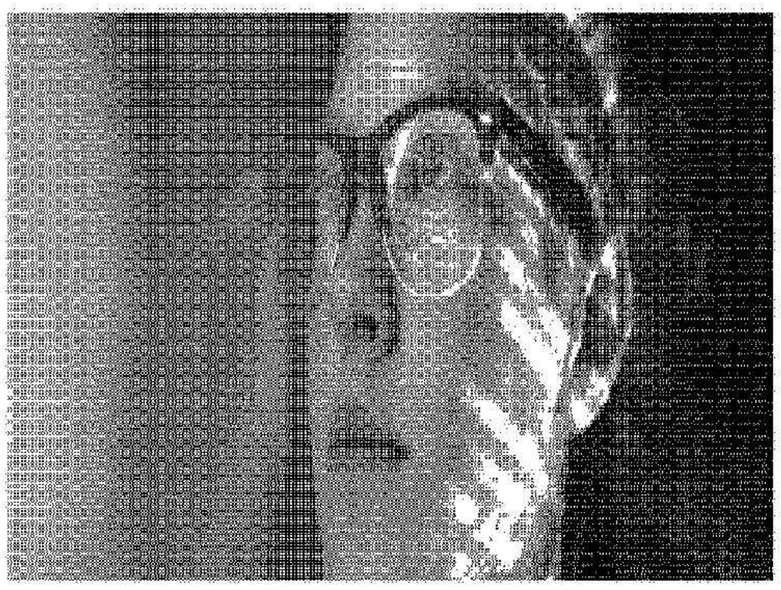
Our next-generation constellation and differentiated offerings will enable a truly connected world



OUR EQUITY STORY







INDUSTRY LEADER WITH PROFITABLE LONG-TERM GROWTH OUTLOOK

- ~€2B annual revenue with expanding demand for connectivity on land, at sea, and in the air
- Important growth investments to expand our unique multi-orbit satellite-based network
- >35 years of success serving the world's major businesses, governments, and institutions
- Track record of sustainable innovation and being 'the first' in our industry

DIFFERENTIATED PRODUCTS AND SOLUTIONS TO MAKE A DIFFERENCE

- Satellite offers communication without limits and need for substantial, expense terrestrial infrastructure
- High-performance connectivity solutions (from 10s of Mbps to 10s of Gbps with low latency)
- Video neighbourhoods with critical audience reach and reliability (369M TV homes served)
- Incorporating a bold ESG agenda and targets (supporting 11 of the 17 UN SDGs)

ATTRACTIVE CASH FLOWS AND TOTAL RETURN FUNDAMENTALS

- Disciplined financial policy with focus on profitable, sustainable investments and execution
- Balance sheet metrics consistent with investment grade credit rating (Moody's: Baa2; Fitch: BBB)
- Stable to progressive dividend policy (dividend of €0.50 per A-share proposed for 2022)
- >$4B pre-tax of monetisation from US C-band by end-2023 with >$1B pre-tax already realised

+9%

expected annual industry revenue growth (2021-2031)[1]

~€5B

contract backlog reflects our trusted customer value proposition

€1.1B

2022 Adjusted EBITDA with robust margins

1 Average of Euroconsult and Northern Sky Research (NSR) for Satellite and Fixed and Mobile broadband access types of Media revenue market, or SFSS

OUR BUSINESS MODEL & PRIORITIES

1 BOLD PURPOSE

We do the EXTRAORDINARY in space to deliver AMAZING experiences EVERYWHERE on Earth.

WE SEE SIGNIFICANT DEMAND for content connectivity solutions around the world, where the satellite - and SES - will play a major role.

WE WANT TO HARNESS THE POWER OF SPACE to help connect more people in more places with content that educates and entertains, protects populations, drives businesses forward, enriches lives, and empowers personal stories.

WE AIM TO ENABLE OUR CUSTOMERS to solve critical connectivity challenges and deliver media experiences using our unique, global, space-based infrastructure.

2 COMPELLING CAPABILITIES

We benefit from two compelling businesses and strong common fundamental capabilities.

UNIQUE MULTI-ORBIT NETWORK offering compelling scale, flexibility, and performance.

UNPARALLELED REACH underpinning large, profitable, and resilient Video neighbourhoods.

ACCESS TO GLOBAL SPECTRUM, with priority access to equatorial MEO spectrum.

OPEN INNOVATION APPROACH with partners to drive productivity, flexibility, and reduce cost.

DISCIPLINED FINANCIAL POLICY built on strong balance sheet metrics and cash flow generation.

DIVERSE AND TALENTED ORGANISATION with people who are experts in their fields.

3 CLEAR STRATEGY

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

LEVERAGE AND SCALE OUR UNIQUE SATELLITE-BASED INFRASTRUCTURE to expand in key, fast-growing networks segments and reinforce the long-term value of our video business.

DELIVER PRODUCTS AND SOLUTIONS THAT DRIVE CUSTOMERS' SUCCESS by being a leader in high performance connectivity and offering unparalleled audience reach and reliability.

PROFITABLE AND SUSTAINABLE EXECUTION TO MAXIMISE VALUE through disciplined financial approach, constant innovation, and pursuit of a bold ESG agenda and set of targets.

4 VALUE CREATION

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

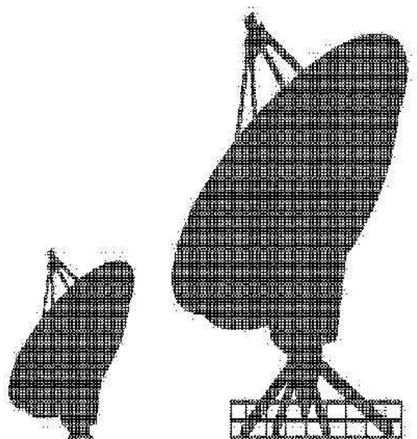
CUSTOMERS & PARTNERS: are part of our family and their success is also our success.

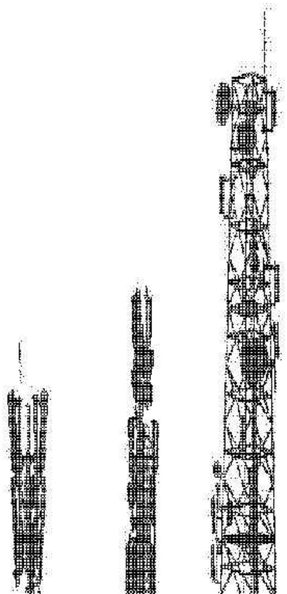
EMPLOYEES: we want to unleash the full potential and passion of the entire SES family, making SES a great place to work.

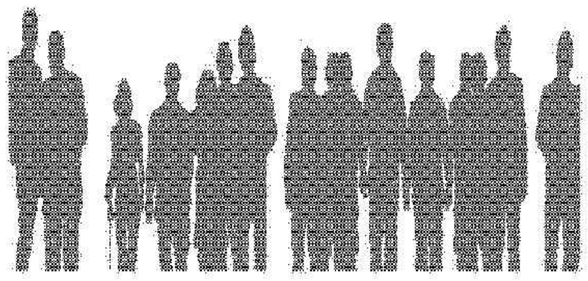
SHAREHOLDERS: we strive to deliver an attractive combination of sustained capital growth and income return for shareholders.

SOCIETY: we want to raise up the human experience, ensure that everyone is connected to the world's content, and use our business to make a difference.









OUR BUSINESS SEGMENTS

NETWORKS

~50% of revenue

RAPIDLY EXPANDING

commercial demand for reliable and high-performance connectivity

UNIQUE NETWORK

providing high through-put, high flexibility, and low latency solutions

PARTNERSHIPS

with major governments, telcos, MNOs, cloud companies, and cruise lines

€2B BACKLOG

3-5 years
typical contract length

VIDEO

~50% of revenue[1]

LINEAR TV

a key driver for our customers' global revenue and long-term success

UNPARALLELED REACH

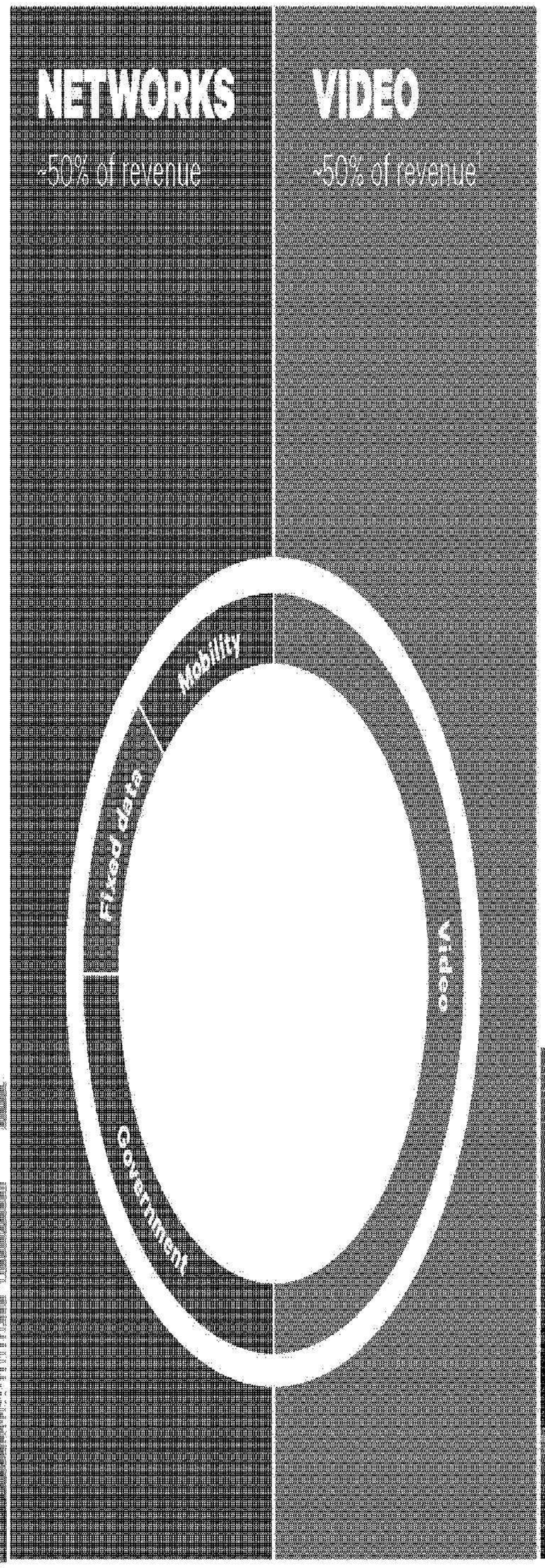
quality, reliability, and economics of satellite for premium content

PARTNER

to the world's leading broadcasters, platform operators, and content owners

€3B BACKLOG

5-10 years
typical contract lengths

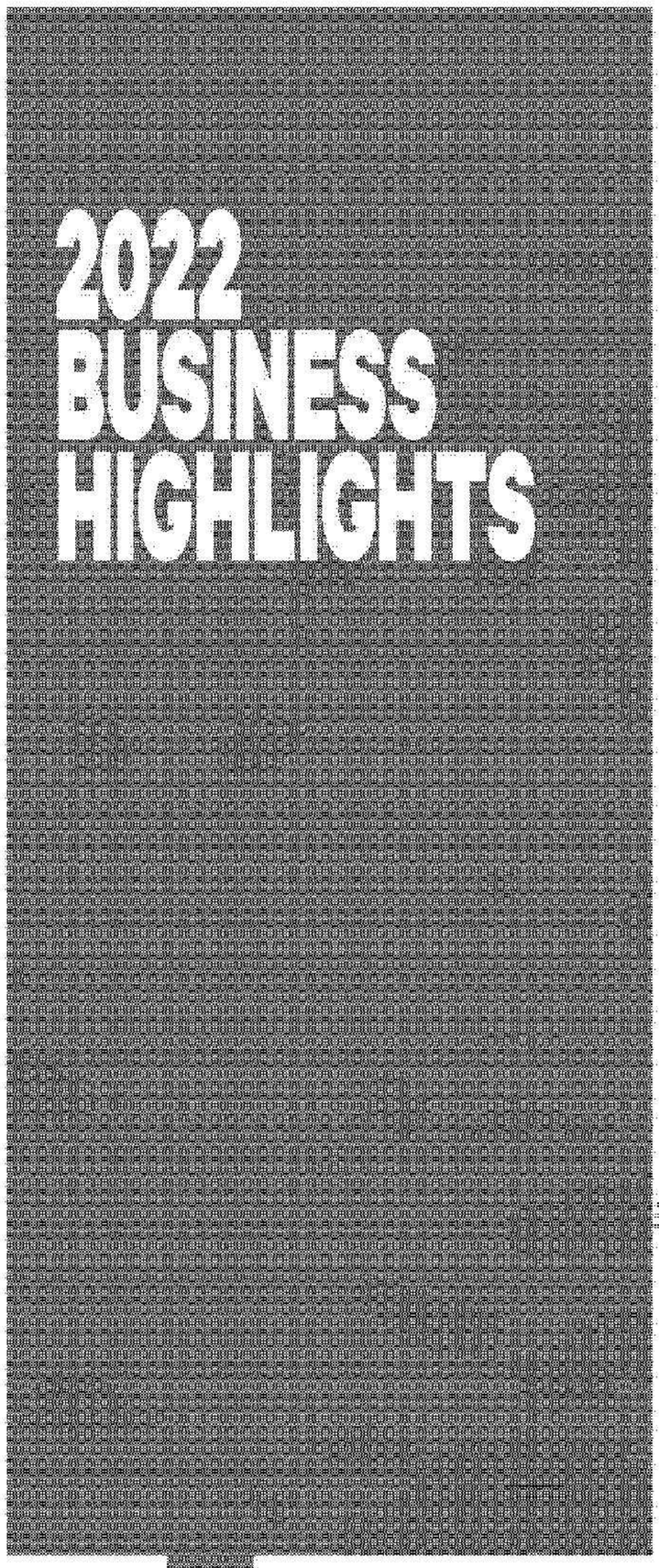




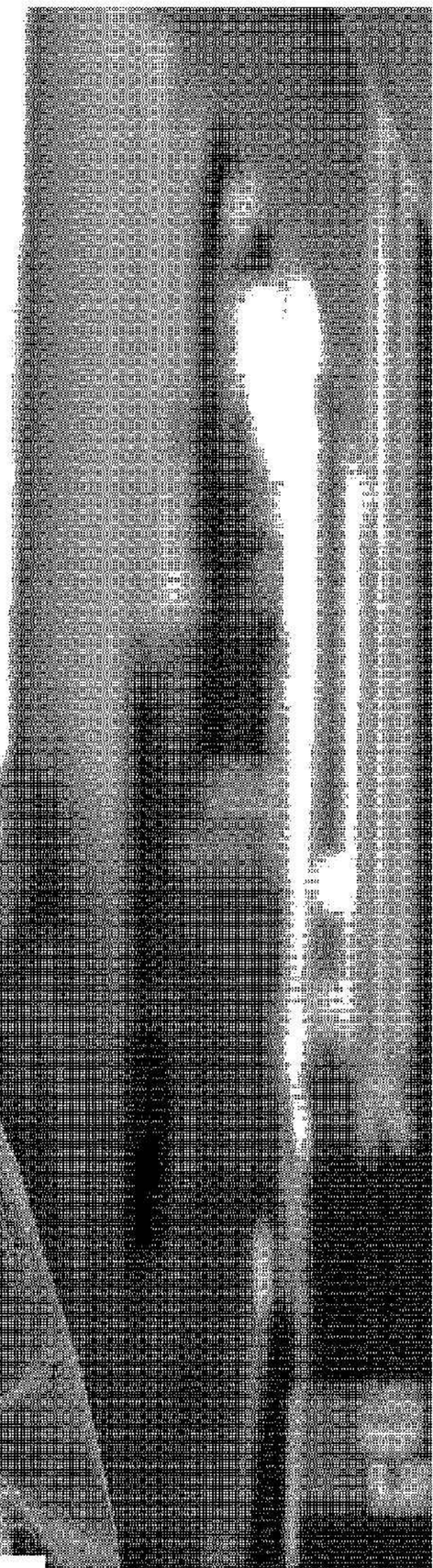


1 % of revenue including 2nd Gogo Principle Source (DS-679) as of 1 July 2022

2022 BUSINESS HIGHLIGHTS







ANOTHER YEAR OF STRONG EXECUTION

2022 Revenue and Adjusted EBITDA were delivered fully in line with our financial outlook

EXPANDED OFFERING FOR U.S. GOVERNMENT CLIENTS

In 2022, we completed the acquisition of DRS Global Enterprise Solutions, a best-in-class solutions provider to numerous US agencies

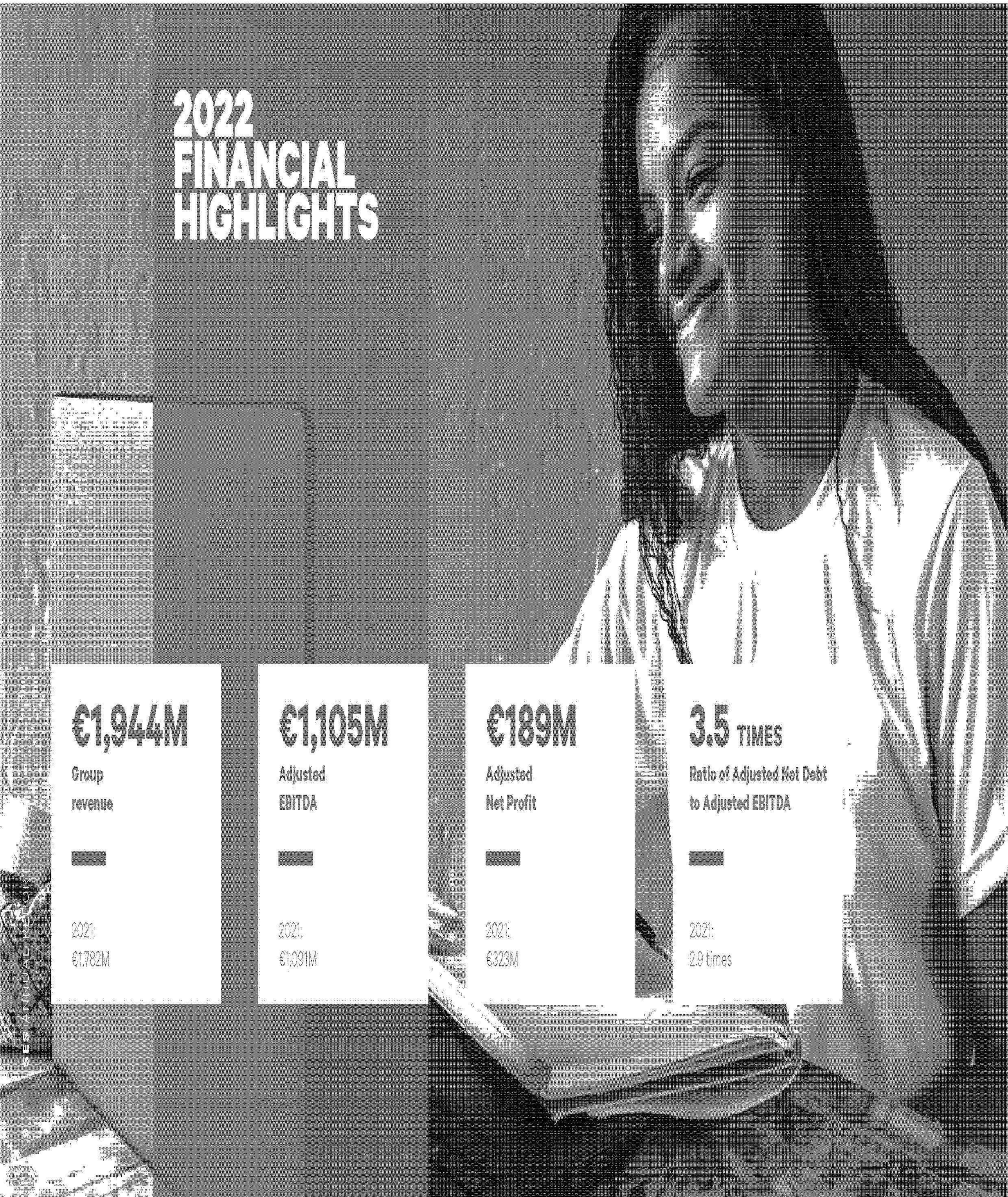
PROGRESSING STRATEGIC GROWTH INITIATIVES

The year marked the entry into commercial service of SES-17 and the launch of the first of our O3b mPOWER satellites

CREATING VALUE FROM US C-BAND CLEARING

We successfully de-risked the project, with Phase II clearing on track, while capturing additional value from our agreement with Verizon

2022 FINANCIAL HIGHLIGHTS



€1,944M

Group revenue

2021: €1,782M

€1,105M

Adjusted EBITDA

2021: €1,091M

€189M

Adjusted Net Profit

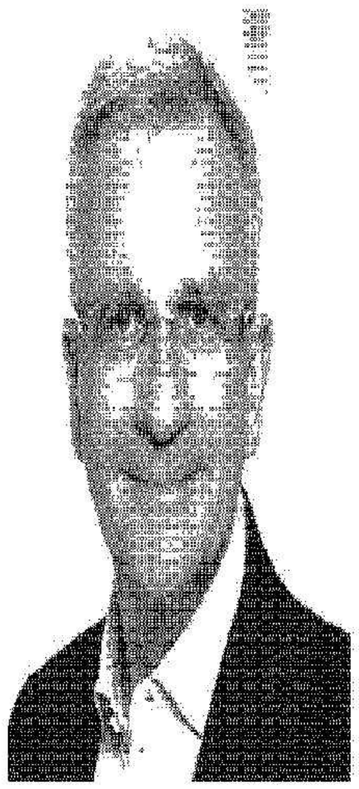
2021: €323M

3.5 TIMES

Ratio of Adjusted Net Debt to Adjusted EBITDA

2021: 2.9 times

LETTER FROM THE CHAIRMAN



Frank Esser

Chairman of the SES Board of Directors

2022 reflects strong business execution, solid financial performance, value-creative investment, and important strategic progress towards ensuring our company's profitable long-term growth and financial position. On behalf of the SES Board of Directors, I would like to thank everyone at SES for their continued commitment, perseverance, and dedication.

Group revenue and Adjusted EBITDA were in line with expectations while our balance sheet metrics deliver an important source of value creation. With virtually all debt fixed at low interest rates, no significant near-term senior debt maturities, and SES on track to earn $3 billion in pre-tax payments from US C-band spectrum clearing at the end of 2023, our financial position will support the on-going commercial successes of our multi-orbit Networks offerings and important Video neighbourhoods.

Our Networks business returned to growth in 2022, after a period of robust performance during the COVID-19 global pandemic, reflecting our customer proposition in delivering high performance connectivity anywhere on land, at sea, and in the air.

2022 was also a year in which the foundations of sustained and profitable growth were laid. First with SES-17 becoming operational and serving customers, second with the acquisition of DRS Global Enterprise Solutions and, lastly, with the successful launch of the first of our next-generation O3b mPOWER satellites.

Notwithstanding the evolving viewing habits of consumers, our Video business continues to deliver value for customers and robust cash generation fundamentals. Through decades of experience and execution, we have built video neighbourhoods which enable broadcasters and content owners to access an audience reach of 369 million households and over 1 billion people every day.

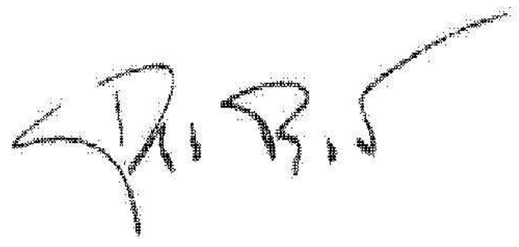
Our purpose - to do the extraordinary in space to deliver amazing experiences every on Earth - not only covers an ambition of driving our customers' success, but also in making a meaningful contribution to the lives of people and communities around the globe.

In last year's Annual Report, I was delighted to unveil our Environmental, Social, and Governance (ESG) agenda and, one year in, am pleased with the start SES has made. The most notable achievements include our improved Carbon Disclosure Project score, underlining the commitment to transparency and managing our environmental footprint; our Luxembourg Inspiring More Sustainability award in recognition of our ESG strategy and engagement; and, finally, the new partnerships formed in each of our four ESG pillars as we work to drive collective impact and make a difference. Furthermore, and in recognition of the Board's commitment to this agenda, the Renumeration Committee has now introduced ESG-related elements into the bonus and long-term equity components of our senior leadership team's annual remuneration.

For 2022, the Board is proposing a dividend of €0.50 per A-share and €0.20 per B-share to be approved at our Annual General Meeting on 6 April 2023, consistent with the policy of maintaining a stable to progressive dividend and the Board's confidence in the cash generation profile and outlook of SES. At the same time, the Board has decided to adopt a more prudent leverage level going forward with the intent for Adjusted Net Debt to Adjusted EBITDA to remain below 3 times from 2024.

Looking forward, our company continues to be well positioned to profitably grow, create shareholder value, and make a difference. With 2022 now behind us, we can look forward to further success in 2023 and beyond.

Finally, I would like to take this opportunity to thank Béatrice de Clermont-Tonnerre, who left the Board in October 2022, for her contribution to SES and welcome Dr. Jennifer Byrne and Carlo Fassbinder, who both joined last April, as well as Fabienne Bozet, who joined in February 2023.



Frank Esser

Chairman of the SES Board of Directors

LETTER FROM THE CHIEF EXECUTIVE



Steve Collar

Chief Executive Officer

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

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

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

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

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

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

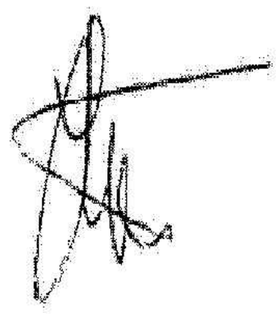
Market conditions dictated that we saw limited new business from the US Government in 2022 but we were successful in securing important renewals and recompetes with customers such as US Army TROJAN and the follow-on US Navy CSSC-II programme with our partner, Inmarsat. An exception, in terms of new business,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

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

Looking ahead to the potential for strong growth in our Networks segments driven by our investments in SES-17 and O3b mPOWER, both of which have progressed well this year. Having launched SES-17 in late 2021, we introduced our latest high-throughput, state-of-the-art satellite to the market in June 2022 and it is already contributing to revenues in Fixed Data and Mobility. We have had to be more patient than we would like with the delivery of our next generation MEO constellation, O3b mPOWER, but the launch of the first two satellites at the end of the year, the readiness of the ground technology, and deployment of gateways around the world underscores our commitment to launching commercial services on O3b mPOWER towards the end Q3 2023 while demand for the system continues to build. We have now signed agreements totaling $1 billion in gross backlog across SES-17 and O3b mPOWER, including a landmark partnership in India with Reliance Jio, and have a strong pipeline, particularly in Government, that I expect us to close over the course of 2023.

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

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



Steve Collar
Chief Executive Officer

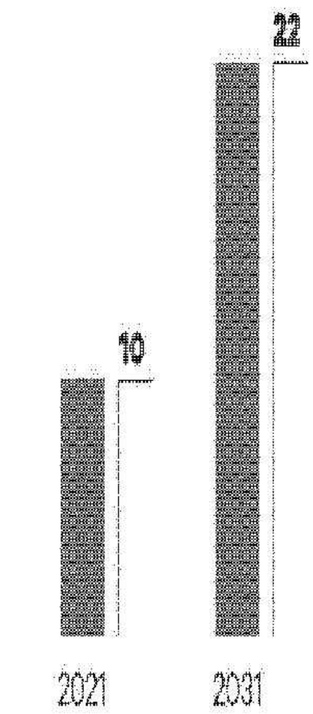
KEY SATELLITE INDUSTRY TRENDS

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

According to Euroconsult (September 2022) annual global wholesale capacity revenue for the satellite industry is expected to more than double from $10 billion in 2021 to over $22 billion by 2031, representing an average annual increase of 8% over that period. This is comparable with Northern Sky Research (July 2022), who predict an average annual growth rate of 10% over the same period.

Annual Satellite Industry Capacity Revenue

IN $BILLION



Source: Euroconsult (September 2022 "Satellites to Impact: Access Profile Movement Market") SES

NETWORKS

Networks refers to connectivity (fixed and/or mobile) and data transmission services for enterprise networks, cellular backhaul and trunking, maritime markets, in-flight connectivity, government applications, and direct-to-consumer broadband.

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

Upgrades and expansions of telecom and mobile networks is accelerating as operators are looking to satellite to extend their network reach by rolling out 3G, 4G, and 5G cellular backhaul, as well as community WiFi, services.

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

Significant demand for satellite-based connectivity in the aviation and maritime segments is not only being driven by more demanding passenger expectations when travelling by air or sea, but also from airlines and ship operators seeking to improve overall operational and business efficiency.



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

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

Recent technology innovations enable the production of more capable and cost-effective space-based infrastructure, enabling operators to offer an improved customer value proposition with more value for money, higher data rates, better performance, greater flexibility, and scalability to quickly expand into previously unconnected markets and geographies. In turn, delivering profitable growth and attractive return on investment prospects for our industry.

Competition from new entrants and new satellite-based offerings is increasing at the same time to capture the substantial growth opportunities. New High Throughput Satellite (HTS) offerings are not only expected to come in GEO, but from our own MEO constellation, O3b mPOWER, as well as from Low Earth Orbit (LEO) systems – each with different capabilities, value propositions, and strategic focus across a variety of target markets and applications.

VIDEO

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

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

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

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

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

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

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



OUR GLOBAL NETWORK

UNIQUE MULTI-ORBIT SATELLITE-BASED NETWORK

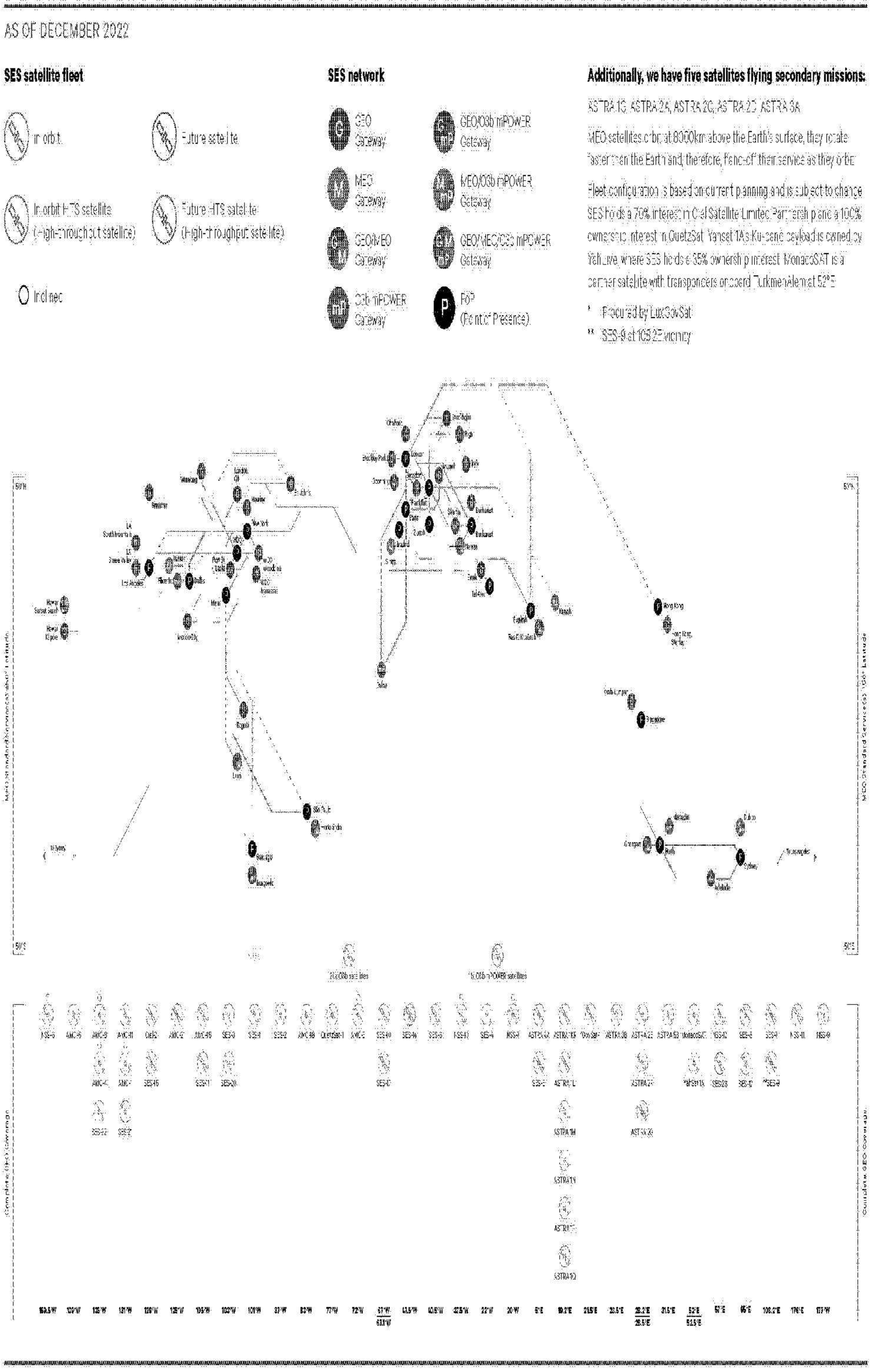
As the leader in global content connectivity solutions, we leverage a vast and intelligent network that spans satellite and ground infrastructure, connecting more people in more places.

Our fleet operates within Geostationary Earth Orbit (GEO) and Medium Earth Orbit (MEO), providing a unique combination of global coverage and high throughput, low latency capabilities.

The SES GEO fleet comprises over 50 satellites operating with a combination of C-, Ku-, Ka-, and X-band frequencies. The majority have 'wide beam' payloads where a small number of beams are used to cover a large geographic area.

Three of our satellites (SES-12, SES-14, and SES-15) have a hybrid combination of wide beam and high throughput payloads which carry many smaller beams capable of deploying more bandwidth and throughput to a defined area. Additionally, SES-17 (in service since June 2022) has a Ka-band high throughput payload and began delivering services for customers in the Americas, the Caribbean and over the Atlantic Ocean in June 2022.

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



GLOBAL GROUND NETWORK FOOTPRINT

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

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

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

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

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

FUTURE SATELLITE LAUNCHES

Future Satellite Launches

Satellite	Region	Application	Launch[1]
SES-18 & SES-19	North America	Video (US C-band clearing)	Q1 2023
O3b mPOWER (satellites 3-4)	Global	Networks	Q2 2023
O3b mPOWER (satellites 5-6)	Global	Networks	Q2 2023
O3b mPOWER (satellites 7-8)	Global	Networks	H2 2023
O3b mPOWER (satellites 9-11)	Global	Networks	2024
ASTRA 1P	Europe	Video	2024
ASTRA 1Q	Europe	Video, Networks	2024
SES-26	Africa, Asia, Europe, Middle East	Video, Networks	2024
EAGLE-1	Europe	Networks	2024

[1] Launch dates are subject to confirmation by launch providers



O3B MPOWER: SCALING OUR UNIQUE MEDIUM EARTH ORBIT CONSTELLATION

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

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

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

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

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

REALISING OUR VISION OF A SEAMLESS AND INTEROPERABLE MULIT-ORBIT NETWORK

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

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

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

TWO STATE-OF-THE-ART SATELLITES FOR OUR PRIME TV NEIGHBOURHOOD

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

These two replacement satellites (ASTRA 1P and ASTRA 1Q) are expected to launch in 2024 to replace the four satellites (ASTRA 1KR, ASTRA 1L, ASTRA 1M, and ASTRA 1N) that are currently serving customers at this orbital location.

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

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

EXTENDING SERVICES ACROSS EUROPE, AFRICA, AND ASIA

In March 2022, SES ordered a fully software-defined GEO satellite, SES-26, from Thales Alenia Space. The digital satellite, with both Ku-band and C-band frequencies, will replace SES's NSS-12 satellite at 57° East.

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

In addition to supporting government communications solutions in the region, the position is home to a diverse free-to-air video neighbourhood with 10 million TV households across Ethiopia.

EAGLE-1

An SES-led consortium of 20 European companies, with the European Space Agency (ESA) and European Commission support, will design, develop, launch, and operate the EAGLE-1 satellite-based system for secure Quantum Key Distribution (QKD), enabling in-orbit validation and demonstration of next-generation cyber-security across Europe. The EAGLE-1 satellite is due to launch in 2024 and complete three years of in-orbit mission.

CREATING VALUE US C-BAND SPECTRUM CLEARING

The US Federal Communications Commission (FCC) has developed a plan to clear 280 MHz of C-band spectrum (plus a 20-MHz guard band) for 5G mobile services in the contiguous United States.

The C-band is currently used by satellite operators serving US broadcasters and programmers to provide TV and radio to nearly 120 million homes, plus other critical data transmission services. The FCC's balanced approach ensures that C-band spectrum is available quickly without disrupting critical video and audio services.

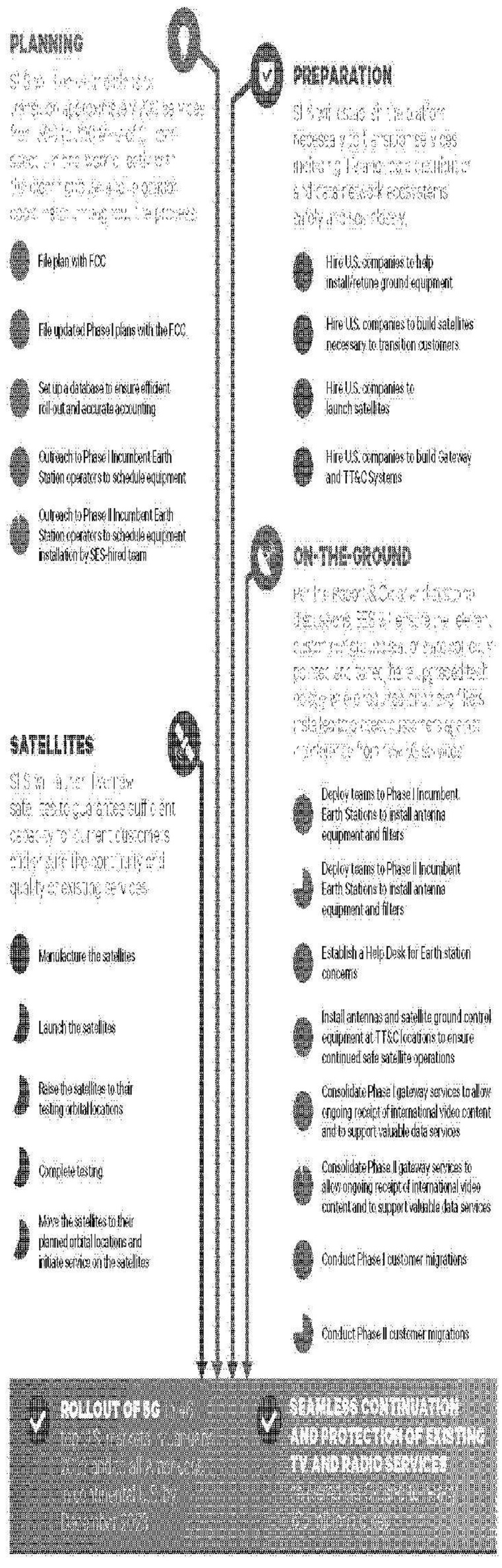
To deliver on the two clearing milestones (of 5 December 2021 and 5 December 2023), we have committed to an investment of approximately $1.6 billion for new satellite capacity, filtering of tens of thousands of earth station antennas throughout the US, and other related costs. Of this amount, approximately $1.5 billion is expected to be reimbursed to SES.

The US C-Band transition is on track

ONGOING ACTIVITY →

Partnering with industry groups to understand their questions and share best practices

Outreach to ensure all Incumbent Earth Stations accessing SES satellites have been accounted for



PHASE I – CLEARING COMPLETED

With the help of partners across the US, we completed all necessary Phase I clearing and relocation activities relating to the 5 December 2021 deadline and, accordingly, received the Phase I accelerated relocation payment of $977 million (pre-tax) as set out by the FCC.

These activities included relocating all its existing services that are received by Incumbent Earth Stations (IES) out of the 3,700-3,820 MHz band exclusively in the contiguous United States and making necessary equipment changes on all associated IES locations.

PHASE II – CLEARING ON TRACK

With the completion of Phase I, we are now fully focused on completing our Phase II transition activities in advance of the clearing deadline of 5 December 2023 which would allow us to become eligible for a further accelerated relocation payment of almost $3 billion (pre-tax).

In 2022, we successfully launched and brought into service SES-20, SES-21, and SES-22. This will be complemented by the launch of SES-18 and SES-19 in 2023. These satellites will carry services that must be transitioned to clear the lower 300 MHz of C-band spectrum and mitigate the risk of an in-orbit failure.

We have completed more than 70% of the Phase II satellite transitions, which include broadcast TV, cable network services, and other services received in the 3,820-4,000 MHz range.

Our installers have completed the installation of blue bandpass filters at more than 65% of the IES locations associated with SES satellites and installed nearly 100% of the antennas associated with our Phase II transition schedule.

All SES-associated IES locations designated to receive compression equipment have received their equipment, including those receiving services between 3,820-4,000 MHz. All compressed services were already transitioned by October 2021.

ADDITIONAL CLEARING FOR VERIZON

In March 2022, SES secured an agreement to expand access for Verizon Communications to the 3,700-3,800 MHz C-band block in certain US markets beyond those cleared in Phase I and earlier than the deadline for Phase II clearing.

This additional clearing was completed during Q4 2022, and, in return, SES earned payments of $170 million (pre-tax), of which $155 million was received in December 2022, with the balance received in early 2023.

SES | NETWORKS

HIGH PERFORMANCE CONNECTIVITY

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

By leveraging a vast and intelligent, cloud-enabled network, we provide managed connectivity and data service solutions to support a wide range of fixed and mobile applications which allow major Government, Fixed Data (Telco, MNO, and cloud) and Mobility (Aeronautical and Maritime) customers to extend their network reach across the entire world.

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

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

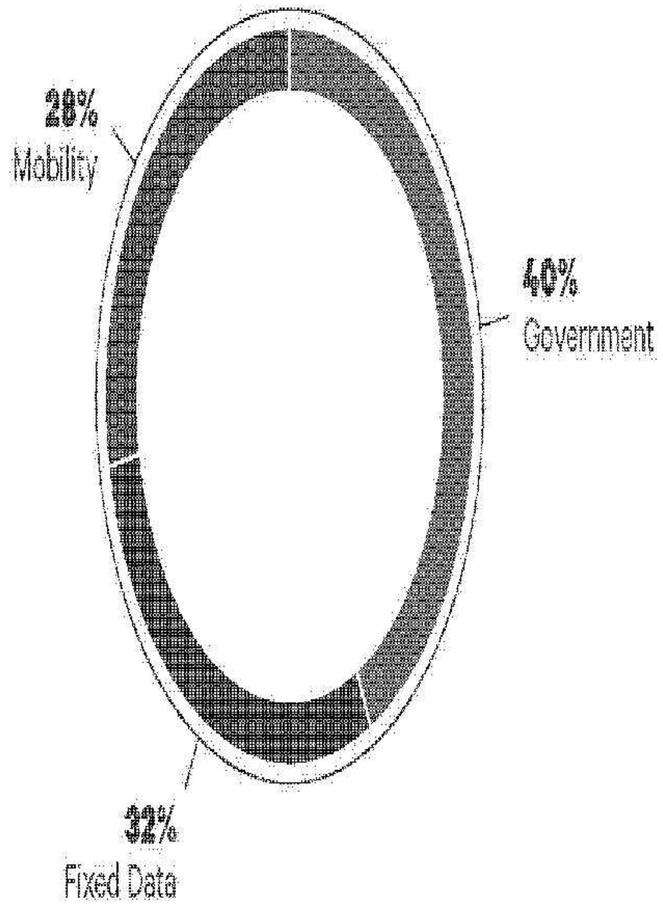
- A range of Aero-ISR, Naval connectivity, fixed enterprise, and communications on the move services, catering to a wide range of civilian and defence-related Government connectivity needs.
- Trunking, mobile backhaul, and enterprise services for telecommunications companies (telcos), internet service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

In addition, we offer connectivity to major cloud service providers.

2022 PERFORMANCE

For the year ended 31 December 2022, Networks generated total revenue of €923 million. On an underlying basis (excluding periodic revenue and the contribution from the acquisition of DRS Global Enterprise Solutions), this represented a growth of 1.7% year-on-year (at constant FX).

2022 Networks Revenue[1]



[1] Includes €95 million contribution of DRS Global Enterprise Solutions from 1 August 2022 to 31 December 2022

Our Government business was comprised approximately 70% for multiple defence and civilian US Government agencies while approximately 30% of revenue was generated from a range of global government and institutional clients.

In 2022, the cancellation of services during Q3 2021 resulting from the US withdrawal from Afghanistan offset the positive contribution from new MEO- and GEO-enabled network and institutional solutions for both the US and Global customers, leading to a year-on-year revenue decline of 4.6% (at constant FX).

In August 2022, SES completed the acquisition of DRS Global Enterprise Solutions (DRS GES) for $443 million. The DRS GES business has been combined with SES Government Solutions, creating a scaled solutions provider serving the multi-orbit satellite communications needs of the US Government and supporting missions anywhere on land, at sea, or in the air. From 1 August 2022 to 31 December 2022, the DRS GES business contributed revenue of €95 million.

Our Fixed Data revenue is distributed across all key markets including the Americas (nearly 40%), Asia-Pacific region (approximately 20%), Africa and the Middle East (approximately 20%), with the balance from European, Energy, and Cloud customers.

Underlying Fixed Data revenue decreased in 2022 by 0.8% (at constant FX) compared with the prior year driven by new business signed with telecom and mobile network operators in Asia-Pacific, Latin America, and North America, as well as new revenue in the global cloud segment, which largely offset lower revenue in Africa.

Approximately 50% of Mobility revenue comes from Aeronautical customers (mainly global service providers) with around 50% of revenue generated from the combination of major cruise lines and commercial maritime customers.

The Mobility business grew by 13.4% year-on-year (at constant FX) in 2022 reflecting double-digit growth in cruise segment where SES is now serving five of the top six cruise lines, strong growth in commercial aviation, and new revenue from commercial shipping customers.

SES | VIDEO

UNPARELLED AUDIENCE REACH

Video business has an unparalleled reach of 369 million households, serving over 1 billion people worldwide with high quality viewing experiences, and delivers managed media services for both linear and non-linear content.

With over 30 years of broadcasting experience, we are experts in designing systems to grow audiences, reduce costs, and maximise operational efficiency. Our managed services cover the entire media supply chain both on premise and in the cloud. All with a single point of contact.

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

- Linear video aggregation and distribution capabilities to hundreds of millions of direct-to-home (DTH), direct-to-cable (DTC), and Internet Protocol TV (IPTV) households around the world.
- Hybrid video platform solutions which extend online video platform capabilities by combining DTH and over-the-top (OTT) into one seamless user experience and bringing targeted advertisement and audience measurement capabilities to DTH platforms which were so far only possible in the OTT area.
- Channel management solutions, including playout, which combine several products to predefined end-to-end solutions capable of fitting different use cases.
- A range of occasional use services from providing extra capacity, processing content for live feeds, and multiple redundancy features, working with some of the world's large live sports and events organisations.

At 31 December 2022, the SES distributed more than 8,000 total TV channels to audiences around the globe. This includes some 3,200 TV channels in High Definition.

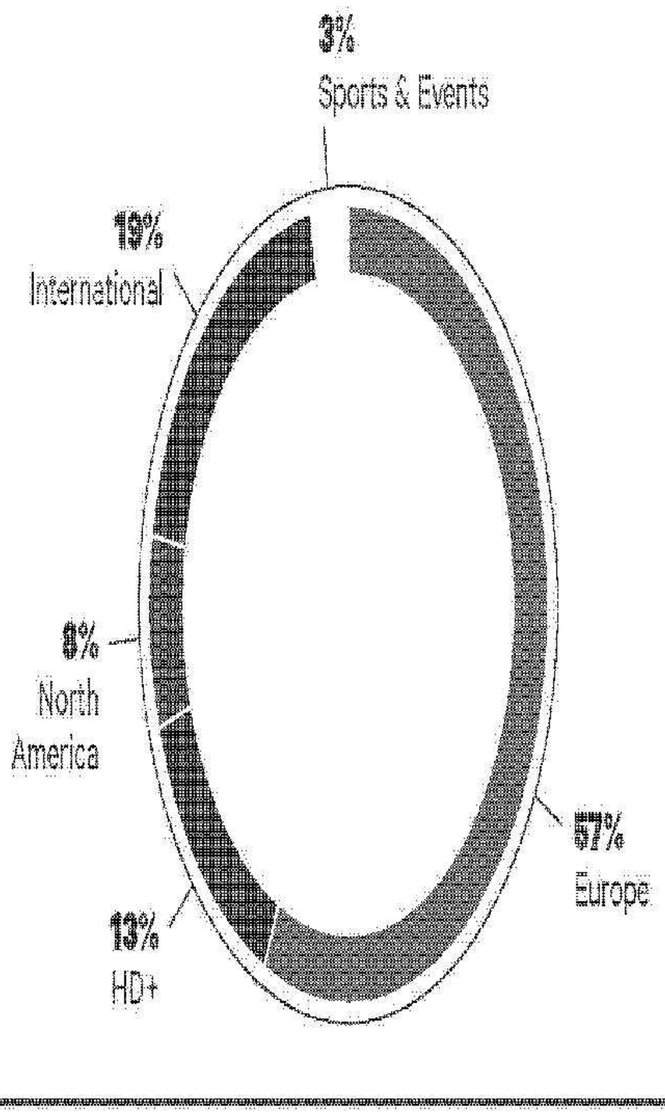
In addition, SES operates HD+, a direct-to-consumer offering in Germany which enables viewers to access 26 private High Definition TV channels and 3 private Ultra High Definition TV channels, as well as 50 free High Definition TV channels, via a paid subscription.

2022 PERFORMANCE

For the year ended 31 December 2022, Video generated total revenue of €1,020 million which was 5.5% lower (at constant FX) than the previous year.

On an underlying basis (excluding periodic revenue of €10 million), revenue declined by 6.4% year-on-year including the planned impact of lower US wholesale revenue following at contract expiry at the end of 2021. Excluding this item, underlying revenue in Video was 4.4% lower as compared with 2021.

2022 Video Revenue



The impact from customers 'right-sizing' volumes in mature European and US markets was the main contributor to the overall year-on-year revenue reduction, albeit at a slower pace as compared with recent years.

At 31 December 2022, HD+ is serving 2 million paying subscribers in Germany and delivered a solid year-on-year revenue performance in the year. In addition, the business completed the launch of two additional products with HD+ ToGo enabling viewers to enjoy content on their mobile devices and HD+ IP extending the HD+ in-home offering to non-satellite households across Germany.

Serving nearly 140 million TV households, our International business has established strong positions and customer relationships in all key regions from Latin America across to Asia-Pacific, and in between. In 2022, these markets delivered a robust year-on-year revenue performance.

Our Sports & Events delivered a double-digit year-on-year revenue growth in 2022, reflecting the benefit of new events and customers secured, while also seeing a recovery in sports leagues and events which had still been impacted by delay or cancellation in 2021 due to the COVID-19 global pandemic.

FINANCIAL REVIEW & OUTLOOK

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

INCOME STATEMENT

Group revenue of €1,944 million was 9.1% higher than the prior year including the positive impact of the stronger Euro to US Dollar foreign exchange (FX) rate which accounted for €118 million of the year-on-year variance and the first contribution (of €95 million) from the acquisition of DRS Global Enterprise Solutions (DRS GES) from 1 August 2022 to 31 December 2022. Group revenue included €15 million of periodic and other revenue (2021: €2 million).

Adjusted EBITDA (excluding the financial impact of US C-band repurposing and other significant special items) stood at €1,105 million (2021: €1,091 million) including €11 million from DRS GES and represented a margin of 56.9% (2021: 61.2%).

This included recurring operating expenses of €839 million which were €148 million higher than the prior year, mainly due to the impact of the stronger Euro to US Dollar FX rate and acquisition of DRS GES. At constant FX and excluding DRS GES, recurring operating expenses were €21 million, or 2.9%, higher year-on-year reflecting increases in staff costs.

Adjusted EBITDA excludes a net gain from US C-band repurposing of €154 million including €173 million of accelerated clearing proceeds from Verizon (2021: €779 million gain which included an amount of €839 million from the recognition of the first accelerated relocation payment related to the successful completion of Phase I clearing in advance of the 5 December 2021 deadline) and other significant special items of €17 million (2021: €8 million).

Depreciation and Amortisation (D&A) expense of €705 million (2021: €670 million) included the start of depreciation of SES-17 which was brought into service in June 2022.

Net financing costs of €88 million (2021: €71 million) included higher FX gains of €45 million (2021: €37 million) and a fair value loss of €15 million (2021: gain of €13 million). Excluding these items, net interest expense (including capitalised interest) of €118 million was in line with the prior year (2021: €121 million).

Adjusted Net Profit of €189 million reduced year-on-year primarily due to higher income tax expense of €124 million (2021: €34 million expense), while positive non-controlling interests of €1 million (2021: positive €7 million) reflects an improvement in profitability of LuxGovSat S.A., an entity jointly held by SES and the Luxembourg Government serving government and institutional customers.

Adjusted Net Profit excludes the US C-band net income and other significant special operating expenses, as well as a non-cash impairment expense of €397 million (2021: €724 million) which mainly reflects the impact of higher discount rates on the net book value of the group's intangibles and GEO satellites, and related tax benefits of these combined significant special items of €37 million (2021: €83 million).

CASH FLOW STATEMENT

Free cash flow before equity distributions and treasury activities (FCF) was a net outflow of €442 million (2021: outflow of €876 million) as an exceptionally high level of net cash absorbed by investing activities including US C-band clearing and the acquisition of DRS GES of €1,798 million (2021: €283 million) offset the combination of higher net cash generated by operating activities of €1,476 million (2021: €1,294 million) and lower cash interest paid on borrowings of €103 million (2021: €121 million). FCF also included lease payments of €17 million (2021: €14 million).

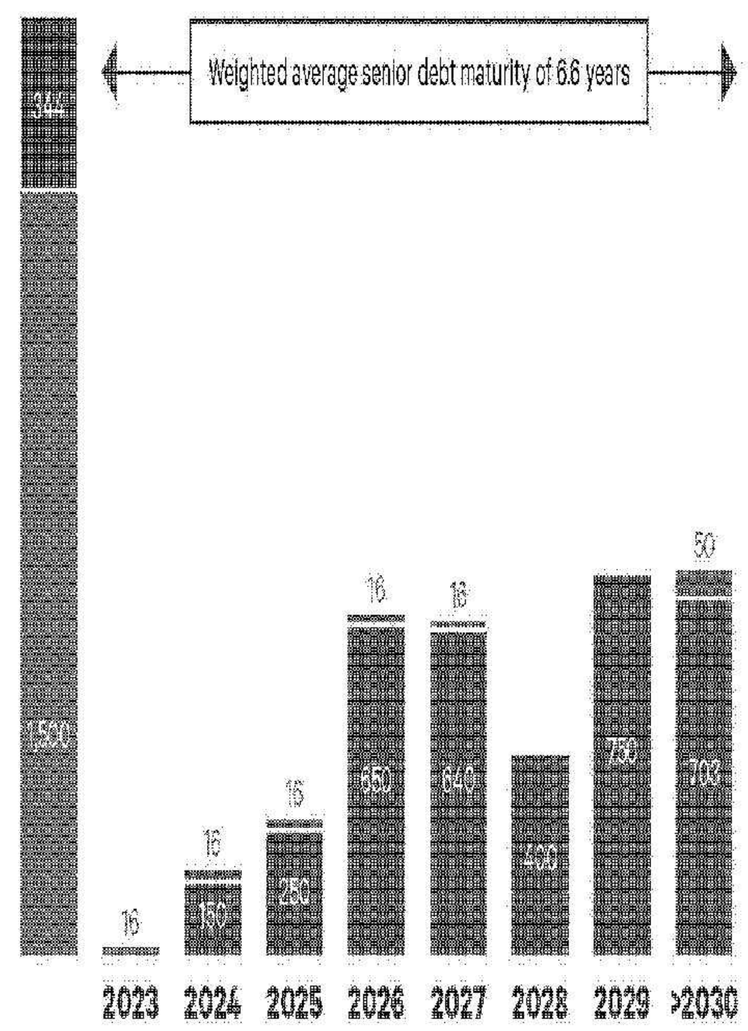
FINANCIAL POSITION

At 31 December 2022, Adjusted Net Debt (including 50% of the now €1.175 billion of hybrid bonds as debt, per the rating agency methodology) stood at €3,889 million (31 December 2021: €3,120 million) and represented an Adjusted Net Debt to Adjusted EBITDA ratio of 3.5 times (2021: 2.9 times) including the acquisition of DRS GES (for $443 million), higher year-on-year investing activities associated with SES-17 (now in service) and O3b mPOWER, and spend on US C-band clearing in advance of reimbursements and second accelerated relocation payment of $2,991 million (pre-tax) linked to the 5 December 2023 clearing milestone.

At 31 December 2022, the weighted average cost of debt (including 50% of the hybrids) was 3.1% (2021: 2.9%) and the weighted average senior debt maturity was 6.6 years (2021: 7.5 years).

In June 2022, SES launched and priced a bond offering of €750 million senior unsecured fixed rate notes due in 2029 with a coupon of 3.5% and, because of the transaction, SES now has no significant near-term senior debt maturities to be refinanced.

Senior debt maturity profile[1]



1 Pro forma assuming the €750 million Senior Bond, maturing April 2029, was settled with Cash & cash equivalents on 31 December 2022

FINANCIAL POLICY

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

- **Disciplined investment** to sustain the profitable portfolio of business and support value-accretive growth investment opportunities, as reflected by our internal rate of return hurdle of more than 10% (post-tax) over the investment horizon.
- **Maintaining a strong balance sheet** consistent with investment grade ratios, allowing access to a wide range of funding sources and keeping a low cost of funding.
- **Delivering a cash return to shareholders** by maintaining a minimum annual base dividend of €0.50 per A-share and €0.20 per B-share with a stable to progressive policy.
- **Utilising any excess cash** in the most optimal way for the benefit of shareholders.

For the year ended 2022, the SES Board of Directors has proposed a dividend of €0.50 per A-share and €0.20 per B-share, consistent with the Board's commitment to maintain a stable to progressive dividend policy. The dividend, which is subject to shareholder approval at the Annual General Meeting on 6 April 2023, will be paid to shareholders on 20 April 2022.

2022 was also another milestone year for our US C-band initiative with three satellites successfully put in operation and the additional clearing for Verizon which earned $1.70 million. 2023 will see the culmination of years of hard work and execution with SES well on track to completing the second and final phase of the clearing, triggering an additional payment of $3 billion in late 2023.

The SES Board of Directors has elected to adopt, from 2024, of a more prudent long-term target of Adjusted Net Debt to Adjusted EBITDA of below 3 times.

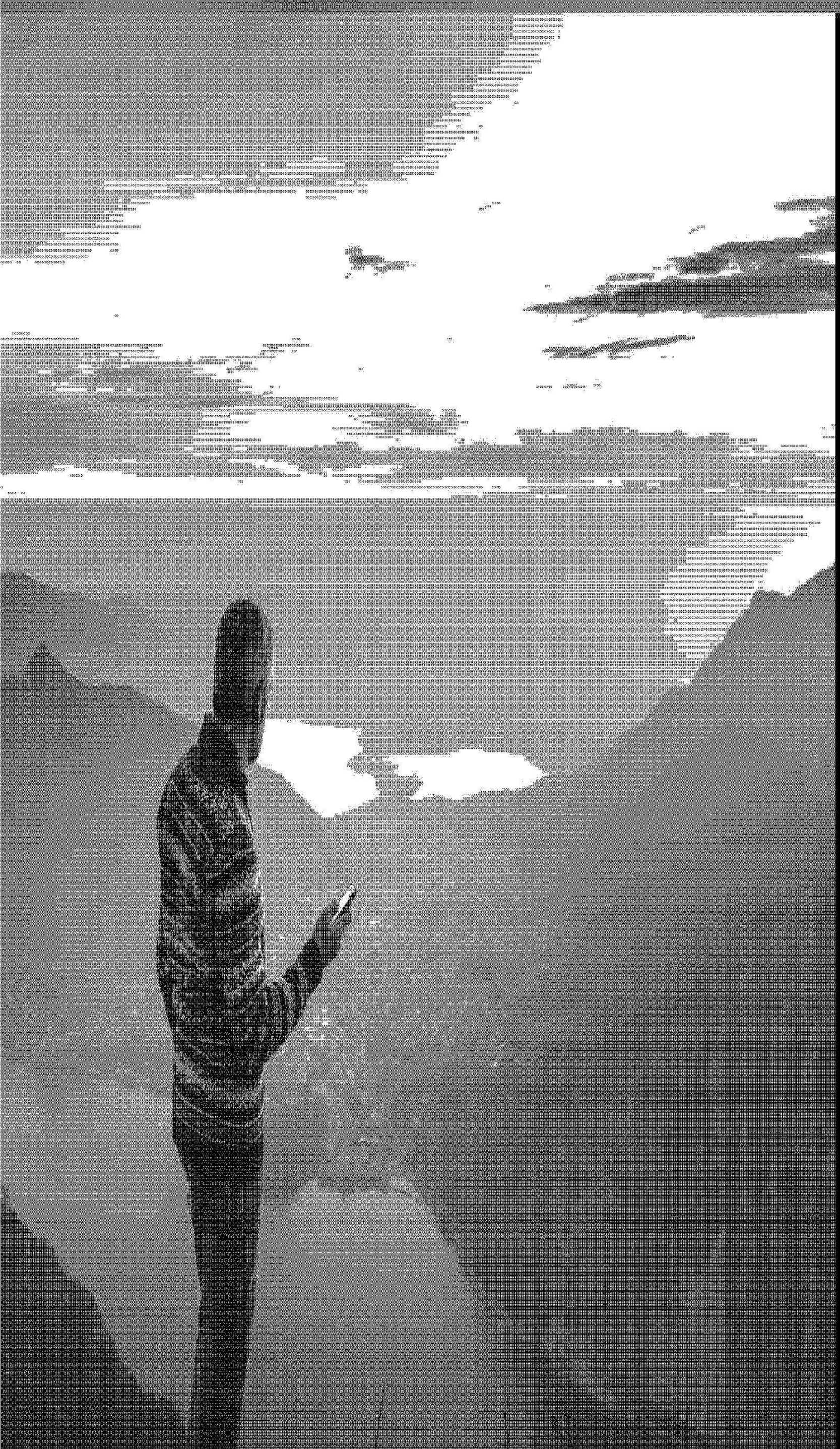
FINANCIAL OUTLOOK

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

For the year ended 31 December 2023, revenue is expected to be between €1,950 million and €2,000 million. This reflects an expectation of mid-single digit year-on-year percentage decline (at constant FX) in Video and between low-single and mid-single digit year-on-year percentage growth (at constant FX) in Networks.

Adjusted EBITDA for the same period is expected to be between €1,010 million and €1,050 million with an implied year-on-year increase (at constant FX) in operating expenses due additional anticipated investment in Networks associated with the bringing into service of O3b mPOWER and additional equipment in advance of recurring capacity revenue being generated on the constellation.

Capital expenditure (defined as net cash absorbed by investing activ-ities excluding acquisitions, financial investments, and US C-band repurposing) is expected to be around €550 million in 2023, followed by an average annual capital expenditure of around €385 million for the period between 2024 and 2027.



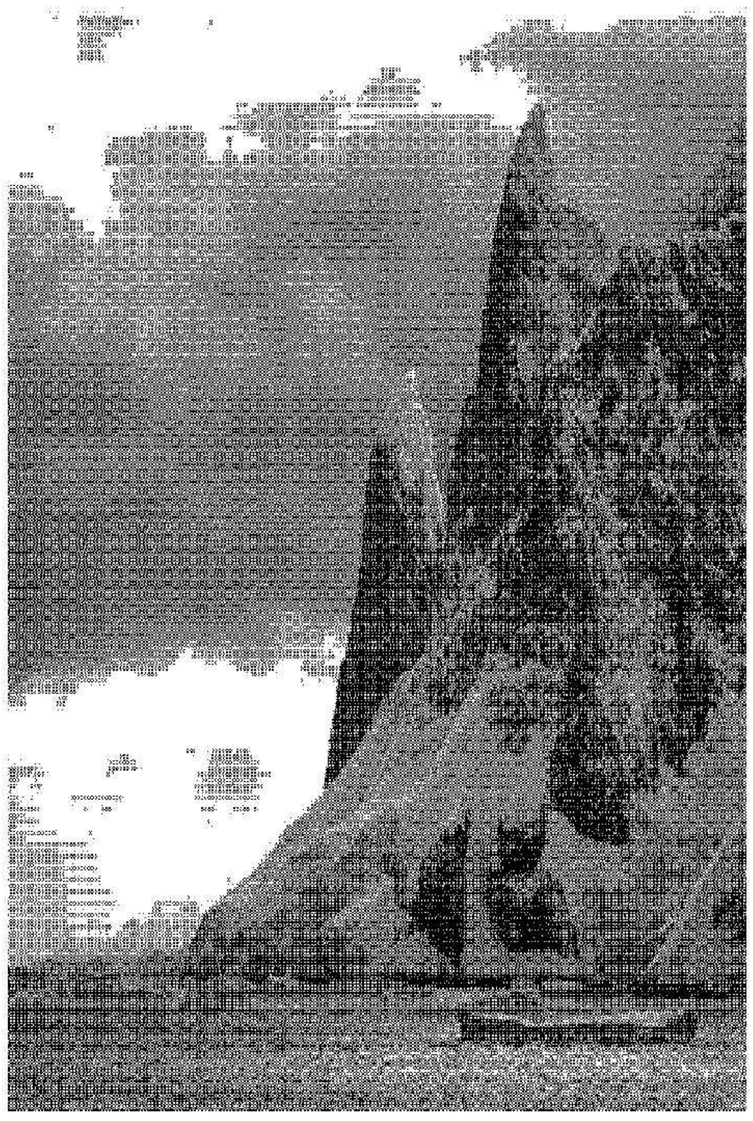
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ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) REPORT

24 Our Horizon Strategy
27 Sustainable Space
29 Climate Action
33 Diversity and Inclusion (D&I)
39 Critical Human Needs
41 Operating our Business
50 Reporting Standards Appendix

OUR HORIZON STRATEGY

Developed in 2021 following extensive stakeholder outreach, the SES ESG strategy outlines our commitment to advancing sustainable development, aligned with the goals of the United Nations, by harnessing the power of space to address the most pressing challenges on Earth. Along with our customers, partners, and governments, we aim to accelerate progress towards a more sustainable, secure, and equitable future for all. ESG for SES is transforming the way we think about business and the role we play in society. Our goal is to incorporate an ESG agenda into our policies, procedures, and responsibilities to our stakeholders to create a positive long-term impact and value for all aspect of our operations.



SES HORIZON STRATEGY

Our strategy is built around four key pillars which are aligned with issues material to our business strategy and approach:

SES Horizon Strategy – Responibilities and Opportunities

SUSTAINABLE SPACE

Lead, collaborate, and innovate for sustainable space.

OUR RESPONSIBILITY

Innovate to reduce our footprint from launch to decommissioning.

OUR OPPORTUNITY

Advocate best practice approaches to ensuring industry-wide responsible use of space.

CLIMATE ACTION

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

OUR RESPONSIBILITY

Reduce Green House Gas emissions across operations and our supply chain.

OUR OPPORTUNITY

Provide solutions to combat environmental challenges through satellite connectivity.

DIVERSITY & INCLUSION

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

OUR RESPONSIBILITY

Build a more diverse and inclusive workforce across all levels of our business.

OUR OPPORTUNITY

Increase diversity and inclusion in the space industry through targeted actions and investments.

CRITICAL HUMAN NEEDS

Empower communities to thrive with services to support critical human needs.

OUR RESPONSIBILITY

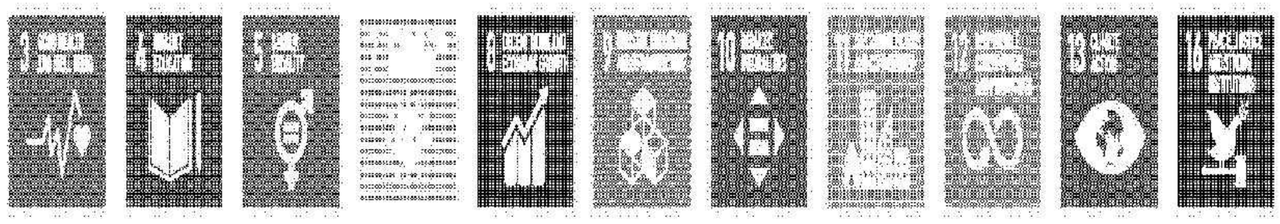
Develop partnerships and innovate to increase access to education, health, and information services.

OUR OPPORTUNITY

Expand reliable access to content and connectivity to build sustainable communities.

SUPPORTING 11 OF THE 17

SUSTAINABLE DEVELOPMENT GOALS



OUR TARGETS

As our ESG journey is progressing, we are building a stronger understanding of the key areas of focus and what we want to accomplish. We have started to develop additional targets to continue our aspiration to drive purpose and impact in everything we do. This will also ensure our ability to measure our progress, as well as bringing more accountability and transparency into our programme and actions.

NEW TARGETS SET IN 2022

Space sustainability

- Complete 1 Lifecycle assessment in 2023 and integrate findings into our ESG strategy and roadmaps
- By the end of 2023, develop and publish our Space Sustainability roadmap to drive a path to sustainable operations and space environment

Climate Action

- Integrate findings of the lifecycle assessments in our climate action roadmap to define areas for additional partnership and reduction plans to reduce our negative impact on the planet

Critical Human Needs

- Drive SES connectivity in developing nations and measure the number of connected sites year over year in alignment with SDG 9 target 9.c
- Continue to support communities in crisis with mission critical disaster response capabilities including capacity building in disaster prone countries

Progress on our ESG Journey

SUSTAINABLE SPACE

Lead, collaborate, and innovate for sustainable space.

OUR TARGETS

- By 2030, complete life cycle assessments on SES products and Services to fully understand the impact of our services on earth and in space
- Explore partnerships to develop new solutions for space sustainability
- By 2024, become certified by the World Economic Forum Space Sustainability Rating

CLIMATE ACTION

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

OUR TARGETS

- By no later than 2050, SES will reach NetZero emissions
- SES will develop targets for submission by SBTi for validation by 2024

DIVERSITY & INCLUSION

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

OUR TARGETS

- Increase gender diversity of people managers by 50% in 5 years
- In 2022, SES will develop a plan to further expand our impact through STEM and ICT programmes to underrepresented groups
- By 2025, develop and implement a supplier and customer sustainability rating and diversity programme to empower a diverse pool of sustainable suppliers

CRITICAL HUMAN NEEDS

Empower communities to thrive with services to support critical human needs.

OUR TARGETS

- Conduct stakeholder outreach to understand where our products and services can best impact critical human needs

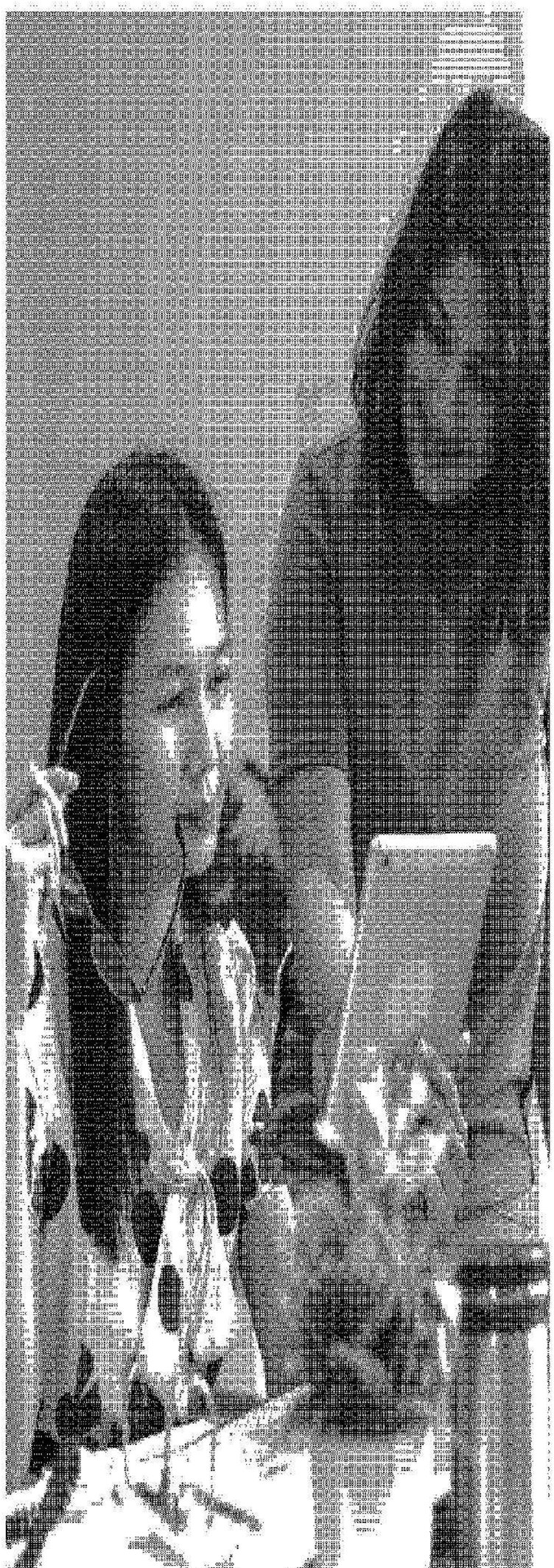
Compact Compliance Contract

MATERIALITY

As an industry leader, SES is committed to the creation of a more robust, resilient, inclusive, sustainable, and well-connected society and created its ESG strategy with this awareness. We believe that companies operate as a key member of society and therefore have a responsibility to all stakeholders to acknowledge and report on their impact to society and the environment. In 2021, SES engaged, with the help of outside consultancy, in multi-stakeholder dialogues to better understand external and internal needs and expectations. We defined the most pressing issues to our stakeholders which resulted in an in-depth materiality analysis on these issues.

After external interviews with industry experts, customers, NGO partners, civil society, and government representatives as well as internal input through workshops, surveys, and ESG investor rating analysis, SES developed the following materiality matrix.

SES groups material issues under different tiers based on the issue's impact to the business and to the society. Most critical, thus priority material issues are listed under Tier 1 category. These issues include SES' engagement with the digital society, Diversity and Inclusion, operational carbon footprint, energy use, and interaction with the space and waste minimisation. Tier 1, 2, and 3 issues are listed below:



Materiality Matrix

IMPORTANCE TO SOCIETY

- Emergency response / disaster management
- Satellite / ground infrastructure end of life
- Cybersecurity and data privacy
- Digital access to basic services
- Employee diversity, equity & inclusion
- Space waste & congestion
- Climate adaptation and resilience
- Employee and worker rights, wellbeing and safety
- Space policy and advocacy
- Use and recovery of toxics, precious materials and conflict minerals
- Anti-bribery & corruption
- Environmental impact of satellite launches
- Responsible use of technology
- Digital reach & inclusion
- Ethical & transparent business practices
- GHG emissions (Scope 1, 2, 3)
- Renewables & energy use
- Biodiversity and Land Use
- Water footprint
- Customer environmental benefits
- Diversity in STEM education
- Employee recruitment, development & engagement
- Operational waste
- Transparent supply chain management
- Local community impact

BUSINESS IMPACT

SUSTAINABLE SPACE

Space has become inextricably embedded into our daily lives and many critical services rely heavily on space infrastructure/activities, such as communications, air and maritime transport, financial services, Global Positioning Systems (GPS), weather monitoring, and many others.

Moreover, space applications have the potential to tackle many of the major social and environmental challenges facing the world today – from monitoring climate change and improving early-warning systems to delivering much-needed connectivity used to bring education and health services to rural areas or refugee camps. Space companies, old and new, are providing critical infrastructure to the planet.

To provide these critical services, a safe access to space must be ensured. If orbital resources are not protected and space actors are not held to a high standard of responsibility, these critical services are endangered. Access to space is a business-critical topic for SES and, for this reason, we consider Space Sustainability as a core pillar of our ESG strategy. Our main targets in this pillar are anchored in our commitment to undertake Life Cycle Assessments (LCA's) of our products and services in the next coming years to understand and quantify the impacts of our operation allowing us to make informed decisions to reduce our footprint and develop new eco-design for our products.

Nevertheless, this should not be the limit to SES' sustainable space ambitions. As a leader in the industry, we must advance the responsible use of space by advocating and collaborating for best practice approaches and innovative solutions so that space continues to be a resource for delivering solutions to address the challenges on Earth.

TARGETS

As part of the targets associated with Space Sustainability, SES has committed to:

> By 2030, complete life cycle assessments on all SES products and services together with technology partners to fully understand the impact our product and services have on the planet

Our lifecycle assessments are a cornerstone project in the SES ESG journey. Through this process, we are pioneering a new way for our industry to evaluate our impact on Earth and in space. In 2022, SES developed our methodology and roadmap for completing the LCAs. Given that lifecycle assessments are not done in a widespread way in the industry, the identification of the parameters, segments and factors required coordination across internal and external stakeholders. In the continuation of this target, SES is committed to completing one lifecycle assessment in 2023 and identifying areas to incorporate for further reductions on our impact.

In addition, we aim to conduct life cycle assessments across five constellations in 2023, achieved by working across our value chain through key partnerships developed throughout 2022.

> Explore Space sustainability partnerships to develop new technologies and solutions for space sustainability

In 2022, SES has stepped out to drive the space sustainability conversation and joined international efforts to align the industry on sustainability commitments.



SUSTAINABLE SPACE

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

Innovate ways to repurpose equipment and reduce footprint from launch to decommissioning.

Lead the way as an advocate and collaborator to develop best practice approaches for the responsible use of space.

NETZERO SPACE INITIATIVE

SES has joined the Net Zero Space initiative in association with the Paris Peace Forum to continue to collaborate with the space community to achieve sustainable use of outer space for the benefit of all humankind by 2030. This consists of five commitments listed below:

1. continue abiding by international guidelines and norms relating to space sustainability and safety
2. collaborate with space agencies and regulatory authorities to develop policies and regulations that will foster a safe and sustainable space environment
3. continue sharing, and encourage others to share, operational data critical for the safety and integrity of the space environment through trusted third parties
4. form public and private partnerships to advance innovation in space sustainability and safety
5. exercise best practices and encourage responsible behaviour by all satellite operators so as to preserve the integrity and safety of the space environment

JOINT STATEMENT FOR THE RESPONSIBLE SPACE SECTOR

As proud contributors to the European Space industry, SES signed the European Space Agency's Joint Statement for a Responsible Space Sector. This statement underscores our responsibility to take care of planet and that depends on and extends to our action in space. This statement aligns the signatories to 5 principles to underpin space activity. These five principles seek to answer the question who and what is space for:

- Fair and responsible governance of space
- Space for the benefit of all of society
- Fair access to outer space, its preservation and peaceful exploration
- For the preservation of our natural environment on Earth and remediation of damages caused to our planet
- For a fair society and improved well being of all

PARTNERSHIP WITH NORTHSTAR

In 2022, SES underwent a partnership aligned with our space sustainability goals by working with Northstar to launch, develop and evolve space situational awareness tools. Northstar is planning to launch a commercial service monitoring space from space delivering unique space situational awareness services to safely manage fleets and minimise collision risks. SES has partnered with Northstar in our commitment to develop and enhance technologies for space sustainability. Northstar has successfully demonstrated the capability to track and maintain custody of objects, regardless of pre-existing knowledge, that may pose threats to SES fleet. SES has invested in this initiative through the Luxembourg Space Sector Development Fund.

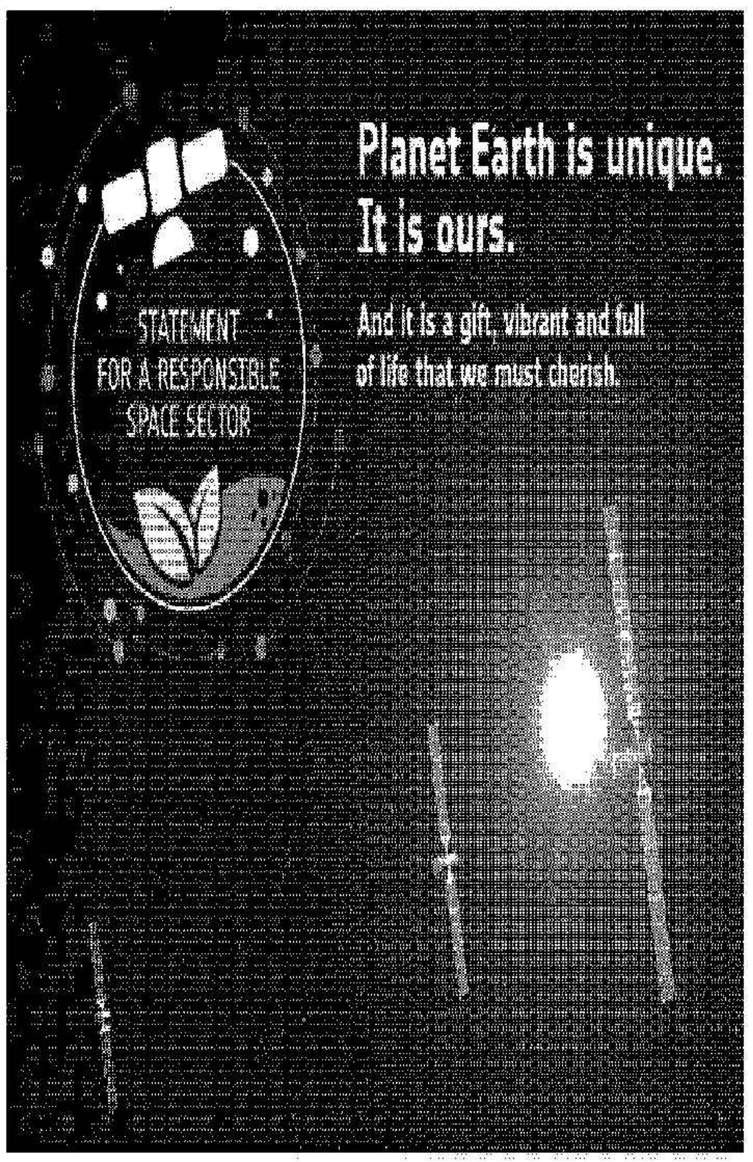
> By 2024, become certified by the Space Sustainability Rating being developed by the World Economic Forum

To encourage collective action and endorsement of best practices in space, SES in 2022, has submitted our application for O3b mPOWER to be processed by the Space Sustainability Rating developed by the World Economic Forum. We feel confident in our current operations and management of our fleet and believe that pursuing this rating can ensure that confidence to all our stakeholders. The Space Sustainability Rating (SSR) is an ongoing process to create transparency in participating organisations' space debris mitigation policies. Upon establishment, SSR will provide a sustainability score for companies on their debris mitigation strategies and their alignment with the international guidelines. In 2022, SES developed and prepared our data for submission by the SSR and is on track to submit for a rating in 2023.

> By the end of 2023, develop the Space Sustainability strategy

THE SPACE SUSTAINABILITY STRATEGY AND CHARTER

SES has developed the relationships both internally and externally in 2022 and have attended numerous events to understand the industry and SES priorities for space sustainability. In addition, SES has developed our own Space Sustainability charter which outlines the various aspects of Space sustainability and how SES manages its operations in a sustainable and best practice approach. The charter details our approach to space debris mitigation, situational awareness, space traffic management, space surveillance and tracking, space safety and industry collaboration. The charter outlines the critical nature of space sustainability to industry and the importance of space to life on earth. It gives details on our plans for continuing to lead on this topic and therefore, in 2023, SES will finalise the space sustainability strategy which will include a vision and milestones for the upcoming decade, alongside our charter.



CLIMATE ACTION

In 2022, SES saw made progress in our commitment to Climate Action through our company governance, target setting and partnerships. Climate action is the responsibility of every person on the planet and companies have a crucial role to play to drive sustainable change.

TARGETS

> SES has committed to NetZero by no later than 2050 and to the submission of SBTi targets for validation no later than 2024

These targets have ignited several significant steps within the company to drive towards a Net Zero pathway. In 2022, SES has:

- Increased our disclosure transparency and improved our governance related to climate in our CDP report increasing our score from a D to a B
- Evaluated our climate risks and developed an SES climate risk report aligned with the TCFD framework
- SES has added GHG emissions targets to our SES Senior Leadership renumeration package
- SES has developed an Environmental, Health and Safety Charter
- We have amended our supplier code of conduct to include standards related to climate and environmental expectations
- Amended SES' General Terms and Conditions (GTCs) for Purchase of Goods and Services, adding clauses on REACH compliance and aligning with our ESG objectives
- Partnered with an external ESG platform and solution provider, to start assessing our suppliers, with the goal to empower a diverse pool of sustainable suppliers

In 2023, we plan to continue on a NetZero journey with:

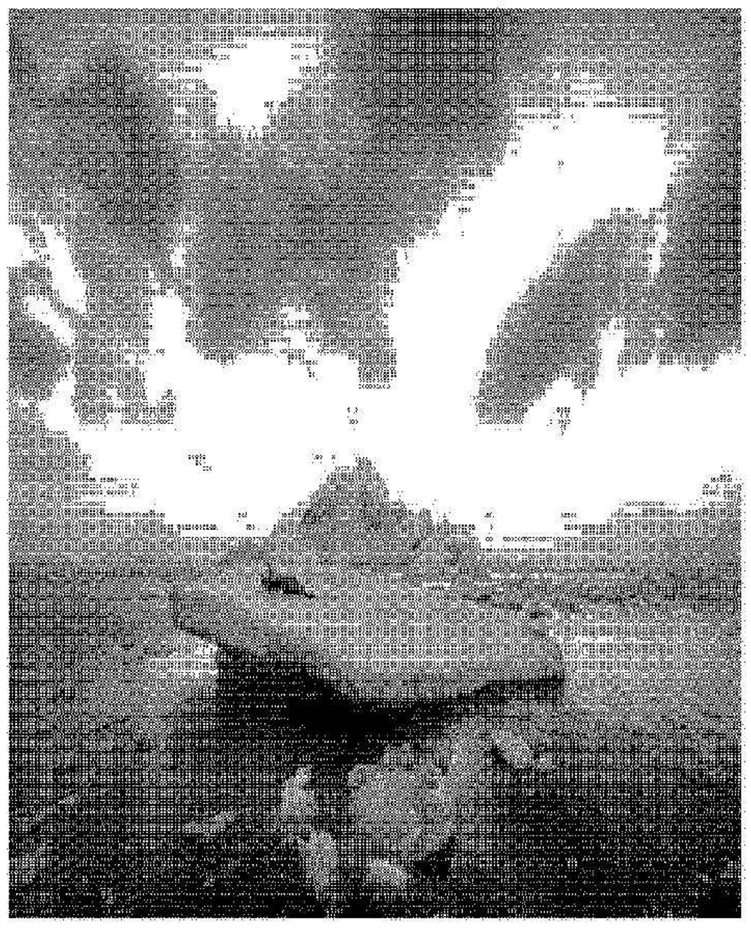
- Increased evaluation of renewable options in our major operations
- The completion of 1 lifecycle assessment to help us address reductions in our Scope 3 emissions
- Continued engagement with our stakeholders including customers, suppliers, and employees
- Continued work on our climate risks and opportunities in alignment with TCFD to do full climate scenario monitoring

OPERATIONAL FOOTPRINT AND AREAS OF FOCUS

EMISSIONS - CDP REPORT RESULTS GRI 305

This report is inclusive of our CDP report results from the 2021 operating year given our CDP reporting cycle. SES expanded the boundaries of our Scope 3 reporting this year, has made significant changes to the governance of the company related to climate and set Net Zero targets. The combination of these improvements has taken our CDP score from a D to a B.

SES is aware of its role of spearheading emissions reduction in the telecommunication and space industries. The company does not operate any manufacturing sites which minimise the company's total environmental impact. To further minimise risks across the business and to better align with the company's objectives to reduce CO_2 emissions, SES uses its Risk and Internal Control System. Upon identifying risks through COSO and ISO31000 principles, SES collects emissions data on its direct, energy indirect, and other indirect operations (Scope 1, 2 & 3). The company constructs its methodology in line with the Greenhouse Gas Protocol (GHG): A Corporate Accounting and Reporting Standard (Revised Edition); Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2021; the International Energy Agency's (IEA) CO_2 Emissions



CLIMATE ACTION

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

Reduce our carbon footprint across operations and our supply chain.

Provide solutions to overcome climate and environmental challenges through satellite connectivity.

SES Group CO_2 emissions

YEAR	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Scope 1 (t CO2e)	1.813	2.510	2.177	2.524	2.517	2.418	5.455	6.546	6.621	6.959	6.464	12.397	17.317	14.432
Scope 2 (t CO2e)	24.039	25.848	29.604	30.821	26.980	24.701	24.395	17.080	17.391	20.475	27.758	26.846	35.280	26.507
Scope 3 (t CO2e)	169.776	4.248	16.017	17.178	17.386	13.737	12.486	11.460	14.756	5.873	4.937	2.309		
Total emissions (t CO_2)	**195.629**	**32.606**	**47.797**	**50.523**	**46.883**	**40.856**	**42.336**	**35.087**	**38.768**	**33.307**	**39.159**	**41.553**	**52.597**	**40.939**
Change to previous year	500%	-32%	-5%	8%	15%	-3%	21%	-9%	16%	-15%	-6%	-21%	28%	

from Fuel Combustion; and The Greenhouse Gas Protocol: Scope 2 Guidance.

Since 2008, SES officially reports the CO2 emissions of its operations through participation in the Carbon Disclosure Project (CDP), which collects the data of all SES' business activities and locations. The data collection for CDP covers three scopes:

- **Scope 1:** Direct Combustibles (gas and fuel consumption, refrigerant leakage, car fleet)
- **Scope 2:** Indirect Energy consumption (purchased electricity, heat, and steam)
- **Scope 3:** Other Emissions (business travel, commuting, waste, water consumption)

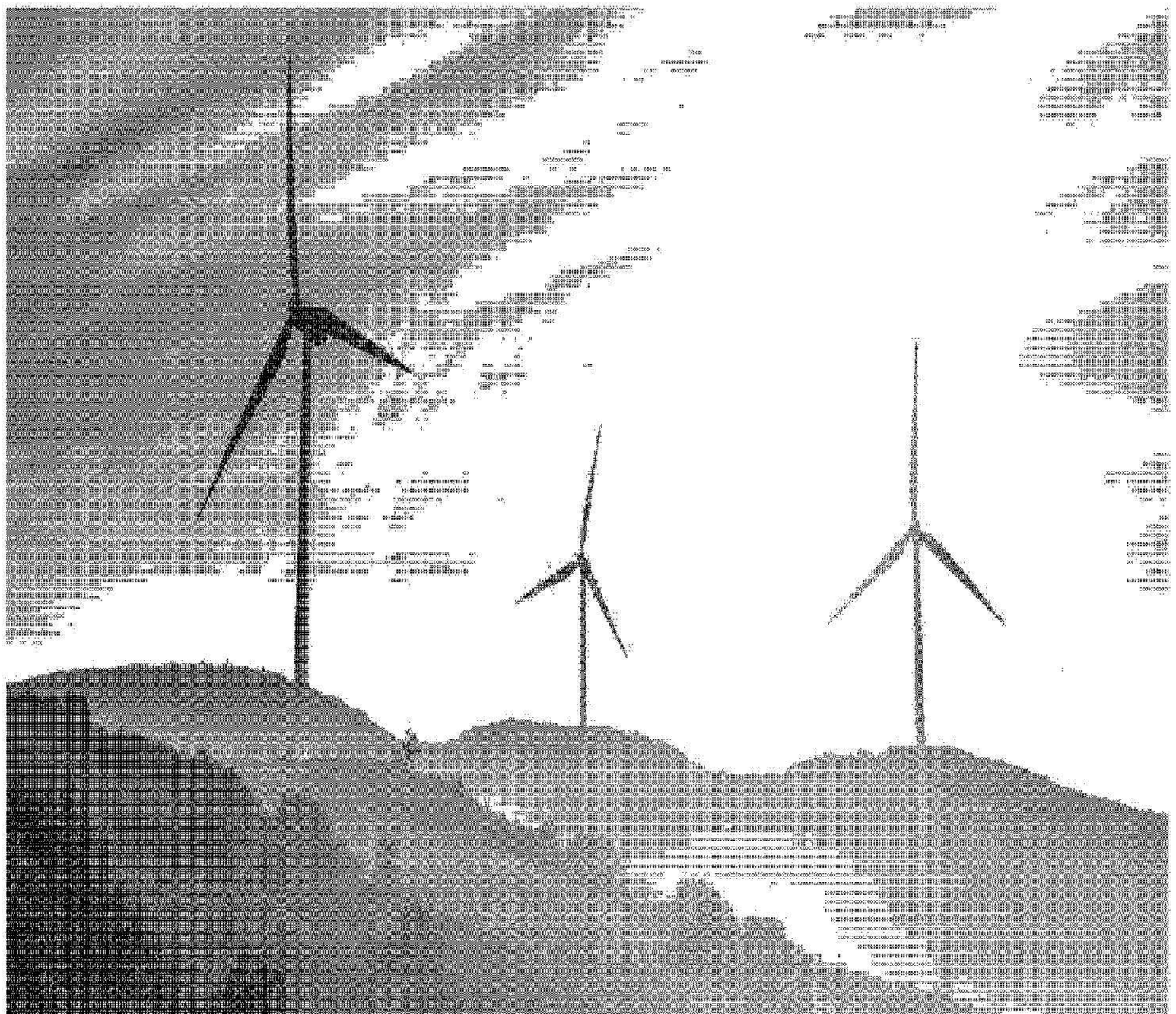
In 2021, SES for the first time, expanded the boundaries of our Scope 3 reporting to include

- Cat 1 – Purchased goods and services
- Cat 2 – Capital Goods
- Cat 4 – Upstream transportation

This resulted in an increase in our Scope 3 emissions (88% of our overall footprint). The manufacturing and launch of our satellites is realised in Cat 2 of our scope 3 emissions and is a large contributor to our overall GHG footprint. The fluctuation of our GHG emissions in this category will be depend on the number of satellites we have launched, and we will specifically pull out the emissions related to this as a separate item in how we report these numbers going forward. In 2021, SES launched SES-17 and the carbon emissions related to that launch can be found in Cat. 2.

Emissions from Scope 2, electricity consumption, SES has invested in energy reductions in our sites with the upgrading of equipment to energy efficient alternatives. We have also invested in green energy tariffs in 2 of our highest energy sites, Luxembourg and Munich resulting in a decrease in our market-based Scope 2 emissions.

To better interpret Scope 2 emissions data, it is important to note that Scope 2 location-based emissions factors were chosen in line with the GHG Protocol recommendations. For low occupancy sites, assumptions were made based on average electricity, gas, and travel data at the main office sites. A data collection questionnaire was circulated to all 31 main SES global sites and to collect activity data. A large sample of low occupancy and unmanned SES sites were included in the data collection exercise. To calculate GHG emissions, when electrical power consumption was not precisely measured, it was estimated. In the context of the legal framework in Europe with the goal to save energy, SES started to analyse the energy efficiency of the main facilities in accordance with EN 16247. This exercise has been performed at SES' sites in Munich, Germany, and Betzdorf, Luxem-



bourg. Through these and other initiatives, we have implemented a substantial and ongoing carbon reduction plan in our sites across the world.

During the second half of 2022, we implemented an electrically powered shuttle service to connect our headquarters in Betzdorf with the main local bus and train stations. This service has so far been used by about 25% of the local employees, a quota that we expect to grow during 2023 as we have increased the capacity of the vehicle and made its timetable more in line with the needs of an increasing number of employees. This service, which is increasingly used and has received numerous positive feedback, is also aimed at reducing our employee commuting emissions. In this regard, we are working on a study to quantify the impact on our emissions, which we are confident we will be able to share in our next report.

WASTE MANAGEMENT GRI 306

SES intends to systematically reduce waste across its direct footprint. The company ensures that it has a comprehensive waste policy in place that targets avoiding and reducing waste as well as increasing disposal and recycling in the areas of "Batteries, hydraulic fluids and electrical/electronic devices, building-site waste, glass, plastics, metals, organic waste (food residues, garden refuse, wood), paper/cardboard, and problematic items (e.g. chemicals/environmentally hazardous substances, oil/grease, flammable products, etc)" in line with international standards (ISO 140 42). SES currently collects information for the SES Headquarters in Luxembourg and annually reports to the Luxembourgish government. For its remarkable environmentally friendly waste handling, SES has been awarded with the Luxembourg SuperDrecksKescht (SDK) ecolabel 20 years in a row.

ENERGY GRI 302

SES is aware of its responsibility to improve and transform the management of sustainable energy as an industry leader and is committed to gradually increase the share of renewables in its energy mix. The company has already achieved 52% improvement in its energy efficiency index between 2014 and 2020 in its Luxembourg headquarters and plans to achieve further improvements on global level within the next 5 years. SES is transparent in data collection and data sharing and annually reports to the Carbon Disclosure Project. The company pledges to comply with the international regulatory standards, align with energy saving programmes, and co-operate with the intra- and inter-industry actors to generate positive value throughout its value chain on energy production, consumption, supply, and distribution.

In Luxembourg, SES currently participates in the new Voluntary Agreement between the Luxembourgish Government, My Energy GIE and FEDIL, which started in 2021 and runs until the end of 2023. This programme sets a general energy efficiency improvement target of 4.5% until the end of 2023 compared to the reference years 2018/2019. To achieve this goal, SES undertakes initiatives to improve the energy efficiency of its technical facilities such as HVAC, UPS, lighting systems, etc, and engages in the implementation of ISO50001 energy management system.

CLIMATE RISK

In 2022, SES began analysing our risks and opportunities related to climate in partnership with third party consultants. We understand that climate change presents challenges for all businesses and we are committed to understanding and mitigating our risks. In alignment with the TCFD framework we have developed a climate risk report detailing our identified risks, the impact on the business and our strategic response and mitigation.

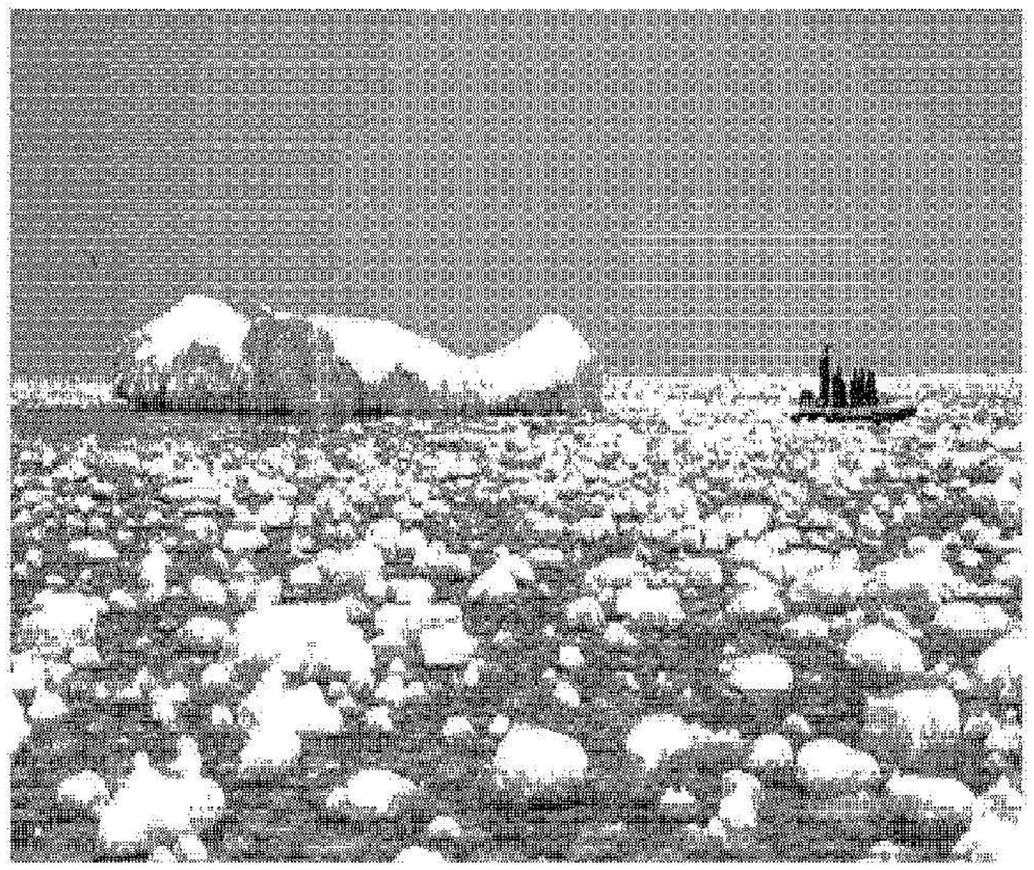
COMMITMENT TO ENVIRONMENTAL PROTECTION

In 2022, SES formalised our commitment to environmental protection in many of our policies effecting our value chain. We drafted an instated a formal Environmental, Health and Safety Charter as well as enhanced the language in our supplier code of conduct to align our expectations of environmental protection across our supply chain.



ANTARCTICA

In 2022, SES proudly partnered with the 2041 Foundation and explorer Robert Swan in support of an expedition to Antarctica with the main goal of raising awareness of climate change, evoking action for all of us and saving Antarctic for future generations as an intact reserve for science and wildlife.

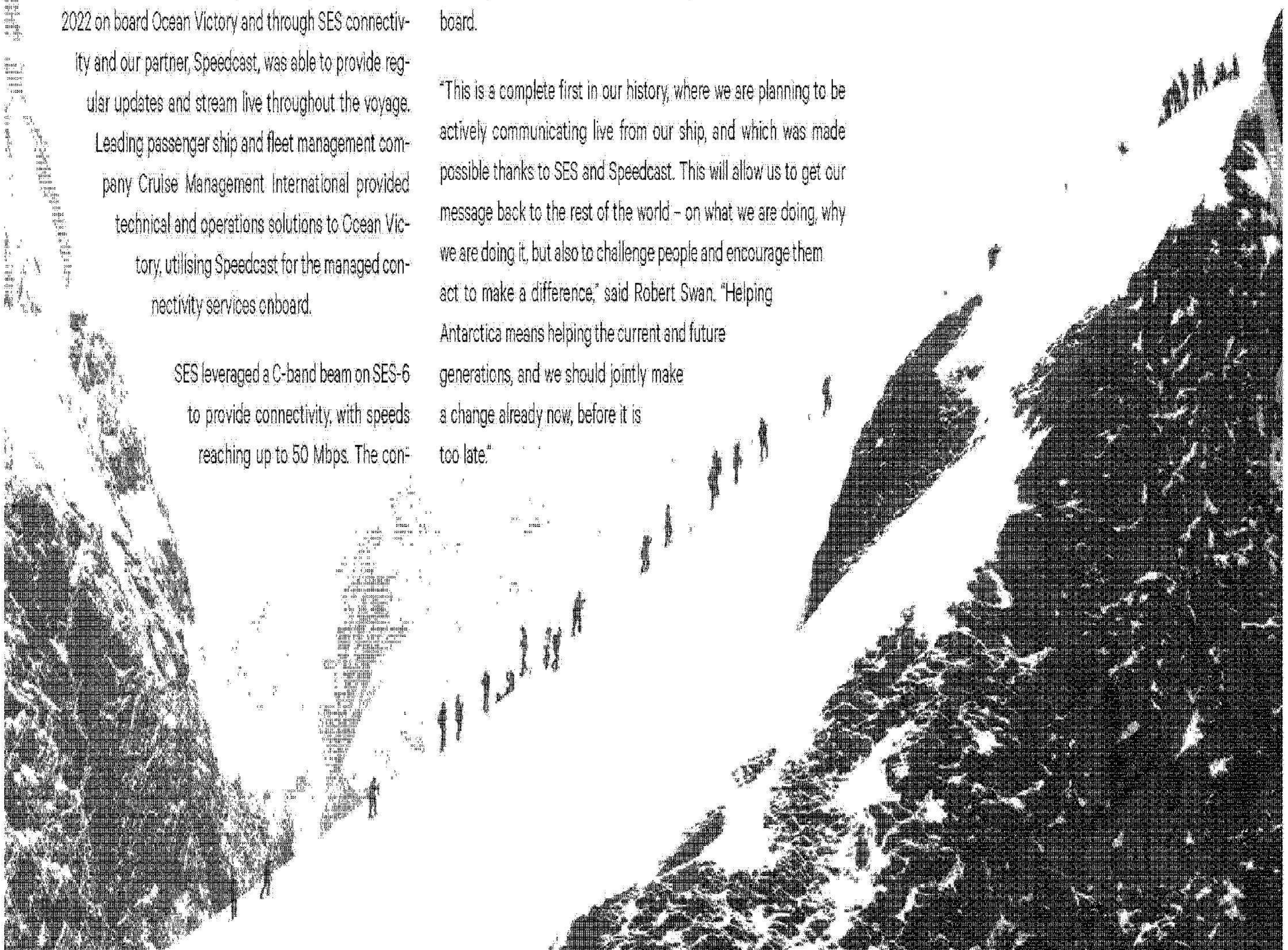


The expedition comprised a group of 150 participants from all walks of life. The group of students, education professionals, scientists and entrepreneurs departed in March 2022 on board Ocean Victory and through SES connectivity and our partner, Speedcast, was able to provide regular updates and stream live throughout the voyage. Leading passenger ship and fleet management company Cruise Management International provided technical and operations solutions to Ocean Victory, utilising Speedcast for the managed connectivity services onboard.

SES leveraged a C-band beam on SES-6 to provide connectivity, with speeds reaching up to 50 Mbps. The connectivity provided an opportunity for Robert Swan to share his message of urgent climate action live with audiences around the globe including schools, businesses, and family and friends of those on board.

"This is a complete first in our history, where we are planning to be actively communicating live from our ship, and which was made possible thanks to SES and Speedcast. This will allow us to get our message back to the rest of the world – on what we are doing, why we are doing it, but also to challenge people and encourage them act to make a difference," said Robert Swan. "Helping Antarctica means helping the current and future generations, and we should jointly make a change already now, before it is too late."

Gez Draycott, an SES employee was aboard the expedition and continued his activism of the mission by walking with Robert Swan to the South Pole in December of 2022.



DIVERSITY AND INCLUSION (D&I) GRI 405

As a company dedicated to connecting more people with more content across the globe, we believe our story should reflect those of the millions we serve. We are committed to increasing the number of employees from underrepresented groups and nurturing an inclusive company culture to create a fair, innovative, and supportive working environment where people can flourish – empowering all employees, or "SESers", to write their stories and to contribute to the collective success of a truly global team. It's not about quota, it's about forging a future that is equitable. In SES, we have placed a greater focus on D&I over the last two years and we are seeing a positive difference in our organisation through engagement with our employees. Through engagement with internal and external stakeholders, it also became clear that more ambitious targets in this area must be set to drive change and transparency, not only in our workforce, but also as a leader in our industry when it comes to a more inclusive and diverse work environment. At SES, Diversity & Inclusion is about creating an environment where any person is welcome to work with SES regardless of gender, gender identity, age, background, ethnicity, ability, stage in life, sexual orientation, etc. We recognise that, at this moment, we are limited in measuring diversity at a global level mainly through the gender dimension

TARGETS

SES has committed to:

> Increase gender diversity of people managers by 50% in 5 years

SES recognises that within our workforce, we need to strive for more diversity & inclusion across the business. We have put in place several programmes to increase awareness around Diversity and Inclusion such as trainings and education initiatives (we have several D&I sessions throughout the year), a Mentorship Programme, Diversity calendar, Equality and Inclusion working groups and we have launched an Allyship Programme as we committed last year. Looking to tackle the diversity at the level of our people managers and executives, starting with gender.

BUILDING A DIVERSE AND INCLUSIVE WORKFORCE

SES is committed to increasing the number of employees from underrepresented groups and nurturing an inclusive company culture to create a fair, innovative and supporting working environment. SES puts diversity and equal opportunity at the centre of its employment strategy and is a signatory of the Diversity charter in Luxembourg. Supportive practices, such as implementing a D&I dashboard to monitor their progression and our mentorship programme are systematically applied to support female talent and we are fully focused on increasing the percentage of women within the SES workforce, both overall and at managerial / executive levels. We believe that the measures we continue to take to support women help not only women but lead to creating an environment in which all SESers feel included, regardless of gender, gender identity, sexual orientation, ethnicity, religion, etc.



DIVERSITY & INCLUSION

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

Build a more diverse, equitable, and inclusive workforce across all levels of our business.

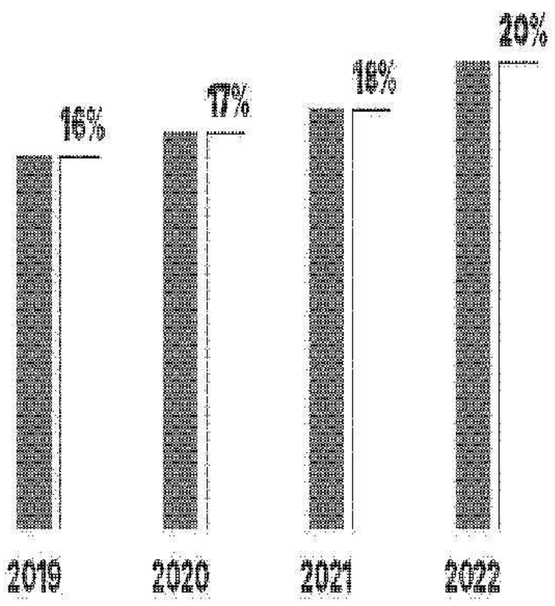
Increase the diversity, equity, and inclusion of the space industry through targeted actions and investments.



employees were women (slightly lower compared to 28% in 2021 but consistently higher when comparing the female promotion rate to their overall representation in the SES population).

With a focus on increasing the representation of women in managerial and executive roles, 15% of employees at the executive level are women (compared to 15% in 2021 and 13% in 2020). When looking at the people managers population, we have been observing a consistent increase in the proportion of female people managers over the last few years.

Evolution of the proportion of women amongst People Managers



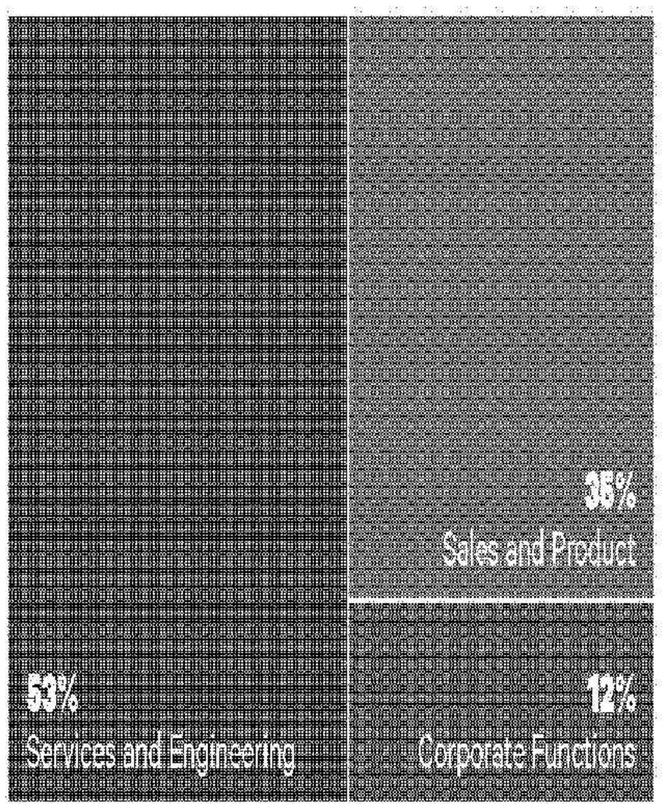
"One in three women says they have considered downshifting their careers or leaving the workforce this year, compared to 1 in 4 who said this a few months into the pandemic. Additionally, 4 in 10 women have considered leaving their company or switching jobs—and high employee turnover in recent months suggests that many of them are following through."

As a company, we adapt to the new way of working by creating a hybrid model that provides more flexibility than before. We are also in constant collaboration with our people managers to create safe spaces and team charters that take every team member's needs into consideration.

DRIVING DIVERSITY

SES evaluates the diversity of the employee population from several perspectives. We have an extremely diverse population when looking at nationalities and a healthy age distribution in the company.

Employee Distribution by Functional Area



WOMEN IN LEADERSHIP & PEOPLE MANAGERS POSITIONS

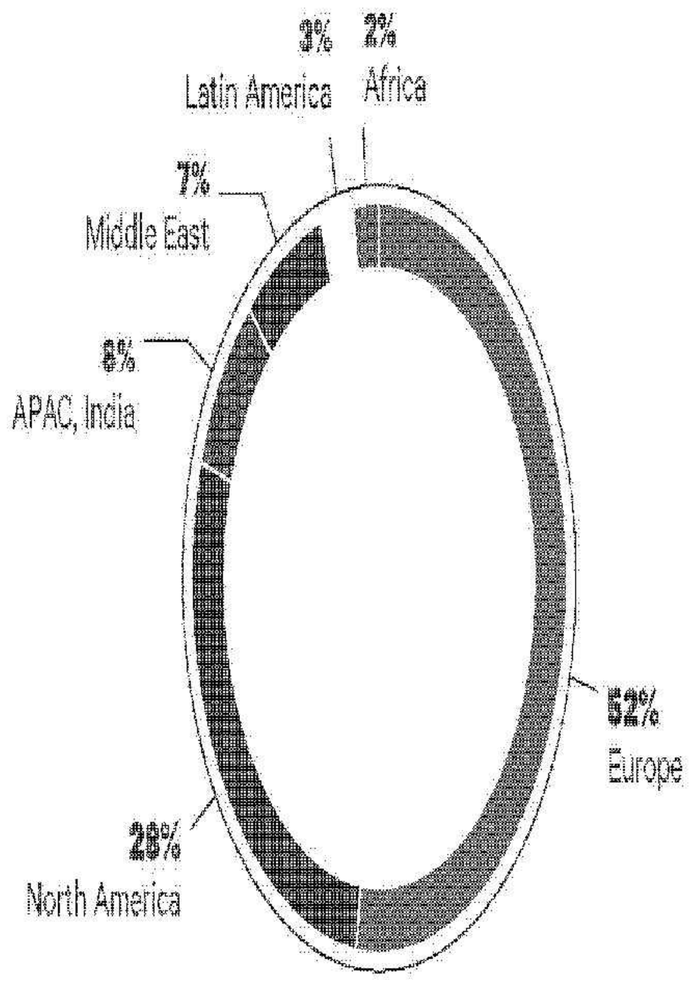
SES understands that valued employees are more likely to be satisfied with their career prospects, be productive and achieve their long-term career goals. Engaged employees lead to a reduced chance of employee turnover for companies. To achieve high skilled workforce and increase productivity, SES puts a special emphasis on its securing and retaining talent policies.

When it comes to retention, engagement, and development of women, we are tracking the participation of women in key programmes and initiatives. When it comes to promotions in 2022, 26% of promoted 30% of all employees who became people managers in 2022 are women compared to 22% of all new people managers in 2021.

In 2022, we noticed an acceleration in voluntary turnover with a resignation rate of 9% at the end of the year in line with the worldwide "Great Resignation" phenomenon. This follows two years with resignation rates at 7% in 2021 and 5% in 2020. With these unusually low rates, higher resignation rates were expected in 2022. We also continue to observe higher resignation rates amongst women compared to male employees. We acknowledge that this is a global trend reported by many, such as in the 2021 McKinsey report titled "Women in the Workplace":

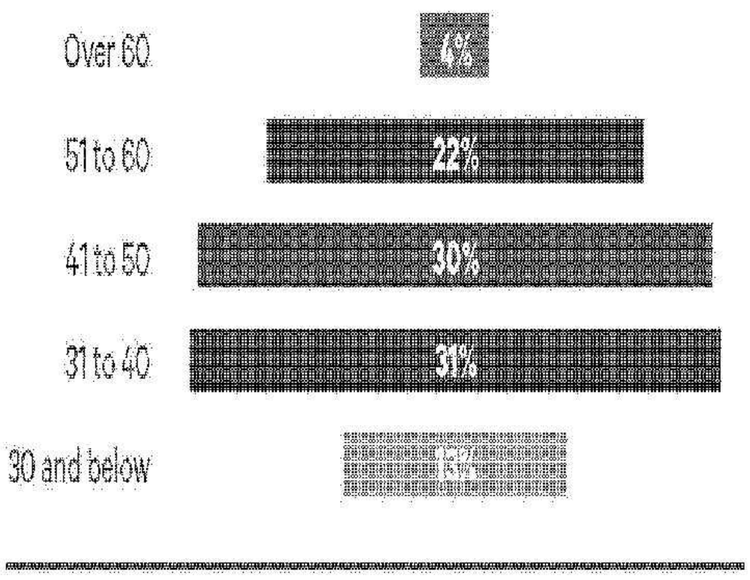
As of end-December 2022, SES employees from 85 nationalities across 32 offices which is a strong indication of the company's diverse workforce target. The most represented nationalities are: United States, Germany, France, Romania, Great Britain, Israel, Belgium, Luxembourg, The Netherlands, India and Italy.

Employee Nationalities



We have an overall healthy age distribution with an average age of 43 years old.

Age Pyramid of SES employees



When focused on gender at SES, currently 25% of SES' workforce are women, a figure that has been stable over the last years, but SES aims to increase this number as part of its diversity strategy. Women are most present in the Corporate Functions (59%) but considerably less in Services & Engineering (15% in Technology & 18% in Global Services).

DIVERSITY AND INCLUSION TRAININGS

With Diversity and Inclusion strongly embedded as one of the 4 key pillars of SES' ESG strategy we are supporting everyone in making steps towards a more inclusive future for SES. This future begins with greater awareness within the company, which is why SES strongly encourages all employees to complete a short online Unconscious Bias course, designed by Microsoft.

To move the needle on Diversity & Inclusion, the Unconscious Bias training course is open to all employees and mandatory for all people managers within the company – without exception. At the time of publication of this report, more than 850 employees have completed the Unconscious Bias training and, in so doing, have demonstrated their commitment towards a more inclusive SES.

DIVERSITY AND INCLUSION EVENTS

SES has a Diversity calendar according to which we organise events around the year. Black History Month, International Women's Day and Pride Month are just a few of the events we organise. What is unique to SES is Diversity Month. In 2022, our Diversity Day live event session was focused on Neurodiversity with speakers external to SES and internal to SES.

We also hosted an initiative called "Pot of Colours' organised by our Ethnicity Equality and Inclusion Working group.

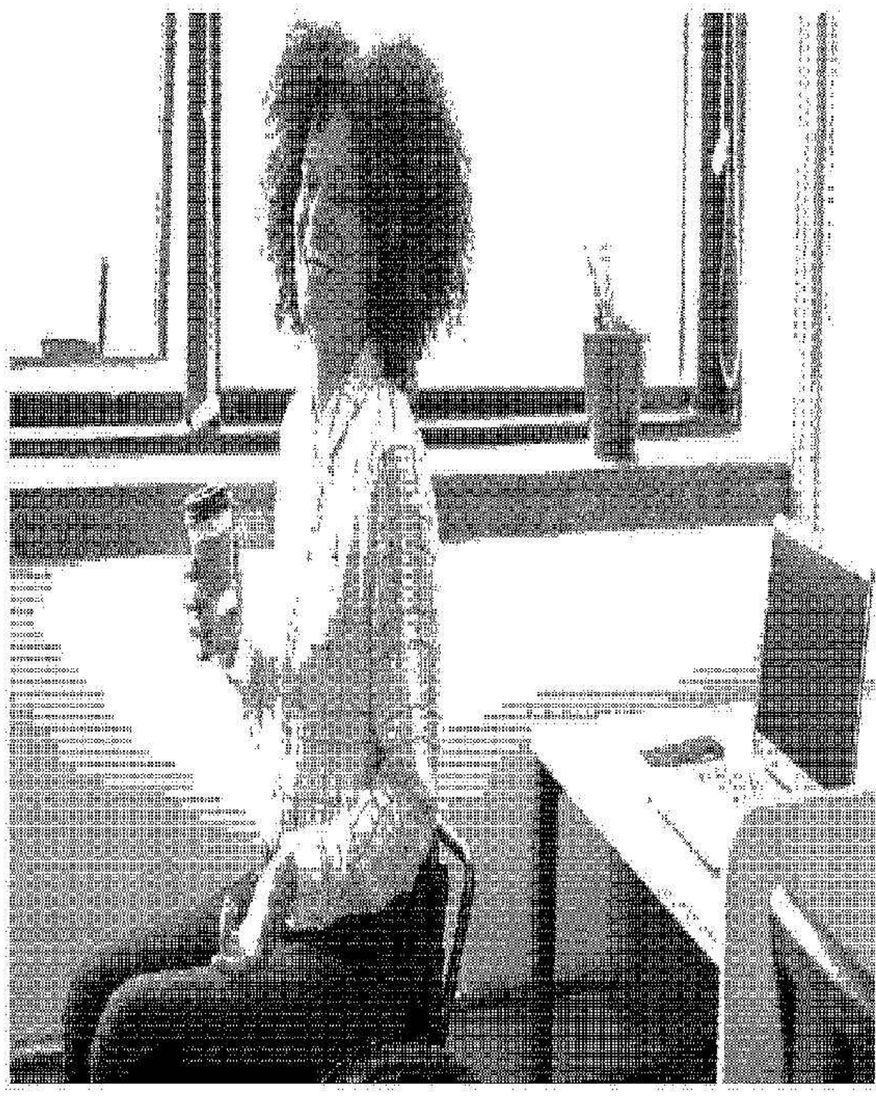
We also found it useful to run a workshop on LGBTQIA+ as well as a workshop specific to our People Managers on Safety and Discomfort.

#IAMREMARKABLE

Feedback from SES employees has clearly shown the value of #IamRemarkable, the global Google initiative that strives to empower everyone, particularly women but also other underrepresented groups, to celebrate their achievements in the workplace and beyond. At the heart of the #IamRemarkable initiative is a 90-minute workshop that helps participants learn the importance of self-promotion in their personal and professional life, equipping them with tools to develop this skill set, and invite them to challenge the social perceptions surrounding self-promotion. This workshop has contributed to the way people approach their Performance conversations and more people actively encourage others to speak up more openly about their achievements.

EQUALITY AND INCLUSION WORKING GROUPS

At SES, we greatly value employee ideas and we believe that increasing employee engagement and representation of the workforce are crucial elements to drive Diversity and Inclusion and boost innovation. Across our operations, we implement different sets of programmatic



initiatives, from training and development programmes to a more diverse and inclusive employment policy. For the past two years, members of the SES E&I groups have been sharing experiences, exchanging ideas and developing policy and strategic proposals for the organization to adopt real change in order to drive greater workforce diversity.

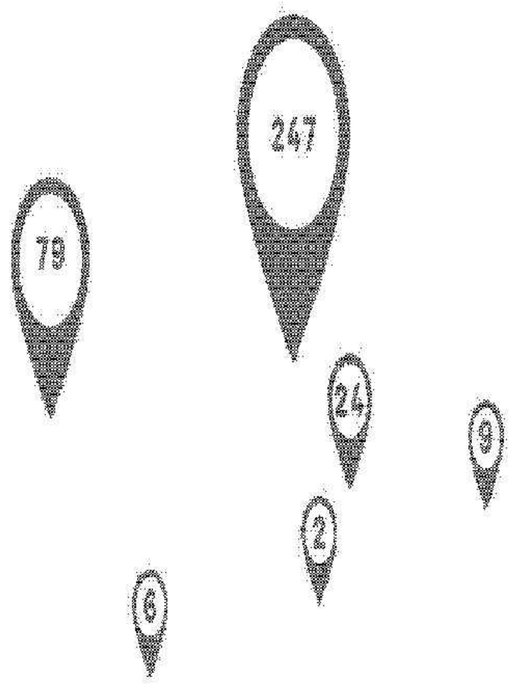
In 2020, we launched our award-winning Equality & Inclusion working groups. These groups, open to all employees and consisting of volunteers, meet to develop proposals focused on Diversity and Inclusion. The final proposals are later presented to senior management. The E&I groups comprise one of the most important and valuable Diversity and Inclusion initiatives for SES, with stakeholders ranging from all internal employee groups, Senior Leadership Members, Human Capital Team (Learning and Development, Recruitment, Talent Management, Compensation and Benefits), to Internal and External Communications, Brand and Marketing.

All departments are involved in the facilitation and implementation of the proposals, aimed at enhancing impact for all employees.

Our working groups focus on the following:

- **The Gender working group** focused on achieving increased opportunities for all women or any person identifying as a woman inside and outside SES. They developed an allyship for the gender minority programme to implement in 2022.
- **The Ethnicity working group** focused on striving for better representation and opportunities of ethnical minorities at all levels within and outside SES. For their 2021 proposal, they tackled mitigating bias in recruitment and in 2022 are challenging the organization to implement KPIs, apply blind screening and carry out interviewer surveys.
- **The "general" working group** has flexibility to tackle other topics and can choose a focus area. In 2021 the group focused on creating an inclusive LGBTQIA+ culture within SES.

Filled Positions by Region



In addition to the 2021 achievements, in 2022, we launched 3 new impactful initiatives:

- **The Gender group** has launched an Allyship programme for all.
- **The general group** launched a network within SES called "Definitions Not Applicable" (DNA) to create a safe space for people that belong in the community as well as Allies to discuss current topics and areas of improvement.
- **The Ethnicity group** has launched the initiative "Pot of Colours" where we discuss cultural history through food.

2023 FOCUS: FEMALES IN LEADERSHIP

In 2023 SES will have a stronger focus on Women in Leadership. Following the targets, we set in 2022, we aim to create a programme for Females in Leadership and to make sure we enable them to exist in the pipeline. We are looking to utilise our Allyship programme and measure more systematically the progress we are making in

1. Females in People Management positions; and
2. Females in Executive positions.

In 2023 we are introducing a new commitment from our Senior Leadership team which is a target of 24% females by 2026 in People Manager positions connected to their annual compensation.

TALENT ACQUISITION

Diversity by the numbers

In 2022 we hired 367 people (2021: 255) of which 67% in Europe (2021: 62%) and 22% in North America (2021: 30%).

More than one third of all 2022 external recruits are women, compared to 25% in 2021.

Our Talent Acquisition team focused on Diversity and Inclusion during career and job fairs. SES joins events such as Jobinars for Top Women Tech to attract more women from STEM. Additionally, we attended the Aerospace Diversity Day (DELFT), all to attract more females and showcase our commitment to D&I.

INDUSTRY COLLABORATION COMMITMENTS

Industry collaboration on enhanced Diversity and Inclusion policies are keys to achieve more representative, inclusive, and dynamic workforces. More diverse and inclusive industries not only push underperforming companies to take more ambitious steps on their policies but also create collective action platforms to better align intra-industry targets to achieve enhanced Diversity and Inclusion. SES spearheads their policies in the space and telecommunication industries through its industry collaboration commitments and works for collective impact.

WOMEN IN AEROSPACE

Women in Aerospace (WIA) is an international organisation founded in 1985 dedicated to increasing the leadership capabilities and visibility of women in the aerospace and STEM community. WIA acknowledges and promotes innovative individuals who strive to advance the

aerospace industry. SES is a corporate member and sponsor of WIA Europe, and 2 employees currently run the Luxembourg local group. SES's participation in the WIA is to create a community in Luxembourg for Women within the aerospace/STEM sector through regular meetings (fun networking sessions, webinars, feedback sessions). SES aims to enable women in the aerospace industry to have their voices heard and have a strong network of women in STEM.

> In 2022, SES will develop a plan to build on our STEM and ICT outreach to expand our impact on students from underrepresented groups

STEM EDUCATION INITIATIVES

To secure best in class employees and to sustain innovative capabilities, SES believes that it must inspire the new generation towards Science, Technology, Engineering and Mathematics (STEM). Therefore, we engage in global activities in this field also using it as opportunity to support and increase diversity. In 2022, we have developed a plan to focus our efforts in STEM and ICT initiatives to support women in our field and across the industry. Some of the initiatives we have pursued this year include:

Space & Satellite Professionals International (SSPI)

We collaborate with SSPI including one female employee on the board actively participating in events and projects to increase women across the industry. In 2022, SES had a female employee included in the "20 under 35" leaders cohort honouring young professionals contributing to the industry and representing the best of what is to come.

Scholarships

Launched in 2018, The SES Space Scholarship offers a unique opportunity for 17–18-year-old students who have completed their General Certificate of Secondary Education (GCSEs) and are interested in the space industry and astronomy to be involved in a wide range of career opportunities in the space industry. SES encourages people from all background to apply and particularly welcomes applications from underrepresented groups.

International Space University

SES is a proud partner of the International Space University (ISU) in developing future leaders of the world space community. We work with the University in developing talent through guest lectures or workshops from SES subject matter experts, professional visits, internship opportunities and even scholarships to cover partial or full tuition fees. We awarded scholarships in 2022, to two female engineers for more than 70% of the total masters fees for each student. We are tremendously proud to be able to create possibilities for more accessible space industry education and help young talents achieve their dreams.

Luxembourg Science Centre

In 2022, we have committed to partnering with the Luxembourg Science Centre to provide educational content, workshops, visits, and tours with a focus on encouraging access to STEM and the space industry.

Brooke Owens Fellowship Programme

The Brooke Owens Fellowship is designed to serve both as an inspiration and as a career boost to capable young women and other gender minorities who, like Brooke, aspire to explore our sky and stars, to shake up the aerospace industry, and to help their fellow people here on planet Earth. This is completed by matching up to forty students per year with purpose-driven, paid internships at leading aerospace companies and organisations and with senior and executive level mentors. SES encourages having a platform for women in STEM to share their ideas, discuss issues and eventually implement change within the industry and promote women in STEM for the future generations. In August 2022, SES was selected to be a Host Organization for Summer 2023. We have been matched with an international student studying Aeronautics at Purdue University.



America On Tech

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

Florida International University

We are building relationships with targeted schools who prioritise diversity and inclusion in their values. Last year we worked with Florida International University (FIU) due to their proximity to our Miramar office. FIU is the #1 university in graduating women in Computer Science and the #1 university in graduating minorities within the state



of Florida. SES was lucky to place two interns in Miramar to support Maritime Analytics and will continue to develop this relationship in years to come. The interns both come from first generation LatinX families which was great visibility for SES and FIU.

ESERO

ESA (European Space Agency) is taking action against the negative trend of STEM (Science, Technology, Engineering, and Mathematics) studies and careers through the ESERO (European Space Education Resource Office) project, which is addressing primary and secondary education in Europe. ESERO uses space as a theme of inspiration, an opportunity to enhance pupils' literacy and competence in STEM-related subjects, which makes the space sector less distant and perhaps more attractive. ESERO is already established in some ESA member states and is supported by local experts in partnership with national education institutions.

In 2022, SES signed an innovative partnership with the LSC (Luxembourg Science Center), the host of ESERO Luxembourg. This partnership dovetails with the company's ESG goals, aiming at making the space industry more diverse and inclusive by supporting activities that promote STEM, highlighting the opportunities in satellite and terrestrial telecommunication networks, raising awareness of STEM studies and careers, and driving talent towards such industries. In the context of ESERO Luxembourg, SESers were involved in the "Space goes to School" programme and the "ISS – In-flight Call" event organised by the LSC.

Concerning "Space goes to School", the programme ran between April and July 2022 and 5 SES employees volunteered and contributed to its success. Space experts from the Betzdorf office visited 14 schools all over Luxembourg, reaching more than 400 students aged 10 to 17. The SES team delivered 16 sessions of space activities around satellites, the solar system, space sustainability, Earth observation, space-related professions, space-inspired arts, and many more in 3 different languages! The topics discussed sparked the interest of the youngsters, who showed high levels of engagement.

Additionally, SES supported the "ISS – In-flight Call" event, which took place in June 2022, within the framework of the "Marvel of Microgravity" series, co-organised by ESERO Luxembourg, Italy, and Portugal. During this event, a crowd of 150 people, mainly consisting of pupils, teachers, and university students, attended presentations by local experts and had the unique chance to participate in a video call with the Italian ESA astronaut, Samantha Cristoforetti, right from the ISS (International Space Station), see her performing live experiments in microgravity conditions and ask her questions. SES participated in the event with an interactive presentation entitled "Satellites at people's service", delivered by a colleague from the Betzdorf office and in total, 7 colleagues were present and represented the company.

The involvement of SES in ESERO Luxembourg for 2023 is already confirmed and SESers cannot wait to bring more space to the Luxembourgish schools!

ENGINEERING TRAINEE DAYS

Engineering Trainee Days project aims to promote engineering and scientific professions to secondary students, age 16+ years, by offering them valuable insights into the daily work environment of a STEM professional. This experience differs from a simple company visit, as the students follow and assist engineers and scientists in their daily tasks and duties for two days. This allows students to gain an understanding of professional, linguistic, and interpersonal industry requirements. This project is an initiative of the Association of Engineers, Architects, Scientists Industrials Luxembourg (da Vinci) and Jonk Entrepreneuren Luxembourg with the support of the Ministry of Education.

> By 2025, We aim to develop and implement a supplier and customer sustainability rating and diversity programme to empower a diverse pool of sustainable suppliers.

The first step in our supplier sustainability programme was to increase visibility into our supply chain so that we can focus on the suppliers and areas where we are at the highest risk. To accomplish that we have contracted a third party supply chain ESG assessment tool to better understand the risks in our supply chain and identify the areas where we need to focus and engage our suppliers.

We have additionally updated supplier facing policies. Both our General Terms and Conditions of our supplier contracts and well as our Supplier Code of Conduct now reflect our ESG values and align with our ambition to drive a diverse pool of sustainable suppliers. Through the supply chain sustainability programme we will be building additional outreach measures to ensure compliance of our supply chain to these critical issues.

CRITICAL HUMAN NEEDS

Reliable, high-speed connectivity and access to content is key to harness the potential of digitisation, to boost countries' economies, and to present opportunities for people. SES' superpower is reach bring access to information and learning, improving digital inclusion through reliable and flexible bandwidth anywhere on earth. SES progresses its initiatives across geographical barriers, brings infrastructure to fragile economies and isolated communities, and aids humanitarian efforts in disaster-hit areas. Each country has unique challenges and opportunities around the move towards digital and SES is at the forefront of this transformation.

TARGETS

> Conduct stakeholder outreach to understand the areas where SES' products and services can advance the sustainable development goals.

SES strives to drive positive impact in all that we do, and this includes the products and services that we provide to the world. As part of the critical human needs pillar, we not only wanted to measure social outcomes aligned with where we contributed to the Sustainable Development Goals but we wanted to measure and set targets for indicators where our business can contribute meaningfully doing what we do best. During 2022, we spoke with stakeholders from the NGO community, civil society, customers, partners, and employees to help us understand where our efforts should be focused on critical human needs. We have focused on

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

ADDRESSING THE DIGITAL DIVIDE

Access to broadband services is a well-known indicator of a thriving community as it provides for critical human needs of a population including emergency aide, health, financial and educational access. SES works alongside governments, telecommunications providers, and non-governmental organisations in communities around the globe to close the digital divide and build out infrastructure to connect the unconnected. This is a core part of our fixed networks and government business units and provides maximum impact in our product and services portfolio. As part of our service portfolio, we offer a Managed backhaul solution to our customers, providing satellite capacity for mobile base stations to connect additional subscribers in remote and isolated places. We work closely with our telecommunications customers to expand their networks to expand connectivity to more people and close the digital divide. In 2023, we will start to measure how many sites we are bringing online in developing countries.

COOK ISLANDS

Customers of Vodafone Cook Islands will be able to experience 4G+ networks and high-performance internet connectivity across the outer islands with the use of the O3b mPower service enhancing services that increase access to online services in health, education, banking, and commerce for the residents.

PAPAU NEW GUINEA

With over 86% of its population residing in rural areas, much of Papau New Guinea is underserved when it comes to connectivity. In 2022, SES expanded services in the country by partnering with a new provider of mobile broadband services.

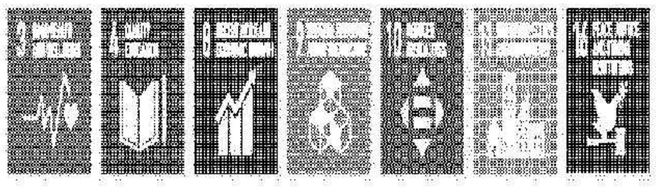


CRITICAL HUMAN NEEDS

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

Direct our innovation & partnerships to expand access to educational, health, & informational services.

Expand reliable access to content & connectivity in remote & isolated places by leading partnerships in our industry and beyond.



BRAZIL'S AMAZON REGION

Utlising SES's O3b mPower network to extend mobile backhaul services to Claro Brasil through Embratel, SES will be serving more than 260,000 inhabitants of 8 cities in the Amazon region with connectivity services in the most isolated villages and cities in the region.

ANDEAN REGION

SES partners with Andesat in the Andean region to provide connectivity via the SES-14 satellite. In 2022, the service will boost voice and broadband connectivity access to 280 sites by the end of 2022.

PHILIPPINES EDUCATION CONTENT

SES is working with ComClark Network and Technology Corporation to empower thousands of Philippine educators with high-speed connectivity to deliver content to 2,000 remote schools across the country. The content is delivered via SES's SES-9 satellite.

INNOVATING FOR HUMANITARIAN RESPONSE

Conflicts, natural disasters, and the climate change impacts are increasingly highlighting the importance of critical infrastructure to community resilience. SES has been at the forefront of disaster response and supporting countries around the world with connectivity, preparedness and support.

EMERGENCY.LU UPDATE

There are two vital requirements in emergency situations: response time to cover the communications needs in the immediate aftermath of a disaster, and control or management capability allowing quick and efficient sharing of information about the situation on site. The emergency.lu platform was designed to quickly re-establish communications in remote areas isolated by natural disasters or other emergency situations. The platform is based on a public-private partnership between Luxembourg's Ministry of Foreign Affairs, SES, HITEC Luxembourg and the Luxembourg Air Ambulance, and is supported by a number of operational and technical partners. The emergency.lu platform is based on a global hub infrastructure and satellite capacity, both provided by SES.

In 2021, emergency.lu project was renewed with SES for a period of 6 years. SES has moved the programme to a flexible service catalogue approach, offering additional services and enhancements as options for deployments and to better serve the needs of the customers on the ground. Changes to satellite capacity, equipment, networking options and enhanced options for services to affected communities has been developed or implemented. SES Supporting disaster and humanitarian crisis situations remains a top priority of our ESG strategy.

First deployed in 2012 in South Sudan, the has since then been deployed in more than 26 different countries around the world. In 2022, emergency.lu was supporting the humanitarian response in Ukraine. Operations in Tonga that were deployed in 2021 were extended, following the volcanic eruption that disrupted undersea fiber links. Additional longer-term deployments continuing in Niger, Nigeria, Venezuela, Syria, Chad and Central African Republic in support of WFP, UNHCR and UNICEF.

SATMED

SES has been operating the Luxembourg Government's satellite-enabled SATMED e-health platform, working in close partnership with non-governmental organisations and governments alike. The solution enables real-time situational assessment and data exchange for healthcare professional sin locations like Bangladesh, Sierra Leone, and others. The SATMED platform was consolidated onto the Azure hosting environment to offer a seamless cloud-based system.

NETHOPE AND INTERNET SOCIETY PARTNERSHIP FOR DISASTER PREPAREDNESS

SES has partnered with Nethope and the Internet Society to train first responders in the most disaster-prone countries in an effort to build local knowledge to respond to the next disaster. In 2022, SES provided satellite training to 100 responders in Ghana with representatives from local responding agencies, industry, and local government. In 2023, we will continue with trainings in Guatemala and the Philippines.

TAIWAN DISASTER RECOVERY

Supporting the rapid restoration of cloud services in a disaster scenario, SES is supporting Microsoft and Pegatron to create a private 5G network hosted on the Azure Stack Edge Compute platform. The platform is deployed on a mobile truck alongside networking functions such as routers and GPS devices as well as an SES O3b MEO terminal to provide the Taiwanese government with "on the pause" services during a disruption of terrestrial connectivity.

HURRICANE IAN

SES Government division rapidly deployed MEO satellite services and terminals to restore broadband connectivity for local communities and first responders in Lee County, Florida who were impacted by Hurricane Ian in partnership with AWS Disaster Response and SimbaCom. The services provided connectivity for the Florida Department of Financial services who was processing insurance claims; Distribution centers supporting family services and the Fuel relief fund, a distribution site providing fuel for first responders and evacuees across Lee County.

OPERATING OUR BUSINESS

Along with setting a clear strategy and targets related to ESG for our business, we also know that the foundation of our business needs to be set on strong operating procedures and business ethics. Attention to our customer feedback, employee matters, social matters, IT security process, Human rights considerations and Anti-bribery and corruption are all additional areas where SES considers our impact.

Our commitment to excellence as a company has earned us recognition as a leader.

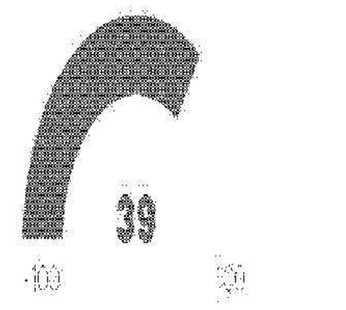
Notably, in 2022, the SES ESG team was recognised by IMS Luxembourg with the Sustainability Team award for the stakeholder approach we took in the development of our ESG strategy.

CUSTOMER CENTRICITY

SES' mission is to do the extraordinary in space to deliver amazing experiences everywhere on earth. Delivering such experiences requires focusing on customer engagement, on the people SES impacts as a top priority on its business agenda. To make sure SES understands its customers' goals and needs, the company runs a customer experience programme capturing the 'voice of the customer' through its Net Promoter System and annual Perception Study. The Net Promoter System is a quantitative study measuring Customer Satisfaction (CSAT), Customer Effort (CES) and Customer Loyalty (NPS). The results of the NPS are coupled to the Perception study's qualitative insights to create a granular picture for the organisation to understand how and what to improve to better serve its customers. A companywide Customer Advisory Board has been launched in 2022 with the purpose of bringing SES' most strategic customers together to discuss the future of our industry, collect first hand feedback on the relevance of SES' strategy to its customers and establish a network of thought leaders.

Our 2022 Net Promoter Score (measured on a scale of -100 to +100) was +39, representing an improvement from +34 in 2021.

Net Promoter Score 2022



Among the areas of improvement and focus for 2023 is the customer journey and improving the way we execute on the delivery of our services.

EMPLOYEE MATTERS

We are passionate about employee experience and employee success. We aim to treat employees as we want them to treat our customers; empower them to take ownership of their careers; and create a community where it is fun to work.

We strive to be future proof, powered by a strong, healthy culture. This depends on learning and teaching, a diverse workplace where everyone feels included and having a growth mindset.

We drive business success within SES by anticipating and meeting the needs of the business through world-class human capital practices.

ATTRACTIVE AND FAIR COMPENSATION AND BENEFITS

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

Key Principles

We benchmark our total compensation against local practices of other global organisations with the ICT industry as a reference point.

Our total rewards include annual base pay, bonus linked to individual, departmental and group financial targets, benefits aligned with local practices as well as long-term incentives to position the Company as a global employer of choice.

Being fair and consistent is at the heart of all our compensation & benefits related decisions, whether it is on job grading, salary

increases, promotions or benefits. We undergo a global gender pay gap analysis on an annual basis.

Our Employee Rewards & Recognition Programme celebrates achievements through either:

- **CEO Award –** recognition on a company level for special efforts related to key projects.
- **Management spot awards –** monetary bonuses as recognition for great work.
- **Peer recognition** through "Thank You letters" and "Dinner on us"

Modern working conditions

Working conditions are being increasingly influenced by working hours, workplaces, the work environment, the level of employee empowerment and a state-of-the-art, growth driven management culture.

The length of our employees' workweek is generally regulated by the company or by a collective bargaining agreement.

Today's living and working conditions require working times to be flexibly organised in accordance with individual needs. We help employees reconcile their professional and personal responsibilities and boost their flexibility and self-determination by giving them the opportunity for mobile working. With COVID-19 forcing most of us to work from home, we adapted conditions and flexible working to accommodate the safety and needs of our employees. We successfully deployed IT solutions to accommodate the increased work from home demand and gave regular updates to our employee offices on the local COVID-19 situation and company regulations.

Further options for flexible working today include job sharing, part-time work, phased return from leave and reduction in work time.



HEALTH AND SAFETY GRI 403

SES commits its support to its employees' well-being and safety in and outside of the workplace. SES ensures health and safety through risk identification, assessment, and monitoring; health and safety trainings; on-site and off-site regulation and supervision; and health and well-being initiatives. Since 2021, SES instituted a role dedicated to ensuring a fully coordinated and structured approach across the organisation. The Global Health and Safety officer is responsible for devising a global Occupational Health and Safety strategy based on international standards and for managing its consistent implementation worldwide.

The company complies with the ISO45001 principles. This is reflected in a Global Occupational Health and Safety Policy (integrated with ESG principles), covering all aspects of SES' business and showing the SES Leadership Team commitment towards health and safety for all interested parties involved in its activities.

Regulatory watch and legal compliance are monitored and defined based on the different sites. All personnel working at SES is covered by this framework. SES proudly reports that the company did not report any major work-related injury or ill-health thanks to its comprehensive and preventive health and safety policies.

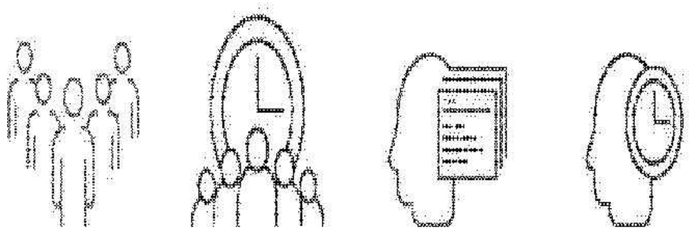
In 2022 SES has continued to develop his health and safety system focusing on employees' competences and trainings. These were identified as outcome of the different risk assessments based on the local regulations of its sites.

TRAINING AND EDUCATION GRI 404

We are convinced that work can and should provide a great opportunity to learn and grow, as well as to contribute to our societies at large. SES offers relevant training and development to all its employees and aims to provide learning that is easily accessible as a natural part of an employee's job. The mission of the Learning & Engagement function in any organisation could be described as ensuring the availability of relevant learning solutions to all its members. Our vision for Learning & Engagment goes much further and is currently defined as follows: to create an environment where fully remote state-of-the-art learning is easily accessible to all employees, where learning anytime/anywhere is a natural part of everyone's job, and where developing skills is recognized as a shared responsibility. Our employee population is spread out across over 25 locations globally, translating into having either an e-learning solution or a remote-delivery videoconference version available as an alternative to any training offered in a classroom. This allowed us to create more of a level-playing field between employees located in the major offices and those in smaller locations. The Covid shutdowns accelerated these efforts and quickly moved our complete active training offering to remote delivery formats, which has continued into 2022.

With people returning to the office more regularly in 2022 we are beginning to see a "new normal" that allowed us to offer on-site and in-person learning events again, in addition to the existing online and live remote learning offerings. Our Leadership Development Programme is just one of many examples where it has been important to be able to bring participants together in 2022 for multi-day in-person events. Going forward we expect the mix of different learning formats (e.g. live in-person, live remote, online self-study) to be more widely accepted. This allows us to create a learning environment that is efficient and robust in times of change and disruption, thus helping to maintain a sense of community and belonging for employees even in case of future lockdowns.

2022 Total training by the numbers



29,819	57,999	14	28
Total participation	Total Hours	Trainings per person	Hours per person



Our priorities in Learning & Engagement for 2022 included:

- Promote 4 Essential Roles of Leadership as the official SES leadership model: equip and encourage leaders at all levels of the organisation to build trust, create a vision for their team, support their team in getting things done, and coach and develop individuals
- Promote Wellbeing: sessions on wellbeing, promote relevant tools such as Unmind and WellBeats
- Company-wide push on Code of Conduct and other compliance trainings: improve the way these trainings are assigned and tracked, send systematic reminders, clarify roles and responsibilities, link to annual review
- Redesign Leadership Development Programme: redesign the high potential programme as an integrated "series of experiences", combining live online / offline / in-person learning
- Support Strategic Initiatives: create / roll-out relevant learning in areas linked to company mission
- Organize tailored learning for teams on demand: topic-based or pure teambuilding, sponsored by people managers
- Provide weekly 90-minute Live Remote Learning sessions: offering relevant topics based on employee needs, internal delivery, "come as you are"

Specifically related to ESG topics, for 2022 there are three key areas to highlight within Learning & Engagement The first is our continuing commitment to work with leaders at all levels to ensure employees throughout SES feel that they are valued members of a winning team, doing meaningful work in an environment of trust. This impacts many aspects of our learning activities, from the welcoming sessions (Induction Days) we organise for all new hires to the way we train, evaluate and promote managers and leaders. The second area is the extensive redesign of the way compliance trainings, such as Code of Conduct or Anti-Harassment, are assigned, delivered and tracked. Our Learning Management System has been upgraded to simplify and streamline the process (see details below in the section on compliance training). The third area is employee wellbeing, where 2022 has seen a broader adaptation of two online tools: Unmind to support employee mental health and Wellbeats as a fitness training App for all employees. In addition, activities and initiatives related to employee wellbeing have been organized at a local level, especially in the US.

SES had designed an SDG-ESG training workshop in 2022, SES implemented and trained employees on the UN SDGs and ESG principles with a targeted and focused training developed in-house to increase employee awareness regarding UN SDGs and ESG principles. The

workshop explains why and how SES is incorporating ESG in the organisation with the aim to increase employee engagement in this area. These sessions were held on a bi-weekly basis during the first half of 2022. In total, more than 140 employees participated in the training and around 50 received a certification.

Traditionally, trainings at SES are managed through a Learning Management System (LMS) which enables employees to search and sign up for relevant courses, and to complete all hosted e-learnings. The LMS also serves for tracking attendance and maintaining training records. Over the past few years and especially since March 2020, SES has used a number of new formats for delivering learning experiences to employees in an easily accessible way, including some that do not allow easy integration with our LMS (e.g. videoconference sessions in TEAMS and company-wide videoconferences on our internal platform). The result of our decision to favor ease-of-access over detailed reporting capability has been that a large part of the learning now happens outside the LMS, and while we are able to track and trace the participant numbers as well as the learning hours, this puts a limit on our ability to produce a full detailed report on the learning activities for different employee categories. The following numbers therefore only capture the part of the learning tracked in the LMS. Additionally, these numbers reflect only internal employees, and exclude any employee who left SES in 2022.

Breakdown of learning activity by gender and age groups

(Disclosure 404-1 Average hours of training per year per employee category)

Learning activity by Gender

	By Hours	By Participations	% of employee population
Women	28%	25%	25%
Male	72%	75%	75%

According to the data we have, participation in trainings is perfectly in line with the gender composition of our workforce. In terms of training hours, women are slightly ahead of men.

Learning activity by Age groups

	By Hours	By Participations	% of employee population
Under 30	15%	15%	12%
30–50	64%	64%	62%
Over 50	21%	21%	26%

According to the data we have, the percentage distribution across the three age groups by hours is identical to that by participations. The under 30 group consumes slightly more on average, the over 50 a bit less, compared to their % of the employee population.

Functional and technical training

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

Learning activities regarding employee skills at SES can be triggered either top-down (launched by management) or bottom-up (requested or initiated by the employee). Our key principles for managing these efforts and allocating the budget are as follows:

- Everyone in the company has access to the SES&Me Learning page, as we are running L&E as a shared service.
- Everyone in the company can in principle sign up for course in the SES learning calendar – classroom, remote, internal e-learning, or MOOC (external e-learnings).
- Everything in the Learning calendar is paid for from the central L&E budget, no back-charging is done to the participants department or cost center.
- Any manager can assign any training in the catalogue to someone in their team via the SES&Me Learning page.
- Before attending external trainings, employees submit an "external request" in the SES&Me Learning page, approval is required from line manager and from L&E to allocate the budget.
- External trainings and events organized for a specific department or team are charged to that area's functional training budget.
- Tuition assistance for graduate or post-graduate studies is available under certain conditions, but NOT a pre-approved entitlement.

MAJOR REDESIGN OF COMPLIANCE TRAINING PROCESS IN 2022

All-SES employees are required to complete four mandatory trainings: General Data Protection Regulation (GDPR), Code of Conduct, Harassment Prevention, IT Security Awareness Foundations. There are four additional mandatory trainings assigned based on an employee's department/function: Sanctions, Anti-Bribery, and Export Compliance, and Antritrust. Because of the relevance of these topics for ESG, we are providing a brief description of each of them below.

Major improvements in this area in 2022 include:

1. Automatic email reminders on overdue mandatory training
2. Compliance matrix to better align mandatory training with employee responsibilities
3. Automatic assignment of compliance training based on compliance matrix
4. Email notice to People Managers reminding them of their responsibilities re direct reports taking training
5. Mandatory performance objective (managers and employees) to complete training by the end of the year
6. Automatic on-boarding for external contractors into Learning Management System
7. PowerBI reporting on completion status of all compliance training

These changes resulted in high compliance training completion numbers for the employees in scope. While each course has a different completion rate, on average over 85% of the employee population is trained on all the courses with the highest completion rate for IT Security Awareness and GDPR at over 90% completion.

GDPR

In light of the General Data Protection Regulation (GDPR) across Europe, all SES employees are required to take an internal GDPR e-learning course to ensure colleagues are aware of, and compliant with, this important new data protection legislation.

CODE OF CONDUCT

The Code of Conduct e-learning is designed to create a thorough understanding of the key principles of our Code and also outline the process for reporting and potential violation of it. Adherence to our Code of Conduct and Ethics is vital for preserving the good reputation of our company, which is one of SES's most valuable assets. A major effort has been made to "translate" the code into language that resonates with our employees.

HARASSMENT PREVENTION

Our organisation's commitment to Diversity & Inclusion means that every employee must understand the policies, procedures, and guidelines as outlined in the Fair Employment Practices of the SES Code of Conduct. To deliver on this, The Harassment Prevention e-Learning course is mandatory.

IT SECURITY AWARENESS FOUNDATIONS

For the effective protection of the company and its assets, it is imperative that all SES employees are aware of existing IT Security Awareness risks and threats, allowing them to sustain the highest level of vigilance at all times.

SANCTIONS

SES complies with all applicable sanction regulations. The SES Legal Department maintains an internal chart of sanctioned countries and employees need to be familiar with the relevant sanctions for every country, reaching out for advice from the Legal Department before engaging in any business that touches a sanctioned country, entity or person. In order to familiarise the employees with these respective rules, the Sanctions e-learning are mandatory for all SES employees.

ANTI-BRIBERY

To ensure that all SES employees comply with anti-bribery laws, it is mandatory for all employees to complete the Anti-Bribery e-learning.

EXPORT COMPLIANCE

Employees at SES must be able to recognise when they are dealing with hardware, software, technology/technical data or services subject to export controls. Understanding what obligations they have when receiving, storing or transferring export-controlled hardware, software or technology/technical data is mandatory for all employees and covered in the Export Compliance training.

ANTITRUST

SES employees must be familiar with the anti-trust/competition laws that apply to SES's business and the policies and procedures SES has implemented to help all employees comply. Employees learn to identify red flags to look out for in interactions with competitors, vendors and customers and the steps they should take to avoid violating the law in this training.

PERFORMANCE MANAGEMENT GRI DISCLOSURE 404-3

SES uses an Annual Performance Review (APR) process to manage and support employee performance, enabling managers to make more accurate decisions on promotion, succession, compensation, and employee evaluation. SES aims to drive employee development and engagement, align employee's work with business objectives and hold employees accountable through continuous monitoring and feedback loops. Upon employee performance evaluation, SES sets critical areas of improvement and structures its learning and development initiatives accordingly, targeting both hard skills that are required by ICT and space and telecommunications industries as well as soft skills that enhance employee personal development.

SOCIAL MATTERS

GIVING BACK TO OUR COMMUNITIES GRI 413

SES know that "making a difference" includes not only the work our company does through our products and services but also includes all the ways the company and our employees give back to our communities. From fundraising through the Global Giving Initiative to increasing employee engagement through the Giving Back Days, SES ensures that local community engagement and giving are embedded in its company culture.

SES provides multiple routes for giving, some of which are corporate led initiatives and others are led and organised by our employees.



CORPORATE LED INITIATIVES

Ukraine

The crisis in Ukraine touched SES in many ways. While our products delivered key content and connectivity to the country, we also felt effects of our employee base who worked there and wanted to give back to help. SES contributed to keeping Ukraine Connected through the Global NOG Alliance and donated 100,000 Euro to support the procurement of key hardware for providers in the country.

Global Giving

SES helps local communities by leveraging its Global community of giving. SES' individual offices can nominate organisations or community opportunities that the entire SES population can support through fundraising. The aim is to mobilise the SES community to give donations or time for a local charity rather than to define projects for giving "in kind" or other corporate initiatives. SES choses the target organisation based on feasibility, overall impact, geographical dispersion, and levels of involvement offered (donations, volunteering, fundraising, skills based virtual event, etc).



Charitable Impact Gamers INC,

SES Partnered with Charitable Impact Gamers, a nonprofit association that sponsors fundraising in support of their local community through gaming sessions streaming. This year they collected funds to support the Veteran Outreach Center (VOC). Our employees had the chance not only to assist the streaming sessions and donate but also to participate in a live session together with the volunteers of the association.

Earth Day

Through the entirety of Earth Month, we invited our colleagues to participate in 100 sustainable challenges ranging from household management to work habits, from supporting local charities to promoting environmental projects. The participants who earned the most points were invited to join our ESG Champion programme.

Movember

During the month of November, we encouraged our colleagues not only to raise funds for the cause of men's mental and physical health, but to do so through a variety of sports, leisure and discussion activities with colleagues.

Employee Matching

SES matches every donation of its employees on dollar-for-dollar basis (up to €1,000 per employee per year) and for the charities approved in the beginning of each year.

SOCIAL FUND

The Social Fund is intended to provide financial support to staff members and direct members of their families in case of unexpected social emergency situations, for which staff members or members of their families cannot be held responsible, which result in incommensurate financial costs not covered by social security or third-party coverage, and which lead to an unstable work or family situation. The purpose of the Social Fund is to provide a financial security net. SES has provided an initial contribution of €50,000 to the fund in 2021.

EMPLOYEE LED INITIATIVES

Giving Back Days

SES grants its employees two days per year paid leave to 'give back' to a cause that is important to them. Around 200 employees took advantage of at least one of the two giving back days made available by the company to enable them to participate in activities with a positive social or environmental impact. The spirit of this initiative has been embraced by our employees to such an extent that they use these opportunities as team building activities such as clean-up, volunteering for animal shelters and helping organising local donation center warehouses. We also gave the most support possible to the activities carried out individually by our employees, encouraging their promotion in our internal communication channels. These initiatives ranged from solidarity rides in support of medical-scientific research to expeditions in support of local communities in remote areas of developing countries. Our approach was to support these projects as financially as possible, to promote internal outreach, and to encourage all employees to get involved in those projects that were close to their colleagues' hearts.

SHARITY

SHARITY is an employee led charity designed to support small scale local development projects globally, (examples include but not limited to funding a local village school or medical centre). Employees fund projects by donations and SES matches up to $1,000 per pro-

ject. SES chooses the projects to support based on projects' ties to SES employees or locations in which SES has offices, charities favouring education & health, protection of children, protection of minorities, women's rights; environmental and sustainable development causes; strict political and religious independence; traceability of the donated funds; geographical diversity (local and global); and minimum management fees of the elected charities and projects. During 2022 Sharity supported a project in Ukraine and Zambia. The first donation collection we launched in March 2022 supported Ukranian refugees while the second, in December, was aimed to support educational projects in Zambia. We collected a total of 3,382 EUR that were matched by SES.

ETHICS

Integrity, compliance, and legal responsibility are the cornerstones of our sustainable governance and serve as the basis for all our actions. Our governance objectives and their management are part of our corporate governance system and are represented in the targets and remuneration of our Directors and Executives. SES is committed to conducting its business in compliance with all applicable laws and regulations observing the highest standards of business ethics.

CODE OF CONDUCT GRI 103-204

We define compliance as trust-based, reliable, and sustainable corporate governance derived from ethical values. The Board of Directors is responsible for compliance with the law and the company's policies and seeks the same level of compliance from all SES subsidiaries and employees.

To manage and address compliance risk, we have implemented a Compliance Committee and a Code of Conduct which defines our everyday business conduct, offers employees advice, and helps them make the right decisions even in difficult business situations. SES' Code of Conduct explains that unethical behaviours are not acceptable at SES and the potential sanctions for such behaviours. It includes our stance on: Information and Cyber Security policies, Bribery and Facilitation, Political Activities, Sanctions, Export Controls, Competition/Antitrust, Anti-Money Laundering, Intellectual Privacy, Antiboycott, Insider Trading, Conflicts of Interest, Fair Employment, Harassment, Contractors and Agents, Data Protection, Fundamental Rights, Environment, Health and Safety, Social Media, it is binding and applies to all employees without discrimination.

Our Compliance Committee, composed of designated Compliance Officers in each main corporate location, is tasked with raising the staff's awareness of the Code of Conduct. The Committee meets regularly to discuss important topics or issues. Reflecting the company's expansion into developing markets, the composition of the Committee includes representatives from SES' offices in Asia, the Middle East, and Latin America.

SES has implemented a mandatory compliance training programme for staff as detailed in the training section of this report.

WHISTLE BLOWING SYSTEM

SES has implemented a whistleblowing hotline, managed by a third-party provider, which allows our staff to file any compliance complaints in full confidence. In addition to its internal ethical mechanism, SES demands high ethical standards from its business partners and suppliers to ensure trust with the external stakeholders including customers, governments, and investors.

HUMAN RIGHTS

Respect for human rights is a natural prerequisite for responsible business management at SES and we are committed to acting in accordance with international initiatives and standards such as the Fundamental Conventions of the International Labour Organisation, the UN Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. We expect all employees to be proactive in protecting human rights so that violations can be ruled out entirely when it comes to our company's business activities. All forms of modern slavery, forced child labour, exploitation and discrimination are explicitly prohibited by SES. SES will not do business with any person or entity that engages in any form of modern slavery. This is a value that is highlighted in our Code of Conduct and inserted into legal documents with suppliers, partners, and customers. We do not see any elevated risk of child or forced labour at any of our SES locations or in our activities. SES was also not aware of any cases of human rights violations within the scope of its own business activities during the reporting period.



STATEMENT ON SLAVERY AND HUMAN TRAFFICKING

All forms of modern slavery, forced child labour, exploitation and discrimination are explicitly prohibited by SES. SES will not do business with any person or entity that engages in any form of modern slavery. This is a value that is highlighted in our Code of Conduct and inserted into legal documents with suppliers, partners and customers. We do not see any elevated risk of child or forced labour at any of our SES locations or in our activities. SES was also not aware of any cases of

human rights violations within the scope of its own business activities during the reporting period.

SES is committed to ensuring that there is no modern slavery or human trafficking in its supply chains or in any part of its business and adheres to international initiatives and standards such as the Fundamental Conventions of the International Labour Organisation, the UN Universal Declaration of Human Rights, and the UN Guiding Principles on Business and Human Rights. SES will not support or deal with any business knowingly involved in slavery or human trafficking.

The nature of SES' business means that the majority of SES' suppliers are large international companies providing complex technical services relating to the space industry through highly skilled professional employees. Our 50 largest suppliers account for approximately 80% of procurement spending.

SES does not procure a material amount of goods or services in sectors that are considered high risk for human trafficking or slavery (such as agriculture or horticulture, construction, textiles, catering and restaurants, domestic work, and entertainment).

SES Code of Conduct for Suppliers clearly outlines SES' stance towards slavery and human trafficking. SES also includes in its contracts with suppliers a clause requiring the supplier to comply with all laws applicable to the provision of the goods or service. SES' contracts with its suppliers also contain a provision stating its suppliers cannot novate or subcontract any right or obligations to any third party without the written consent of SES.

This statement is made pursuant to Section 54 of the Modern Slavery Act 2015 of the UK and sets out the steps SES has taken to ensure that slavery and human trafficking is not taking place in our supply chains or in any part of our business.

Please find the full document on the ESG Governance section of the SES website.

ANTI-CORRUPTION/BRIBERY GRI 205

SES takes a zero-tolerance approach to bribery and corruption in all forms and will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which it operates. SES employee must never offer, attempt to offer, authorise or promise any payment or any kind of other service to anyone for any purpose, which cannot find adequate justification in the context of the contractual relationship established with them. Neither SES employee must solicit or accept a bribe, kickback, or any offer, promise, gift, present or benefit whatsoever that could be perceived as such. SES also expect the same from our suppliers, business partners and third parties we retain or that perform services or deliver business on our behalf. Bribery and corruption will never be accepted in any form.

This prohibition includes offering or paying of facilitation payments to public officials to speed up or obtain routine public actions.

SES is committed to respecting the highest ethical and legal standards, set out in our Code of Conduct, on which all our employees are trained. We have identified bribery and corruption as one of the risks that SES is facing by doing business in most countries around the world, including with governments.

As part of compliance training, the most exposed staff members were given anti-bribery training. We are also conducting external due diligence on our third-party agents upon their appointment. The level of this due diligence depends on the risk assessment, which itself is based on several elements, including the country of operation and the type of business.

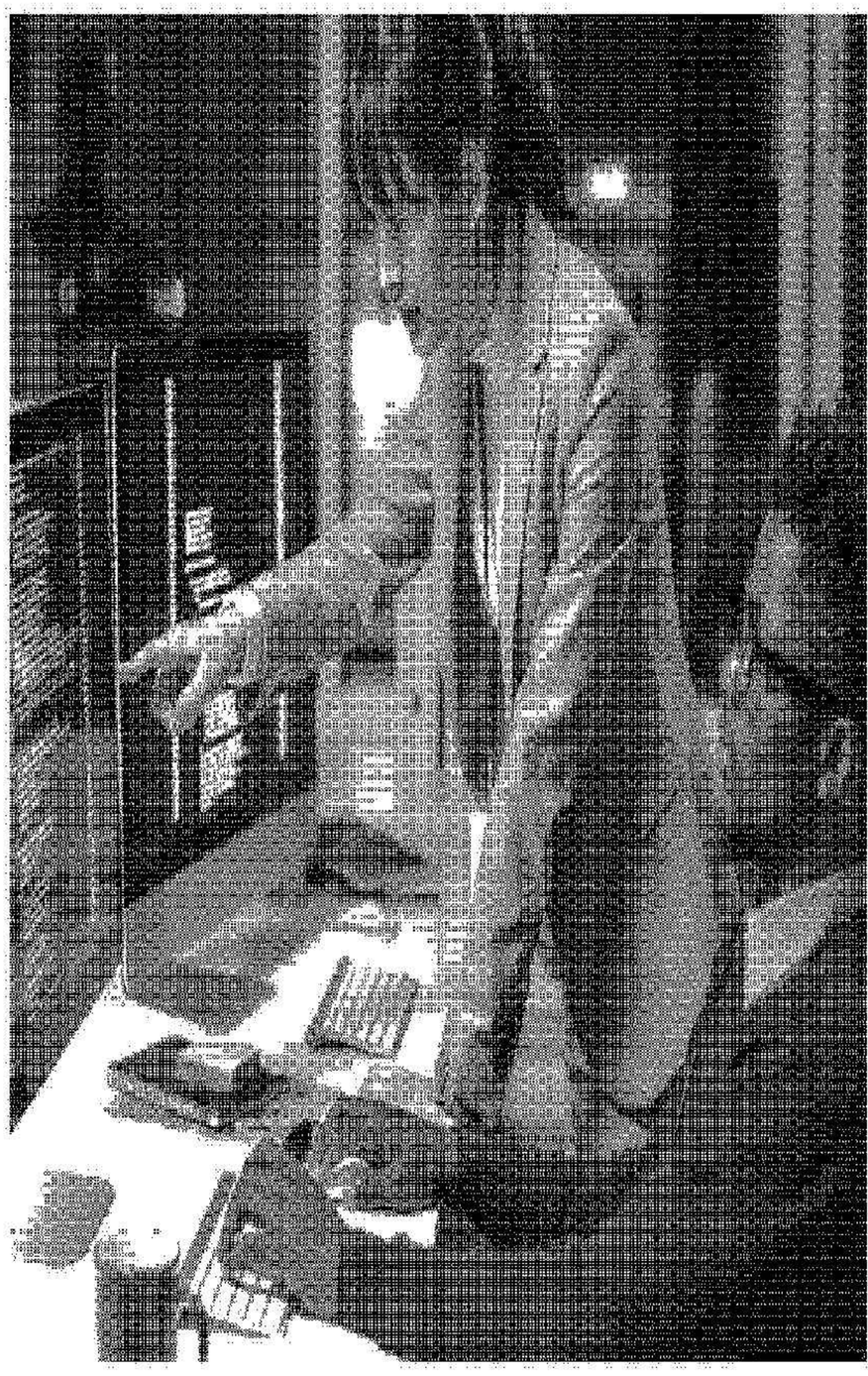
We also reduce the risk of bribery through a clear process for gifts and entertainment. The relevant policy, which like all compliance policies is available on a dedicated intranet page, contains a dedicated e-mail address that can be used to obtain guidance prior to providing or accepting a gift or entertainment.

CYBERSECURITY GRI 418

The robust management of data protection and data security is essential, in our opinion, to secure the long-term confidence of our stakeholders.

To ensure compliance with data protection laws and regulations, SES appointed a Data Protection Officer. SES has implemented a variety of measures, has reviewed, updated, and enacted relevant procedures and processes, and continuously strives to comply with the General Data Protection Regulation (GDPR).

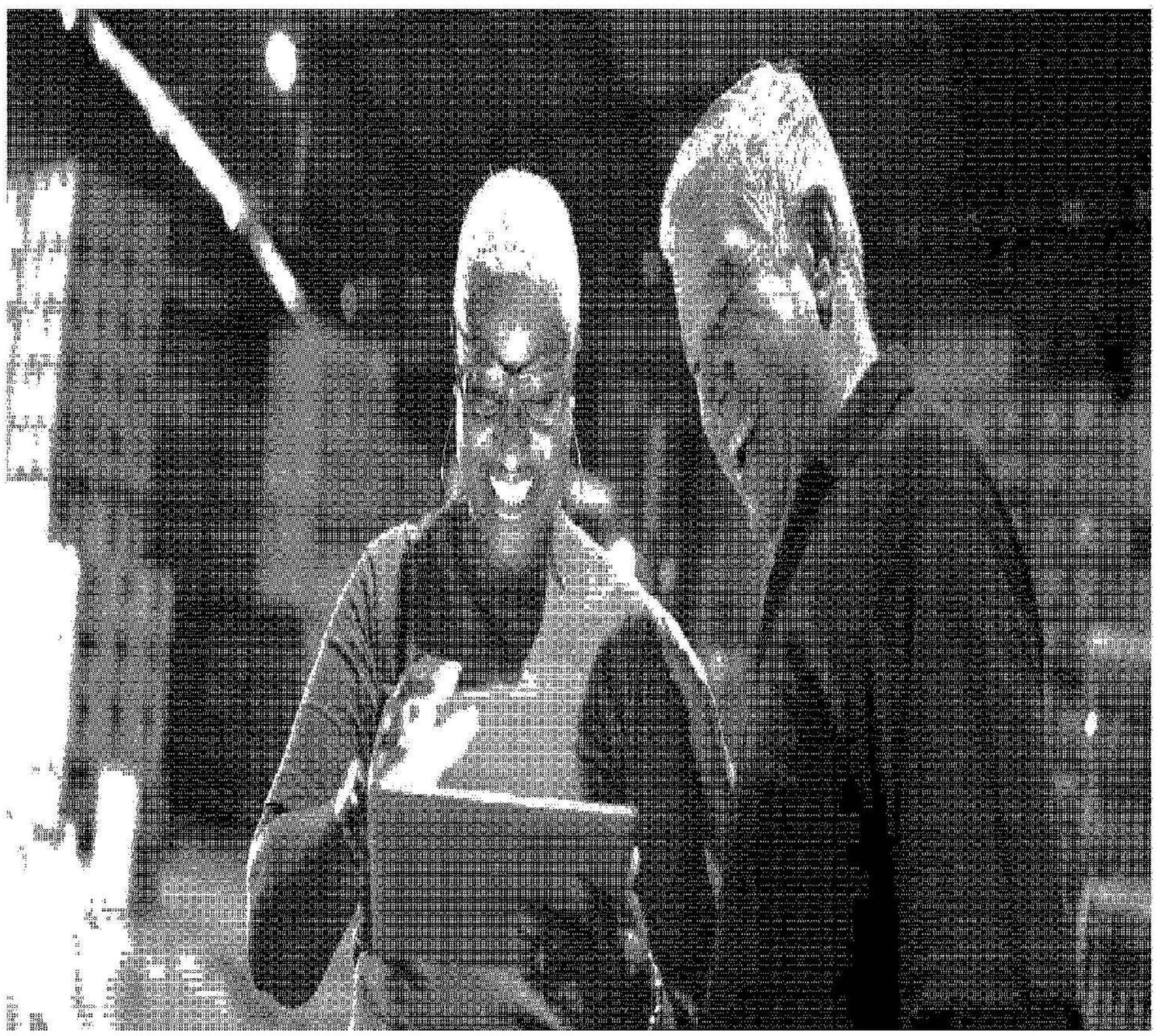
SES has implemented technical and organisational security measures to protect networks and systems from cyber-attacks. As part of continual organisational improvement and in line with its commitment to strengthening cyber security, management has introduced a security



framework in accordance with the leading industry standard ISO 27001 in key areas. This framework is continually adapted to new threats considering global organisational changes, security controls and practices within the group to reduce the risks of cyber-attacks. Employee training and education is an important piece to maintain security on our networks. SES provides Information Security training over a 2-year cycle and has 90% staff completion rate for users in scope 2022. In addition, SES performed complementary communications and activities during 2022 to raise staff awareness on cyber security threats and foster good reflexes to protect SES and it's services from cyber security threats. Activities performed during 2022 comprise simulated phishing emails, security quiz and an organisation-wide presentation on cloud security.

As COVID-19 brought new ways of working, our operations team evolved to ensure that our customers can continue to rely on us for critical content delivery and connectivity services, we have implemented and maintained a business continuity management system in accordance with the ISO 22301-2019 international standard as well as best practice guidelines from the International Organisation for Standardisation and approved by the European Committee for Standardisation.

We operate fully redundant and geographically agnostic Satellite Operations and Networks Operations Centre systems to ensure the seamless operations of our customer services and satellite fleets. Our fully tested operational continuity plans ensure we have 100% confidence that our teams can operate the satellites and support operations remotely should the need arise.



SUPPLY CHAIN MANAGEMENT

The purchasing functions within SES are carefully managed by a dedicated Vendor Management and Procurement team. SES places great emphasis on the design of its procurement processes, keeping in mind the obligations to applicable laws as well as our responsibility for sustainable practices. Our suppliers adhere to a Supplier Code of Conduct and Supplier General Terms and Conditions (GTCs) which outlines SES' expectations with regards to insider trading, conflicts of interest, bribery, sanctions, export compliance, competition, money laundering, child labour and slavery and human trafficking.

In 2022, SES updated our General Terms and Conditions as well as our supplier code of conduct to reflect ESG values and align with our goals for positive impact across our value chain.

SES utilises a third party Corporate Responsibility Supply Chain assessment tool to gain additional visibility into the risks and vulnerabilities of our supply chain. Through the Supply chain sustainability programme we will be building additional outreach measures to ensure compliance of the supply chain on these critical issues.

REPORTING STANDARDS APPENDIX

SES provides details on its ESG performance and impact through quantitative and qualitative data provision to different sustainability reporting initiatives. These reporting initiatives include Global Reporting Initiative, Sustainability Accounting Standards Board, United Nations Global Compact – Communication on Progress, and Non-Financial Reporting Directive. Through these initiatives, SES can provide an in-depth and transparent data to external stakeholders and breakdown several aspects of its ESG policies that the Annual ESG Report does not fully capture.

GRI INDEX

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

SASB DISCLOSURES

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

UN GLOBAL COMMUNICATIONS ON PROGRESS

SES is proud to have joined the UN Global Compact in 2021. We have our full Communication of Progress for 2022 on our ESG reporting page.

EU TAXONOMY

SES has undertaken an initial evaluation of its associated economic activities against those identified by the EU Taxonomy as required by the Delegated Act of Article 8 of the Taxonomy Regulation. SES analysed the relevance of Article 8 of the EU taxonomy regulation to our business and our need to report. We evaluated the taxonomy based on NACE code. According to our NACE code of J61.300 satellite telecommunications is not specifically listed. However, the broader NACE code J61 Telecommunications is mentioned. We investigated the areas where NACE code J61 was applicable on the taxonomy compass and found it in activity: "Data Driven solution for GHG emissions reductions". The description lays out that this applies to "ICT solutions that are aimed at collecting, transmitting, sorting data and its modelling and use where those activities are predominantly aimed at the provision of data and analytics enabling GHG emission reductions". We do transmit data in our services but the aim is not at the provision of data and analytics enabling GHG emission reductions. Our customers might be doing this but we do not have adequate insight into their network. We provide an enabling technology.

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

NON-FINANCIAL STATEMENT

The following information is provided in compliance with the Non-Financial Reporting Directive requirements. The table below sets out where the relevant information can be found in this Annual Report.

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

Reporting Requirement	Policies/Information	Relevant Information	GRI Index cross reference
Business Model		• Business Model » page 6 • Strategic Priorities » page 6	GRI 101, 102, 103, 401, 405
Environmental Matters	• Environmental Policy • Fleet Management and Lifecycle Management • Carbon disclosure Project • Waste Management Policy	• Corporate Responsibility » page 66 • Ambitions and Purpose » page 24 • Climate Action » page 29 • Space Sustainability » page 27	GRI 102, 103, 302, 305, 306
Social Matters	• Procurement Policy • Giving back initiatives • Disaster relief programmes • Customer Heartbeat (satisfaction, voice) and perception studies	• Critical Human Needs » page 39 • Ambitions and Purpose » page 45 • Governance section » pages 53-71 • Social Matters » pages 45-47	GRI 102, 103, 413
Employee Matters	• Health and Safety Policy • Flexible working policy • Social Fund Policy • Training and development • Diversity	• Diversity and Inclusion » page 33 • Ambitions and Purpose » page 41 • Employee Matters » page 41	GRI 102, 103, 401, 403, 404, 405
Human Rights	• Vendor policy / supply chain policy • Code of conduct • Human Rights policy	• Ambitions and Purpose » page 47 • Governance section » pages 53-71 • Corporate Governance / Chairman Report » page 53 • Ethics » page 47	GRI 102, 103
Anti-corruption and Bribery	• Supplier Code of Conduct • Group Wide Code of Conduct • Whistleblowing Hotline • Compliance Guidelines	• Ambitions and Purpose » page 48 • Corporate Governance » page 53 • Ethics » page 69	GRI 102, 103, 205
Principal Risks and Impact from Business Operations	• Shift in consumer trends • Customer dissatisfaction • Liquidity risks • Regulatory risks	• Principal Risks and Uncertainties » pages 71-73 • Governance section on Managing Risks » page 71 • ESG » pages 24-50	
Non-financial Key Performance Indicators	• Employee turnover, diversity ratio • Employee training • Technical reach and TV channel count • Net Promotor Score • Service availability • CO_2 emission	• Employee Matters » pages 41-45 • Operational and Strategic report » pages 4-22 • Operating our Business » page 41 • Climate Action » page 29	



3

CORPORATE GOVERNANCE & REMUNERATION

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CORPORATE GOVERNANCE

SHAREHOLDER STRUCTURE

SES has been listed on the Luxembourg Stock Exchange since 1998 and on the Euronext Paris Stock Exchange since 2004.

Shareholder Structure as of 31 December 2022

SES Shareholders	Number of Shares	Voting participation	Economic Participation
Registered shares	3,633,881	0.65%	0.82%
FDRs (free float)	361,258,166	66.015%	81.04%
FDRs held by SES	6,565,553	0.00%	1.68%
Total A Shares	**371,457,600**	**66.67%**	**83.33%**
BCEE	60,614,724	10.88%	5.44%
SNCI	60,607,161	10.88%	5.44%
Etat du Luxembourg	64,506,915	11.58%	5.79%
Total B Shares	**185,728,800**	**33.33%**	**16.67%**
Total shares (actual)[2]	**557,186,400**	**100.00%**	**100.00%**
Total shares (economic)[1]	**445,749,120**		

1 As of December 2022, SES had 6,565,553 FDRs for the purpose of its employee option programme. SES does not have voting rights.
2 On 23 September 2022, SES announced its additional threshold crossing 2,000,000 Class A shares, 1 Class and 8,000,000 Class B shares.

The Company has issued two classes of shares: A-shares and B-shares. Each share is entitled to one vote. One B-share carries 40% of the economic rights of an A-share.

The ratio of A-shares to B-shares must be maintained at 2:1 as required by the Articles of Incorporation.

A-SHARES

A-shares are held by private and institutional investors.

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

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

B-SHARES

The State of Luxembourg holds a direct 11.58% voting interest in the company. Banque et Caisse d'Epargne de l'Etat and Société Nationale de Crédit et d'Investissement each hold a direct 10.88% voting interest in the Company. These shares constitute the Company's B-shares. A B-share has 40% of the economic rights of an A-share or, in case the Company is dissolved, is entitled to 40% of the net liquidation proceeds paid to A-shareholders. The B-shares are not listed on any exchange and do not back a tradable security.

RESTRICTIONS ON OWNERSHIP

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

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

The Chairperson of the Board will inform the government of Luxembourg of the envisaged acquisition. The government may oppose the acquisition within three months from such information if it determines that such acquisition would be against the general public interest.

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

INFORMATION EXCHANGE IN REGARD TO CORPORATE GOVERNANCE

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

In this context, the SES website contains a regularly updated stream of information, such as the latest version of the Company's main governance documents, including the articles of incorporation, the corporate governance charter (including the charters of the various committees set up by the Board) and the separate sections on the composition and the mission of the Board, the Board's committees and the Executive Committee[1].

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

INVESTOR RELATIONS

SES' dedicated Investor Relations function reports to the Chief Financial Officer and works closely with the CEO. Its purpose is to develop and coordinate the group's external financial communications and interactions with equity and debt investors, investment analysts, credit rating agencies, financial journalists and other external audiences, to monitor stock market developments, and to provide feedback and recommendations to the SES SLT.

The Head of Investor Relations is responsible for the definition and execution of SES' active Investor Relations programme and participation in investor conferences and similar events. Investor Relations also works closely with the Chief Legal Officer to ensure that the group's external communications are compliant with all applicable legal and regulatory requirements.

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

CHAIRPERSON'S REPORT ON CORPORATE GOVERNANCE

The Company follows the 'Ten Principles of Corporate Governance' adopted by the Luxembourg Stock Exchange (its home market), as last revised in December 2017. SES meets all the recommendations made by the 'Ten Principles'.

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

ORGANISATION PRINCIPLES

Created on 16 March 2001 under the name of SES GLOBAL, SES was incorporated in Luxembourg. On 9 November 2001, SES became the parent company of SES ASTRA, originally created in 1985. A copy of SES' articles of incorporation, in its latest version, is available in the corporate governance section of the Company's website.

THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

Under Luxembourg company law, the Company's annual and/or extraordinary general meetings represent the entire body of shareholders of the Company. They have the widest powers, and resolutions passed at such meetings are binding upon all shareholders, whether absent, abstaining from voting or voting against the resolutions.

The meetings are presided over by the Chairperson of the Board or, in his absence, by one of the Vice Chairpersons of the Board or, in their absence, by any other person appointed by the meeting. Any

1 The Executive Committee is likewise referred to as the Senior Leadership Team (SLT). Therefore going forward the term SLT will be used instead of Executive Committee

shareholder who is recorded in the company's shareholder register 14 days before the meeting is authorised to attend and to vote at the meeting. An A-shareholder may act at any meeting by appointing a proxy (who does not need to be an A-shareholder).

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

Notice of the meeting and of the proposed agenda is also published in the international press. The fiduciary circulates the draft resolutions to both international clearing systems, Clearstream and Euroclear, allowing FDR holders to give their voting instructions to the fiduciary in time for the meeting. At the same time, the draft resolutions are made available on the Company's and on the fiduciary's website. Unless the fiduciary has received specific instructions from the FDR holder, the fiduciary votes in favour of the proposals submitted by the Board. One or more shareholders owning together at least 5% of the shares of SES have the right to add items on the agenda of the AGM and may deposit draft resolutions regarding items listed in the agenda or proposed to be added to the agenda. This request needs to be made in writing (via mail or e-mail) and received no later than the twenty-second day preceding the AGM and needs to include a justification or draft resolution to be adopted at the AGM. The written request must include a contact address to which the Company can confirm receipt within 48 hours from the receipt of the request.

No later than fifteen days preceding the AGM, the Company then publishes a revised agenda.

The meeting may deliberate validly only if at least half of the A-shares and at least half of the B-shares are represented. In the event that the required quorum is not reached, the meeting will be reconvened in accordance with the form prescribed by the articles of incorporation. It may then validly deliberate without consideration of the number of represented shares.

The proceedings are mostly held in English, but a French translation is provided by the Company. Interventions in English retranslated into French. An English and a French version of the AGM minutes and the results of the shareholders' votes published on the SES website within 15 days after the AGM.

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

In 2022, the AGM was held on 7 April. Still taking a prudent approach and following the recommendations from the government in the context of the COVID-19 pandemic, shareholders who had expressed an interest to attend the meeting were asked to give a proxy to the Chairperson of the Board and/or the Company's outside legal counsel, and to vote on the resolutions ahead of the meeting. The AGM itself was transmitted via Webex. Shareholders were further invited to send their questions ahead of the meeting, although additional questions were asked during the meeting. The AGM was attended by 95.34% of the Company's shareholders, excluding the 7,281,652 FDRs held by SES as well as the 12,000,000 FDRs and the 6,000,000 Class B Shares held by SES Astra on behalf of SES. All resolutions submitted to the shareholders were approved by comfortable majority votes. The detailed results of the shareholders' votes are available on the SES website Shareholder information.

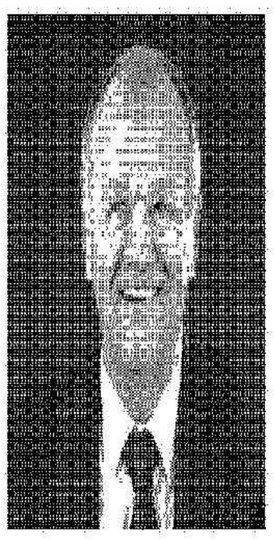
In 2022, an EGM was also held on 7 April 2022, immediately following the AGM with the purpose to authorise a share capital reduction and voidance of the 12,000,000 FDRs and 6,000,000 Class B Shares held by SES Astra on behalf of SES. The EGM was attended by 95.27% of the company's shareholders, excluding the 7,281,652 FDRs held by SES as well as the 12,000,000 FDRs and the 6,000,000 Class B Shares held by SES Astra on behalf of SES. All resolutions submitted to the shareholders were approved by comfortable majority votes. The detailed results of the shareholders' votes are available on the SES website Shareholder information.

BOARD OF DIRECTORS & COMMITTEES

AS OF 31 DECEMBER 2022



FRANK ESSER
Chair of the Board



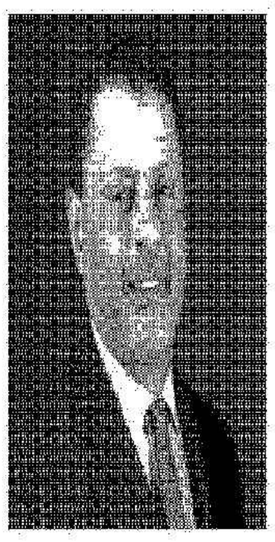
PETER VAN BOMMEL
Chair of the Audit and Risk Committee & Vice-Chair of the Board



ANNE-CATHERINE RIES
Chair of the Nomination Committee & Vice-Chair of the Board



JACQUES THILL
Director



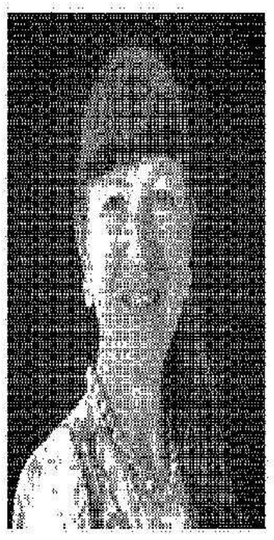
RAMU POTARAZU
Director



KAJ-ERIK RELANDER
Director



CARLO FASSBINDER
Director



FRANÇOISE THOMA
Chair of the Remuneration Committee



KATRIN WEHR-SEITER
Director



DR JENNIFER BYRNE
Director

BOARD OF DIRECTORS & COMMITTEES

The Board of Directors is responsible for:

- Defining the Company's strategic objectives as well as its overall corporate plan;
- Approval, upon proposal from the Senior Leadership Team of the annual consolidated accounts of the Company and the appropriation of results, the group's medium-term business plan, the consolidated annual budget of the Company and the management report to be submitted to the meeting of shareholders; approval of major investments and responsible vis-à-vis shareholders approval third parties for the management of the Company, management which it delegates to the SLT in accordance with the company's internal regulations.
- As of 31 December 2022, the Board is comprised of 10 members of which 6 are considered independent.[1]

MEMBERS OF THE BOARD AS OF 31 DECEMBER 2022

Frank Esser

Chair of the Board

- Frank Esser became a director on 11 February 2020. He was elected as Chair of the Board for the first time on 2 April 2020.
- He is the former Chair and CEO of SFR, the leading private French Telecom Operator. In this function he also served as Board Member of Vivendi Group. Prior to joining SFR, Mr Esser held several managerial positions with Mannesmann group. He also serves as Vice-Chair of Swisscom.
- He is a member of the Nomination Committee and of the Remuneration Committee of SES.
- Mr Esser holds a PhD in Managerial Economics and an MS in Economics both from the University of Cologne.
- Mr Esser is a German national. He is an independent director.

Anne-Catherine Ries

Vice-Chair of the Board

Chair of the Nomination Committee

- Mrs Ries became a director on 1 January 2015 and was elected as Vice-Chair of the Board for the first time on 4 April 2019.
- Mrs Ries is currently First Government Advisor to the Prime Minister and Minister for Media and Telecommunications in Luxembourg, in charge of media, telecom and digital policy. Prior to this appointment in 2019, her focus over the last two decades has consistently been on developing the tech and digital innovation ecosystem in Luxembourg, i.a. through the launch of the "Digital Luxembourg" initiative in 2014. She joined the Luxembourg civil service after starting her professional career at an American law firm in Paris.
- Mrs Ries holds a law degree from the University of Paris II and the University of Oxford, and a postgraduate LL.M degree from the London School of Economics.
- Mrs Ries is the Chair of the Nomination Committee and a member of the Remuneration Committee of SES.
- Mrs Ries is a Luxembourg and French national. She is not an independent director because she represents an important shareholder.

Peter van Bommel

Vice-Chair of the Board

Chair of the Audit and Risk Committee

- Mr van Bommel became a director on 2 April 2020 and was elected as Vice-Chair of the Board for the first time on 7 April 2022.
- Mr van Bommel was Chief Financial Officer and member of the Board of Management of ASM International from August 2010 until May 2021.
- He has more than twenty years of experience in the electronics and semiconductor industry. He spent most of his career at Philips, which he joined in 1979.
- He sits on the Board of Aalberts, Nedap, Bernhoven Foundation and the Amsterdam Business School, where he is the Chair of the EMFC Curatorium. In the past he was also a Director of several other listed companies a.o. KPN in the Netherlands.
- Mr van Bommel holds an MSc in Economics from Erasmus University in Rotterdam.
- Mr van Bommel is the Chair of the Audit and Risk Committee, and a member of the Remuneration Committee of SES.
- Mr van Bommel is a Dutch national. He is an independent director.

Dr Jennifer Byrne

- Dr Jennifer Byrne became a director on 7 April 2022.
- Dr Byrne enjoyed a successful 25-year career at Lockheed Martin from 1993 to 2018. In her final role with Lockheed Martin as VP, Space and Missile Systems, she managed a team of 8,000 people. She had responsibility for leading the design, development, operation and sustainment of Civil Space, Military Space, Commercial Space, Strategic Missile Defence and Special Programs platforms. Dr Jennifer Byrne moved to London in 2018 to take up her current role as COO of G-Research, which is a quantitative research and technology business.
- She has a B.S. in Mathematics and Biochemistry from the University of Dallas, an M.S.E. in Computer Applications in Systems Engineering from Temple University and holds a Ph.D. in Systems Engineering from George Washington University.
- Dr Byrne is a member of the Nomination Committee of SES.
- Dr Jennifer Byrne is a US national. She is an independent director.

1 Sonia Alqueza and Tessa Sacasa were Board members until 7 April 2022. Katrin Wehr-Seiter was a Board member until 26 October 2022.

Carlo Fassbinder

- Mr. Carlo Fassbinder became a director on 7 April 2022. Mr Fassbinder has 25 years of experience in the field of taxation, finance and accounting and is Director of tax at the Ministry of Finance since 2017. He advises the finance minister on tax policies and tax treaties, and assists in the preparation of the Council meeting (ECOFIN). From 1997 to 2017 he worked in the tax department of BGL BNP Paribas where he was Head of Tax Retail & Corporate Banking since 2011. Mr. Fassbinder is also a board member of Société Electrique de l'Our. He holds a Maîtrise en droit des affaires from Robert Schuman University in Strasbourg and a Magister Legum (LL.M.) in tax law from Ludwig Maximilians University in Munich.
- Mr Fassbinder is a member of the Audit and Risk Committee of SES.
- Mr. Fassbinder is a Luxembourg national. He is not an independent director because he represents an important shareholder.

Ramu Potarazu

- Mr Potarazu became a director on 20 February 2014.
- He was the CEO of Binary Fountain. He is the Founder and former CEO of Vubiquity.
- Prior to founding Vubiquity, Mr Potarazu spent 15 years in various positions at Intelsat (1991–2006). He became Intelsat's Vice President of Operations and CIO in 1996 and its Vice President, Commercial Restructuring in 2000. In 2001 Mr Potarazu became President of Intelsat Global Service Corporation and from 2002 to 2006 he was President and Chief Operating Officer of Intelsat Ltd. Prior to joining Intelsat, Mr Potarazu held several engineering positions.
- Mr Potarazu graduated with a BS in Computer Science and in Mathematics from the Oklahoma Christian University. He also holds an MSc in Electrical Engineering from the John Hopkins University and was a member of the Stanford Executive Program.
- He is a member of the Remuneration Committee of SES.
- Mr Potarazu is a US national. He is an independent director.

Kaj-Erik Relander

- Mr Relander became a director on 6 April 2017.
- Mr Relander worked for the Finnish National Fund for Research and Development prior to joining Sonera Corporation where he held several management positions, including the position of CEO. He left Sonera in 2001 to join Accel Partners, a private equity and venture capital group before joining the Emirates Investment Authority in 2009 where he was a member of its Investment and Management Committee. Since 2014, he has been a private investor and board director.
- Mr Relander graduated from the Helsinki School of Economics with an MSC in Economics. He also holds an MBA from the Helsinki School of Economics having completed part of it at the Wharton School, University of Pennsylvania (USA), and studied also for a PhD at the Wharton School and the Aalto University, Helsinki.
- Mr Relander is a board member of the sovereign wealth fund of ADQ and ADGM, Abu Dhabi Global Markets, Louis Dreyfuss Company and Acino. He is Chair of the Investment Committee at the private equity fund Apis.pe and a board director of Starzplay Arabia.
- He is a member of the Audit and Risk Committee and of the Nomination Committee of SES.
- Mr Relander is a Finnish national. He is an independent director.

Jacques Thill

- Mr Thill became a director on 2 December 2021.
- Mr Thill currently serves as First Government Advisor to the Prime Minister and Coordinator at the Luxembourg Prime Minister's Office. Since 2018 he is also the Government Delegate to the State Intelligence Service. Mr Thill joined the Luxembourg diplomatic service in 2004 and has represented Luxembourg in numerous bi- and multi-lateral negotiations. His diplomatic career includes postings to the Luxembourg Permanent Representation to the United Nations in New York and to the Luxembourg Embassy in Moscow, as well as to the EU High Representative for the Common Foreign and Security Policy at the Council of the European Union in Brussels. From 2009 to 2013, Mr Thill served as diplomatic advisor to the Prime Minister. In 2013, he was appointed Deputy Secretary General of the Luxembourg Government, before becoming Secretary General of the Luxembourg Government until June 2020. From 2015 until 2021, Mr. Thill served as member of the Board of Directors of LUXGOVSAT S.A.
- Mr Thill holds a Master in European and International Law from the Paris 1 Panthéon-Sorbonne University and an MA in European Political and Administrative Studies from the College of Europe in Bruges where he specialised in European Competition Law and European Foreign Policy.
- Mr Thill is a member of the Nomination Committeeof SES.
- Mr Thill is a Luxembourg national. He is not an independent director because he represents an important shareholder.

Françoise Thoma

Chair of the Remuneration Committee

- Ms Thoma became a director on 16 June 2016.
- Ms Thoma is President and Chief Executive Officer of Banque et Caisse d'Epargne de l'Etat, and a member of the Boards of Directors of Cargolux International Airlines S.A., Luxair S.A., the Luxembourg Stock Exchange and of Enovos Luxembourg S.A.
- She was a member of the Luxembourg Council of State from 2000-2015 and holds a PhD in Law from the Université de Paris II Panthéon-Assas and an LL.M. from Harvard Law School.
- Ms Thoma is the Chair of the Remuneration Committee and a member of the Audit and Risk Committee of SES.
- Ms Thoma is a Luxembourg national. She is not an independent director because she represents an important shareholder.

Katrin Wehr-Seiter

- Mrs Wehr-Seiter became a director on 1 January 2015.
- She is a Managing Director of BIP Investment Partners SA and a Managing Director/Partner of BIP Capital Partners.
- Prior to joining BIP, she served as a Principal at global investment firm Permira and worked also as an independent strategy consultant as well as a Senior Advisor to international private equity group Bridgepoint. She started her professional career at Siemens AG where she held various positions in strategy consulting and engineering. She serves as a director of Bellevue Group, Meyer Burger Technology and several non-listed corporations.
- Mrs Wehr-Seiter holds an MBA from INSEAD and an MSc in Mechanical Engineering from the Technical University of Chemnitz.
- Mrs Wehr-Seiter is a member of the Audit and Risk Committee and of the Remuneration Committee of SES.
- Mrs Wehr-Seiter is a German national. She is an independent director.

MISSION AND COMPOSITION

As of 31 December 2022, the Board of SES is composed of 10 non-executive directors, four of them female.

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

The mandates of the current directors will expire at the AGM of shareholders in April 2023, 2024 and 2025 respectively.

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

In accordance with internal regulations adopted by the Board, at least one-third of the board members must be independent directors. A board member is considered independent if he or she has no relationship of any kind with the company or management that may impact his or her judgment.

Independence for these purposes is defined as:

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

As of 31 December 2022, six of the board members are considered independent: Jennifer Byrne, Katrin Wehr-Seiter, Frank Esser, Ramu Potarazu, Kaj-Erik Relander and Peter van Bommel.

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

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

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

RULES OF GOVERNANCE

The Board of Directors meets when required by the Company's business, and at least once per quarter. It can only validly deliberate if a majority of the directors are present or represented. The resolutions of the Board are passed by a simple majority of the votes of the voting directors present or represented, not considering abstentions. The Chairperson does not have a casting vote.

Any material contract that is proposed to be signed by the Company or any of its wholly controlled operating subsidiaries with a shareholder owning at least 5% of the shares of the Company, directly or indirectly, is subject to a prior authorisation by the Board.

In 2022, there were no transactions between the Company and a shareholder owning at least 5% of the company's shares, nor were there any other transactions involving a conflict of interest for any of the directors.

ACTIVITIES OF THE BOARD OF DIRECTORS IN 2022

The Board of Directors held six physical meetings and four extraordinary Board calls in 2022, with an attendance rate of more than 95%. In accordance with the sanitary measures related to the COVID-19 pandemic, meetings were held under relevant sanitary control measures, allowing virtual attendance for Board members unable to attend in person. After endorsement by the Audit and Risk Committee, the Board approved the 2021 audited accounts, the dividend and the financial results for the first half of 2022.

The Board approved the final version of the 2023 Budget and the 2023–2027 Business Plan. It also reviewed the Strategic Plan and held a detailed Strategic Session in June 2022. On that occasion and throughout the year, Management briefed the Board on the latest industry trends and the resulting strategic implications for SES.

The Board approved the investment in a replacement satellite on orbital position 57 degrees East thus ensuring continuity of service on an important position for SES. The Board also approved the acquisition of DRS Global Enterprise Services, a leading provider of integrated satcom solutions for the US Government, followed by the combination with the existing and SES Government Solutions business resulting in a best-in-class and scaled solutions provider to the US Government.

With regard to the Company's corporate governance, the Board dissolved the Strategic Committee, of which only one meeting was held in 2022. A Strategic Taskforce is set up each year on a temporary basis, composed of several board and management members, in order to assist with the preparation of the Board's yearly strategy discussion day.

During 2022, the Board also decided to enter into a new liquidity agreement with a service provider to be implemented in 2023 and executed on the Euronext Paris based on the decision taken during the AGM of shareholder on 7 April 2022.

The Board was regularly updated on the development of the major projects and it noted updates on the company's risk management report. The Senior Leadership Team (SLT) regularly informed the Board about the group's activities and financial situation. The Board noted updates on: (i) the execution of the Strategic Plan; (ii) the 2022 Business Objectives; (iii) the impact of COVID-19 on the Company's business as well as its staff; and (iv) the Company's continued corporate simplification program which resulted in an important further reduction of the corporate footprint in 2022.

At each meeting, directors receive a report on ongoing matters and the Chairpersons of the committees set up by the Board present a report on the latest developments discussed in these respective committees. In addition, a business report is distributed to the members of the Board on a regular basis.

As a result of the last Board evaluation exercise and in-keeping with best practice, each Board meeting concludes with a restricted session, without the presence of Management.

BOARD GOVERNANCE STRUCTURE & COMMITTEES

The Board agenda is prepared in close cooperation between the Chairperson, the Vice-Chairpersons and the CEO. The committees consist of five to six members, at least a third of whom are independent board members in line with SES' internal regulations.

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

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

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

COMMITTEES OF THE BOARD

as of 31 December 2022

CHAIR OF THE BOARD: **FRANK ESSER**

VICE-CHAIRS OF THE BOARD: **PETER VAN BOMMEL, ANNE-CATHERINE RIES**

AUDIT AND RISK COMMITTEE

- **Chair: Peter van Bommel**
- Carlo Fassbinder
- Kaj-Erik Relander
- Françoise Thoma
- Katrin Wehr-Seiter

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

- **Chair: Anne-Catherine Ries**
- Jennifer Byrne
- Frank Esser
- Kaj-Erik Relander
- Jacques Thill

SECRETARY OF THE BOARD OF DIRECTORS

- Thai Rubin

MEETINGS AND ATTENDANCE RATE IN %

4 meetings	3 meetings and 3 calls	4 meetings and 2 calls
90%	**94%**	**91%**

ACTIVITIES OF THE COMMITTEES IN 2022

THE AUDIT AND RISK COMMITTEE

- Reviewed the 2021 financial results before their submission to the Board and their subsequent approval by the shareholders at the statutory AGM.
- Reviewed the H1 2022 financial results of the Company.
- Reviewed the Company's statement on internal control systems prior to its inclusion in the annual report, approved the Internal Audit plan, and received bi-annual updates on the Internal Audit activities and on the follow-up of the major recommendations. It also reviewed the 2021 PwC Management letter.
- Proposed to the Board and to the shareholders to appoint PwC as external auditor for 2022 including its proposed compensation.
- Received quarterly updates on risk management from the SES risk management committee and was briefed on ongoing compliance matters.
- Reviewed WACC parameters for remuneration purposes, customer credit risk and collection and of the Treasury Roadmap.
- After each meeting, the Board is briefed in writing about the work of the Audit and Risk Committee.
- Received updates on ESG targets and implementation plan.
- Reviewed the Company's Budget and Business Plan
- Evaluated the DRS Global Enterprise Services acquisition project, including financial due diligence, risk assessment and financing options.

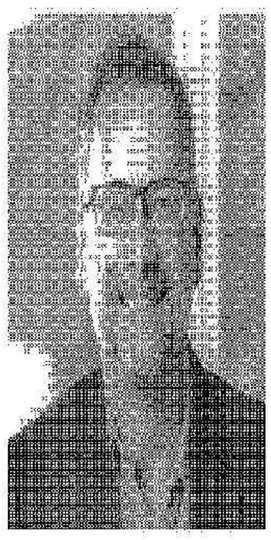
THE REMUNERATION COMMITTEE

- Matters addressed related to the determination of the bonuses and the vesting of performance shares allocated to the members of the SLT for their performance in 2021.
- Adoption of the 2022 corporate business objectives, which are used as one element in the determination of 2022 bonuses for SLT members.
- Review and proposal of the remuneration packages for new SLT members.
- Review and proposal of the 2022 long term equity grants for SLT members.
- Inclusion of ESG targets as a metric to determine vesting of Performance Shares for SLT members.
- Proposed to review and adjust the Remuneration Policy. The proposal has been approved by the Board and by the Ordinary Shareholder Meeting.
- After each meeting, the Board is briefed in writing about the work of the Remuneration Committee.

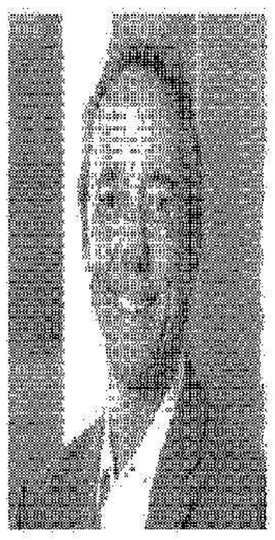
THE NOMINATION COMMITTEE

- Discussed the size and the composition of the Board.
- It also discussed the renewal of existing directors and the appointment of new directors, conducted interviews and proposed to the Board a list of candidates for election by the shareholders in April 2022.
- Discussed the future structure of the Executive Committee and was involved in its implementation in close cooperation with the CEO.
- Instigated a deep dive on Talent Management and reviewed Executive Committee Succession Planning.
- After each meeting, the Board is briefed in writing about the work of the Nomination Committee.

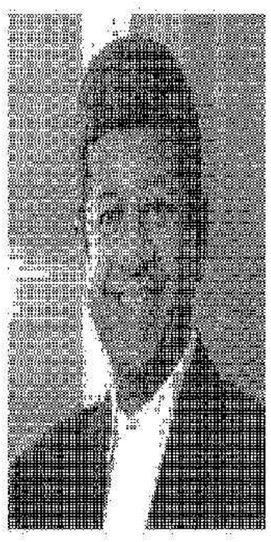
SENIOR LEADERSHIP TEAM (SLT)



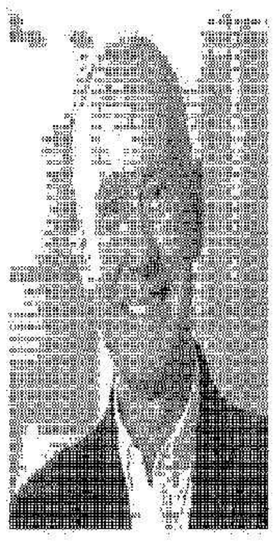
STEVE COLLAR
Chief Executive Officer,
Chair of the SLT



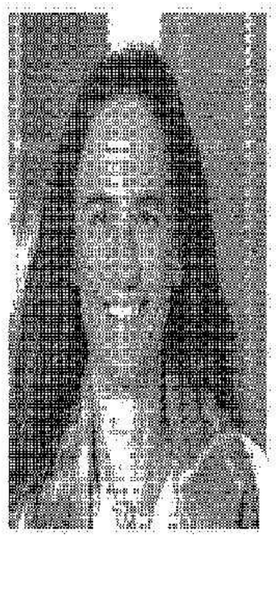
CHRISTOPHE DE HAUWER
Chief Development Officer



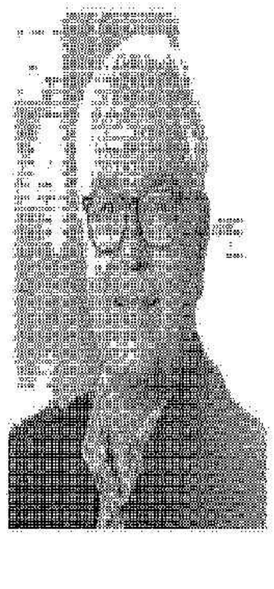
SANDEEP JALAN
Chief Financial Officer



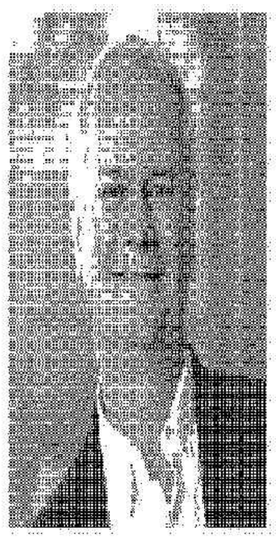
RUY PINTO
Chief Technology Officer



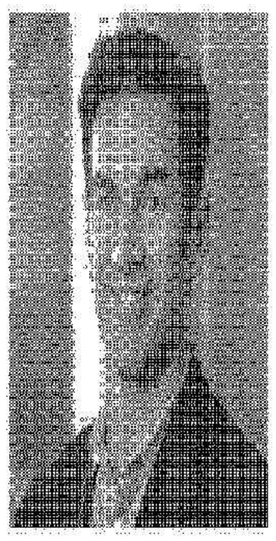
PANOREA MACDONALD
Chief People Officer



JOHN BAUGHN
Chief Services Officer



JOHN-PAUL HEMINGWAY
Chief Strategy and Product Officer



THAI RUBIN
Chief Legal Officer

SENIOR LEADERSHIP TEAM (SLT)

The SES Executive Committee is known as the Senior Leadership Team (SLT):

- It is in charge of the daily management of the group.
- It functions as a collegial body.
- It is mandated to prepare and plan the overall policies and strategies of the company for approval by the Board.
- It may approve intra-group transactions, irrespective of the amount, provided that they are consistent with the consolidated annual budget of the company, as well as specific transactions with third parties provided that the cost to SES does not exceed €10 million per transaction.
- It informs the Board at its next meeting of each such transaction, it being understood that the aggregate amount for all such transactions can at no time be higher than €30 million. Members of the SLT are appointed by the Board of Directors upon a proposal from the Nomination Committee.

Steve Collar

Chief Executive Officer, Chair of the SLT

- Appointed in April 2018.
- From 2017 to 2018 he was CEO of SES Networks.
- Prior to SES, he was CEO of O3b Networks, and has profound experience in a variety of commercial, business development and technical roles at SES WORLD SKIES, New Skies Satellites, Astrium and Matra Marconi Space (now Airbus).
- Holds a degree in Mechanical Engineering from Brunel University in London.
- Mr Collar is a British national.

Sandeep Jalan

Chief Financial Officer

- Appointed in May 2020.
- He has 30 years of experience in financial and operational leadership roles across Asia and Europe. He was until most recently the CFO of Aperam, a global leader in the stainless, electrical and specialty steel industry, a role he held since 2014. Previously, he worked for the ArcelorMittal Group since 1999 where he held various roles including the CFO of ArcelorMittal Long Carbon Europe and was part of the M&A team responsible for numerous acquisitions in both steel and mining. He was also the CFO & Company Secretary for Ispat Alloys Ltd from 1993 to 1999.
- He is a Commerce Graduate from Banaras Hindu University (BHU), Chartered Accountant (equivalent to CPA) and Company Secretary from the respective institutes in India. He has also completed an Executive Education Programme on Leadership at the London Business School and an Executive Education program on Strategic Finance at IMD, Lausanne.
- Mr Jalan is an Indian national.

Panorea Macdonald

Chief People Officer

- Appointed in July 2022.
- Prior to SES, she worked in senior HR leadership roles for technology companies such as Sun Microsystems, Hewitt, Motorola and GE in the US, Canada, UK, Africa, Dubai, Saudi Arabia, Grece and Singapore.
- Holds an MBA from York University in Canada, numerous HR and coaching qualifications.
- Mrs Macdonald is a Greek and Canadian national.

John-Paul Hemingway

Chief Strategy and Product Officer

- Appointed on 1st January 2022 as Chief Strategy and Product Officer.
- Prior to that he served as CEO of SES Networks and prior to that, he served as the Executive Vice President, Product, Marketing and Strategy of SES Networks where he led Product Management, Marketing, Business Development and Corporate Strategy.
- Before SES acquired O3b and formed SES Networks, he was Chief Marketing Officer for O3b Networks.
- Prior to that, he held a variety of senior management roles in the networking industry within Ciena, Corning Cables, and Netscient.
- Holds a PhD in Optical Communications and a BSc (Hons) from Manchester Metropolitan University, UK.
- Mr Hemingway is a British national.

Christophe De Hauwer

Chief Development Officer

- Appointed as Chief Development Officer on 1st January 2022.
- Prior to that he served as Chief Strategy and Development Officer.
- Member of the Board of SES ASTRA.
- Having joined SES in 2003, he held several positions of responsibility in the areas of Strategic Marketing, Strategic and Business Planning and Corporate Development, as well as Fleet Development and Yield Management.
- Prior to joining SES, he worked in the Strategy Consulting practice of the European Telecommunication and Media Industry with Arthur Andersen.
- Holds an Engineering and a PhD Degree from the Université Libre de Bruxelles.
- Mr De Hauwer is a Belgian national.

Ruy Pinto

Chief Technology Officer

- Appointed in January 2019.
- Since 2017, he had been the Deputy Technology Officer and took on the additional role of Chief Information Officer (CIO) at SES in 2018.
- Between 1990 to 2016 he was working for Inmarsat where he covered various technical and managerial roles, such as CTO and Group Chief Operations Officer (COO).
- Prior to that he was Chair of UKSpace, and Director and VP of Space for the Association of Defence, Security and Aerospace Companies (ADS) and Non-Executive Director of the Space Application Catapult.
- Holds a degree in Electronics Engineering and completed post-graduate studies in Digital Telecommunications Systems, both from the Rio de Janeiro Catholic University (PUC-RJ).
- Mr Pinto is a dual British and Brazilian national.

John Baughn

Chief Services Officer

- Appointed in January 2019.
- Since 2017, he had been Executive Vice President, Global Services at SES Networks.
- He joined SES Networks from O3b Networks, where he led the Global Services team, driving service strategy.
- Between 2008 and 2015, he was VP Global Services at Ciena, and has a vast Telco experience included leadership roles in Motorola.
- Holds an MBA from the University of Warwick.
- Mr Baughn is a British national.

Thai Rubin

Chief Legal Officer

- Appointed in July 2020.
- Prior to that, he was the General Counsel of O3b Networks where he was as a key member of the leadership team, guiding the company to its successful commercialisation before it was acquired by SES in 2016.
- In addition to holding multiple senior leadership roles within SES, he served as General Counsel at New Skies Satellites, guiding it to a public listing on the NYSE in 2005 and its acquisition by SES in 2006.
- Before joining SES, Mr Rubin worked at PanAmSat Corporation.
- Holds a Bachelor of Science degree from the University of Wisconsin, Madison and a Juris Doctor from Howard University School of Law in Washington, D.C.
- Mr Rubin is a US national.

RESPONSIBILITIES OF THE SENIOR LEADERSHIP TEAM

- The SLT may approve any external credit facilities or external guarantees, pledges, mortgages and any other encumbrances of the Company, or any wholly-owned affiliate, for as long as the Company will not lose its investment grade rating as a result of such facility or guarantee.
- It may approve increases of up to 5% in the capital expenditure budget for a satellite procurement already approved by the Board, it being understood that the Internal Rate of Return will need to comply with certain specific thresholds defined by the Board. The SLT informs the Board at its next meeting of each such increase.
- The SLT submits those measures to the Board that it deems necessary to be taken in order to meet the purposes of the Company. Prior to the beginning of each fiscal year, the SLT submits to the Board a consolidated budget for approval.
- The SLT is in charge of implementing all decisions taken by the Board and by the committees specially mandated by the Board. The SLT may, in the interests of the Company, sub-delegate part of its powers and duties to its members acting individually or jointly.
- The CEO organises the work of the SLT and coordinates the activities of its members, who report directly to him. In order to facilitate the implementation by the Board of its overall duty to supervise the affairs of the Company, the CEO informs the Chair of the Board on a regular basis of the Company's activities. The latter receives the minutes of all meetings of the SLT in due time.

INTERNAL CONTROL PROCEDURES

OBJECTIVES AND PRINCIPLES

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

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

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

Internal Control Objectives

OBJECTIVES	
	Compliance of actions and decisions with applicable laws, regulations, standards, internal rules, and contracts
	Safeguarding efficiency and effectiveness of operations and the optimal use of the Company's resources
	Correct implementation of the Company's internal processes, notably those to ensure the safeguarding of assets
	Integrity and reliability of financial and operational information, both for internal and external use
	Ensuring that management's instructions and directions are properly applied
	Ensuring that material risks are properly identified, assessed, mitigated, and reported

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

CONTROL ENVIRONMENT

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

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

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

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

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

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

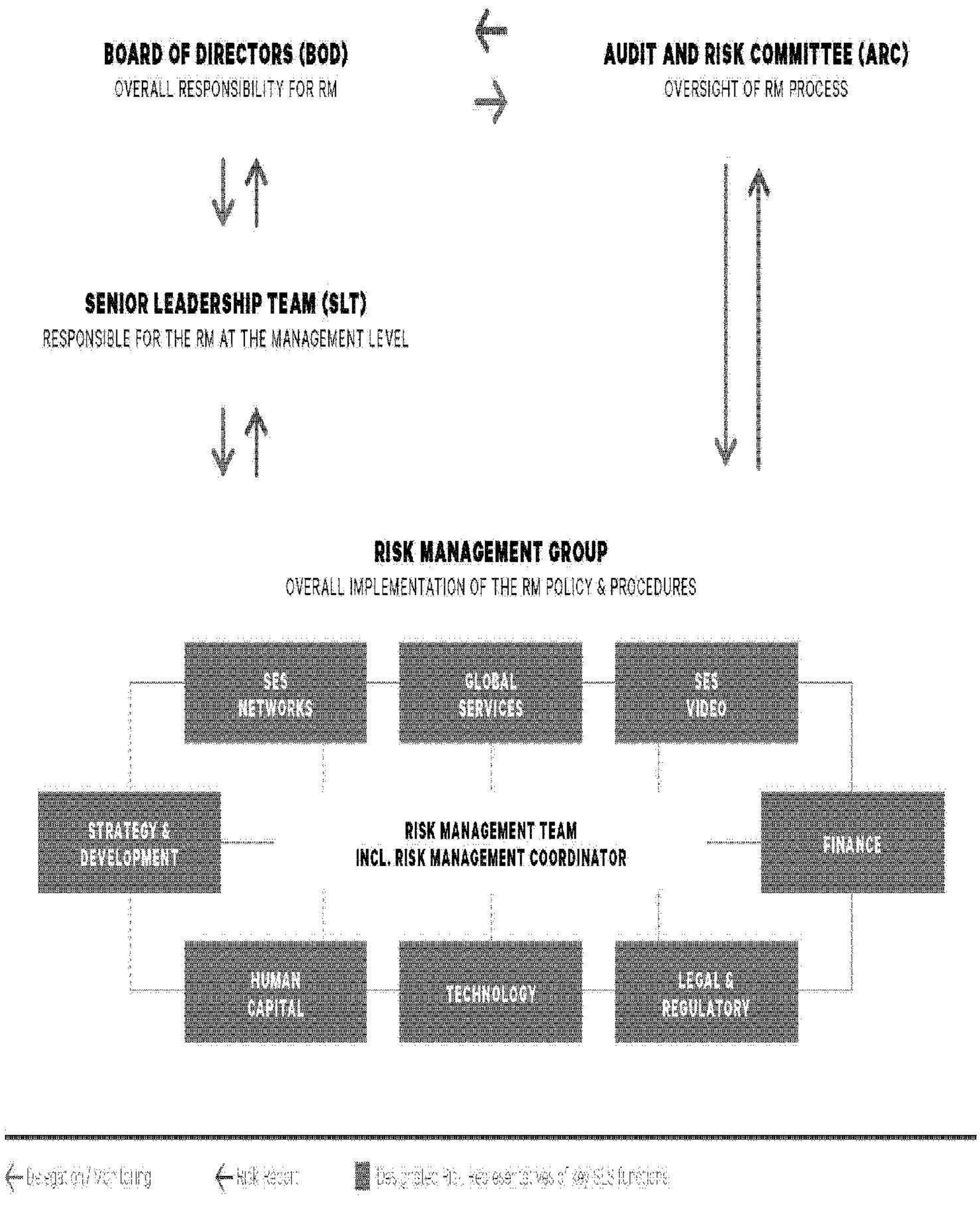
RISK MANAGEMENT

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

A dedicated Risk Management Team facilitates and coordinates the reporting process and assists the Risk Management Group with the assessment of risks. The Risk Management Group reports to the Senior Leadership Team which in turn reports to the Board, which has the ultimate responsibility for oversight of the Company's risks and for ensuring that an effective risk management system is in place. The risk management policy is regularly reviewed and updated by the Risk Management Team.

Each reported risk is categorised, assessed by the risk owners, and reviewed by the Risk Management Group. Key risk developments are periodically reported to the Senior Leadership Team, the Audit and Risk Committee and the Board.

Risk Management Structure



INTERNAL CONTROL ACTIVITIES

Satellite operations

- The operational procedures for satellite control and payload management cover manoeuvres and configuration changes required in nominal situations as well as in the case of technical emergencies. The controllers are trained and certified in the execution of such procedures which are periodically reviewed and updated. Satellite control software is being used and fully validated electronic procedures for station-keeping and other regular operations are being applied across the entire SES fleet.
- SES has designed satellite contingency and emergency response process, crisis management systems, supporting infrastructure and tools to address satellite in-orbit anomaly situations at an appropriate management level. SES applies industry-standard incident management, escalation, and reporting processes to provide effective and timely support to customers.
- SES has adequate satellite control primary and backup capabilities utilising the European and US-based Satellite Operations Centres ('SOCs'). SOCs can take over the operations of the other in an emergency with the fail-over procedure being tested regularly. SOCs can also be controlled remotely from any other dedicated location via secure internet connection if the situation would require it.
- A corporate policy dealing with satellite insurance is in place and regularly updated reflecting the SES Board approved insurance structure and approval framework. Most of the launch and in-orbit insurance activities of the group are managed through SES' insurance and reinsurance captive companies based in Luxembourg. Both companies are regulated and managed in accordance with the European Solvency II directive and are therefore subject to strict supervision and governance rules detailed in the companies'

governance manuals. 'In-orbit Third Party Liability' insurance is placed directly to the market, i.e., not using the captives. Such insurance covers all SES in-orbit satellites in compliance with licencing and other regulatory requirements in the various jurisdictions where SES operates.

- For SES infrastructure redundancy, adequate backup capabilities are implemented.

Global services operations

- Global Services is responsible for the operation and management of the customer-facing network, video services and content operations including the maintenance and oversight of systems and network components supporting SES customer traffic and video services.
- The monitoring and operational procedures address static state as well as anomalous states of network operations. All engineers are trained in the execution of such procedures which are periodically reviewed and updated. SES uses multiple tools and software to manage and monitor the network and these tools have redundancy enabled in the event of a systemic anomaly.
- Network operations and payload management is performed in Network Operations Centres ('NOCs') mainly located in US and Europe. Video operations centres are in Israel and Europe. SES has instituted disaster recovery procedures and handover to other sites is possible and regularly tested.
- SES applies industry-standard incident management, escalation, and reporting processes to provide effective and timely support to customers.

Commercial operations

- A Master Service Agreement ('MSA') forms the basis for the contractual relationship with our customers. Deal specifications and commercial terms and conditions are outlined in a Service Order ('SO') which will be subject to the general terms and conditions of the underlying MSA.
- Most SES customer contracts follow this MSA-SO structure for which standard templates exist. Any negotiation of the terms and conditions of the MSA or SO are subject to commercial legal review.
- Customer contract and order management follows predefined workflows which are embedded in a customer relationship management ('CRM') tool. Appropriate segregation of duties is ensured while individual workflow steps and tasks are subject to approval from the various sales, finance, legal operations, and service representatives.
- Deal pricing for satellite capacity as well as for Network and Video products generally bases on approved rate cards which are linked to the product catalogue and solution configuration tool of CRM. Pricing deviations from approved rate card are governed by an approval matrix with internal hierarchy.
- The Group's Credit & Collections policy defines the rules and principles related to customer credit risk management and cash collection and related revenue recognition as well as deposit and payments terms for a deal.

Procurement operations

- SES' Technology Space Programmes department is responsible for the Space Infrastructure procurement including satellites and launch vehicles.
- A Space Infrastructure procurement process, strategy and policy are in place to govern appropriate procedures such as the creation of Requests for Information and Requests for Proposal generation, satellite manufacturer selection, technical and commercial evaluations as well as legal review.
- Detailed business plans are refined based on RFP responses and the endorsement of the SLT is required before the procurement proposal is presented to the Board for approval.
- Procurement of Space Infrastructure (satellites and launch vehicles) is approved by the Board as a significant investment activity, and contracts are signed in accordance with delegation of authority.
- Payments are made on the complete fulfilment of milestone requirements in accordance with the Milestone Payment Plan defined in the contract Terms and Conditions.
- The Vendor Management & Procurement ('VMP') function supports the business for non-satellite procurement, governed by a dedicated policy that sets the framework for an appropriate level of internal controls over purchasing. SAP is used to support the purchasing process with appropriate workflow rules for approvals and the segregation of duties. Contracting with a vendor can be done either by a Purchase Order ("PO") incorporating SES's General Purchasing Terms and Conditions or a separate contract which is subject to legal review prior to the issuance of a PO. Each PO needs workflow approval in line with SES' Delegation of Authority Policy. The requester must ensure that the purchase is within the approved budget. Certain types of purchases – such as capital expenditure and major cost of sales projects – require dedicated budget controls to ensure that sufficient budget is allocated and available before finalising the purchase.
- The supply chain function within VMP optimises and streamlines the exchange of goods or services covering demand planning, logistics and warehouse management. Controls are in place to ensure effective workflows, an efficient use of resources, and compliance with regulatory obligations such as shipment and customs documentation.

Financial operations and reporting

- Appropriate accounting and financial reporting policies and procedures are in place, regularly reviewed and updated for business developments and regulatory changes.
- Staff involved in the Group's accounting, consolidation and reporting are appropriately qualified, trained and are kept up to date with relevant changes in both national requirements and in International Financial Reporting Standards ('IFRS').
- Controls have been established in the processing of accounting transactions to ensure appropriate authorisations, an effective segregation of duties, and the complete, timely and accurate recording of financial information. This control framework continues to be enhanced through the implementation of additional workflow-based controls and validations. Risk-based monitoring controls are implemented for key SAP control configurations and transac-

tions. Specific controls are in place, such as monthly reviews and data validation procedures, to ensure the correct and timely recognition of revenues.

- Treasury activities are centrally managed within a framework approved by the Board, and which reflects the Group's current Treasury Policy. Appropriate segregation of duties, including the assignment of bank mandates between members of SES management, Treasury, and accounting departments, is in place. Specialist software helps ensure the efficiency and control of foreign exchange transactions, interest and liquidity management, and the implementation of SES' hedging strategy for interest rate and foreigncurrency fluctuations. Furthermore, to ensure enhanced security and efficiency of the bank payments process, the Company uses a banking payments system which ensures secure authorisation and transfer of payment instructions from SAP to banks.
- The main principles of SES' tax risk management are laid down in the SES Tax Charter. Tax positions are analysed based on the most appropriate authoritative interpretations and reported in internal tax technical memos or tax opinions from external tax consultancy firms. Current and deferred tax liabilities are recorded in the Group's accounts based on a key control framework that ensures full transparency and understanding of all underlying data and reconciliation between the important sources of information within the Tax and Accounting departments. A detailed tax accounting policy is in place. Transfer pricing documentation is continuously updated and improved including a master file, local files, and annual country-by-country reporting.

Compliance operations

- The Legal & Regulatory function provides legal support to all SES operational areas and is an integral part of corporate governance and supports all customer contracting activities and processes, procurement and vendor management activities as herein before mentioned.
- The Legal & Regulatory function is also responsible for maintaining and improving SES's compliance program. A Group-wide 'Code of Conduct and Ethics' ('Code of Conduct') was implemented to enable all employees, officers, and directors as well as other groups to take a consistent approach to integrity issues and to make sure that the Group conducts its business in compliance with all applicable laws and regulations and observes the highest standards of business ethics.
- SES implemented a Sales Agent Policy and developed a comprehensive process and dedicated controls for ensuring SES representatives act with integrity. A dedicated team within the Legal Department conducts due diligence into and approves agent appointments. A Gift and Entertainment Policy is in place to provide rules and guidance for giving and receiving gifts and entertainment.
- SES is committed to full compliance with competition laws. An Antitrust Compliance Policy and Guidelines have been implemented to inform employees of the scope of competition laws and how to do the best work for SES whilst complying with the law.
- Regulatory leads the export control and sanctions compliance with laws, regulations, and policies. Controls and workflows have been established to interface with commercial and technical teams to ensure continued compliance with the growing needs associated with new products and services.
- Dedicated training programmes are mandatory for employees (depending on the nature of their work) to ensure an appropriate understanding and awareness of compliance related matters.

Information Technology

- Management is committed to ensuring that SES' data, infrastructure, and information technology systems in the cloud and on SES premises are as secure as is reasonably and commercially practicable. Security controls, policies and procedures are in place to prevent unauthorised access to premises, computer systems, networks, and data. Policies and procedures are continuously being reviewed and updated.
- SES applies an Information Security Management System ('ISMS') in line with the ISO 27001 standard which is subject to regular ISO 27001:2013 certification for the scope of data services delivered through high-throughput GEO satellites.
- The SES Azure Cloud Platform has been put in place with an adequately designed control environment, leading to an improved level of standardisation and harmonisation of the SES IT landscape. The Cloud Centre of Excellence programme with Microsoft has been completed and is fully operational and is facilitating standards setting and development of new products and platforms in the Cloud. The Cloud solution provides state-of-the-art backup facilities to ensure enhanced continuity of all Cloud-based systems.
- All SES' main trading operations operate on a centrally managed, Cloud-based SAP ERP platform, applying consistent processes, controls, and backup. A comprehensive SAP security policy has been defined and implemented. Appropriate SAP access management is in place and is continually monitored and enhanced. Segregation of duty principles and approval limits are defined and embedded in SAP workflows.
- SES has disaster recovery plans for its business-critical infrastructure. The regular testing of these activities confirms that SES is in a good position to recover all mission critical back-office applications within its recovery time objectives. Electronic information is regularly backed up and tested.
- A digital workflow process for managing information technology incidents and service requests is in place on a ServiceNow platform further enhancing the level of automation. Relevant key performance indicators are regularly reviewed. Information technology projects are managed and executed using agile methodology based on features and capabilities of Azure Development Operations.
- SES ensures adequate and secure VPN connectivity and redundancy to cater for users working remotely. More applications continue to be progressively added onto our MS Multi-Factor authentication to protect against unauthorised access due to password theft or password guessing attacks.

- A dedicated cybersecurity team is in place to help and guide SES management and business stakeholders to adequately secure SES systems, information assets and customer services. The cybersecurity team follows a holistic approach towards cybersecurity by implementing a wide range of security control mechanisms and practices based on industry-leading standards, as well as cultivating a culture of awareness and caution throughout our organisation.

INFORMATION AND MONITORING ACTIVITIES

- The SES Internal Communication function ensures the effective circulation of information across the organisation and supports the implementation of internal control and risk management by communicating business and functional objectives, instructions and information pertinent to SES's business activities. Timely and transparent information flow across all levels and functions of SES is managed via a wide array of internal communications channels ensuring that SES employees around the world have access to all information required to do their job most effectively and to take informed business decisions that are aligned with SES's business priorities and strategic direction as well as with our identity and aspirational culture.
- The Company relies on a comprehensive system of financial information and oversight. Strategic plans, business plans, budgets and the interim and full-year consolidated accounts of the Group are drawn up and brought to the Board for approval.
- The Board also approves all significant investments and receives monthly financial reports setting out the Group's financial performance in comparison to the approved budget and prior year figures.
- In accordance with IFRS requirements, SES discloses detailed information on the market, credit, and foreign exchange risks to which it is exposed, as well as its strategy for managing those risks.
- The Audit and Risk Committee ('ARC') is regularly updated on significant accounting and financial reporting, treasury, tax, and legal issues.
- The complete and timely recording of financial information is ensured through regular reviews, the monitoring of specific key performance indicators, validation procedures by functional leaders and, as an additional check, the process of internal and external audit.
- The external auditor performs a limited review of the Group's interim condensed consolidated financial statements and a full audit of the annual consolidated financial statements.
- SES' Internal Audit function performs specific analyses of the relevance of, and compliance with, Company policies and internal control procedures in accordance with general accepted Internal Audit Standards issued by the Institute of Internal Audit ('IIA'). The activities of the Internal Audit function are executed in accordance with an annual audit plan, which is reviewed and approved by the ARC. This plan is prepared in close cooperation with the company's Risk Management Team to dynamically link it to risks and exposures that may affect the organisation and its operations.
- Any material weaknesses in the system of internal controls identified by either internal or external auditors are promptly and fully addressed. Regular reports are provided to the Senior Leadership Team and to the ARC summarising conclusions regarding internal control effectiveness and compliance.
- The proxy structure of the SES Government Solutions Inc. entity (a wholly-owned indirect subsidiary of SES S.A.) and its subsidiaries and affiliates (together, 'the SES Government Solutions group'), in line with common practice for businesses serving certain segments of the US Government, imposes various restrictions on the SES Group Board and executive management in directly supervising the maintenance of an internal control system and imposing an internal audit structure. Hence the Group's own Internal Audit function does not perform direct internal control reviews of the SES Government Solutions group, but rather has an agreement with the SES Government Solutions group's management as to required levels of risk management and internal control. In recent years these procedures have been subject to evaluation and compliance testing by a third-party audit services provider, although this activity will likely be suspended for a period to allow the full integration of business operations of the original SES Government Services business and the DRS Global Enterprise Solutions business acquired on 1st August 2022. The Group's external auditor is also engaged for the audit of the financial information provided by the SES Government Solutions group in the framework of the audit of the SES Group's consolidated financial statements.

PRINCIPAL RISKS

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

STRATEGIC RISKS

Competition	The satellite communications business is increasingly competitive. SES competes with national, regional and international geostationary (GEO), non-geostationary (NGSO) and fixed and wireless terrestrial operators. The competition from NGSO systems is potentially the most disruptive trend facing SES. With strong financial backing, vertical integration and technological advancements, such competitors are planning to enter multiple markets targeted by SES. In addition, the trend towards horizontal and vertical consolidation poses the risk of leaving SES behind with a smaller, less powerful relative market position towards customers as well as suppliers. SES regularly evaluates potential partner or merger targets that fit with its strategy.
Technology	The satellite communications industry is subject to rapid technological change. As a result, the technology used by SES could become less suitable for customer requirements leading to a reduced service demand and a negative revenue impact. SES monitors such changes and regularly evaluates opportunities to invest into new technologies.
Emerging Markets	SES' targets new geographical areas and emerging markets and is developing commercial arrangements with local communications, media and other businesses in these areas. SES may be exposed to political and other risks associated with such business. SES regularly evaluates and monitors conditions for conducting business in such areas and markets to ensure that such risks are identified and mitigated.
Investment	SES' desired strategic investments may not yield expected benefits due to a number of factors including uncertain or changing market conditions, financing costs and legal and regulatory issues.
ESG	We recognise the effect ESG matters have on the company's everyday activities and the importance of having a sound risk management approach around those matters. SES is committed to conduct its business in accordance with highest standard governance processes and in a sustainable and environmentally friendly way. Failure to do so may have an adverse effect on the company's operation, financial results and reputation. SES is in a process of identifying and evaluating relevant ESG-related risks and opportunities (including those related to climate) in order to ensure that necessary mitigating actions are in place. In view of complexity, and developing nature, of ESG related issues to be considered by the company, the above process includes engaging all relevant stakeholders and consulting external professional advisors. A number of such risks are closely linked to other areas covered in this section and are already being mitigated, for example, risks relating to in-orbit failures and cybersecurity. Details of company's >> ESG strategy are provided in the Annual Report.

OPERATIONAL RISKS

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

Launch delay(s) and launch failure(s)	Launch delays are a possibility. Satellite launch and in-orbit insurance policies do not compensate for lost revenues and other consequential losses. SES attempts to mitigate the risk of delays by ensuring adequate margins in satellite procurement schedules. There is always a small but inherent risk of launch or early-orbit failure, resulting in a reduced satellite lifetime and/or functionality or the total loss of a satellite. SES mitigates such risks in several ways, including by technical risk management of each launch vehicle programme and asset insurance for each launch.
In-orbit failure(s)	A satellite may suffer in-orbit failures ranging from a partial impairment of its commercial capabilities to a total loss of the asset. Such failure may result in SES not being able to continue to provide service to some of its customers. SES attempts to mitigate this risk by careful vendor selection and high quality in-orbit operations. For some services, SES is able to offer an in-orbit backup strategy in which customers using an impaired satellite may be transferred to another satellite. In addition, in respect of its GEO satellites, SES has restoration agreements with other satellite operators whereby customers on an impaired GEO satellite may be transferred to a GEO satellite of another operator in order to protect continuity of service.
Cybersecurity	SES' operations may be subject to hacking, malware and other forms of cyber-attack. Due to the high sophistication of certain attackers and an increasing number of cyber-attacks, it may not always be possible to prevent every such event. SES has protections in place to help protect its systems and networks and continues to work to implement additional protective measures intended to limit the risks associated with such attacks.
Space insurance coverage and availability	SES maintains pre-launch, launch and initial in-orbit insurances, in-orbit insurance, and third-party liability insurance. These policies generally contain customary market exclusions and are subject to limitations. The insurance market has been seeing a reduced availability and significantly increased rates. This results in increased insurance premiums for SES. In order to mitigate these risks and optimise the coverage and premiums, SES maintains a policy of limited self-insurance through its captive entities.
Personnel	SES is competing for talent with satellite operators as well as large and well-known companies. In the context of low unemployment rates and a shortage of qualified candidates, SES may have difficulties in hiring competent talent. If SES is unable to source and retain key talent this could have a negative impact on SES' ability to deliver its business objectives. To mitigate this risk SES uses a dedicated Talent Acquisition function to source high-quality candidates.
Global Pandemic or other health emergency	SES is subject to the risk of a global pandemic or other health emergency such as COVID-19. A material health emergency could affect availability of our employees and impact various areas of SES' business including procurement and launch of satellites, entry into service of new satellites, procurement of ground infrastructure and provision of services to customers. SES has procedures and measures in place to respond to health risks and to secure business continuity during such situations.

REGULATORY RISKS

Legal and Regulatory	SES' operations and business are subject to compliance with the laws, regulations (e.g., communications, export control, sanctions, competition) and political will of the governmental authorities of the countries in which SES operates, uses radio spectrum, offers satellite capacity and services. Violations of any of the applicable laws and regulations could expose SES to penalties and other enforcement actions and may negatively affect commercial operations. SES may need to obtain and maintain approvals from authorities or other entities to operate its satellites and to offer satellite capacity and services. Failure to obtain the necessary approvals could lead to loss of revenues and compliance actions against SES. SES works to ensure that adequate compliance staff is in place and that all teams have the necessary technical and human resources to enable the company to comply with applicable laws and regulations.
Spectrum	The International Telecommunication Union ('ITU') and national administrations may reallocate satellite spectrum to other uses. In addition, national administrations are increasingly charging for access to spectrum through the use of fees and auctions. This may affect SES' access to orbital locations and frequencies required for it to develop and maintain its satellite fleet and services. In addition, SES must coordinate the operation of its satellites with other satellite operators so as to prevent or reduce interference. As a result of such coordination, SES may be required to modify the proposed coverage areas or satellite design or transmission plans which may materially restrict satellite use. Similarly, the performance of SES' satellites in some areas could be adversely affected by harmful interference caused by other operators to SES' satellites. Operational issues such as satellite launch failure, launch delay or in-orbit failure might compromise access to the spectrum or orbital locations. SES' large fleet may enable the relocation of in-orbit satellites to satisfy regulatory and spectrum requirements.

FINANCE RISKS

Credit rating	SES' credit rating can be affected by a number of factors, including a change in its financial policy, a deterioration of its financial credit metrics, a downgrade in the rating agencies' assessment of the business risk profile or a change in rating methodology. A change in SES' credit rating could affect the cost and terms of its newly issued debt, as well as its ability to raise financing. SES' policy is to attain and retain a stable investment grade rating with two of the international reputable credit rating agencies (currently Fitch and Moody's).
Tax	SES is subject to taxation in multiple jurisdictions and may become subject to unforeseen material tax claims, including late payment interest and/or penalties, and in some cases retroactive tax assessments. SES has implemented a tax risk mitigation charter based on, among other things, a framework of tax opinions for the financially material positions taken, transfer pricing policies, and procedures for accurate tax compliance in all jurisdictions.
Asset impairment	SES' intangible assets, satellites and ground segment assets are valued at historic cost less amortisation, depreciation and accumulated impairment charges. The resulting carrying values are validated each year through impairment testing procedures where they are compared to the discounted present value of the future cash flows expected to be derived from the asset. Where future assumptions for a specific asset, as set out in the approved Business Plan, become less favourable, or the discount rates – or perpetual growth rate assumptions – applied to the future cash flows change, then this may result in the need for material asset impairment charges.
Foreign exchange	SES' reported financial performance can be impacted by movements in the Euro / U.S. dollar exchange rate, as SES has significant operations, cash flows, assets and liabilities that are denominated in the U.S. dollar whereby the Group's reporting currency is the Euro. To mitigate this exposure, SES may enter into forward foreign exchange or similar derivative contracts to hedge underlying foreign exchange exposures. Further details are provided in >> Note 19 to the consolidated financial statements.
Interest rate	SES' exposure to the risk of changes in market interest rates relates primarily to SES' floating rate borrowings as well as the renewal of its fixed rate borrowings. SES carefully monitors and adjusts the mix between fixed and floating rate debt from time to time, responding to market conditions. Interest rate derivatives may be used to manage the interest rate risk. Further details are provided in >> Note 19 to the consolidated financial statements.
Key customer loss	Bankruptcy and customer consolidation, amongst other reasons, can potentially result in loss of customers, non-renewals or reduction in the demand for services. SES aims for long contract terms with key customers based on strong relationships.
Customer credit	Failure by customers to fulfil payment obligations is a possibility. Credit risk may increase as SES and/or its customers increase dependency on revenues in emerging markets where credit risk may be higher. This risk is mitigated through a customer credit policy including credit checks, deposits or other forms of security, payment monitoring and credit insurance where possible. Further details are provided in >> Note 19 to the consolidated financial statements.

RESPONSIBILITY STATEMENT

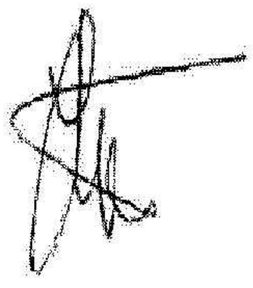
The Board of Directors and the Executive Committee of the company reaffirm their responsibility to ensure the maintenance of proper accounting records disclosing the financial position of the group with reasonable accuracy at any time and ensure that an appropriate system of internal controls is in place to ensure the group's business operations are carried out efficiently and transparently.

In accordance with Article 3 of the Luxembourg law of 11 January 2008, as subsequently amended, on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, we declare that, to the best of our knowledge, the annual statutory accounts as of and for the year ended 31 December 2022, prepared in accordance with Luxembourg legal and regulatory requirements, and the consolidated financial statements as of end for the year ended 31 December 2022, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the year of SES taken individually, and of SES and its consolidated subsidiaries taken as a whole, respectively. In addition, the management report includes a fair review of the development and performance of the business and the position of SES taken individually, and of SES and its consolidated subsidiaries taken as a whole, together with a description of the principal risks and uncertainties that they face.

24 February 2023



Frank Esser
Chair of the Board of Directors



Steve Collar
CEO

REMUNERATION POLICY & REPORT

PURPOSE AND SCOPE OF THE REMUNERATION POLICY

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

- How it contributes to the Company's objectives relating to its business strategy and long-term interests and sustainability;
- The different components of remuneration, including all bonuses and other benefits in whatever form, if any, awarded to Directors and SLT members and indicates their relative proportion;
- The duration of the contracts or arrangements with the Directors and SLT members, the applicable notice periods, the main characteristics of supplementary pension or early retirement schemes and the terms of, and payments linked to, termination; and
- The decision-making process followed for the determination, review and implementation of the Policy, including measures to avoid or manage conflicts of interests and, where applicable, the role of the Remuneration Committee and the Board;
- The procedural conditions under which any derogation from the Policy can be applied as well as the elements of the Policy from which a derogation is possible.

THE REMUNERATION POLICY

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

Remuneration must reflect the degree of required qualifications and experience of the Directors and SLT members, the risks that they take personally, and honour the dedication and efforts that the Directors and SLT members put into the Company. The Remuneration must also be consistent when compared to remunerations for similar roles in other companies and be relative to the pay and employment conditions of the employees of the Company.

REMUNERATION OF THE DIRECTORS

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

All these fees are net of any Luxembourgish withholding taxes on directors' fees. Board members do not receive any stock options, nor do they receive any bonus.

Fixed remuneration per year

The fixed component of the remuneration amounts to €40,000 per year whereas the Vice Chairpersons each receive an annual fixed fee of €48,000 and the Chairperson receives a fee of €100,000 per year.

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

Remuneration per meeting

Directors receive €1,600 for each Board meeting or Board committee meeting they attend, except for the Audit and Risk Committee for which a fee of €1,920 per meeting is paid.

The terms of the Directors

In general, the Company's directors are elected for terms of three years. If a Director leaves the Board during his/her term, the Company may co-opt a Director to finish that mandate.

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

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

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

REMUNERATION OF SLT MEMBERS

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

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

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

Yearly Base Salary ("YBS")

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

For all new nominations as SLT member, remunerations are validated by the SES Board, on recommendations from the Remuneration Committee. They are made on the basis of external benchmarks provided by compensation consultants while also considering degree of qualification and experience required as well as employment conditions of employees at the time of the offer.

Annual Bonus ("AB")

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

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

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

The AB target for SLT members ranges from 80% of the YBS to 100% of the YBS for the CEO.

The minimum pay-out can be as low as 0% of the AB (in other words no bonus payment), with a maximum pay-out capped at 150% of the bonus target.

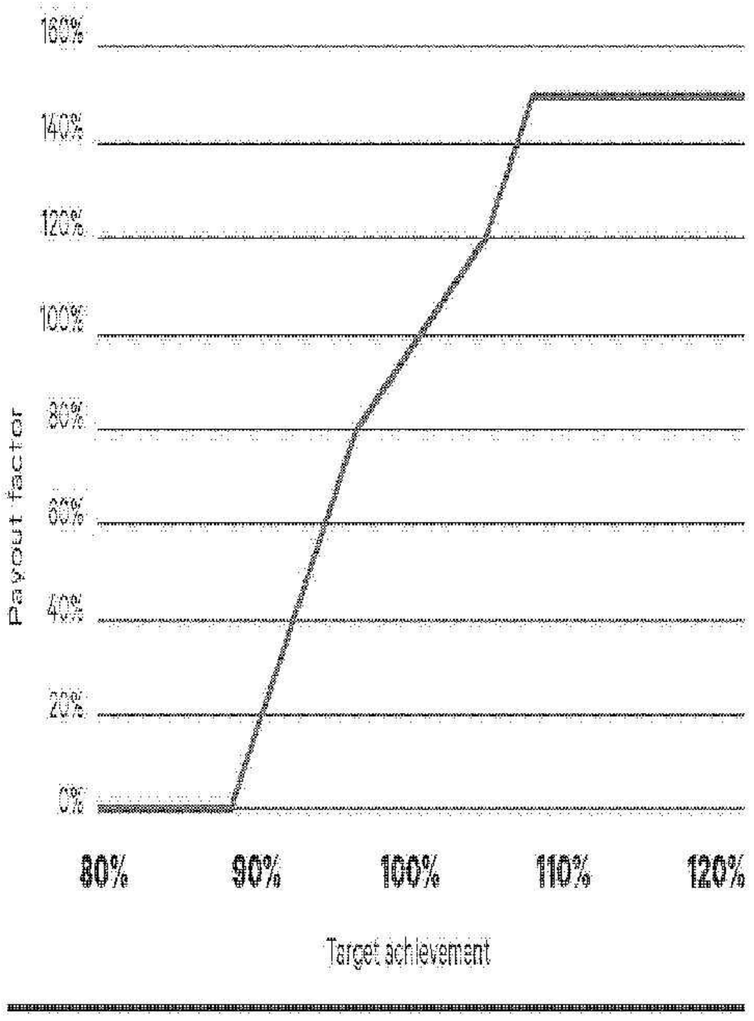
The AB of each SLT member is composed of two parts:

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

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

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

Finance performance pay-out table



The business objectives are set annually by the SES Board at the beginning of each year and are related to the strategic roadmap of the company.

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

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

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

Long-Term Equity ("LTE")

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

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

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

- Restricted shares, representing one sixth of the LTE grant,
- Performance shares, representing one half of the LTE grant and with a vesting which is subject to financial and ESG criteria and
- Stock options, representing one third of the total LTE grant.

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

For SLT members, the annual LTE grant value ranges from 58% of their YBS to 105% of the YBS for the CEO.

Restricted Shares

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

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

Performance Shares

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

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

Total Shareholder Return ("TSR") is the metric retained to assess financial performance. It is measured on a relative basis to the median TSR performance of a panel of comparable companies during the vesting period with:

- Share price at the end to be based on the average share price in the 3-month period February – April preceding the vesting date i.e., from 1 February 2026 to 30 April 2026 for 2023 grant, and retaining dealing days only
- With share price at the beginning to be based on the average share price during a 3-month period February – April of the grant year i.e., from 1 February 2023 to 30 April 2023 for 2023 grant and retaining dealing days only
- Measurement is based on Volume Weighted Average Price
- Outcome will be reviewed by the Remuneration Committee prior to the Share Vesting Date

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

Starting with 2022 grant, the TSR comparator group consists of 16 companies, well balanced across Satellite, Media and European Telecom operators as well as other adjacent businesses:

TSR Comparator Group

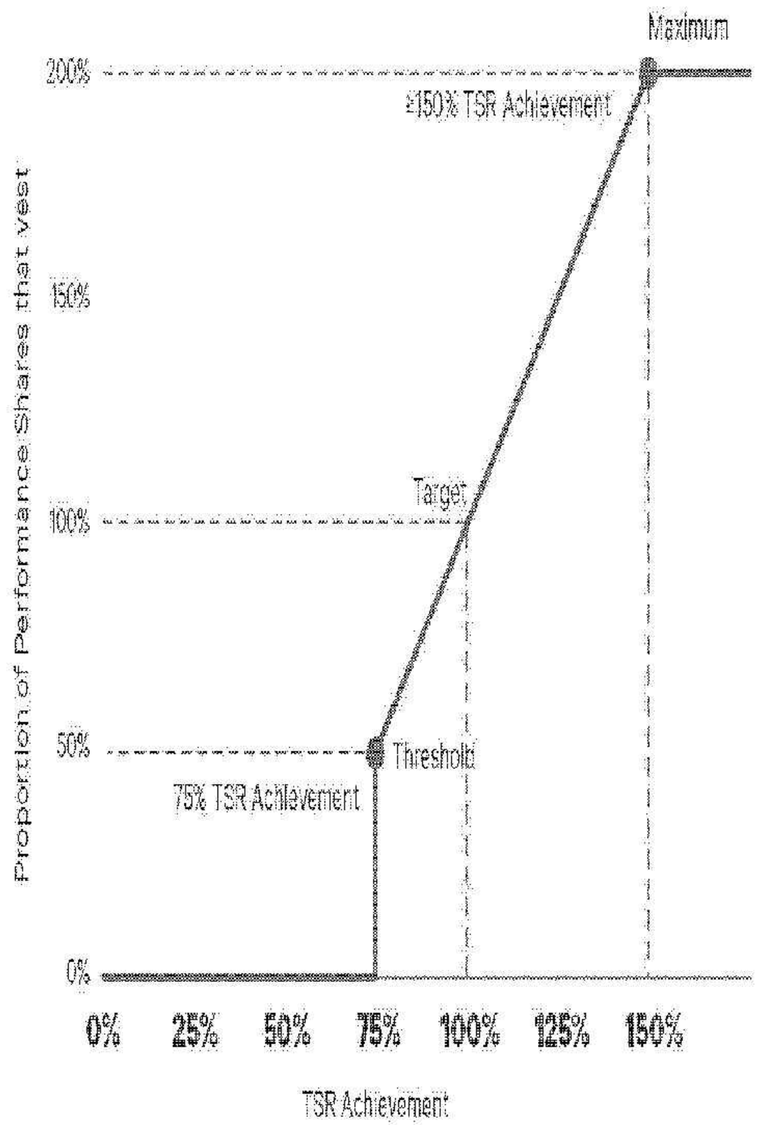
Eutelsat	**Telenet Group**
ViaSat	**Orange**
Telesat	**Britsh Telecom**
EchoStar Communications	**Proximus**
ProSiebenSat.1 Media	**Millicom International Cellular**
Telefonica	**Royal Caribbean**
ITV	**Gllat**
RTL Group	**Carnival**

Starting with 2023 grant, ESG will be included as a possible negative modifier to TSR ranging from 0 to -20% pending achievement of targeted reductions in CO_2 emissions and increase in the representation of women in people manager roles.

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

Unless otherwise specified by the Remuneration Committee, the Performance Shares will vest on the Share Vesting Date, subject to the Participant's continued employment with the Company or an Affiliate and to the following ratchet table which will apply to determine the proportion of Performance Shares that will vest:

Performance Shares ratchet table



Starting with 2023 equity grant, the payout range for vesting of performance shares is increased from 50-150% to 0-200%, thus removing the payout threshold and increasing the range between threshold and maximum performance for better alignment with market practices.

Stock Options

The stock option is a standard call option with a maturity of 10 years from the date of the option grant.

The final strike price corresponds to the average of 15 days closing prices of the Company's FDRs at the Paris stock exchange after the allocation of options by the Board.

The grant value is determined by the multiplication of the YBS with the applicable percentage.

The number of stock option units is derived directly by dividing the grant value by the value of the stock option which is computed by an external and independent valuation firm and using a Binomial or Black-Scholes valuation. The final stock option valuation of each grant is then approved by the Board.

The stock options must vest before they can be exercised. The vesting period of stock options is a three-year cliff vesting schedule. As an example, if 100 stock options are granted in 2023, all units vest and can be exercised as of 1 June 2026.

The SLT members must, when exercising their vested stock options and their vested shares, do this in accordance with the regulations of the French stock market authorities AMF and the SES Code of dealing securities (i.e. require the prior authorisation from the Deputy Corporate Secretary and/or Chief Financial Officer, outside closed periods). As for the members of the Board, the exercises by the SLT members are reported on the Company's website under About Us › ESG › Corporate Governance › Management Disclosures.

Benefits

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

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

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

Employment, Resignation and Termination

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

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

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

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

With exception of one member, all members of the SLT are entitled to two years of YBS in case of termination without cause. The indemnity includes statutory severance payment, if any.

SLT SHARE OWNERSHIP PROGRAM

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

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

SHAREHOLDER VOTE

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

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

DISCLOSURE

After the vote of the shareholders this Policy together with the date and the results of the vote shall be made available on the website of the Company where it will remain publicly available, free of charge, as long as it will be applicable.

PERIODIC REVIEW

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

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

In line with the Shareholder Rights Law of 1 August 2019, the SES Board adopted a Remuneration Policy that was formally submitted to the shareholders at the annual general meeting on 7 April 2022. An updated Remuneration Policy will be submitted to the Board on 24 February 2023 prior to its submission to the shareholders at the annual general meeting on 6 April 2023.

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

REMUNERATION REPORT

DIRECTORS REMUNERATION

In 2022, the Annual General Meeting of shareholders has approved the remuneration of the Members of the Board of Directors through approving a resolution that has been submitted by the Board of Directors.

The shareholders decided to maintain the fees paid to the directors at the previous year's level with a majority of 99.97%. The fees paid to the Board have not been increased since 2008, except for the fees paid to the Chair and the members of the Audit and Risk Committee which have been increased in 2015 in line with best practices.

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

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

Attendance fees for each Board or Board Committee meeting amounted to €1,600, except for the meetings of the Audit and Risk Committee for which directors received €1,920 per meeting. A director participating in more than one committee meeting on the same day received the attendance fee for one meeting only.

All fees are net of any Luxembourg withholding taxes.

The total net remuneration fees expensed for the year 2022 to the members of the Board of Directors (net of the Luxembourg withholding tax) amounted to €823,761 of which €531,601 represented the fixed part of the Board fees, with the remaining €292,160 being variable fees. The gross overall figure (including withholding taxes) for the year 2022 was €1,029,701. This compares to a gross remuneration of €1,131,067 in 2021.

The 2022 remunerations cover the fees paid for ten Board meetings, the meetings of the Board Committees described in the table below as well as two meetings of the Strategic Taskforce. The amounts relate to the Board fees expensed during the year 2022.

During 2022, the Board and the Committees of the Board were composed as follows:

- Frank Esser, Chair
- Tsega Gebreyes, Vice-Chair (until 7 April 2022)
- Anne-Catherine Ries, Vice-Chair
- Peter van Bommel, Vice-Chair
- Serge Allegrezza (until 7 April 2022)
- Béatrice de Clermont Tonnerre (until 24 October 2022)
- Ramu Potarazu
- Kaj-Erik Relander
- Françoise Thoma
- Katrin Wehr-Seiter
- Jacques Thill
- Jennifer Byrne (as of 7 April 2022)
- Carlo Fassbinder (as of 7 April 2022)

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

Committee Membership

	AUDIT AND RISK COMMITTEE	NOMINATION COMMITTEE	REMUNERATION COMMITTEE
Chair	Peter van Bommel	Anne-Catherine Ries	Françoise Thoma
Members	Carlo Fassbinder Françoise Thoma Kaj-Erik Relander Katrin Wehr-Seiter	Jennifer Byrne Frank Esser Kaj-Erik Relander Jacques Thill	Anne-Catherine Ries Peter van Bommel Frank Esser Ramu Potarazu Katrin Wehr-Seiter

The detailed overview of the individual remunerations expensed in 2022 and 2021 to each Director is provided as follows.

Directors Remuneration

	2022 (for Meetings Q1 2022 to Q4 2022)				2021 (for Meetings Q1 2021 to Q4 2021)			
IN €	Directors Remuneration	Attendance Fees	Taxes	Total	Directors Remuneration	Attendance Fees	Taxes	Total
Serge Allegrezza	10,667	11,840	5,627	28,133	40,000	31,680	17,920	89,600
Peter van Bommel	55,600	30,080	21,420	107,100	47,200	44,480	22,920	114,600
Jennifer Byrne	29,334	14,400	10,934	54,668				
Beatrice de Clermont-Tonnerre	30,000	22,400	13,100	65,500	40,000	33,600	18,400	92,000
Frank Esser	100,000	28,800	32,200	161,000	100,000	36,800	34,200	171,000
Carlo Fassbinder	29,333	13,120	10,613	53,067				
Tsega Gebreyes	12,667	8,000	5,167	25,833	54,000	27,520	20,380	101,900
Paul Konsbruck	–	–	–	–	40,000	32,000	18,000	90,000
Ramu Potarazu	40,000	25,600	16,400	82,000	40,000	35,200	18,800	94,000
Kaj-Erik Relander	40,000	23,360	15,840	79,200	40,000	30,080	17,520	87,600
Anne-Catherine Ries	56,000	25,600	20,400	102,000	56,000	20,800	19,200	96,000
Françoise Thoma	48,000	28,480	19,120	95,600	48,000	28,480	19,120	95,600
Katrin Wehr-Seiter	40,000	30,080	17,520	87,600	42,400	31,680	18,520	92,600
Jacques Thill	40,000	30,400	17,600	88,000	3,333	1,600	1,233	6,167
Total	**531,601**	**292,160**	**205,940**	**1,029,701**	**550,933**	**353,920**	**226,213**	**1,131,067**

REMUNERATION OF THE MEMBERS OF THE SLT

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

The remuneration of the SLT members comprises two major components:

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

The average to highest compensation ratio (comprising annual base salary, bonus and equity at target) for all employees at the level of SES S.A. is at 1 to 15 which remains below market benchmarks and ratios which can be observed in CAC 40 or FTSE 100 companies.

The following members were active in the SLT in the year 2022:

- Chief Executive Officer, Steve Collar
- Chief Financial Officer, Sandeep Jalan
- Chief Technology Officer, Ruy Pinto
- Chief Services Officer, John Baughn
- Chief Strategy and Product Officer, John-Paul Hemingway
- Chief Development Officer, Christophe De Hauwer
- Chief Human Resources Officer, Evie Roos (until 30 June 2022)
- Chief People Officer, Pan Macdonald (from 1 July 2022)
- Chief Legal Officer, Thai Rubin

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

2022 Remunerations

IN €	Annual Base Salary[1]	Annual Bonus	Long Term Equity[2]	Pension Expenses	Other Benefits and Payments[3]	Total	Average to highest compensation ratio at the level of SES SA[4]
Chief Executive Officer	735,438	760,001	705,265	125,027	54,778	2,380,508	15x
Chief Financial Officer	439,616	365,669	319,463	66,561	22,833	1,214,143	8x
Other SLT Members	2,204,143	1,689,753	1,497,444	211,088	415,503	6,017,931	6x
Total 2022	**3,379,197**	**2,815,423**	**2,522,172**	**402,676**	**493,114**	**9,612,582**	-

2021 Remunerations

IN €	Annual Base Salary	Annual Bonus	Long Term Equity[2]	Pension Expenses	Other Benefits and Payments[3]	Total
Chief Executive Officer	735,438	1,038,732	655,129	125,428	53,114	2,607,840
Chief Financial Officer	423,631	487,589	244,547	64,938	22,857	1,243,562
Other SLT Members	2,096,982	2,103,941	1,223,323	221,478	344,516	5,990,240
Total 2021	**3,256,051**	**3,630,262**	**2,122,998**	**411,844**	**420,488**	**9,841,642**

1 Annual base salary of Other SLT Members changes from 2021 to 2022 due to 4 SLT members based in Luxembourg with an average 8.3% LSA
2 Annual vesting of Long Term Equity grants
3 Other benefits and payments include health insurance, car, death and disability insurance, company car, social security allowances and other payments
4 Average total gross compensation (comprising base salary, bonus and equity vesting) for all employees at the level of SES SA

Yearly Base Salary

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

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

Except for the Chief Executive Officer, yearly base salaries of SLT members based in Luxembourg were adjusted in April 2022 following the legally required cost of living adjustment (Luxembourg Index).

Annual Bonus

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

The financial performance measures group actual achievement vs. budget for three elements, revenue (accounting for 40%), EBITDA (accounting for 40%), complemented by net operating cash flow (accounting for 20%). The Board of Directors sets annual targets during the annual budget process and confirms annual achievement level. In 2022, the Group financial performance payout was confirmed at 108% based on the weighted results for the three metrics.

Financial Performance Component of Annual Bonus

Annual Bonus	Metric[1]	Target in MEUR	Actuals in MEUR	Achievement in %	Pay-out per Metric	Weighting	Pay-out
Financial Performance (70%)	Revenue	1,890	1,857	98.3%	91.5%	40%	108.2%
	Adjusted EBITDA[2]	1,085	1,094	100.8%	104.0%	40%	
	Net operating cash flow	859	1,037	120.8%	150.0%	20%	

1 Based on average exchange rate of €/$ = 0.9041 and excluding the acquisition of DRS Global Enterprise Solutions (completed on 1 August 2022)
2 Adjusted EBITDA excludes non-recurring and exceptional items, such as US C-band clearing

The business objectives are set annually by the Board at the start of each performance year and relate to the strategic roadmap of the Company.

The SES Board confirmed an achievement for 2022 at 92% which applies equally to each SLT member including the CEO.

For confidentiality purposes, achievement of business objectives is reported in aggregate with weighting per objective provided as follows:

Business Objectives Component of Annual Bonus

Annual Bonus	Objective	Weighting	Pay-out
Business Objectives (30%)	Strategic and Business Execution	40%	92%
	Deliver O3b mPOWER	20%	
	Socially Responsible and outwardly impactful	20%	
	Internal Transformation and Operational Excellence	20%	

The main achievements in 2022, contributing to the 92% overall pay-out were as follows:

Strategic and Business Execution:

- SES-17 was successfully brought into commercial service in June 2022
- Completed value-accretive acquisition of DRS Global Enterprise Solutions for $443 million on 1 August 2022
- Three satellites were launched and are now operational supporting our US C-band clearing initiative and resulting in Phase II clearing on track to be completed on time
- $170 million of incremental value created from completing additional US C-band clearing for Verizon, ahead of expectations

Deliver O3b mPOWER

- The first two O3b mPOWER satellites were launched in December 2022
- TT&C system and ground deployed and operational including customer gateways and ARC
- 10 O3b mPOWER products launched and operational in the market
- More than $100m of new gross backlog was added in 2022, including a landmark partnership with Reliance Jio in India, as well as new business with Explora Journeys (part of MSC), Microsoft, Marlink, and others

Socially Responsible and outwardly impactful

- Delivered the SES ESG Horizon strategy and targets
- ESG targets adopted in remuneration across the organisation

Internal transformation and operational efficiency

- Net Promoter Score improved from +34 to +39
- Achieved cost savings of more than €10 million above target, contributing to an Adjusted EBITDA outturn which exceeded target
- Positive employee Net Promoter Score at +4

The 2022 annual bonus relates to the 2022 performance year and will be paid in March 2023.

The overview of the 2022 annual bonus of the CEO, CFO and other SLT members is provided in the table below:

Bonus SLT expense

IN €.	Bonus at target (Abs.)	Bonus at target (% of Base Salary)	Maximum award limit (150%)	Percentage achievement	Bonus Amount
Chief Executive Officer – Annual Bonus 2022 performance year	**735,438**	**100%**	**1,103,156**	**103.3%**	**760,001**
- Financial Performance (70%)	514,806		772,209	108.2%	557,020
- Busines Objectives (30%)	220,631		330,947	92.0%	202,981
Chief Financial Officer – Annual Bonus 2022 performance year	**353,851**	**80%**	**530,776**	**103.3%**	**365,669**
- Financial Performance (70%)	247,695		371,543	108.2%	268,006
- Busines Objectives (30%)	106,155		159,233	92.0%	97,663
Other SLT Members – Annual Bonus 2022 performance year	**1,635,199**	**[50-80]%**	**2,452,709**	**103.3%**	**1,689,753**
- Financial Performance (70%)	1,144,597		1,716,896	108.2%	1,238,454
- Busines Objectives (30%)	490,542		735,813	92.0%	451,298

Long Term Equity Incentives

The third element of the compensation package relates to the long-term equity granted by the Company. The plan, administered by the Remuneration Committee, permits the grant of three equity types: (i) stock options; (ii) restricted shares; and (iii) performance shares. The 2022 total grant value was divided into one-third of stock options, one-sixth of restricted shares, and one half of performance shares.

Stock option grants prior to year 2021 have a vesting period of four years with a yearly vesting of 25% on 1 January of each year following the grant. For closer alignment with market practices, stock option grants from year 2021 on have a three-year cliff vesting of 100% on 1 June of the third year following the grant year.

The Restricted Shares are FDRs granted with the sole condition that, at vesting, the SLT member must be employed by SES. The Restricted Shares vest on 1 June of the third year following the year of their grant.

Performance Shares are FDRs granted to SLT members and vest on 1 June of the third year following the year of their grant. Performance shares granted prior to year 2021 are subject to the outcome of the compounded three years adjusted Economic Value Added (EVA). From grant 2021 onwards, vesting is subject to outcome of Total Shareholder Return (TSR), measured on a relative basis to the median TSR performance of a panel of comparable companies during a three-year period.

For the 2022 vesting of performance shares, the EVA calculated over the period 2019 to 2021 was positive at €193 million and thus triggered 100% vesting of the performance shares granted in 2019.

During 2022, the members of the SLT were awarded a combined total of 1,111,357 options to acquire company FDRs at an exercise price of €8,40 as well as 66,142 restricted shares as part of the company's long-term incentive plan and 198,426 performance shares. The CEO was awarded 302,827 stock options, 18,023 restricted shares and 54,069 performance shares.

The detailed overview of the 2022 equity grant and vesting as well as current shareholding for the CEO, CFO and other SLT members is provided as follows:

Long Term Equity 2022

		Long Term Equity Plan - 2022 Grant			Equity Vesting in 2022		
IN €	Components	Grant Year	Vesting Year[1]	Units granted	Grant Year	Units vested	Registered shares and FDR's - 31 December 2022
Chief Executive Officer	Stock Options	2022	2025	302,827	2018 to 2020	271,509	
	Performance Shares	2022	2025	54,069	2019	24,399	193,132
	Restricted Shares	2022	2025	18,023	2019	8,133	
Chief Financial Officer	Stock Options	2022	2025	138,765	2020	58,434	
	Performance Shares	2022	2025	24,777	2020	23,694	15,000
	Restricted Shares	2022	2025	8,259	2020	7,898	
Other SLT Members	Stock Options	2022	2025	669,765	2018 to 2020	307,751	
	Performance Shares	2022	2025	119,580	2019	44,604	196,093
	Restricted Shares	2022	2025	39,860	2019	14,868	

1 Stock Options for plans prior to 2021 vest progressively four years with a yearly vesting of 25% on 1 January of each year following the grant.
2 Vesting of three years for 2022 grant year onwards.
3 Performance and Restricted Shares vest in full on the third year following the year of the grant.

Long Term Equity 2021

		Long Term Equity Plan - 2021 Grant			Equity Vesting in 2021	
IN €	Components	Grant Year	Vesting Year[1]	Units granted	Grant Year	Units vested
Chief Executive Officer	Stock Options	2021	2024	269,375	2017 to 2020	294,454
	Performance Shares	2021	2024	51,162	2018	13,788
	Restricted Shares	2021	2024	17,054	2018	9,192
Chief Financial Officer	Stock Options	2021	2024	120,426	2020	58,434
	Performance Shares	2021	2024	22,572	N/A	N/A
	Restricted Shares	2021	2024	7,624	N/A	N/A
Other SLT Members	Stock Options	2021	2024	563,797	2017 to 2020	414,206
	Performance Shares	2021	2024	107,062	2018	40,335
	Restricted Shares	2021	2024	35,694	2018	26,890

1 Stock Options for plans prior to 2021 vest progressively four years with a yearly vesting of 25% on 1 January of each year following the grant.
2 Vesting of three years for 2022 grant year onwards.
3 Performance and Restricted Shares vest in full on the third year following the year of the grant.

When exercising their vested stock options and their vested shares, the SLT members must do this in accordance with the SES Dealing Code (including requiring the prior authorisation from the Deputy Corporate Secretary and/or Chief Financial Officer and provide selling orders outside of a closed period).

During 2022, Christophe De Hauwer and Sandeep Jalan have sold all performance and restricted shares that vested on 1 June 2022. Evie Roos, Thai Rubin and Ruy Pinto sold some of the restricted and performance shares that vested on 1 June 2022. Steve Collar, John Baughn and John-Paul Hemingway kept all their restricted and performance shares that vested on 1 June 2022. Steve Collar has sold 120,000 and purchased 30,000 stock options from 2020 Stock option grant at the price of 5,973 per share. Sandeep Jalan, Evie Roos and John Baughn have sold some stock options from their 2020 stock option grant. As for the members of the Board, all transactions are reported on the SES website, Management Disclosures.

Benefits package

As for the benefits provided to members of the SLT, they are aligned with local and market practices and include pensions, health care plans, death and disability insurances, company cars or car allowances and other payments.



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CONSOLIDATED FINANCIAL STATEMENTS

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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 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

BASIS FOR OPINION

We conducted our audit in accordance with the 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.

The non-audit services that we have provided to the Company and its controlled undertakings, if applicable, for the year then ended, are disclosed in >> Note 6 to the consolidated financial statements.

KEY AUDIT MATTERS

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

Business combination – acquisition of DRS Global Enterprise Solutions, Inc. ("GES")

On 1 August 2022, the Group completed the acquisition of the entire issued and outstanding share capital of DRS Global Enterprise Solutions, Inc. ("GES") for a total consideration of 435 million EUR. During the financial year, the Group completed the purchase price allocation ("PPA") arising from the acquisition of GES and recognised final goodwill of 201 million EUR.

We focused on this area because of the quantitative impact of the acquisition on the consolidated financial statements and because the PPA exercise, which involves the identification of the acquired assets and liabilities and their respective fair values, requires the use of significant management judgment and estimates.

Management has engaged an external valuation expert to assist them with the PPA exercise for the acquisition of GES.

How our audit addressed the key audit matter

- We reviewed the sale purchase agreement and other legal documentation related to the acquisition to obtain an understanding of the transaction and to confirm the acquisition date and the consideration transferred;
- We assessed the completeness and accuracy of the accounting treatment in accordance with IFRS 3 Business Combinations;
- We assessed the competence, objectivity and capabilities of the external valuation expert engaged by the Group to allocate purchase price to identifiable assets acquired and liabilities assumed;
- We also involved our internal valuation specialists to assist us in evaluating the reasonableness of the key assumptions used in the valuation, the appropriateness of the valuation methods, and the completeness of the identifiable assets acquired and liabilities assumed;
- We considered the appropriateness of the disclosures in >> Note 3 to the consolidated financial statements.

Impairment of goodwill and orbital slot license rights (indefinite life)

Management performed the annual impairment test based on the value in use determined on the basis of a discounted cash flows model for each of the cash-generating units.

The Group has goodwill of 1,738 million EUR and orbital rights with indefinite useful lives of

2,054 million EUR. An impairment expense of 77 million EUR was recognised in relation to the goodwill at the level of the GEO North America CGU for the year ended 31 December 2022 (see Note 15). An impairment expense of 117 million EUR was recognised in relation to the orbital slot license rights at the level of the GEO North America CGU and of 9 million EUR at the level of the GEO International CGU for the year ended 31 December 2022 (see >> Note 15).

We focused on this area due to the high level of judgment in relation with the assumptions used in the calculation of the recoverable amounts (forecasted cash flows, long-term growth rates, discount rates, etc.).

How our audit addressed the key audit matter

- We evaluated the design and implementation of relevant internal controls;
- We evaluated Management's determination of the cash generating units as well as the method and model used for the determination of the value in use, considering the requirements of IAS 36;
- We involved valuation specialists and independently recalculated the weighted average cost of capital based on the use of market data and verified the long-term growth rate to market data;
- We agreed the forecasted cash flows used for the calculation of the value in use to the 2023 Business Plan as approved by the Board of Directors;
- We evaluated the forecasted revenue and costs assumptions, considering our expectations in terms of significant developments during the forecast period (significant new contracts or loss thereof) and corroborated these with market data in respect of demand for satellite capacity and pricing;
- We evaluated the capital expenditure assumptions, considering our expectations in terms of significant developments during the forecast period (capital expenditure programs, replacement of satellites) and the expected capital expenditure level in terminal period in order to maintain the current assets base;
- We performed sensitivity analysis of the models to changes in the key assumptions;
- We considered the appropriateness of the disclosures in >> Note 15 to the consolidated financial statements.

Impairment of satellites

The Group has a space segment assets balance, representing primarily satellites, of 3,250 million EUR as at 31 December 2022. An impairment expense of 194 million EUR was recognised for the year ended 31 December 2022 in relation to several satellites, due to the change in their forecasted future revenue (see >> Note 13).

The valuation of the satellites might be impacted by events that may or may not be under Management's control (e.g. solar array issues) or by a decrease in revenue due to unfavorable market developments.

Moreover, there is a risk of impairment of the satellites due to obsolescence in the context of rapid evolution of technology.

How our audit addressed the key audit matter

- We evaluated the design and implementation of relevant internal controls;
- We discussed with Management, and in particular the engineering team about any satellite health issues and evaluated their impact on the satellites' capability to generate future cash inflows, and implicitly on the recoverable amount of the satellites;
- We evaluated the forecasted revenue and cost assumptions, considering our expectations in terms of significant developments during the forecast period (significant new contracts or loss thereof) and corroborated these with market data in respect of demand for satellite capacity and pricing;
- We involved valuation specialists and validated the method used to derive the value in use of satellites presenting a risk of impairment. We independently recalculated the weighted average cost of capital based on the use of market data;
- We performed sensitivity analysis of the models to changes in the key assumptions;
- We considered the disclosures in >> Note 13 to the consolidated financial statements and assessed their appropriateness.

OTHER INFORMATION

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

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

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

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

RESPONSIBILITIES OF THE "RÉVISEUR D'ENTREPRISES AGRÉÉ" FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

We have been appointed as "Réviseur d'Entreprises Agréé" by the General Meeting of the Shareholders on 7 April 2022 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 10 years.

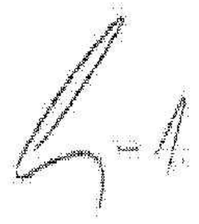
We have checked the compliance of the consolidated financial statements of the Group as at 31 December 2022 with relevant statutory requirements set out in the ESEF Regulation that are applicable to consolidated financial statements.

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 2022, identified as "SES 2022 Annual report", have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

PricewaterhouseCoopers, Société coopérative
Represented by



François Mousel Luxembourg, 27 February 2023

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2022

Consolidated Income Statement

€MILLION		2022	2021
Revenue	>> Note 4	**1,944**	**1,782**
C-band repurposing income	>> Note 33	184	901
Cost of sales	>> Note 5	(351)	(319)
Staff costs	>> Note 5	(330)	(304)
Other operating expenses	>> Note 5	(205)	(198)
Operating expenses	>> Note 5	**(886)**	**(821)**
EBITDA	>> Note 35	**1,242**	**1,862**
Depreciation expense	>> Note 13	(642)	(575)
Property, plant and equipment impairment	>> Note 13	(134)	(51)
Amortisation expense	>> Note 15	(63)	(95)
Intangible assets impairment	>> Note 15	(203)	(673)
Operating profit	>> Note 4	**140**	**468**
Net financing costs	>> Note 7	**(88)**	**(71)**
Profit before tax		**52**	**397**

€MILLION		2022	2021
Income tax (expense)/benefit	>> Note 8	(87)	49
(Loss)/profit after tax		**(35)**	**446**
(Loss)/profit for the year		(35)	446
Attributable to:			
Owners of the parent		(34)	453
Non-controlling interests		(1)	(7)
		(35)	**446**
Basic and diluted (loss)/earnings per share (in euro)			
Class A shares	>> Note 11	(0.16)	0.92
Class B shares	>> Note 11	(0.06)	0.37

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

Consolidated Statement of Comprehensive Income

€MILLION		2022	2021
(Loss)/profit for the year		**(35)**	**446**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligation		3	3
Income tax effect		(1)	(1)
Remeasurements of post-employment benefit obligation, net of tax		**2**	**2**
Income tax relating to treasury shares impairment expense or reversal		2	1
Total items that will not be reclassified to profit or loss		**4**	**3**
Items that may be reclassified subsequently to profit or loss			
Impact of currency translation	>> Note 10	295	471
Income tax effect	>> Note 10	(31)	(36)
Total impact of currency translation, net of tax		**264**	**435**
Net investment hedge	>> Note 19	(88)	(102)
Income tax effect	>> Note 19	24	26
Total net investment hedge, net of tax		**(64)**	**(76)**
Total items that may be reclassified subsequently to profit or loss		**200**	**359**
Total other comprehensive income for the year, net of tax		**204**	**362**
Total comprehensive income for the year, net of tax		**169**	**808**
Attributable to:			
Owners of the parent		168	815
Non-controlling interests		1	(7)
		169	**808**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

Consolidated Statement of Financial Position

€MILLION		2022	2021
Non-current assets			
Property, plant and equipment	>> Note 13	3,630	3,773
Assets in the course of construction	>> Note 14	1,859	1,788
Total property, plant and equipment		**5,489**	**5,561**
Intangible assets	>> Note 15	4,291	3,790
Other financial assets		20	26
Trade and other receivables	>> Note 17	111	121
Deferred customer contract costs		7	9
Deferred tax assets	>> Note 9	499	568
Total non-current assets		**10,417**	**10,075**[1]
Current assets			
Inventories		34	23
Trade and other receivables	>> Note 17	1,033	1,727
Deferred customer contract costs		4	3
Prepayments		47	48
Income tax receivable		25	13
Cash and cash equivalents	>> Note 20	1,047	1,049
Total current assets		**2,190**	**2,863**[1]
Total assets		**12,607**	**12,938**[1]

€MILLION		2022	2021
Equity			
Attributable to the owners of the parent	>> Note 21	5,596	5,670
Non-controlling interests	>> Note 22	62	63
Total equity		**5,658**	**5,733**
Non-current liabilities			
Borrowings	>> Note 24	3,629	3,524
Provisions	>> Note 25	7	6
Deferred income	>> Note 16	359	368
Deferred tax liabilities	>> Note 9	434	399
Other long-term liabilities	>> Note 27	107	83
Lease liabilities	>> Note 30	30	22
Fixed assets suppliers	>> Note 28	740	472
Total non-current liabilities		**5,306**	**4,894**[1]
Current liabilities			
Borrowings	>> Note 24	719	57
Provisions	>> Note 25	67	56
Deferred income	>> Note 16	189	187
Trade and other payables	>> Note 26	367	292
Lease liabilities	>> Note 30	15	11
Fixed assets suppliers	>> Note 28	264	1,554
Income tax liabilities		22	154
Total current liabilities		**1,643**	**2,311**[1]
Total liabilities		**6,949**	**7,205**[1]
Total equity and liabilities		**12,607**	**12,938**[1]

1 Restated in order to reflect the retroactive adjustments explained in Note 2 and Note 4 respectively as disclosed in >> Note 6

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

Consolidated Statement of Cash Flows

€MILLION		2022	2021
Profit before tax		**52**	**397**
Taxes paid during the year		(186)	(31)
Interest expense on borrowings	>> Note 7	102	95
Depreciation, amortisation and impairment	>> Notes 13, 15	1,102	1,394
Amortisation of client upfront payments		(69)	(65)
Other non-cash items in the consolidated income statement		27	(40)
Consolidated operating profit adjusted for non-cash items and tax payments and before working capital changes		**1,028**	**1,750**
Changes in working capital			
(Increase)/decrease in inventories		(6)	4
Decrease/(increase) in trade and other receivables		441	(492)
Decrease in prepayments		4	15
Decrease/(increase) in trade and other payables		8	(25)
Increase in upfront payments		1	42
Changes in working capital		**448**	**(456)**
Net cash generated by operating activities		**1,476**	**1,294**
Cash flow from investing activities			
Payments for acquisition of subsidiary, net of cash acquired		(435)	-
Payments for purchases of intangible assets		(42)	(37)
Payments for purchases of tangible assets		(1,312)	(243)
Other investing activities		(9)	(3)
Net cash absorbed by investing activities		**(1,798)**	**(283)**

€MILLION		2022	2021
Cash flow from financing activities			
Proceeds from borrowings	>> Notes 31, 24	744	159
Repayment of borrowings	>> Notes 31, 24	(57)	(614)
Proceeds from Perpetual bond, net of transaction costs	>> Note 21	-	617
Redemption of Perpetual bond, net of transaction costs	>> Note 21	-	(768)
Coupon paid on perpetual bond	>> Note 21	(49)	(65)
Dividends paid on ordinary shares[1]	>> Note 12	(219)	(181)
Dividends paid to non-controlling interest		-	(2)
Interest paid on borrowings		(103)	(121)
Payments for acquisition of treasury shares		-	(119)
Proceeds from treasury shares sold and exercise of stock options		4	1
Lease payments	>> Note 30	(17)	(14)
Payment in respect of changes in ownership interest in subsidiaries		2	-
Net cash generated by / (absorbed by) financing activities		**305**	**(1,127)**
Net foreign exchange movements		15	3
Net increase in cash		(2)	(113)
Cash and cash equivalents at beginning of the year	>> Note 20	**1,049**	**1,162**
Cash and cash equivalents at end of the year	>> Note 20	**1,047**	**1,049**

1 Dividends are presented net of dividends received on treasury shares of € 8.1 million (2021: € 8.2 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 2022

Consolidated Statement of Changes in Shareholders' Equity

	Attributable to owners of the parent									
€MILLION	Issued capital	Share premium	Treasury shares	Perpetual bond	Other reserves[2]	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interest	Total equity
At 1 January 2022	**719**	**1,636**	**(189)**	**1,175**	**2,227**	**453**	**(351)**	**5,670**	**63**	**5,733**
Result for the year	–	–	–	–	–	(34)	–	(34)	(1)	(35)
Other comprehensive income	–	–	–	–	4	–	198	202	(2)	204
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**4**	**(34)**	**198**	**168**	**1**	**169**
Allocation of 2021 result	–	–	–	–	453	(453)	–	–	–	–
Cancellation of shares (>> Note 21)	(23)	(72)	95	–	–	–	–	–	–	–
Coupon on perpetual bond (>> Note 21)	–	–	–	–	(49)	–	–	(49)	–	(49)
Tax on perpetual bond coupon (>> Note 26)	–	–	–	–	14	–	–	14	–	14
Dividends provided for or paid	–	–	–	–	(219)	–	–	(219)	–	(219)
Share-based compensation expense (>> Note 23)	–	–	–	–	9	–	–	9	–	9
Exercise of share-based compensation	–	–	14	–	(11)	–	–	3	–	3
Transactions with non-controlling interest	–	–	–	–	–	–	–	–	2	2
At 31 December 2022	**696**	**1,564**	**(80)**	**1,175**	**2,428**	**(34)**	**(153)**	**5,596**	**62**	**5,658**

1 Dividends are presented net of tax withheld and treasury shares of EUR 11 million.
2 The components of items included in other reserves are described in >> Note 21.

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

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2021

Consolidated Statement of Changes in Shareholders' Equity

	Attributable to owners of the parent									
€MILLION	Issued capital	Share premium	Treasury shares	Perpetual bond	Other reserves[2]	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interest	Total equity
At 1 January 2021	**719**	**1,636**	**(76)**	**1,300**	**2,583**	**(96)**	**(710)**	**5,356**	**72**	**5,428**
Result for the year	–	–	–	–	–	453	–	453	(7)	446
Other comprehensive income	–	–	–	–	3	–	359	362	–	362
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**3**	**453**	**359**	**815**	**(7)**	**808**
Allocation of 2020 result	–	–	–	–	(86)	86	–	–	–	–
Issue of new Perpetual bond, net of transaction costs	–	–	–	625	(8)	–	–	617	–	617
Redemption of Perpetual bond, net of transaction costs	–	–	–	(750)	(18)	–	–	(768)	–	(768)
Coupon on perpetual bond (>> Note 21)	–	–	–	–	(85)	–	–	(85)	–	(85)
Tax on perpetual bond coupon (>> Note 21)	–	–	–	–	20	–	–	20	–	20
Dividends provided for or paid	–	–	–	–	(181)	–	–	(181)	(2)	(183)
Acquisition of treasury shares	–	–	(119)	–	–	–	–	(119)	–	(119)
Share-based compensation expense (>> Note 23)	–	–	–	–	5	–	–	5	–	5
Exercise of share-based compensation	–	–	6	–	(6)	–	–	–	–	–
At 31 December 2021	**719**	**1,636**	**(189)**	**1,175**	**2,227**	**453**	**(351)**	**5,670**	**63**	**5,733**

1 Dividends are presented net of dividends received on treasury shares of EUR 2 million.
2 The components included in other reserves are described in >> Note 7.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

NOTE 1 – CORPORATE INFORMATION

SES 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 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 24 February 2023. Under Luxembourg Law, the consolidated financial statements are approved by the shareholders at their Annual General Meeting.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

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

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

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 standards, effective from 1 January 2022 and adopted by the Group. Any new IFRS amendments, effective from 1 January 2022 and not mentioned below are not applicable to the Group.

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

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

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

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

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

BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its controlled subsidiaries, after the elimination of all inter-company transactions. Subsidiaries are fully consolidated from the date the Company obtains control until such time as control ceases. The financial statements of subsidiaries are generally prepared for the same reporting period as the Company, using consistent accounting policies. If required, adjustments are made to align any dissimilar accounting policies that may exist. For details regarding the subsidiaries included in the consolidated financial statements see >> Note 36.

Total comprehensive income or loss incurred by a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance. Should a change in the ownership interest in a subsidiary occur, without a loss of control, this is accounted for as an equity transaction.

Should the Group cease to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Non-controlling interests in the results and equity of subsidiaries are presented separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

INVESTMENTS IN JOINT ARRANGEMENTS

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

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

The Group assesses investments in joint ventures for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication of impairment exists, the carrying amount of the investment is compared with its recoverable amount, being the higher of its fair value less costs to sell and value in use. Where the carrying amount exceeds the recoverable amount, the investment is written down to its recoverable amount.

The Group ceases to use the equity method of accounting on the date from which it no longer has joint control over the joint venture or when the investment is classified as held for sale.

INVESTMENTS IN ASSOCIATES

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

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

The Group's share of post-acquisition profit or loss is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. In general, the financial statements of associates are prepared for the same reporting year as the parent company, using consistent accounting policies. If required, adjustments are made to align any dissimilar accounting policies that may exist. For details regarding the associates included in the consolidated financial statements see >> Note 36.

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

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

SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

1) Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(i) Treatment of orbital slot licence rights

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

In the cases when, on the expiry of such rights, management believes it will be able to successfully re-apply for their usage at insignificant incremental cost, then such rights are deemed to have an indefinite life. Hence these assets are not amortised, but rather are subject to regular impairment reviews to confirm that the carrying value in the Group's financial statements is still appropriate. More details are given in >> Note 15.

(ii) Taxation

The Group operates in numerous tax jurisdictions and management is required to assess tax issues and exposures across its entire operations and to accrue for potential liabilities based on its interpretation of country-specific tax law and best estimates. In conducting this review management assesses the magnitude of the issue and the likelihood, based on experience and specialist advice, as to whether it will result in a liability for the Group. If this is deemed to be the case, then a provision is recognised for the potential taxation charges. More details are given in >> Note 8 and >> Note 25.

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

(iii) The impact of rising inflation and interest rates

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

The main effect observed in 2022 has been a mechanical increase in discount rates used to reflect the time value of money and adjustments to cash flows to account for the effect of general inflation principally impacting the valuation of assets. Please refer to note 15 ('Intangible assets') for further details.

(iv) Consolidation of entities in which the Group holds 50% or less

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

- **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 the effective control over the appointment or removal of the majority of the members of the Board of Directors. The entity is therefore consolidated with a 65% non-controlling interest (see >> Note 22).

- **LuxGovSat S.A. ('LuxGovSat')**

  SES and the Luxembourg government jointly incorporated LuxGovSat subscribing equally in the equity of the company. Management has concluded that the Group controls LuxGovSat since it has effective control over the relevant activities of the entity. It is therefore consolidated with a 50% non-controlling interest (see >> Note 22).

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

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

(v) SES Space & Defense, Inc. ('SES SD' – formerly SES Government Solutions, Inc.)

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

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

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

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

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

2) Estimation uncertainty

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

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

The Group determines whether goodwill and other indefinite-life intangible assets are impaired at least on an annual basis. This requires an estimation of the value in use of the cash generating units ('CGUs') to which the goodwill and other indefinite-life intangible assets are allocated. Establishing the value in use requires the Group to make an estimate of the expected future pre-tax cash flows from the CGU and to choose a suitable pre-tax discount rate and terminal growth rate to calculate the present value of those cash flows. More details are given in >> Note 16.

(ii) Impairment testing for space segment assets

The Group assesses at each reporting date whether there is any indicator that an asset may be impaired. If any such indication exists, the Group determines an estimate of the recoverable amount, as the higher of: (1) the fair value less cost of disposal and, (2) its value in use, to determine whether the recoverable amount exceeds the carrying amount included in the consolidated financial statements. For the Group's satellites, the estimation of the value in use requires estimations of the future commercial revenues to be generated by each satellite, particularly related to new markets or services, and also the impact of past in-orbit anomalies and their potential impact on the satellite's ability to provide its expected commercial service >> Note 13.

(iii) Recoverability of deferred tax assets

The Group recognises deferred tax assets primarily in connection with the carry-forward of unused tax losses and tax credits. The Group reviews the tax position in the different jurisdictions in which it operates to assess the need to recognise such assets based mainly on projections of taxable profits to be generated in each of those jurisdictions. The carrying amount of each deferred tax asset is reviewed at each reporting date and reduced to the extent that current projections indicate that it is no longer probable that sufficient taxable profits will be available to enable all, or part, of the asset to be recovered.

(iv) Expected credit losses on trade receivables and unbilled accrued revenue

The Group estimates expected credit losses on trade receivables and unbilled accrued revenues using a provision matrix based on loss expectancy rates and forward-looking information. The Group records additional losses if circumstances or forward-looking information cause the Group to believe that an additional collectability risk exists which is not reflected in the loss expectancy rates >> Note 17.

BUSINESS COMBINATIONS

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

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

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

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

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and

- acquisition-date fair value of any previous equity interest in the acquired entity;

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

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

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is initially recorded at historical cost, representing either the acquisition or manufacturing cost. Satellite cost includes the launcher and launch insurance, less depreciation and impairment charges.

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

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

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

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

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

Asset lives

Buildings	25 years
Space segment assets	10 to 18 years
Ground segment assets	3 to 15 years
Other fixtures, fittings, tools and equipment	3 to 15 years
Right-of-use assets	6 to 12 years

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

For reimbursable capitalised costs related to the procurement of satellites, launches, and upgraded ground facilities as part of the U.S. C-band repurposing project, the Group applies government grant accounting. The Group records credits to the recorded book values of the related asset when the costs have been incurred and the Group has obtained reasonable assurance that the costs will be reimbursed and that it will comply with the requirements attached to the reimbursement. See additional information in >> Note 33.

ASSETS IN THE COURSE OF CONSTRUCTION

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

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

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

BORROWING COSTS

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

INTANGIBLE ASSETS

1) Goodwill

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

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

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

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

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

2) Other intangibles

(i) Orbital rights

Intangible assets consist principally of rights of usage of orbital frequencies. The Group is authorised by governments to operate satellites at certain orbital locations. Governments acquire rights to these orbital locations through filings made with the International Telecommunication Union ('ITU'), a sub-organisation of the United Nations. The Group will continue to have rights to operate at its orbital locations so long as it maintains its authorisations to do so. Those rights are reviewed at acquisition to establish whether they represent assets with a definite or indefinite life. Those assessed as being definite life assets are amortised on a straight-line basis over their estimated useful life not exceeding 30 years.

Indefinite-life intangible assets are held at cost and are subject to impairment testing in line with the treatment outlined for goodwill above. Assets with indefinite lives are reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis. Orbital rights acquired for a non-cash consideration are initially measured at the fair value of the consideration given.

(ii) 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 AND PROPERTY, PLANT AND EQUIPMENT

The Group assesses at each reporting date whether there is an indication that the carrying amount of the assets may not be recoverable. If such an indication exists then the recoverable amount of the asset or CGU is reviewed to determine the amount of the impairment, if any.

Impairments can arise from complete or partial failure of a satellite as well as other changes in expected discounted future cash flows. Such impairment tests are based on a recoverable value determined using estimated future cash flows and an appropriate discount rate. The estimated cash flows are based on the most recent business plans. If an impairment is identified, the carrying value will be written down to its recoverable amount.

INVESTMENTS AND OTHER FINANCIAL ASSETS

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

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

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not remeasured to fair value through the consolidated income statement, transaction costs directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value and revalued through the con-

solidated income statement are expensed in the period when they were incurred. All regular purchases and sales of financial assets are recognised on the date that the Group is committed to the purchase or sale of the asset.

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

Equity investments

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

DEFERRED CUSTOMER CONTRACT COSTS

Deferred customer contract costs include the cost of equipment provided to customers under the terms of their service agreements, when the equipment and services are not deemed to be distinct and are expensed over the term of those contracts.

INVENTORIES

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

TRADE RECEIVABLES

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

TRADE AND OTHER PAYABLES

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

PREPAYMENTS

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

TREASURY SHARES

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

CASH AND CASH EQUIVALENTS

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

REVENUE RECOGNITION

Revenues are generated predominantly from customer service agreements for the provision of satellite capacity over contractually agreed periods, including short-term occasional use capacity, with the associated uplinking and downlinking services as appropriate. Other revenue-generating activities mainly include sale of customer equipment, platform services; subscription revenue; income received in connection with satellite interim missions; installation and other engineering services and proceeds from the sale of transponders if the revenue recognition criteria for the transaction are met.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when or as it transfers control of a good or service to a customer.

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

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

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

For contracts in which the Group sells multiple goods and services, the Group evaluates at contract inception whether the goods and services represent separate performance obligations. When they represent separate performance obligations, the Group allocates consideration to the goods and services based on relative standalone selling prices using either an expected cost plus a margin approach or an adjusted market assessment approach. When they do not represent separate performance obligations, the Group records revenue related to the single performance obligation over the contract period.

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

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

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

For the Group's contracts to provide satellite capacity, communications infrastructure services, and related services, the Group makes the services available to customers in a series of time periods that are distinct and have the same pattern of transfer to the customer. Revenue from customers under service agreements for these services is generally recognised on a straight-line basis over the duration of the respective contracts, including any free-of-charge periods. Using a straight-line measure of progress most faithfully depicts the Group's performance because the Group makes available a consistent level of capacity over each distinct time period. For certain performance obligations, we use a cost-based input method to recognize revenue if we determine that a basis reflecting the costs incurred to date relative to the total costs expected to be incurred better reflects the pattern of transfer of control of the services to the customer. Revenue will cease to be recognised if there is an indication of a significant deterioration in a customer's ability to pay for the remaining goods or services.

Revenue from the sale of equipment

The Group recognises revenue for the sale of equipment when it transfers control of the equipment to the customer, which is typically when the Group transfers title, physical possession, and the significant risks and rewards of the equipment to the customer. The Group's equipment contracts do not typically contain a right of return.

For equipment sales requiring the Group to perform significant integration, modification, or customisation of equipment, the Group recognises revenue over time if the equipment does not have an alternative use and the Group has an enforceable right to payment for performance completed to date. For these projects, the Group recognises revenue over time on a basis reflecting the costs incurred to date relative to the total costs expected to be incurred because costs incurred best reflect the pattern of transfer of control of the asset to the customer.

The Group may offer warranties on equipment. For warranties that are separately priced or offered as extended warranties, the Group recognises revenue on a straight-line basis over the duration of the warranty period. Using a straight-line measure of progress most faithfully depicts the Group's performance due to the nature of the Group's stand ready obligation during the warranty period. The Group also offers standard warranties with contract durations which are typically one year and represent assurance-type warranties. Standard warranties do not represent performance obligations separate from the related equipment, and revenue related to standard warranties is recognised at the same time as the related equipment.

Subscription revenue

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

Revenue generated by engineering services

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

LEASE INCOME

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

C-BAND REPURPOSING INCOME

Income from successfully meeting the separate Phase 1 and Phase 2 C-band Accelerated Relocation Payment deadlines is recognised when the Group has successfully completed Phase 1 and Phase 2 Accelerated Relocations, respectively, and has 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 Relocation Payment Clearinghouse ('the Clearinghouse') are recognised when the expenses have been incurred and the Group has obtained reasonable assurance that the costs will be reimbursed and that it will comply with the requirements attached to the reimbursement. The Group believes it obtains such reasonable assurance either when the Clearinghouse specifically validates the costs as being reimbursable, or where the costs fall within applicable cost ranges published by the Clearinghouse in its cost catalogue. More details are given in >> Note 33.

OTHER INCOME

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

CONTRACT ASSETS AND CONTRACT LIABILITIES

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

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

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

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

DIVIDENDS

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

PROVISIONS

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

BORROWINGS

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

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

CURRENT TAXES

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

DEFERRED TAXES

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

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

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

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

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

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

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

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

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

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

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

TRANSLATION OF FOREIGN CURRENCIES

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

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

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

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

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

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

USD Exchange Rate

	Average rate for 2022	Closing rate for 2022	Average rate for 2021	Closing rate for 2021
USD	1.0555	1.0666	1.1894	1.1326

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:

  a) has transferred substantially all the risks and rewards of the asset; or

  b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of that asset.

2) Financial liabilities

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

Offsetting financial instruments

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

ACCOUNTING FOR PENSION OBLIGATIONS

The Company and certain subsidiaries operate defined contribution pension plans.

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

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

SHARE-BASED PAYMENTS

1) Equity-settled share-based compensation plans

Employees (including senior executives) of the Group receive remuneration in the form of share-based compensation transactions, whereby employees render services as consideration for equity instruments ('equity-settled transactions'). The cost of equity-settled transactions is measured by reference to the fair value at the date on which they are granted. The fair value is determined by an external valuer using a binomial model for the Stock Appreciation Rights Plan ('STAR Plan') and Equity Based Compensation Plan comprising options ('EBCP Option Plan'), and a Black Scholes Model for the Equity Based Compensation Plan comprising performance shares ('EBCP PS') and restricted shares ('EBCP RS'). Further details are given in >> Note 23. In valuing equity-settled transactions, no account is taken of any non-market performance conditions, the valuation being linked only to the price of the Company's shares, if applicable.

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

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

2) Cash-settled share-based compensation plans

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. Further details are given in >> Note 23.

DEEPLY SUBORDINATED FIXED RATE RESETTABLE SECURITIES ("PERPETUAL BOND")

The deeply subordinated fixed rate securities issued by the Company are classified as equity since the Company has no contractual obligation to redeem the securities, and coupon payments may be deferred under certain circumstances (more details are given in >> Note 21) and recorded at fair value. Subsequent changes in fair value are not recognised in equity. Coupons become payable whenever the Company makes dividend payments. Coupon accruals are considered in the determination of earnings for calculating earnings per share (see >> Note 11).

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.

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 2023, and have not been early adopted in preparing these consolidated financial statements:

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

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

2) Amendments to IAS 1 and IAS 8

On 12 February 2021, the IASB issued amendments to IAS 1 "Presentation of Financial Statements" regarding the disclosure of accounting policies and as well amendments to IAS 8 "Accounting policies, changes in accounting estimates and errors" on the definition of accounting estimates. Both amendments aim to improve accounting policy disclosure and to help users of the

financial statements to distinguish between changes in accounting estimates and changes in accounting policies. The amendments were endorsed by the EU and are effective for annual periods beginning on or after 1 January 2023. The Group does not expect any significant impact of these amendments on its consolidated financial statements.

3) Amendments to IAS 12 deferred tax related to assets and liabilities arising from a single transaction

On 6 May 2021, the IASB published the amendments to IAS 12 "Income taxes" regarding the deferred tax related to assets and liabilities arising from a single transaction, that clarifies how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments were endorsed by the EU and are effective for annual periods beginning on or after 1 January 2023. The Group does not expect any significant impact of these amendments on its consolidated financial statements.

4) Sale or contribution of assets between an investor and its associate or joint venture - Amendments to IFRS 10 and IAS 28

The IASB has made limited scope amendments to IFRS 10 ('Consolidated Financial Statements') and IAS 28 ('Investments in Associates and Joint Ventures') which clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the nonmonetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively.

The IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method.

NOTE 3 - BUSINESS COMBINATIONS

ACQUISITION OF DRS GLOBAL ENTERPRISE SOLUTIONS, INC. ('GES')

On 22 March 2022, SES announced its intention to acquire all the issued and outstanding share capital of GES, a US-based subsidiary of Leonardo DRS Inc. for USD 450 million via its subsidiary SES Space & Defense Inc. ('SES SD' – formerly SES Government Solutions, Inc.). The transaction closed on 1 August 2022.

SES SD provides multi-orbit, multi-band managed satellite communication services to the US Department of Defense and other governmental agencies, operating in a similar arena to the larger GES business. The combination of the two units, with their established relationships with key governmental customers positions the extended SES SD, and the wider SES Group, as a provider of scalable solutions serving the multi-orbit satellite communications needs of the US Government and supporting missions anywhere on land, at sea, or in the air.

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

Purchase consideration

€MILLION	2022
Cash paid	435
Total consideration	**435**

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

€MILLION	2022
Property, plant and equipment (>> Notes 13, 14)	12
Intangible asset: Customer relationships (>> Note 15)	292
Current assets	29
Non-current assets	2
Deferred tax liabilities (>> Note 9)	(65)
Current liabilities	(26)
Deferred income	(10)
Net identifiable assets acquired	234
Add: Goodwill* (>> Note 15)	201
Net assets acquired	**435**

* Not deductible for tax purposes

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

The fair value of the acquired trade and other receivables and prepayments with aggregated gross contractual amount of EUR 24 million was assumed to equal their book value.

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

Purchase consideration - cash outflow

€MILLION	2022
Cash paid	435
Less	
Balance acquired: Cash and cash equivalents	-
Net outflow of cash - investing activities	**435**

Transaction-related costs of EUR 3 million were recognised directly in other operating expenses. The amounts of post-acquisition GES revenue and net loss included in the consolidated income statement were EUR 95 million and EUR 3 million respectively. The Group's 2022 revenue and loss for the year if the acquisition had taken effect on 1 January 2022 would have been EUR 2,045 million and EUR 34 million respectively, instead of SES Group reported revenue and loss for the year of EUR 1,944 million and EUR 35 million respectively.

NOTE 4 - SEGMENT INFORMATION

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

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

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

When analysing the performance of the operating segment against the prior period figures, these are presented both as reported and at 'constant FX', whereby they are recomputed using the prevailing exchange rates for each corresponding month of the current period. The segment's financial results for 2022 are set out below:

Operating Profit Reported

€MILLION	2022	2021	Change Favourable +/- Adverse
Revenue	**1,944**	**1,782**	**9.1%**
C-band repurposing income	184	901	-79.5%
Operating expenses	(886)	(821)	-8.1%
EBITDA	1,242	1,862	-33.3%
EBITDA margin (%)	58.3%	69.4%	-11.1% pts
Depreciation and impairment	(836)	(626)	-33.3%
Amortisation and impairment	(266)	(768)	65.3%
Operating profit	**140**	**468**	**-70.1%**
Adjusted EBITDA	**1,105**	**1,091**	**1.3%**
Adjusted EBITDA margin	56.9%	61.2%	-4.3% pts
C-band repurposing income	184	901	-79.5%
C-band operating expenses	(30)	(122)	75.3%
Other significant special items	(17)	(8)	N/m
EBITDA	1,242	1,862	33.3%

Operating Profit at Constant FX

€MILLION	2022	Constant FX 2021	Change Favourable +/- Adverse
Revenue	**1,944**	**1,900**	**2.3%**
C-band repurposing income	184	1,055	-82.5%
Operating expenses	(886)	(885)	-0.3%
EBITDA	1,242	2,070	-40.0%
EBITDA margin (%)	58.3%	70.1%	-11.8% pts
Depreciation and impairment	(836)	(665)	-25.7%
Amortisation and impairment	(266)	(834)	68.1%
Operating profit	**140**	**571**	**-75.5%**
Adjusted EBITDA	**1,105**	**1,158**	**-4.6%**
Adjusted EBITDA margin	56.9%	61.0%	-4.1% pts
C-band repurposing other income	184	1,055	-82.5%
C-band operating expenses	(30)	(135)	77.6%
Other significant special items	(17)	(8)	N/m
EBITDA	1,242	2,070	-40.0%

REVENUE BY BUSINESS UNIT

As reported and at constant FX, the revenue allocated to the relevant business units developed as follows:

Revenue by Business Unit 2022 and 2021

€MILLION	2022	2021	Constant FX 2021	Change Favourable +/- Adverse	Change Favourable +/- Adverse (constant FX)
SES Video	1,020	1,046	1,079	-2.5%	-5.5%
Underlying[1]	1,010	1,046	1,079	-3.4%	-6.4%
Periodic[2]	10	–	–	N/m	N/m
SES Networks	923	735	819	25.7%	12.7%
Underlying[1]	919	734	818	25.3%	12.4%
Periodic[2]	4	1	1	N/m	N/m
Sub-total	**1,943**	1,781	1,898	9.1%	2.4%
Underlying[1]	1,929	1,780	1,897	8.4%	1.7%
Periodic[2]	14	1	1	N/m	N/m
Other[3]	1	1	2	N/m	N/m
Group Total	**1,944**	**1,782**	**1,900**	**9.1%**	**2.3%**

Revenue by Business Unit 2021 and 2020

€MILLION	2021	2020	Constant FX 2020	Change Favourable +/- Adverse	Change Favourable +/- Adverse (constant FX)
SES Video	1,046	1,105	1,097	-5.6%	-4.6%
Underlying[1]	1,046	1,108	1,097	-5.6%	-4.6%
Periodic[2]	–	–	–	N/m	N/m
SES Networks	735	767	737	-4.2%	-0.4%
Underlying[1]	734	759	730	-3.3%	0.5%
Periodic[2]	1	8	7	-86.3%	-85.0%
Sub-total	**1,781**	**1,875**	**1,834**	**-5.0%**	**-2.9%**
Underlying[1]	1,780	1,867	1,827	-4.7%	-2.6%
Periodic[2]	1	8	7	-86.3%	-85.0%
Other[3]	1	1	1	N/m	N/m
Group Total	**1,782**	**1,876**	**1,835**	**-5.0%**	**-2.9%**

1 "Underlying" revenue represents the core business related to satellite capacity sales, active satellite services and equipment. This revenue excludes the impacts of changes in contracted backlog and other non-recurring items such as early satellite termination fees, insurance proceeds and one-time gains or losses from satellite sales.

2 "Periodic" revenue represents revenues that are not directly linked to, or would distort the underlying business trends. Periodic revenue includes the recurring impacts of transponder agreements accounted for as finance leases, non-recurring revenues due to early termination of contracts, insurance proceeds due to in-orbit satellite failures and other items where timing is uncertain.

3 Other revenues primarily relate to SES Video and SES Networks activities.

REVENUE BY CATEGORY

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

Revenue by Category 2022

€MILLION	Revenue recognised at a point in time	Revenue recognised over time	Total
Revenue from contracts with customers	49	1,895	1,944
Lease income	–	–	–
Total	**49**	**1,895**	**1,944**

Revenue by Category 2021

€MILLION	Revenue recognised at a point in time	Revenue recognised over time	Total
Revenue from contracts with customers	28	1,722	1,750
Lease income	–	32	32
Total	**28**	**1,754**	**1,782**

Revenue from contracts with customers recognised at a point in time is related to sales of equipment and amounts to EUR 49 million in 2022 (2021: EUR 28 million).

REMAINING PERFORMANCE OBLIGATIONS

Our remaining performance obligations, which the Group refers to as revenue "backlog", represent our expected future revenues under existing customer contracts and include both cancellable and non-cancellable contracts. The backlog was EUR 5.9 billion as of December 31, 2022 (2021: EUR 5.8 billion), EUR 4.8 billion (2021: EUR 5.2 billion) of which related to 'protected' backlog and EUR 1.1 billion (2021: EUR 0.6 billion) of which related to 'unprotected' backlog. Approximately 26% of the backlog is expected to be recognised as revenue in 2023, approximately 22% in 2024, and approximately 16% in 2025, 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:

Revenue by Country

€MILLION	2022	2021
Luxembourg (SES country of domicile)	49	54
United States of America	660	554
Germany	345	355
United Kingdom	227	212
France	81	78
Others - Europe	193	203
Others	389	326
Total	**1,944**	**1,782**

No single customer accounted for 10%, or more, of total revenue in 2022, or 2021.

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS BY LOCATION

The Group's property, plant and equipment and intangible assets are located as set out in the following table. Note that satellites are allocated to the country where the legal owner of the asset is incorporated.

Property, Plant and Equipment and Intangible Assets by Location

€MILLION	2022	2021
Luxembourg (SES country of domicile)	5,985	5,767
United States of America	2,303	2,036
The Netherlands	1,155	1,206
Sweden	122	145
Germany	43	45
Israel	24	27
Others	148	125
Total	**9,780**	**9,351**

NOTE 5 - OPERATING EXPENSES

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

1) Cost of sales, which excludes staff costs and depreciation, represents expenditures which generally vary directly with revenue. They are incurred in delivering services to customers and include a variety of expenses such as rental of third-party satellite capacity, third-party teleports, connectivity, equipment and equipment rental, customer support costs such as hosting, monitoring, implementation, engineering work as well as commissions. Other cost of sales detailed below include an amount of EUR 3 million (2021: EUR 51 million) for C-band repurposing related expenses (>> Note 33).

Cost of Sales

€MILLION	2022	2021
Rental of third-party satellite capacity	(94)	(68)
Customer support costs	(100)	(72)
Other cost of sales	(157)	(179)
Total cost of sales	**(351)**	**(319)**

2) Staff costs of EUR 330 million (2021: EUR 304 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 9 million (2021: EUR 8 million) and C-band repurposing related expenses of EUR 12 million (2021: EUR 36 million). At the year-end the total full-time equivalent number of members of staff was 2,298 (2021: 2,037).

3) Other operating expenses of EUR 205 million (2021: EUR 198 million) are, by their nature, less variable to revenue development. Such costs include office-related and technical facility costs, in-orbit insurance costs, marketing expenses, general and administrative expenditure, consulting charges, travel-related expenditure and movements in provisions for debtors. Other operating expenses also include an amount of EUR 15 million (2021: EUR 35 million) C-band repurposing related expenses (>> Note 33), EUR 3 million (2021: nil) costs associated with the acquisition and integration of GES acquisition (>> Note 3), as well as EUR 5 million one-off regulatory charges arising outside ongoing operations.

NOTE 6 - AUDIT AND NON-AUDIT FEES

For 2022 and 2021 the Group recorded charges, billed and accrued, from its independent auditors, and affiliated companies thereof, as set out below:

Audit and Non-Audit Fees

€MILLION	2022	2021
Fees for statutory audit of annual and consolidated accounts	2.5	2.1
Fees charged for other assurance services	0.1	0.1
Fees charged for other non-audit services	-	-
Total audit and non-audit fees	**2.6**	**2.2**

'Other assurance services' represent primarily comfort letters issued in connection with treasury funding operations and interim dividend reviews.

NOTE 7 - FINANCE INCOME AND COSTS

Finance Income and Costs

€MILLION	2022	2021
Finance income		
Interest income	6	-
Net foreign exchange gains	45	37
Fair value increases on financial assets[2]	-	13
Total	**51**	**50**
Finance costs		
Interest expense on borrowings (excluding amounts capitalised)	(102)	(95)
Loan fees and origination costs and other	(22)	(26)
Fair value losses on financial assets[2]	(15)	-
Total	**(139)**	**(121)**

1 Net foreign exchange gains are mainly related to revaluations of bank accounts, deposits and other monetary items denominated in US dollars.
2 Represents fair value increases/losses on assets measured as part of 'Other financial assets' in the consolidated statement of financial position and recorded to profit or loss at fair value for clearing accounts in pay-per-view transactions.

NOTE 8 - INCOME TAXES

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

Income Taxes

€MILLION	2022	2021
Current income tax		
Current income tax charge on result of the year	(65)	(163)
Adjustments in respect of prior periods	6	9
Foreign withholding taxes	(5)	(7)
Total current income tax	**(64)**	**(161)**
Deferred income tax		
Relating to origination and reversal of temporary differences	121	(23)
Relating to tax losses carried forward	(31)	251
Changes in tax rate	3	6
Adjustment of prior years	(116)	(24)
Total deferred income tax	**(23)**	**210**
Income tax benefit per consolidated income statement	**(87)**	**49**
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)	(1)
Impact of currency translation	(31)	(36)
Net investment hedge - current tax	24	26
Tax impact of the treasury shares impairment recorded in the stand-alone financial statements	2	1
Tax impact on perpetual bond	14	20
Current and deferred income taxes reported in equity	**8**	**10**

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% (2021: 25.69%) which corresponds to the Luxembourg domestic tax rate for the year ended 31 December 2022 is as follows:

Income Tax Reported in the Consolidated Income Statement

€MILLION	2022	2021
Profit/(loss) before tax from continuing operations	**52**	**397**
Multiplied by theoretical tax rate	14	102
Effect of different foreign tax rates	4	14
Investment tax credits	(61)	(44)
Non-deductible expenditures	(8)	2
Taxes related to prior years	(3)	3
Effect of changes in tax rate	-	(5)
Other changes in group tax provision not included in separate lines	10	(3)
Impairment on investments in subsidiaries and other assets	-	(107)
Impact of deferred taxes	89	(23)
Foreign withholding taxes	5	7
Translation impact on investments in subsidiaries	33	-
Other	4	5
Income tax reported in the consolidated income statement	**87**	**(49)**

FOREIGN WITHHOLDING TAX

The foreign withholding tax of EUR 5 million includes EUR 2 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 3 million relates to withholding tax retained by customers in other jurisdictions.

INVESTMENT TAX CREDITS ('ITCS')

In 2022, the continuing investment in the O3b mPOWER and 19.2° East replacement satellites triggered the recognition of deferred tax assets for ITCs of EUR 27 million (2021: EUR 19 million) and EUR 31 million (2021: EUR 9 million) respectively. The remaining EUR 3 million of deferred tax assets for ITCs was recognised in connection with other investments by Group companies in Luxembourg.

According to Luxembourg tax law, unused ITCs can be carried forward for a maximum of ten years. SES believes that it is probable that sufficient taxable profits will be available in the Luxembourg fiscal unity in the next 10 years to use the ITCs recognised in 2022 despite the fact that a partial valuation adjustment is recorded for prior year ITCs.

IMPACT OF DEFERRED TAXES

GovSat-1 was launched in January 2018 and entered into operational service in March 2018. A deferred tax asset for investment tax credits of EUR 26 million was recognised by its owner LuxGovSat S.A. in the same year. LuxGovSat S.A. is not part of the Luxembourg fiscal unity. As a result of management's analysis of the recoverability of this deferred tax asset, an additional valuation adjustment of EUR 1 million was recorded in 2022 (2021: EUR 11 million).

Considering the estimated future taxable income based on the most recent business plan information the Company has concluded that the ITCs recognised in 2018, 2019 and 2020 cannot be fully used due to the 10-year carry forward limitation rule. Therefore, a valuation adjustment of EUR 110 million (2021: EUR 0 million) on deferred tax assets for prior year ITCs for Luxembourg fiscal unity was recorded in 2022.

An additional deferred tax asset of EUR 17 million (2021: EUR 0 million) for tax losses and interest carried forward was recognised for HD Plus GmbH, as management believes that it is probable that sufficient taxable profits will be available in that company in the future to utilise those losses.

IMPAIRMENT ON SUBSIDIARIES AND OTHER ASSETS

The aggregate impact of EUR 0 million mainly comprises the following:

- The net impairment charge of EUR 142 million (2021: EUR 903 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 38 million (2021: EUR 232 million).
- The reversal of impairment charges of EUR 62 million (2021: EUR 0 million) taken on the carrying value of intercompany receivables held by entities in Luxembourg resulting in an income tax expense of EUR 17 million.
- The impairment charge of EUR 77 million (2021: EUR 673 million) recorded in connection with the goodwill attributed to the GEO North America cash-generating unit (see >> Note 15) resulting in a negative ETR impact of EUR 16 million (2021: EUR 141 million).

TRANSLATION IMPACT ON INVESTMENTS IN SUBSIDIARIES

The elimination of the tax effect on the translation impact resulting from intercompany restructurings resulted in an income tax expense of EUR 33 million (2021: EUR 0 million).

NOTE 9 - DEFERRED TAX BALANCES

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

Deferred Tax Balances

€MILLION	Deferred tax assets 2022	Deferred tax assets 2021	Deferred tax liabilities 2022	Deferred tax liabilities 2021
Losses carried forward	296	301	–	–
Tax credits	206	259	–	–
Intangible assets	20	23	(335)	(239)
Tangible assets	–	–	(99)	(160)
Trade and other receivables	15	19	–	–
Other	5	5	(43)	(39)
Total deferred tax assets/(liabilities)	542	607	(477)	(438)
Offset of deferred taxes	(43)	(39)	43	39
Net deferred tax assets/(liabilities)	499	568	(434)	(399)

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.

In 2022 the Group reversed deferred tax assets for tax losses carried forward in Luxembourg for EUR 25 million (2021: recognition of DTA of EUR 247 million). Tax losses can be carried forward in Luxembourg for 17 years. Using the estimated future taxable income based on the most recent business plan information approved by the Board of Directors, the Company has concluded that the deferred tax assets for the remaining tax losses carried forward are recoverable (EUR 301 million).

In addition to the recoverable tax losses for which the Group has recognised deferred tax assets, the Group has further tax losses of EUR 346 million as at 31 December 2022 (31 December 2021: EUR 488 million) which are available for offset against future taxable profits of the companies in which the losses arose. EUR 181 million (31 December 2021: 329 million) of these tax losses were generated in the US. EUR 94 (31 December 2021: EUR 82 million) of these tax losses were generated in Israel. 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.

Considering the total tax losses carried forward and future taxable income based on the most recent business plan information for Luxembourg entities, the Company has concluded that prior year ITCs cannot be fully used due to a 10 year carry forward limitation rule. Therefore, a valuation allowance of EUR 110 million (2021: EUR 0 million) on a deferred tax asset for ITCs for the Luxembourg fiscal unity was recorded in 2022. Considering the valuation allowance and new deferred tax assets recognised for the 2022 investments, the total DTA for ITCs amounts to EUR 206 million (2021: EUR 259 million).

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.

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

Movement in deferred Income Tax Assets

DEFERRED TAX ASSETS	Losses carried forward	Tax credits	Intangible assets	Trade and other receivables	Other	Total
At 1 January 2021	**72**	**228**	**26**	**13**	**10**	**349**
(Charged)/credited to the income statement	227	31	(3)	5	(5)	255
Exchange difference[1]	2	–	–	1	–	3
At 31 December 2021	**301**	**259**	**23**	**19**	**5**	**607**
(Charged)/credited to the income statement	(7)	(53)	(4)	(5)	–	(69)
Exchange difference[1]	2	–	1	1	–	4
At 31 December 2022	**296**	**206**	**20**	**15**	**5**	**542**

Movement in deferred Income Tax Liabilities

DEFERRED TAX LIABILITIES	Intangible assets	Tangible assets	Other	Total
At 1 January 2021	**219**	**123**	**27**	**369**
(Charged)/credited to the income statement	2	31	12	45
Exchange difference[1]	18	6	–	24
At 31 December 2021	**239**	**160**	**39**	**438**
Additions through business combinations (>> Note 3)	65	–	–	65
Charged/(credited) to the income statement	20	(70)	4	(46)
Exchange difference[1]	11	9	–	20
At 31 December 2022	**335**	**99**	**43**	**477**

[1] Foreign exchange movements due to translation of net operations with a different functional currency and intercompany loans (EUR 4 million asset) (reserve 2022 (2021: Retained earnings)).

NOTE 10 - COMPONENTS OF OTHER COMPREHENSIVE INCOME

Components of Other Comprehensive Income

€MILLION	2022	2021
Impact of currency translation	295	471
Income tax effect	(31)	(36)
Total impact of currency translation, net of tax	**264**	**435**

The impact of currency translation in other comprehensive income relates to exchange gains or 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 2022 of EUR 295 million (2021: unrealised loss of EUR 471 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 1.1326 to USD 1.0666 (2021: the strengthening of the US dollar against the euro from USD 1.2271 to USD 1.1326). This effect is partially offset by the impact of the net investment hedge (>> Note 19).

NOTE 11 - EARNINGS PER SHARE

Earnings per share is calculated by dividing the net profit 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 2022, a basic loss per share of EUR (0.16) per Class A share (2021: basic earnings per share of EUR 0.92), and EUR (0.06) per Class B share (2021: basic earnings per share of EUR 0.37) have been calculated as follows:

(Loss)/profit attributable to the owners of the parent for calculating basic earnings per share:

Profit Attributable to Owners

€MILLION	2022	2021
(Loss)/profit attributable to owners of the parent	(34)	453
Assumed coupon on perpetual bond (net of tax)	(36)	(41)
Total	**(70)**	**412**

Assumed coupon accruals of EUR 36 million (net of tax) for the year ended 31 December 2022 (2021: EUR 41 million) related to the Perpetual Bonds in issue have been considered for the calculation of the basic and diluted earnings available for distribution.

The weighted average number of shares based on the capital structure of the Company as described in >> Note 21, net of own shares held, for calculating basic earnings per share was as follows:

Weighted Average Number of Shares

	2022	2021
Class A shares (in million)	364.1	369.7
Class B shares (in million)	185.8	189.2
Total	**549.9**	**558.9**

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

For 2022, a diluted loss per Class A share of EUR (0.16) (2021: diluted earnings of EUR 0.92), and EUR (0.06) per Class B share (2021: diluted earnings of EUR 0.37) have been calculated as follows:

Diluted Earnings per Share

€MILLION	2022	2021
(Loss)/profit attributable to owners of the parent	(34)	453
Assumed coupon on perpetual bond (net of tax)	(36)	(41)
Total	**(70)**	**412**

The weighted average number of shares, net of own shares held, for calculating diluted earnings per share was as follows:

Weighted Average Number of Shares

	2022	2021
Class A shares (in million)	368.8	372.9
Class B shares (in million)	185.7	189.2
Total	**554.5**	**562.1**

NOTE 12 - DIVIDENDS PAID AND PROPOSED

Dividends declared are paid net of any withholding tax (2022: EUR 24 million, 2021: EUR 20 million).

Gross dividends declared and paid during the year:

Dividends Declared and Paid

€MILLION	2022	2021
Class A dividend for 2021: EUR 0.50 (2020: EUR 0.40)	192	153
Class B dividend for 2021: EUR 0.20 (2020: EUR 0.16)	38	31
Total	**230**	**184**

Dividends proposed for approval at the annual general meeting to be held on 1 April 2023, which are not recognised as a liability as at 31 December 2022:

Dividend Proposed

€MILLION	2023
Class A dividend for 2022: EUR 0.50 (2021: EUR 0.50)	192
Class B dividend for 2022: EUR 0.20(2020: EUR 0.20)	38
Total	**230**

NOTE 13 - PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment 2022

€MILLION	Land and buildings	Space segment	Ground segment	Other fixtures and fittings, tools and equipment	Total
Cost					
As at 1 January 2022	**289**	**10,709**	**872**	**277**	**12,147**
Additions	15	1	10	2	28
Additions through business combinations (>> Note 3)	5	–	–	5	10
Disposals	(4)	–	(3)	–	(7)
Retirements	(7)	(163)	(34)	(9)	(213)
Transfers from assets in course of construction (>> Note 14)[1]	1	480	44	18	553
Transfers between categories	(7)	5	(17)	14	(5)
Impact of currency translation	8	326	30	5	369
As at 31 December 2022	**300**	**11,368**	**902**	**312**	**12,882**
Depreciation					
As at 1 January 2022	**(201)**	**(7,332)**	**(640)**	**(201)**	**(8,374)**
Depreciation	(21)	(523)	(59)	(39)	(642)
Impairment expense	–	(194)	–	–	(194)
Disposals	2	–	2	–	4
Retirements	7	163	34	9	213
Transfers between categories	2	–	8	(10)	–
Impact of currency translation	(4)	(282)	(20)	(3)	(259)
As at 31 December 2022	**(215)**	**(8,118)**	**(675)**	**(244)**	**(9,252)**
Net book value as at 31 December 2022	**85**	**3,250**	**227**	**68**	**3,630**

[1] Satellites Astra 2A etc. AMC 3 were retired in 2022.
[2] SES-7, SES-20, SES-21 and SES-22 were operational during 2022.

Property, Plant and Equipment 2021

€MILLION	Land and buildings	Space segment	Ground segment	Other fixtures and fittings, tools and equipment	Total
Cost					
As at 1 January 2021	**278**	**11,081**	**811**	**229**	**12,409**
Additions	6	–	7	3	16
Disposals	(3)		(1)	(1)	(5)
Retirements[1]	(6)	(850)	(3)	(1)	(860)
Transfers from assets in course of construction (>> Note 14)	3	–	17	41	61
Transfers from intangible assets (>> Note 15)	–	–	3	–	3
Impact of currency translation	11	468	38	6	523
As at 31 December 2021	**289**	**10,709**	**872**	**277**	**12,147**
Depreciation					
As at 1 January 2021	**(186)**	**(7,321)**	**(562)**	**(170)**	**(8,239)**
Depreciation	(15)	(478)	(53)	(29)	(575)
Impairment expense	–	(73)	–	–	(73)
Impairment reversal	–	22	–	–	22
Disposals	–	–	1	1	2
Retirements[1]	6	850	3	1	860
Impact of currency translation	(6)	(332)	(29)	(4)	(371)
As at 31 December 2021	**(201)**	**(7,332)**	**(640)**	**(201)**	**(8,374)**
Net book value as at 31 December 2021	**88**	**3,377**	**232**	**76**	**3,773**

1 See Notes 4, 14, 23, 24, 25, 26, 27, 28, 29, 30 and 35 to the consolidated financials 2021

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 2022 resulted in revisions to the remaining useful economic lives of MEO Block 1-2, 3A, 3B and three GEO Satellites resulting in a net increase in the depreciation expense for 2022 of EUR 4 million. The corresponding review in 2021 resulted in revisions to the remaining useful economic lives of three GEO satellites resulting in a net decrease in the depreciation expense for 2021 of EUR 9 million.

As at 31 December 2022, the amount of the property, plant and equipment pledged in relation to the Group's liabilities is nil (2021: nil).

For further information related to right-of-use assets, see >> Note 30.

IMPAIRMENT OF SPACE SEGMENT ASSETS

In 2022, the net impairment expense recorded for space segment assets was EUR 194 million (2021: EUR 51 million). There were no impairment reversals in 2022 (2021: EUR 22 million). The charges and reversals are the aggregation of impairment testing procedures on specific satellites, or combinations of co-located satellites, in the Group's geostationary fleet.

The following table discloses the applicable amounts and discount rates used in the impairment test for those geostationary satellites subject to impairment expenses or reversals during the year.

€MILLION	Carrying value	Value in use	Discount rate	Impairment expense
2022 – Expense	1,084	890	7.5% - 11.1%	194
2021 – Expense	333	260	4.9% - 8.9%	73
2021 – Reversal	66	114	4.9% - 8.9%	(22)
2021 – Net impact				51

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

Specific developments, largely in the second half of 2022, in these areas contributed to the weakening of cash flow projections for certain satellites and contributed to the recording of the impairment expenses noted above.

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

The most recent testing showed that for this category of geostationary space segment assets, then under the least favourable combination of the circumstances above (namely a 1% higher discount rate in conjunction with a 5% lower EBITDA projection) an incremental impairment of EUR 111 million would be recorded. A 1% increase in the discount rate at a constant EBITDA level would increase satellite impairments by EUR 38 million. Taken separately, a 5% decrease in EBITDA would increase satellite impairments by EUR 50 million.

NOTE 14 - ASSETS IN THE COURSE OF CONSTRUCTION

Assets in the Course of Construction 2022

€MILLION	Land and Buildings	Space segment	Ground segment	Fixtures, tools & equipment	Total
Cost and net book value as at 1 January 2022	**7**	**1,664**	**107**	**10**	**1,788**
Movements in 2022					
Additions[1]	2	428	105	18	553
Additions through business combinations (>> Note 3)	-	-	2	-	2
Transfers to assets in use (>> Note 13)	(1)	(490)	(44)	(18)	(553)
Transfer between categories	-	7	(17)	6	(4)
Impact of currency translation	-	66	6	1	73
Cost and net book value as at 31 December 2022	**8**	**1,675**	**159**	**17**	**1,859**

1 Additions to assets in O3b mPOWER, SES-17, Astra 19.2°E (re-banging), NSS-12 and other satellites (EUR 428 million) and ground assets (EUR 105 million).

Assets in the Course of Construction 2021

€MILLION	Land and Buildings	Space segment	Ground segment	Fixtures, tools & equipment	Total
Cost and net book value as at 1 January 2021	**1**	**1,529**	**90**	**31**	**1,651**
Movements in 2021					
Additions[1]	7	360	63	9	439
Transfers to assets in use >> (>> Note 14)	(3)	-	(17)	(41)	(61)
Transfer to intangible assets (>> Note 15)	-	-	(10)	-	(10)
Transfer between categories	2	-	(12)	10	-
C-band repurposing (>> Note 33)[2]	-	(305)	(8)	-	(313)
Impact of currency translation	-	80	1	1	82
Cost and net book value as at 31 December 2021	**7**	**1,664**	**107**	**10**	**1,788**

1 Additions to assets in O3b mPOWER, SES-12, Astra 19.2°E (including EUR 447 million pre-contractual costs).
2 C-band repurposing assets (ground assets and space segment).

Borrowing costs of EUR 16 million (2021: EUR 6 million) arising from financing specifically relating to satellite procurements were capitalised during the year and are included in additions to 'Space segment' in the above table.

A weighted average effective rate of 2.97% (2021: 2.92%) was used, representing the Group's average weighted cost of borrowing. Excluding the impact of the loan origination costs and commitment fees the average weighted interest rate was 2.87% (2021: 2.76%).

In connection with space segment additions in 2022, the Group recognised EUR 315 million (EUR 309 million) in respect of C-band satellites, partly offset by EUR 311 million C-band reimbursements (>> Note 33), EUR 218 million (2021: EUR 164 million) in respect of the O3b mPOWER arrangement described in >> Note 28, EUR 207 million (2021: EUR 56 million) in respect of procurement of satellites in connection with replacements of Astra 19.2°E and NSS-12 at 57°E and EUR 1 million (2021: EUR 140 million) associated with SES-17.

Due to the nature of the arrangements, these transactions 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.

NOTE 15 - INTANGIBLE ASSETS

Intangible Assets 2022

€MILLION	Orbital slot licence rights (Indefinite-life)	Goodwill	Orbital slot licence rights (definite life)	Customer relation-ships	Other definite life intangibles	Internally generated develop-ment costs	Total
Cost							
As at 1 January 2022	**2,081**	**2,376**	**213**	**-**	**469**	**46**	**5,185**
Additions	-	-	20		3	31	54
Additions through business combinations (>> Note 3)	-	201	-	292	292	-	493
Retirement	-	-	-	-	(8)	-	(8)
Transfers from assets in course of construction	-	-	-	-	32	(32)	-
Transfers between categories	-	-	-	-	4	5	9
Impact of currency translation	112	163	1	-	7	1	284
As at 31 December 2022	**2,193**	**2,740**	**234**	**292**	**507**	**51**	**6,017**
Amortisation							
As at 1 January 2022	**(16)**	**(856)**	**(101)**	**-**	**(422)**	**-**	**(1,395)**
Amortisation	-	-	(12)	(8)	(43)	-	(63)
Impairment	(126)	(77)	-	-	-	-	(203)
Retirement	-	-	-	-	8	-	8
Impact of currency translation	3	(69)	-	-	(7)	-	(73)
As at 31 December 2022	**(139)**	**(1,002)**	**(113)**	**(8)**	**(464)**	**-**	**(1,726)**
Net book value as at 31 December 2022	**284**	**1,738**	**121**	**284**	**43**	**51**	**4,291**

Intangible Assets 2021

€MILLION	Orbital slot licence rights (Indefinite-life)	Goodwill	Orbital slot licence rights (definite life)	Other definite life intangibles	Internally generated develop-ment costs	Total
Cost						
As at 1 January 2021	**1,930**	**2,173**	**771**	**470**	**58**	**5,402**
Additions	-	-	9	-	37	46
Retirement	-	-	(567)[1]	(70)	-	(637)
Transfers from assets in course of construction	-	-	-	49	(49)	-
Transfers between categories	4	-	-	(4)	-	-
Transfers to property, plant and equipment (>> Note 13)	-	-	-	(3)	-	(3)
Transfers from assets under constructions, property, plant and equipment (>> Note 14)	-	-	-	10	-	10
Impact of currency translation	147	203	-	17	-	367
As at 31 December 2021	**2,081**	**2,376**	**213**	**469**	**46**	**5,185**
Amortisation						
As at 1 January 2021	**(14)**	**(147)**	**(630)**	**(419)**	**-**	**(1,210)**
Amortisation	-	-	(38)	(57)	-	(95)
Impairment	-	(673)	-	-	-	(673)
Retirement	-	-	567[1]	70	-	637
Impact of currency translation	(2)	(36)	-	(16)	-	(54)
As at 31 December 2021	**(16)**	**(856)**	**(101)**	**(422)**	**-**	**(1,395)**
Net book value as at 31 December 2021	**2,065**	**1,520**	**112**	**47**	**46**	**3,790**

[1] Concession agreement with Luxembourg government 2001 to 2021

INDEFINITE-LIFE INTANGIBLE ASSETS

The Group's indefinite-life intangible assets comprise goodwill and orbital slot licence rights. See >> Note 2, Significant accounting judgments and estimates, for the Group's policy on determining the useful lives of intangible assets.

Impairment testing procedures are performed annually, or whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. The annual impairment tests are performed as of 31 October each year. The recoverable amounts are determined based on a value in use calculation (>> Note 2) using the most recent business plan information approved by the Board of Directors, which covers a period of five years.

The calculations of value in use are most sensitive to:

1) Movements in the underlying business plan assumptions

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

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

2) Changes in discount rates

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

3) Changes in perpetuity growth rates assumptions

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

DEFINITION OF CASH-GENERATING UNITS FOR INTANGIBLE ASSETS

The gross goodwill as at 31 December 2022 of EUR 2,740 million (2021: EUR 2,376 million) derives primarily from the acquisition of two significant GEO businesses: GE Americom in 2001 and New Skies Satellites in 2006.

Management has identified three regional GEO CGUs based reporting and monitoring of goodwill. These three regions ('GEO Europe', 'GEO North America' and 'GEO International') have been defined for impairment testing procedures for both goodwill and orbital slot rights. This reflects the developments in the business environment of the Group, triggered by the increasing demand from market participants in various business areas (primarily telecommunications companies) for bandwidth to support the provision of data connectivity services.

These developments mean that there are increasingly two economic paths available to the Group in commercialising the valuable portfolio of orbital slot rights it has generated over many years, including through the two GEO business acquisitions noted above:

- utilising these rights in the provision of services on its own satellite fleet; and
- generating economic value through entering into transactions with third parties to make these rights available to them in return for an appropriate financial compensation.

A specific example is the ongoing C-band repurposing project in the U.S. following the adoption by the Federal Communications Commission of its Report and Order and Order of Proposed Modification to clear a 300 MHz band of C-band downlink spectrum between 3,700 and 4,000 MHz by December 2025 (see >> Note 33).

Since the opportunities, and hence potential cash flows, arising from this expanding area of commercialisation of orbital slot rights other than through conventional on-fleet operations, are by their nature arrangements with regional regulatory authorities and market participants, and since the linkage to the orbital slot rights is so strong, it seems appropriate to management to re-align the approach to impairment testing by looking at both areas using on a regional basis and disaggregating the cash-generating units again for the purpose of goodwill testing.

The goodwill has been allocated between the three cash-generating units (as defined above) based on the assets acquired in the above acquisitions, with materially all the assets acquired in the GE Americom acquisition being allocated to 'GEO North America' and materially all the assets acquired in the New Skies Satellites acquisition being allocated to 'GEO International'. Additionally, the net assets from the SES SD acquisition have been allocated between the four CGUs (including MEO) based on the expected value creation. See the goodwill table below for the allocation of goodwill to the new CGUs.

In the case of 'North America' this aggregation reflects the current inter-operability of spacecraft and orbital locations which can be used to serve customers in the U.S., Canada and Mexico, as well as the increasing interdependency of the contractual arrangements for significant customers in those markets which mean that the associated cash flows can no longer be seen as largely independent of each other.

Concerning 'International' then this aggregation again reflects the increasing interdependency of cash flows between regions with an increasing use of Brazilian spectrum by assets such as SES-10 and SES-17 which are also serving 'International' customers, and the fact that the Group is now also serving the Brazilian market from orbital slots other than those allocated to the unit.

Management identifies the Group's MEO assets as a separate CGU. As the Group extends its global connectivity offering integrating both GEO and MEO capacity, the level of interdependency of cash flows between the GEO International and MEO is expected to increase.

The Group's business plan is approved by the Board of Directors based on consolidated data. The consolidated data is based on separate data prepared for each legal entity of the Group (see >> Note 36). To prepare business plans for the regional CGUs, the following assumptions are made:

- GEO revenue from satellites is allocated to the GEO region primarily covered by the satellite. Non-satellite revenue is included in each CGU based on the legal entity expected to generate the revenue. MEO revenue, including GEO revenue expected to be used servicing primarily MEO contracts, is included in MEO.
- Operating expenses are allocated based on the underlying legal entity expected to incur the expense. Reallocations were performed when costs in one CGU clearly support the business of a different CGU.
- Intercompany transactions between CGUs included in the business plans of the individual legal entities were included, except where the above allocation methodologies made them no longer relevant.
- The Accelerated Relocation Payments related to the C-band repurposing (see >> Note 33) were allocated between the GEO North America and GEO International CGUs based on the Group's internal allocation of the proceeds, and considering the likely allocation agreed with the relevant regulatory authorities.

DISCOUNT RATES APPLIED

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

Pre-Tax discount Rates for CGU

	2022	2021
GEO Europe	9.02%	6.40%
GEO North America	12.62%	10.13%
GEO International	12.12%	8.14%
MEO	10.38%	8.04%

These discount rates were computed using market interest rates and commercial spreads, the capital structure of businesses in the Group's business sector, and the specific risk profile of the businesses concerned. Generally, the higher discount rates are caused by higher risk-free rates in the markets the Group operates in, as well as a global increase in market risk premiums.

PERPETUAL GROWTH RATE ('PGR') ASSUMPTIONS

Separate GEO terminal growth rates by region were calculated. The terminal growth rate used in the valuations is -2.2% for GEO Europe (2021: -0.4%), -2.7% for GEO North America (2021: -4.5%), and +2.5% for GEO International (2021: +3.0%).

For MEO, management has applied a 'fading growth model', or H-model. Under this model, following the five-year business plan period, cash flows are expected to continue to grow at a higher rate for a time, which then reduces for a period until the terminal growth rate is reached. Management believes this is a valid assumption as the MEO fleet, specifically the mPOWER fleet that is in the middle of its launch campaign, will not reach its maximum utilisation projection until after the business plan period. In line with growth projections at the end of the business plan period, management selected 10% as the higher growth rate, which reduces on a straight-line basis over ten years until the terminal growth rate is reached. The terminal growth rate used for MEO was +3.0% (2021: +3.0%).

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

IMPAIRMENT CHARGES RECORDED FOR 2022

1) Goodwill

As a result of the impairment tests conducted as of 31 December 2022, an impairment expense of EUR 77 million (2021: EUR 673 million) was recorded on GEO North America. The impairment was mainly driven by the higher discount rates as noted above.

Whilst values in use have developed during the year reflecting the higher discount rates, changed perpetual growth rate projections and updated business assumptions more generally, no impairment charge was recorded against the carrying values of goodwill for the GEO Europe, GEO International, and MEO CGUs.

- For GEO Europe, no impairment charge was recorded reflecting the limited goodwill in this CGU given that the business was developed organically rather than through acquisition.
- For GEO International, no impairment was necessary. This CGU encompasses most of the Group's GEO high-throughput satellites, which are expected to contribute to future revenue growth, although part of the value in use is also attributable to future proceeds receivable in the framework of the FCC Order as set out in more detail in >> Note 33 below.

- For MEO, the valuation has mainly decreased due to the higher discount rates noted above but the value in use still exceeds the CGU's net assets.

Arising from the impairment reviews above, the Group's remaining goodwill has a net book value as at 31 December 2022 and 2021 by CGU as presented below:

Goodwill: Net Book Value

€MILLION	2022	2021
GEO Europe	51	19
GEO North America	1,157	1,120
GEO International	305	224
MEO	225	152
Other	–	5
Total	**1,738**	**1,520**

The increase in goodwill is the effect of the SES SD acquisition and stronger USD, partially offset by the impairment in GEO North America. Management has integrated SES GS and GES (now combined under a common management team and branded as SES Space & Defense ["S&D"]) into the existing impairment model.

To integrate S&D into the existing CGUs, management estimated the proportion of S&D's value-in-use and net assets attributable to those CGUs. Management analysed the projected 2027 revenues for S&D as well as the current regional usage of GES's network. The result of this analysis is that 16% is allocated to GEO Europe, 21% to GEO North America, 33% to GEO International, and 30% to MEO. This reflects the global nature of the S&D business, as well as the increasing impact of MEO, more specifically the mPOWER constellation, which is expected to be a major growth driver for S&D in the future.

As part of standard impairment testing procedures, the Group assesses the impact of changes in the discount rates and growth assumptions of the valuation surplus, or deficit as the case may be. Both discount rates and terminal values are simulated up to 1% below and above the specific rate used in the base valuation. In this way, a matrix of valuations is generated which reveals the potential exposure to impairment expenses for each CGU based on movements in the valuation parameters which are within the range of outcomes foreseeable at the valuation date.

The most recent testing showed that:

- For GEO Europe, there would not be an impairment applying the most adverse combination of developments (a 1% increase in discount rates and 1% decrease in the perpetual growth rate).
- For GEO North America, the recorded impairment would increase by EUR 6 million in the case of a 1% decrease in the perpetual growth rate, by EUR 30 million in the case of a 1% increase in the discount rate, and by EUR 35 million in the case of both a 1% decrease in the perpetual growth rate and a 1% increase in the discount rate.
- For GEO International, while individually a 1% decrease in the perpetuity growth rate of a 1% increase in the discount rate would not require an impairment charge, a combination of these developments would require an impairment charge of EUR 65 million.
- For MEO, a 1% decrease in the perpetual growth rates (both the higher rate under the H-model and the terminal growth rate), would require an impairment of EUR 295 million. A 1% increase in the discount rate would require an impairment of EUR 439 million. An impairment of EUR 721 million would be required were there to be a combination of a 1% higher discount rate and a 1% lower perpetual growth rate.

Taken separately from changes in discount and perpetuity growth rates, a 5% reduction in EBITDA would not lead to an impairment expense in the GEO Europe or GEO International CGUs. The recorded impairment in GEO North America would increase by EUR 9 million. For MEO, a 5% reduction in EBITDA would require an impairment charge of EUR 125 million.

2) Orbital slot licence rights

The rights conveyed by orbital slot licences in different jurisdictions can have varying characteristics that make them separate and distinct from the orbital slot licence rights in other jurisdictions. The MEO orbital rights are not separable and do not generate separate cash flows, and thus are considered a single CGU, which is tested for impairment together with the related corresponding goodwill and the MEO satellites constellation.

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

Orbital Slots Licence Rights:

Pre-Tax discount Rates for CGU

	2022	2021
GEO Europe	10.02%	7.40%
GEO North America	13.62%	11.18%
GEO International	13.12%	9.14%
MEO	10.38%	8.04%

Similar to the pre-tax discount rates used for goodwill testing, these rates were selected to reflect market interest rates and commercial spreads; the capital structure of businesses in the Group's business sector; and the specific risk profile of the businesses concerned. The terminal growth rates used in the valuations are identical to those used in goodwill testing. The Group recorded EUR of 126 million of impairment expense related to orbital slot licence rights for the year ending 31 December 2022 (2021: nil). Of the total impairment expense, EUR 117 million relates to GEO North America and EUR 9 million relates to GEO International.

The orbital slot licence rights have a net book value as at 31 December 2022 and 2021 by CGU as presented below:

Orbital Slot Licence Rights: Net Book Value

€MILLION	2022	2021
GEO Europe	162	168
GEO North America	233	325
GEO International	465	447
MEO	1,194	1,125
Total	**2,054**	**2,065**

As part of standard impairment testing procedures, as with goodwill, the Group assesses the impact of changes in the discount rates and growth assumptions of the valuation surplus, or deficit as the case may be. Both discount rates and terminal values are simulated up to 1% below and above the CGU's specific rate used in the base valuation. In this way a matrix of valuations is generated which reveals the potential exposure to impairment expenses for each CGU based on movements in the valuation parameters which are within the range of outcomes foreseeable at the valuation date.

The most recent testing showed that:

- For GEO Europe, the least favourable case – a combination of lower terminal growth rates and higher discount rates – would not lead to any impairment expense.
- For GEO North America, a 1% decrease in the perpetuity growth rate would increase the impairment charge by EUR 20 million and a 1% increase in the discount rate would increase the impairment charge by EUR 3 million; the combination of these two factors would increase the impairment charge by EUR 22 million.
- For GEO International, a 1% decrease in the perpetuity growth rate would increase the impairment charge by EUR 41 million and a 1% increase in the discount rate would increase the impairment charge by EUR 10 million; the combination of these two factors would increase the impairment charge by EUR 50 million.

DEFINITE-LIFE INTANGIBLE ASSETS

The definite-life intangible assets as at 31 December 2022 have a net book value by country as presented below:

Definite Life Intangible Assets 2022

€MILLION	Orbital slot licence rights	Customer relationships	Other
United States of America	–	284	4
Luxembourg	105	–	30
Brazil	9	–	1
Netherlands	7	–	1
Germany	–	–	5
Other	–	–	2
Total	**121**	**284**	**43**

The definite-life intangible assets as at 31 December 2021 have a net book value by country as presented below:

Definite Life Intangible Assets 2021

€MILLION	Orbital slot licence rights	Other
Luxembourg	105	25
Israel	–	2
Brazil	7	–
Other	–	20
Total	**112**	**47**

Until 2021, the Group's primary definite life intangible asset was the agreement concluded by SES ASTRA with the Luxembourg government in relation to the usage of Luxembourg frequencies in the orbital positions of the geostationary arc from 45° West to 50° East for the period from 1 January 2001 to 31 December 2021. Given the finite nature of this agreement, these usage rights – valued at EUR 550 million at the date of acquisition – were amortised on a straight-line basis over the 21-year term of the agreement and were retired as of 31 December 2021.

In November 2019, SES and the Luxembourg government reached an agreement to renew SES's concession to operate satellites operating under Luxembourg's jurisdiction for 20 years, effective from January 2022 when the current concession expires, with an annual fee of EUR 1 million payable from 2025 onwards. Under the agreement, and starting from 2022, SES is contributing a maximum of EUR 7 million per year into a space sector fund.

The GES acquisition added EUR 292 million of definite-life intangibles with a useful life of 15 years, primarily relating due to the value of the acquired customer relationships.

The Group also holds orbital slot licence rights in Brazil, which were awarded to a Group subsidiary at auction in 2014 for a 15-year term. These rights are being amortised over a 30-year period, reflecting the Group's ability to renew the rights once in 2029 at a minimal cost, assuming they are being utilised.

As at 31 December 2022, the amount of the intangible assets pledged in relation to the Group's liabilities is nil (2021: nil).

NOTE 16 - ASSETS AND LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS

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

Assets and Liabilities Related to Contracts With Customers

€MILLION	2022	2021
Current contract assets		
Trade receivables	433	357
Provision for trade receivables	(100)	(93)
Trade receivables, net of provisions	**333**	**264**
Unbilled accrued revenue	160	119
Provision for unbilled accrued revenue	(6)	(4)
Unbilled accrued revenue, net of provisions	**154**	**115**[1]
Deferred customer contract costs	**4**	**3**
	491	382
Non-current contract assets		
Unbilled accrued revenue	119	130
Provision for unbilled accrued revenue	(8)	(9)
Unbilled accrued revenue, net of provisions	**111**	**121**[1]
Deferred customer contract costs	**7**	**9**
	118	130
Current contract liabilities		
Deferred income	189	187
Non-current contract liabilities		
Deferred income	359	388

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

Movement in Deferred Income 2022

€MILLION	Non-current	Current
As at 1 January 2022	**388**	**187**
Revenue recognised during the year	-	(1,583)
New billings	-	1,484
Additions through business combinations (>> Note 3)	-	11
Other movements*	(38)	80
Impact of currency translation	9	10
As at 31 December 2022	**359**	**189**

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

Movement in Deferred Income 2021

€MILLION	Non-current	Current
As at 1 January 2021	**296**	**454**
Revenue recognised during the year	-	(1,132)
New billings	-	1,092
Other movements*	82	(237)
Impact of currency translation	10	10
As at 31 December 2021	**388**	**187**

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

1 Comparatives have been restated in order to reflect the netting of unbilled accrued revenue and deferred revenue positions at contract level, in line with IFRS requirements. In prior year consolidated financial statements, the Group has presented contract assets and liabilities that arise on a single contract with a customer separately as gross positions on the Group's consolidated statement of financial position.

€MILLION	As presented	As restated	Difference
Current trade and other receivables	1,746	1,727	(19)
Current deferred income	404	187	(217)
Non-current trade and other receivables	245	121	(124)
Non-current deferred income	314	388	74

NOTE 17 - TRADE AND OTHER RECEIVABLES

Trade and Other Receivables

€MILLION	2022	2021
Trade receivables, net of provisions	323	264
Unbilled accrued revenue, net of provisions	265	236
Other receivables	546	1,348
Total trade and other receivables	**1,144**	**1,848**[1]
Of which:		
Non-current	111	121
Current	1,033	1,727

1 Restated in order to reflect the reclassification of unbilled accrued revenue and deferred revenue as disclosed in >> Note 18

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 480 million (2021: EUR 1,273 million) to be received as part of the C-band repurposing project (>> Note 33).

An amount of EUR 21 million (2021: EUR 27 million) was expensed in 2022 reflecting an increase in the impairment of trade and other receivables. This amount is recorded in 'Other operating expenses'. As at 31 December 2022, trade and other receivables with a nominal amount of EUR 114 million (2021: EUR 106 million) were impaired. Movements in the provision for the impairment of trade and other receivables were as follows:

Movement in the Provision for the Impairment of Trade and other Receivables

€MILLION	2022	2021
As at 1 January	106	102
Increase in provision	41	43
Reversals of provision	(20)	(16)
Utilised	(20)	(32)
Other movements	1	3
Impact of currency translation	6	6
As at 31 December	**114**	**106**

NOTE 18 - FINANCIAL INSTRUMENTS

FAIR VALUE ESTIMATION AND HIERARCHY

The Group uses the following hierarchy levels for determining the fair value of financial instruments by valuation technique:

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

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

In line with 2021, as at 31 December 2022, the Group does not have any financial derivatives outstanding.

FAIR VALUES

The fair value of borrowings has been calculated with the quoted market prices except for the LuxGovSat Fixed Term Loan Facility and the floating tranche of the Schuldschein Loan for which the discounted expected future cash flows at prevailing interest rates has been used. The fair value of foreign currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. All borrowings are measured at amortised cost. Financial assets and other financial liabilities measured at amortised cost, have a fair value that approximates their carrying amount.

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.

As at 31 December 2022 - Fair Values

€MILLION	Fair value hierarchy	Carried at amortised cost: Carrying amount	Carried at amortised cost: Fair value	Carried at fair value	Total: Balance Sheet
As at 31 December 2022					
Financial assets					
Non-current financial assets:					
Other financial assets	2	1	1	17	18
Trade and other receivables		111	111	-	111
Total non-current financial assets		**112**	**112**	**17**	**129**
Current financial assets:					
Trade and other receivables		1,033	1,033	-	1,033
Cash and cash equivalents		1,047	1,047	-	1,047
Total current financial assets		**2,080**	**2,080**	**-**	**2,080**
Financial liabilities					
Borrowings:					
At floating rates:					
Syndicated loan 2019	2	-	-	-	-
German Bond 2024 (EUR 150 million), non-listed	2	150	152	-	150
At fixed rates:					
US Bond 2023 (USD 750 million)	1	703	700	-	703
German Bond 2025 (EUR 250 million), non-listed	2	250	229	-	250
Eurobond 2026 (EUR 650 million)	1	653	594	-	653
Euro Private Placement 2027 (EUR 140 million) under EMTN	1	140	132	-	140
Eurobond 2027 (EUR 500 million)	1	498	415	-	498
Eurobond 2028 (EUR 400 million)	1	396	338	-	396
Eurobond 2029 (EUR 750 million)	1	745	676	-	745
Fixed Term Loan Facility (LuxGovSat)	2	81	81		81
German Bond 2032 (EUR 50 million), non-listed	2	50	43	-	50
US Bond 2043 (USD 250 million)	1	228	173	-	228
US Bond 2044 (USD 500 million)	1	454	344	-	454
Total borrowings		**4,348**	**3,877**		**4,348**
Non-current financial liabilities:		**4,506**	**4,038**	**-**	**4,506**
Non-current borrowings		3,629	3,161	-	3,629
Lease liabilities		30	30	-	30
Fixed assets suppliers		740	740	-	740
Other long-term liabilities		107	107	-	107
Current financial liabilities:		**1,348**	**1,345**	**-**	**1,348**
Current borrowings		719	716	-	719
Lease liabilities		15	15	-	15
Fixed assets suppliers		264	264	-	264
Trade and other payables		350	350	-	350

1 As at 31 December 2022 no significant hedge and other derivatives under this fair value hierarchy. As a consequence, the remaining carried at fair value is the syndicated loan fees, borrowings cost and prepaid expenses for an amount of € 8.7m (2021: € 9.2 million).

As at 31 December 2021 – Fair Values

€MILLION	Fair value hierarchy	Carried at amortised cost: Carrying amount	Carried at amortised cost: Fair value	Total: Carried at fair value	Total: Balance Sheet
As at 31 December 2021					
Financial assets					
Non-current financial assets:					
Other financial assets	2	1	1	25	26
Trade and other receivables		121[1]	121[1]	-	121
Total non-current financial assets		**122**[1]	**122**[1]	**25**	**147**[1]
Current financial assets:					
Trade and other receivables		1,727	1,727	-	1,727
Cash and cash equivalents		1,049	1,049	-	1,049
Total current financial assets		**2,776**[1]	**2,776**[1]	**-**	**2,776**[1]
Financial liabilities					
Borrowings:					
At floating rates:					
Syndicated loan 2019-	2	-	-	-	-
COFACE	2	40	40	-	40
German Bond 2024 (EUR 150 million), non-listed	2	150	152	-	150
At fixed rates:					
US Bond 2023 (USD 750 million)	1	662	682	-	662
German Bond 2025 (EUR 250 million), non-listed	2	250	260	-	250
Eurobond 2026 (EUR 650 million)	1	654	680	-	654
Euro Private Placement 2027 (EUR 140 million) under EMTN	1	140	160	-	140
Eurobond 2027 (EUR 500 million)	1	497	500	-	497
Eurobond 2028 (EUR 400 million)	1	395	417	-	395
Fixed Term Loan Facility (LuxGovSat)	2	99	115		99
German Bond 2032 (EUR 50 million), non-listed	2	50	60	-	50
US Bond 2043 (USD 250 million)	1	214	246	-	214
US Bond 2044 (USD 500 million)	1	430	493	-	430
Total borrowings		**3,581**	**3,805**		**3,581**
Non-current financial liabilities:		**4,101**	**4,323**	**-**	**4,101**
Non-current borrowings		3,524	3,746	-	3,524
Lease liabilities		22	22	-	22
Fixed assets suppliers		472	472	-	472
Other long-term liabilities		83	83	-	83
Current financial liabilities:		**1,894**	**1,896**	**-**	**1,894**
Current borrowings		57	59	-	57
Lease liabilities		11	11	-	11
Fixed assets suppliers		1,554	1,554	-	1,554
Trade and other payables		272	272	-	272

1 Reclassified in order to reflect the netting of unrealised losses accrued on derivatives designated as cash flow hedges (see note 5).
2 As at 31 December 2021, an amount has been presented net of the fair value hedge accounting adjustment. As a consequence, the remaining deferred borrowing costs of the Syndicated Loan has been disclosed under prepaid expenses for an amount of € 0.2 million.

NOTE 19 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

LIQUIDITY RISK

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

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

Liquidity is monitored regularly through a review of cash balances, the drawn and issued amounts and the availability of additional funding under committed credit lines, the two commercial paper programmes and the EMTN Programme (EUR 4,560 million as at 31 December 2022 and EUR 5,010 million as at 31 December 2021 – more details in >> Note 24).

The table below summarises the projected contractual undiscounted cash flows of the non-derivative financial liabilities based on the maturity profile as at 31 December 2022 and 2021.

Projected Contractual Undiscounted Cash Flows based on Maturity Profile as at 31 December 2022

€MILLION	Within 1 year	Between 1 and 5 years	After 5 years	Total
As at 31 December 2022:				
Borrowings	719	1,756	1,903	4,378
Future interest commitments	107	381	673	1,161
Trade and other payables	350	-	-	350
Other long-term liabilities	-	107	-	107
Lease liabilities	15	24	12	51
Fixed assets suppliers	264	740	-	1,004
Total maturity profile	**1,455**	**3,008**	**2,588**	**7,051**
As at 31 December 2021:				
Borrowings	57	1,778	1,768	3,603
Future interest commitments	98	295	641	1,034
Trade and other payables	272	-	-	272
Other long-term liabilities	-	83	-	83
Lease liabilities	12	19	8	39
Fixed assets suppliers	1,554	472	-	2,026
Total maturity profile	**1,993**	**2,647**	**2,417**	**7,057**

FOREIGN CURRENCY RISK

SES is active in markets outside the Eurozone, with business operations in many locations throughout the world. Consequently, SES uses certain financial instruments to manage its foreign currency exposure. Derivative financial instruments are used mainly to reduce the Group's exposure to market risks resulting from fluctuations in foreign exchange rates by creating offsetting exposures. SES is not a party to leveraged derivatives and, as a matter of policy, does not use derivative financial instruments for speculative purposes.

The Group has significant foreign operations whose functional currency is not the euro. The primary currency exposure in terms of foreign operations is the US dollar and the Group has designated certain US dollar-denominated debt as net investment hedges of these operations. The Group has a corresponding exposure in the consolidated income statement, excluding the impacts of C-band repurposing, of EUR 1,1 million or 57.0% (2021: EUR 905 million or 50.8%) of the Group's revenue and EUR 393 million or 45.8% (2021: EUR 366 million or 52.5%) of its operating expenses being denominated in US dollars. The Group does not enter into derivative instruments to hedge these currency exposures.

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 might be in euro or in the US dollar. The forward contracts are in the same currency as the hedged item and can cover up to 100% of the total value of the contract. It is the Group's policy not to enter into forward contracts until a firm commitment is in place.

Hedge of net investment in foreign operations

As at 31 December 2022 and 2021, certain borrowings denominated in US dollars were designated as hedges of the net investments in SES Global Americas Inc. and its subsidiaries ('SES Americas'), SES Holdings (Netherlands) BV and its subsidiaries ('SES Netherlands'), SES Satellite Leasing Limited and MX1 Ltd to hedge the Group's exposure to foreign exchange risk on these investments.

As at 31 December 2022, all designated net investment hedges were assessed to be highly effective and a total loss of EUR 64 million, stated net of tax of EUR 24 million is included as part of other comprehensive income for the period (2021: loss of EUR 76 million, stated net of tax of EUR 26 million).

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

Hedged Portions of USD Statement of Financial Position Exposure

USD	2022	2021
USD statement of financial position exposure:		
SES Americas	1,652	2,359
SES Netherlands	4,575	4,617
SES Satellite Leasing Limited, Isle of Man	-	-
MX1 Ltd, Israel	38	37
Total	**6,265**	**7,013**
Hedged with:		
US Bonds	1,500	1,500
Total	**1,500**	**1,500**
Hedged proportion	**24%**	**21%**

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. 2022 was marked with wide EURUSD fluctuation, breaking the parity. The macro-outlook and global uncertainties along with worries regarding high energy prices and inflation suggest to keep the wide range of sensitivity.

Sensitivity to a +/- 20% change in US Dollar Exchange Rate 2022

31 December 2022	Amount in USD million	Amount in EUR million at closing rate of 1.0666	Amount in EUR million at rate of 1.28	Amount in EUR million at rate of 0.85
USD statement of financial position exposure:				
SES Americas	1,652	1,549	1,291	1,943
SES Netherlands	4,575	4,290	3,575	5,383
SES Satellite Leasing Limited	-	-	-	-
MX1 Ltd, Israel	38	35	29	44
Total	**6,265**	**5,874**	**4,895**	**7,370**
Hedged with:				
US Bonds	1,500	1,406	1,172	1,765
Other external borrowings	-	-	-	-
Total	**1,500**	**1,406**	**1,172**	**1,765**
Hedged proportion	24%			
Absolute difference without hedging			(979)	1,497
Absolute difference with hedging			(745)	1,139

Sensitivity to a +/- 20% change in US Dollar Exchange Rate 2021

	Amount in USD million	Amount in EUR million at closing rate of 1.1326	Amount in EUR million at rate of 1.36	Amount in EUR million at rate of 0.91
31 December 2021				
USD statement of financial position exposure:				
SES Americas	2,359	2,083	1,735	2,592
SES Netherlands	4,617	4,076	3,395	5,074
SES Satellite Leasing Limited	-	-	-	-
MX1 Ltd, Israel	37	33	27	41
Total	**7,013**	**6,192**	**5,157**	**7,707**
Hedged with:				
US Bonds	1,500	1,324	1,103	1,648
Other external borrowings	-	-	-	-
Total	**1,500**	**1,324**	**1,103**	**1,648**
Hedged proportion	21%			
Absolute difference without hedging			(1,035)	1,515
Absolute difference with hedging			(814)	1,191

INTEREST RATE RISK

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

As per 31 December 2022 and 31 December 2021, 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.

Split of the Nominal Amount of the Group's Debt between Fixed and Floating Rate

€MILLION	At fixed rates	At floating rates	Total
Borrowings at 31 December 2022	**4,198**	**150**	**4,348**
Borrowings at 31 December 2021	3,391	190	3,581

In 2022, the Group repaid EUR 40.2 million related to Coface instalments and EUR 16 million of the LuxGovSat Facility.

The following table demonstrates the sensitivity of the Group's pre-tax income to reasonably possible changes in interest rates affecting the interest charged on the floating rate borrowings. All other variables are held constant. The Group believes that a reasonably possible development in the Eurozone interest rates would be an increase of 125-136 basis points (2021: an increase of nil basis points or an increase of 12 basis points).

Euro interest rates

€MILLION	Floating rate borrowings	Increase in rates Pre-tax impact	Decrease in rates Pre-tax impact
Borrowings at 31 December 2022	**150**	**0.7**	**-**
Borrowings at 31 December 2021	190	0.4	-

CREDIT RISK

Risk management

The Group has the following types of financial assets that are subject to the expected credit loss model: trade receivables, unbilled accrued revenue, and C-band repurposing 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. The unbilled accrued revenues have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the unbilled accrued revenue.

The credit verification procedures in relation to 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.

Impairment of trade receivables and unbilled accrued revenue

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

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

The Company calculates loss expectancy rates based on the history of losses and forward-looking information to create a provision matrix. On that basis, the provision as at 31 December 2022 and 31 December 2021 is as follows:

Impairment of Trade Receivables 2022

€MILLION	Current	Less than 1 month	Between 1 and 3 months	More than 3 months	Total
31 December 2022					
Average expected loss rate (by portfolio)	3.5%	4.7%	7.7%	11.8%	
Gross carrying amount - trade receivables	196	50	21	166	433
Provision	-	-	1	10	11

Impairment of Trade Receivables 2021

€MILLION	Current	Less than 1 month	Between 1 and 3 months	More than 3 months	Total
31 December 2021					
Average expected loss rate (by portfolio)	3.8%	4.9%	6.6%	10.9%	
Gross carrying amount - trade receivables	131	24	32	170	357
Provision	-	-	1	6	7

The provision in respect of unbilled accrued revenue as at 31 December 2022 amounts to EUR 14 million and the corresponding expected credit loss is 5.0% (31 December 2021: EUR 13 million and the corresponding expected credit loss is 5.2%[1]).

An amount of EUR 5 million (2021: EUR 0.5 million) was expensed in 2022 reflecting an increase in the IFRS 9 related provision for trade and other receivables.

Additional provisions are recorded for trade receivables balances if specific circumstances or forward-looking information lead the Group to believe that additional collectability risk exists with respect to customers that are not reflected in the loss expectancy rates. A cumulative provision for trade receivables of EUR 89 million has been recorded as of 31 December 2022 (31 December 2021: EUR 86 million).

The movement in provisions for trade receivables and unbilled accrued revenue as at 31 December 2022 and 2021 are as follows:

Movement in Provisions for Trade Receivables and Unbilled Accrued Revenue

	Provisions for trade receivables		Provisions for unbilled accrued revenue	
€MILLION	2022	2021	2022	2021
At 1 January	**93**	**93**	**13**	**9**
Increase in provision recognised in profit or loss during the year	38	39	3	4
Receivables written off during the year as uncollectible	(20)	(32)	-	-
Unused amount reversed	(16)	(13)	(4)	(3)
Other movements	-	-	1	3
Impact of currency translation	5	6	1	-
At 31 December	**100**	**93**	**14**	**13**

[1] Comparatives have been restated to reflect the netting of unbilled accrued revenue and deferred revenue positions, consistent with the methodology presented in the 2022 Annual Report. Prior year comparatives have been restated to reflect the Group's presentation of trade assets and liabilities that arise under a single contract with a customer separately on the face of the Group's consolidated statement of financial position (see Note 19 to the consolidated financial statements).

C-band repurposing receivables

The Group recorded C-band repurposing receivables upon receiving validation that the Group successfully met the Phase 1 Accelerated Relocation deadline and for costs incurred related to C-band spectrum clearing for which the Group expects to be reimbursed. The Group considered the credit risk related to the C-band repurposing receivables at the end of 2022 and 2021 and concluded that an estimate of zero expected credit losses is appropriate.

The U.S. government, through the FCC, developed the rules of the C-band auction to ensure incumbent satellite operators such as the Group are paid in full even if one or more individual overlay license winners fails to pay the Group its assigned portion of the Group's relocation costs. An independent third-party Relocation Payment Clearinghouse is administering the C-band transition and related payments with FCC oversight. If an auction winner defaults on an obligation to pay the Group, the FCC could require a license to be re-auctioned with the same payment condition, or the FCC could require the other auction winners to collectively pay the Group for the shortfall as a condition for them to maintain their licenses.

Therefore, as it expects the U.S. government to regulate and ensure the auction winners' compliance with their payment obligations to the Group, the Group has estimated zero expected credit losses on the C-band repurposing receivables. Additional disclosure on the C-band clearing project is included in >> Note 33.

FINANCIAL CREDIT RISK

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

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

CAPITAL MANAGEMENT

The 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 the shareholder. 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. As per Rating Agencies methodology, when reporting on the Group's Net Debt to EBITDA leverage ratio, the Deeply Subordinated Fixed Rate Resettable Securities issued by SES (EUR 1,175,000,000 in total) are treated like 50% equity capital and 50% as debt (EUR 587,500,000 respectively).

NOTE 20 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents

€MILLION	2022	2021
Cash at bank and in hand	388	872
Short-term deposits	659	177
Total cash and cash equivalents	**1,047**	**1,049**

Cash at banks is subject to interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods between one day and three months – depending on the immediate cash requirements of the Group – and earn interest at the respective short-term deposit rates. Short-term deposits and cash at bank and in hand are held at various financial institutions meeting the credit rating criteria set out in >> Note 19 above. See also >> Note 33 in connection with the receipt of C-band Accelerated Relocation Payments around the year end.

As at 31 December 2022, there were no investments in money market funds, consistent with the year-end 2021 position.

NOTE 21 - SHAREHOLDERS' EQUITY

ISSUED CAPITAL

SES has a subscribed capital of EUR 696 million (2021: EUR 719 million), represented by 371,457,600 class A shares (2021: 383,457,600 class A shares) and 185,728,800 class B shares (2021: 191,728,800 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:

Issued Capital

	Class A shares	Class B shares	Total shares
As at 1 January 2022	**383,457,600**	**191,728,800**	**575,186,400**
Shares issued during the year	–	–	–
Shares cancelled during the year	(12,000,000)	(6,000,000)	(18,000,000)
As at 31 December 2022	**371,457,600**	**185,728,800**	**557,186,400**

	Class A shares	Class B shares	Total shares
As at 1 January 2021	**383,457,600**	**191,728,800**	**575,186,400**
Shares issued during the year	–	–	–
As at 31 December 2021	**383,457,600**	**191,728,800**	**575,186,400**

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 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 from such information should the government determine that such 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 6 May 2021 the Company announced a share buyback programme to be executed by 31 December 2021 under the authorisation given by the Annual General Meeting of shareholders held on 1 April 2021.

During the year the Group acquired 12 million Class A shares at a weighted average price of EUR 6.56 per A-share and 6 million Class B shares at a price of EUR 2.62 per B-share, resulting in a total cost of the programme of EUR 95 million. On 27 September 2022 the shares acquired under the programme were cancelled in order to reduce the total number of voting and economic shares in issue, for a total consideration of EUR 80 million.

Subject to the agreement of the shareholders, the Company purchases FDRs in respect of 'Class A' shares in connection with executives' and employees' share-based payment plans. At the year-end, the Company held FDRs relating to the above schemes as set out below. 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.

Buy-Back of Treasury Shares

	2022	2021
FDRs held as at 31 December	6,565,553	19,748,429
Carrying value of FDRs held (€million)	81	174
Class B shares held as at 31 December	–	6,000,000
Carrying value of Class B shares held (€million)	–	15

EUR 625,000,000 DEEPLY SUBORDINATED FIXED RATE RESETTABLE SECURITIES

On 20 May 2021 the Company announced the successful launch and pricing of new Deeply Subordinated Fixed Rate Resettable Securities for a total amount of EUR 625 million, with a first reset date on 27 August 2026. The securities bear a coupon of 2.875% per annum and were priced at 99.409% of their nominal value. The proceeds of the new issuance were received on 27 May 2021. Tender premium and transaction costs for these transactions amounted to EUR 26 million and have been deducted from "Other reserves".

EUR 550,000,000 DEEPLY SUBORDINATED FIXED RATE RESETTABLE SECURITIES

In 2016 SES issued a second perpetual bond of EUR 550,000,000 (the 'EUR 550 million perpetual bond') at a coupon of 5.625 percent to the first call date, a price of 99.304 and a yield of 5.75 percent. Transaction costs related to this transaction amounted to EUR 8 million and have been deducted from 'Other reserves'. This brought the aggregate perpetual bond issued by the Group to EUR 1,300 million. SES is entitled to call the EUR 550 million perpetual bond on 29 January 2024 and on subsequent coupon payment dates.

As the Company has no obligation to redeem either of the bonds, and the coupon payments are discretionary, it classified the net proceeds from the issuance of the securities (together EUR 1,121 million net of transaction costs and tax) as equity. The perpetual bonds are guaranteed on a subordinated basis by SES Global Americas Holdings GP. SES used the net proceeds from the offerings for the repayment of O3b debt, the repayment of certain existing indebtedness of the Group, as well as for general corporate purposes.

Coupon payments in respect of the perpetual bonds occurred on 31 January 2022 (EUR 31 million), 29 August 2022 (EUR 18 million) and have been deducted from 'Other reserves'. The corresponding payments in 2021 were on 4 January 2021 (EUR 35 million) and 29 January 2021 (EUR 31 million), 27 May 2021 (EUR 11 million), 21 June 2021 (EUR 3 million) and 27 August 2021 (EUR 5 million) and were also deducted from 'Other reserves'.

Tax on the perpetual bond coupon accrual of EUR 14 million (2021: EUR 20 million) has been credited to 'Other reserves".

OTHER RESERVES

In accordance with Luxembourg legal requirements, a minimum of 5% of the yearly statutory net profit of the Company is transferred to a legal reserve which is non-distributable. This requirement is satisfied when the reserve reaches 10% of the issued share capital. As at 31 December 2022 a legal reserve of EUR 72 million (2021: EUR 72 million) is included within other reserves.

Other reserves include a non-distributable amount of EUR 80 million (2021: EUR 189 million) linked to treasury shares, and an amount of EUR 142 million (2021: EUR 181 million) representing the net worth tax reserve for 2017-2019, for which the distribution would result in the payment of net worth tax at a rate of up to 20% of the distributed reserve in accordance with Luxembourg law requirement.

NOTE 22 - NON-CONTROLLING INTERESTS

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

Summarised Financial Information for each subsidiary that has Non-Controlling Interests, material to the Group: Balance Sheet

€MILLION	LuxGovSat S.A. (50% NCI)[1]		Al Maisan Satellite Communications LLC, UAE (65% NCI)[1]	
Summarised balance sheet	**2022**	**2021**	**2022**	**2021**
Current assets	11	18	11	14
Current liabilities	(20)	(18)	(3)	(3)
Current net (liabilities)/assets	**(9)**	**-**	**8**	**11**
Non-current assets	150	159	26	27
Non-current liabilities	(67)	(83)	-	-
Non-current net assets	**83**	**76**	**26**	**27**
Net assets	**74**	**76**	**34**	**38**
Accumulated NCI	37	38	22	25
Transactions with non-controlling interests	-	-	-	-

1 Refer to page 9

Summarised Financial Information for each subsidiary that has Non-Controlling Interests, material to the Group: Statement of Comprehensive Income

€MILLION	LuxGovSat S.A. (50% NCI)		Al Maisan Satellite Communications LLC, UAE (65% NCI)	
Summarised statement of comprehensive income	**2022**	**2021**	**2022**	**2021**
Revenue	27	23	9	9
Operating expenses	(15)	(15)	(5)	(4)
Profit/(loss) for the period	**(2)**	**(15)**	**0**	**1**
Other comprehensive income	-	-	-	-
Total comprehensive income	**(2)**	**(15)**	**0**	**1**
Profit/(loss) allocated to NCI	(1)	(7)	0	1
Dividend paid to NCI	-	-	-	-

Summarised Financial Information for each subsidiary that has Non-Controlling Interests, material to the Group: Cash Flows

€MILLION	LuxGovSat S.A. (50% NCI)		Al Maisan Satellite Communications LLC, UAE (65% NCI)	
Summarised cash flows	**2022**	**2021**	**2022**	**2021**
Cash flows from/ (absorbed by) operating activities	10	6	6	4
Cash flows from/ (absorbed by) investing activities	(0)	(1)	-	(3)
Cash flows from/ (absorbed by) financing activities	(10)	(38)	(7)	-
Net foreign exchange movements	-	-	-	-
Net increase/ (decrease) in cash and cash equivalents	**(0)**	**(33)**	**(1)**	**1**

NOTE 23 - SHARE-BASED COMPENSATION PLANS

The Group has four share-based compensation plans which are detailed below. In the case of the Stock Appreciation Rights Plan and Equity Incentive Compensation Plan the relevant strike price is defined as the average of the market price of the underlying shares over a period of 15 trading days before the date of the grant.

1) The Stock Appreciation Rights Plan ("STAR Plan")

The STAR Plan is an equity-settled plan available to non-executive staff of Group subsidiaries, where share options are granted. In January 2011, the STAR Plan was amended and, for all options granted 2011 onwards, a third of the share options vest and can be exercised each year. After being fully vested, the share options have a four-year exercise period.

Stock Appreciation Rights Plan	2022	2021
Outstanding options at the end of the year	372,942	700,553
Weighted average exercise price in euro	24.37	27.61

All of the 372,942 outstanding options as at 31 December 2022 (2021: 700,553), are fully vested and exercisable. No options were exercised in 2022 or in 2021.

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

Stock Appreciation Rights Plan:
Movements in the Number of Share Options Outstanding and their Related Weighted Average Exercise Price

	2022		2021	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
As at 1 January	27.61	700,553	27.31	1,134,170
Forfeited	31.31	(327,611)	26.81	(433,617)
Exercised	-	-	-	-
At 31 December	**24.37**	**372,942**	**27.61**	**700,553**

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

Stock Appreciation Rights Plan:
Share Options Outstanding at the End of The Year

Grant	Expiry date	Exercise price per share options	Number of options	
			2022	2021
2016	2023	24.39	372,942	428,639
2015	2022	32.73	-	271,914
			372,942	700,553

2) Simulated Restricted Share Units ('SRSU')

In 2017 the Group introduced a new compensation plan which is progressively replacing the STAR Plan. SRSU are cash-settled awards delivered on 1 June following a three-year vesting period. The liability for the cash-settled awards is measured initially and at the end of each reporting period until settled, at the fair value of the share appreciation rights, taking into account the terms and conditions on which the stock appreciation rights were granted and recognised to the extent to which the employees have rendered services to date.

During 2022, 940,222 SRSU have been granted (2021: 850,783). During the same period, 230,131 SRSUs have been forfeited (2021: 153,050) and 245,995 SRSU have been vested (2021: 307,754). A liability of EUR 6,886,104 has been recognised in the consolidated statement of financial position as of 31 December 2022 (31 December 2021: EUR 5,453,399) based on the 2,257,531 outstanding SRSUs (31 December 2021: 1,793,435) measured at the Group's share price at the end of the year on a pro-rata basis over 3 years vesting period.

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

The EBCP Option is available to Group executives. Under the plan, the "date of Option Grant" means the first business day that follows fifteen (15) market trading days for Shares after the Allocation Period during which the Fair Market Value is fixed. Generally, one-quarter of the entitlement vests on each 1 January of the four years following the Date of Option Grant, but for one grant, one fifth of the entitlement vests on each 1 June of the five years following the Date of Option Grant. Once vested, the options can be exercised until the tenth anniversary of the original grant. For 2022 EBCP Option Plan grants, one third of the options vest on each 1 June of the following three years.

	2022	2021
Outstanding options at the end of the year	20,348,470	18,767,922
Weighted average exercise price in euro	12.09	13.17

Out of 20,348,470 outstanding options as of the end of 2022 (2021: 18,767,922), 10,456,400 options are exercisable (2021: 9,800,000). In 2022 715,431 treasury shares were delivered at a weighted average price of EUR 5.97 each (2021: 134,836 treasury shares, weighted average price of EUR 5.97 each). On average, in 2022, the related weighted average share price at the time of exercise was EUR 7.83 per share.

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

Movements in the Number of Share Options Outstanding and their Related Weighted Average Exercise Prices

	2022		2021	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
At 1 January	13.17	18,767,922	15.29	18,364,300
Granted	8.26	4,266,464	6.40	3,418,751
Forfeited	16.25	(1,990,485)	19.00	(2,880,293)
Exercised	5.97	(715,431)	5.97	(134,836)
At 31 December	**12.09**	**20,348,470**	**13.17**	**18,767,922**

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

Expiry Date and Exercise Prices

Grant	Expiry date	Exercise price per share options	Number of options	
			2022	2021
2022	2032	8.40	3,925,594	-
2022	2032	6.00	247,307	-
2021	2031	6.40	3,183,714	3,328,751
2020	2030	5.97	3,657,372	4,589,286
2019	2029	15.01	1,755,453	1,953,847
2018	2028	18.23	407,000	407,000
2018	2028	12.67	3,253,658	3,657,848
2017	2027	21.15	1,757,123	2,000,274
2016	2026	24.39	1,181,646	1,407,479
2015	2025	32.73	447,665	546,735
2014	2024	26.5	347,511	432,030
2013	2023	23.51	184,427	230,955
2012	2022	18.1	-	213,717
			20,348,470	18,767,922

4) Equity Based Compensation Plan ('EBCP')

The EBCP is also a programme for executives, and senior executives, of the Group, comprising performance shares ('EBCP PS') and restricted shares ('EBCP RS'). Under the plan, restricted shares are allocated to executives at the beginning of May each year and these vest on the 1 June following the third anniversary of the grant. Senior executives also have the possibility to be allocated performance shares whose granting is dependent on the achievement of defined performance criteria which are a) individual objectives and b) the economic value added ('EVA') target established by the Board from time to time. These shares also vest on the 1 June following the third anniversary of the original grant. For 2022 EBCP grants, EVA was replaced by the total shareholder return ('TSR') as the financial performance criteria for vesting of performance shares.

	2022	2021
Restricted and performance shares outstanding at the end of the year	3,473,504	2,252,136
Weighted average fair value in euro	6.07	6.58

During 2022, 1,041,237 restricted shares (2021: 332,257) and 763,102 (2021: 632,226) performance shares were granted; 48,270 restricted shares (2021: 33,175) and 67,256 performance shares (2021: 262,959) were forfeited; and 313,357 performance shares (2021: 268,442) and 144,736 restricted shares (2021: 173,918) were exercised.

The fair value of equity-settled shares (restricted and performance shares) granted is estimated as at the date of grant using a binomial model for STARs and EBCP Option and a Black & Scholes model for EBCP, taking into account the terms and conditions upon which the options (restricted and performance shares) were granted. The following table lists the average value of inputs to the model used for the years ended 31 December 2022 and 31 December 2021.

Average Value of Inputs to the Model used for 2022

2022	EBCP Option	EBCP PS and EBCP RS
Dividend yield (%)	6.40%-10.18%	6.29%-9.71%
Expected volatility (%)	32.33%-33.19%	33.54%-34.04%
Risk-free interest rate (%)	0.66%-1.71%	0.42%-1.54%
Expected life of options (years)	10-9.66	3-2.66
Share price at inception (EUR)	8.59-5.86	8.59-5.86
Fair value per option/share (EUR)	1.376-0.645	7.1-4.41
Total expected cost for each plan (€million)	4.72-0.1	8.95-2.54

Average Value of Inputs to the Model used for 2021

2021	EBCP Option	EBCP PS and EBCP RS
Dividend yield (%)	7.43%	7.09%
Expected volatility (%)	32.85%	35.53%
Risk-free interest rate (%)	-0.58%	-0.68%
Expected life of options (years)	10	3
Share price at inception (EUR)	6.22	6.22
Fair value per option/share (EUR)	0.78	5.00
Total expected cost for each plan (€million)	2.25	6.01

The expected life of the 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 12 million (2021: EUR 8 million), out of which equity-settled EUR 9 million (2021: EUR 5 million) and cash-settled EUR 3 million (2021: EUR 3 million).

NOTE 24 - BORROWINGS

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

Interest-Bearing Borrowings 2022

€MILLION	Effective interest rate	Maturity	Amounts outstanding 2022, carried at amortised cost
Non-current			
German bond (EUR 150 million), non-listed	EURIBOR 6M + 0.80%	June 2024	150
German bond (EUR 250 million), non-listed	1.71%	December 2025	250
Eurobond 2026 (EUR 650 million)	1.625%	March 2026	653
Euro Private Placement 2027			
(EUR 140 million under EMTN)	4.00%	May 2027	140
Eurobond 2027 (EUR 500 million)	0.875%	November 2027	498
Eurobond 2028 (EUR 400 million)	2.00%	July 2028	396
Eurobond 2029 (EUR 750 million)	3.50%	January 2029	745
Fixed Term Loan (LuxGovSat)	3.30%	December 2027	65
German bond (EUR 50 million), non-listed	4.00%	November 2032	50
US Bond (USD 250 million)	5.30%	April 2043	228
US Bond (USD 500 million)	5.30%	March 2044	454
Total non-current			**3,629**
Current			
US Bond (USD 750 million)	3.60%	April 2023	703
Fixed Term Loan (LuxGovSat)	3.30%	December 2027	16
Total current			**719**

Interest-Bearing Borrowings 2021

€MILLION	Effective interest rate	Maturity	Amounts outstanding 2021, carried at amortised cost
Non-current			
US Bond (USD 750 million)	3.60%	April 2023	662
German bond (EUR 150 million), non-listed	EURIBOR 6M + 0.80%	June 2024	150
German bond (EUR 250 million), non-listed	1.71%	December 2025	250
Eurobond 2026 (EUR 650 million)	1.625%	March 2026	654
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	395
Fixed Term Loan (LuxGovSat)	3.30%	December 2027	82
German bond (EUR 50 million), non-listed	4.00%	November 2032	50
US Bond (USD 250 million)	5.30%	April 2043	214
US Bond (USD 500 million)	5.30%	March 2044	430
Total non-current			**3,524**
Current			
Coface	EURIBOR 6M + 1.70%	Various in 2021	40
Fixed Term Loan (LuxGovSat)	3.30%	December 2027	17
Total current			**57**

European Medium-Term Note Programme ('EMTN')

SES has an EMTN Programme enabling SES, or SES Global Americas Holdings GP, to issue as and when required notes up to a maximum aggregate amount of EUR 4,000 million. As at 31 December 2022, SES had issued EUR 2,440 million (2021: EUR 1,690 million) under the EMTN Programme with maturities ranging from 2026 to 2028.

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

In 2018 the Group closed the issuance of an aggregated amount of EUR 400 million in the German bond ('Schuldschein') market. The transaction consists of two individual tranches – a EUR 150 million tranche with a floating interest rate of a six-month EURIBOR plus a margin of 0.8% and a final maturity date on 18 June 2024 as well as a EUR 250 million tranche with a fixed interest rate of 1.71% and a final maturity date on 18 December 2025.

EUR 650 million Eurobond (2026)

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

EUR 500 million Eurobond (2027)

On 4 November 2019, SES issued a EUR 500 million bond under the Company's European Medium-Term Note Programme. The bond has an 8-year maturity and bears interest at a fixed rate of 0.875% and has a final maturity date on 4 November 2027.

EUR 140 million Private Placement (2027)

In 2012 SES issued three individual tranches of a total EUR 140 million Private Placement under the Company's European Medium-Term Note 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 Company's European Medium-Term Note 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 Company's European Medium-Term Note Programme. The bond has a 7-year maturity, bears interest at a fixed rate of 3.50%, and has a final maturity date on 14 January 2029.

German bond issue of EUR 50 million (2032)

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

144A Bond USD 750 million (2023)

In 2013 SES completed a 144A offering in the US market issuing USD 750 million 10-year bond with a coupon of 3.60% and a final maturity date on 4 April 2023.

144A Bond USD 250 million (2043)

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

144A Bond USD 500 million (2044)

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

Syndicated loan 2019

The facility is being provided by 19 banks and has been structured as a 5-year multi-currency revolving credit facility. In 2021 the Company extended the Termination date from 26 June 2025 to 26 June 2026. The facility is for EUR 1,200 million and the interest payable is linked to a ratings grid. At the current SES credit rating of BBB/ Baa2, the interest rate is 40 basis points over EURIBOR/LIBOR. As at 31 December 2022 and 2021, no amount has been drawn under this facility.

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

On 16 December 2022 SES signed the seven-year contract with the EIB which will support the funding of SES's three fully digital satellites serving Western Europe, Africa and the Middle East. The facility is available for disbursement at fixed or floating rates linked to a ratings grid. At the current SES credit rating of BBB/ Baa2 this equates to 0.34% 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 2022 no amount has been drawn under this facility.

EUR 523 million Coface facility

In 2009 SES signed a financing agreement with Compagnie Française d'Assurance pour le Commerce Extérieur ('Coface') in respect of the investment in four geostationary satellites (ASTRA 2E, ASTRA 2F, ASTRA 2G, ASTRA 5B). The facility is divided into five loans. The drawings under the facility are based on invoices from the supplier of the satellites.

The first drawing was done on 23 April 2010 and all loan tranches became fully drawn in November 2014. Each Coface tranche is repayable in 17 equal semi-annual instalments where Coface A had a final maturity date of 1 August 2022, Coface F matured on 21 May 2021. SES opted to execute voluntary prepayment clauses pursuant to the Agreement and repaid the remaining outstanding amount of Coface tranche B as per 21 November 2017 and remaining balance of Coface C and D as per 27 April 2022 (initially scheduled for to mature on 3 October 2022). The entire facility born the interest at a floating rate of six-month EURIBOR plus a margin of 1.7%.

EUR 115 million Credit Facility (LuxGovSat)

In 2015 LuxGovSat S.A. signed a financing agreement with BGL BNP Paribas for EUR 115 million at a fixed rate coupon of 3.30%. The facility is repayable in 14 semi-annual instalments and has a final maturity date

of 1 December 2027. As at 31 December 2022, total borrowings of EUR 81 million were outstanding under the fixed term facility and the company is in compliance with the covenants specified in the facility.

Negotiable European Commercial Paper "NEU CP" (formerly French Commercial paper programme)

In 2005 SES put in place a EUR 500 million 'NEU CP' programme in accordance with articles L213-1 to L213-4 of the French Monetary and Financial Code and article 6 of the order of 30 May 2016 and subsequent amendments. The maximum outstanding amount of 'NEU CP' issuable under the programme is EUR 500 million or its counter value at the date of issue in any other authorised currency. On 15 June 2022, this programme was extended for one further year. As at 31 December 2022 and 2021, no borrowings were outstanding under this programme.

European Commercial paper programme

In 2012 SES signed the documentation for the inception of a joint EUR 1,000 million guaranteed European commercial paper programme of SES S.A. and SES Global Americas Holdings GP. Issuances under the programme represent senior unsecured obligations of the issuer and any issuance under the programme is guaranteed by the non-issuing entity. The programme is rated by Moody's Investors Services and Fitch Ratings and is compliant with the standards set out in the STEP Market Convention. On 9 July 2021, this programme was updated and extended. As at 31 December 2022 and 2021, no borrowings were outstanding under this programme.

LIBOR Reform

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

NOTE 25 - PROVISIONS

Provisions

€MILLION	2022	2021
Non-current	7	6
Current	67	56
Total	**74**	**62**

Movements in each class of provision during the financial year are set out below:

Movements in Each Class of Provision

€MILLION	Group tax provision	Restructuring provision	Other provisions	Total
As at 1 January 2022	**44**	**16**	**2**	**62**
Additional provisions recognised	15	9	-	24
Unused amounts reversed	-	-	-	-
Used during the year	-	(13)	-	(13)
Reclassification to income tax payable	1	-	-	1
Impact of currency translation	(2)	2	-	-
As at 31 December 2022	**58**	**14**	**2**	**74**
Non-current	5	-	2	7
Current	53	14	-	67
As at 1 January 2021	**46**	**23**	**3**	**72**
Additional provisions recognised	2	8	-	10
Unused amounts reversed	(7)	-	-	(7)
Used during the year	-	(15)	(1)	(16)
Reclassification to income tax payable	-	-	-	-
Impact of currency translation	3	-	-	3
As at 31 December 2021	**44**	**16**	**2**	**62**
Non-current	4	-	2	6
Current	40	16	-	56

GROUP TAX PROVISION

Group tax provision mainly relates to Indian withholding taxes and potential associated interest charges. The increase in the Group tax provision was mainly due to a refund of withholding taxes under litigation and higher associated interest charges.

RESTRUCTURING PROVISION

Expenses of the year include an amount of EUR 9 million (2021: EUR 8 million) of staff-related restructuring expenses (>> Note 5). The consolidated statement of financial position includes a provision of EUR 14 million (2021: EUR 16 million). No new initiatives are expected under the current restructuring programme which would result in additional charges in the following years.

NOTE 26 - TRADE AND OTHER PAYABLES

Trade and Other Payables

€MILLION	2022	2021
Trade creditors	81	91
Payments received in advance (please also see >> Note 27)	25	34
Interest on borrowings	47	31
Personnel-related liabilities	69	75
Tax liabilities other than for income tax	17	20
Other liabilities	128	41
Total	**367**	**292**

Tax liabilities mainly relate to VAT payables in the amount of EUR 11 million as of 31 December 2022 (2021: EUR 14 million).

NOTE 27 - OTHER LONG-TERM LIABILITIES

Other Long-Term Liabilities

€MILLION	2022	2021
Employee benefits obligations	15	17
Payments received in advance	70	48
Other long-term liabilities	22	18
Total	**107**	**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 2022, accrued premiums of EUR 7 million (2021: EUR 9 million) are included in this position.

There were no contributions made in 2022 to Group pension schemes (2021: EUR 2 million).

In addition, certain employees of the US operations benefit from defined contribution pension plans. A liability of EUR 11 million has been recognised as at 31 December 2022 (2021: EUR 10 million) in this respect, out of which EUR 3 million is included under 'Trade and other payables' (2021: EUR 3 million).

PAYMENTS RECEIVED IN ADVANCE

In the framework of receivables securitisation transactions completed in June 2018 and June 2019 the Group received a net cash amount of EUR 88 million and EUR 59 million, respectively, from a financial institution as advance settlement of future receivables arising until 2022 under contracts with a specific customer. From the outstanding balance of EUR 82 million as at 31 December 2021, EUR 34 million was repaid to the financial institution in January 2022.

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 of EUR 95 million (2021: EUR 82 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 2022 under 'Other long-term liabilities' for EUR 70 million (2021: EUR 48 million) and under 'Trade and other payables' for EUR 25 million (2021: EUR 34 million).

OTHER LONG-TERM LIABILITIES

The other long-term liabilities include customer collateral deposits amounting to EUR 22 million (2021: EUR 18 million).

NOTE 28 - FIXED ASSETS SUPPLIERS

Fixed Assets Suppliers

€MILLION	2022	2021
Non-current	740	472
Current	264	1,554

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 recognized at fair value and subsequently measured at amortised cost using the effective interest method.

The main procurements under this caption are:

- The O3b mPOWER medium-Earth orbit constellation: EUR 545 million (2021: EUR 1,046 million);
- The SES-17 satellite programme: EUR 157 million (2021: EUR 248 million);
- Six satellites being procured in connection with the C-band repurposing activities: EUR nil million (2021: EUR 655 million) refer to >> Note 33;
- Two satellites for the replacement of Astra 19.2°E satellites: EUR 226 million (2021: 56 million EUR)
- One satellite for the replacement of NSS-12 at 57°E: EUR 36 million (2021: nil million EUR)

Acquisition of the SES O3b mPOWER medium-Earth orbit constellation and launchers

On 11 September 2017, the Company, jointly with its subsidiary O3b Networks Limited, entered as Procurement Agents into a Master Procurement Agency and Option Agreement with a financial institution in connection with the procurement by that financial institution of seven medium-Earth orbit satellites from a satellite manufacturer. The satellites were divided into 2 sub-blocks (sub-Block 1A consisting of four satellites and sub-block 1B consisting of three satellites) currently under construction. At the end of the satellite construction period the Group will have the right to acquire, or lease, the satellites from the financial institution or to direct their sale to a third-party.

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

Since the underlying Satellite Purchase and Sale Agreements are directly between the financial institutions and the satellite manufacturer, there is no contractual obligation on the side of the Procurement Agents during the satellite construction process. However, SES management takes the view that there is a constructive obligation arising over the procurement period and hence the Group is accruing for the costs of this programme. SES has the right to nominate shortly before the end of the construction period the entity within the Group which will acquire or lease those assets. SES management expects that the satellites will be acquired or leased in due course by the company SES mPOWER S.à r.l. in Luxembourg.

NOTE 29 - COMMITMENTS AND CONTINGENCIES

CAPITAL EXPENDITURE COMMITMENTS

The Group had outstanding commitments in respect of contracted capital expenditure totalling EUR 404 million as at 31 December 2022 (2021: EUR 712 million). These commitments largely reflect the procurement of satellites and satellite launchers and are stated net of liabilities under these programmes which are already disclosed under "Fixed assets suppliers", see >> Note 28. The commitments as at 31 December 2022 also include EUR 68 million (2021: EUR 87 million) in connection with the renewal of the agreement with Luxembourg government in respect of SES's concession to operate satellites under Luxembourg's jurisdiction, as disclosed in >> Note 15 – "Intangible assets".

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

Capital Expenditure Commitments

€MILLION	2022	2021
Within one year	252	512
After one year but not more than five years	103	147
After more than five years	49	53
Total	**404**	**712**

OTHER COMMITMENTS

The Group's other commitments mainly comprise transponder service agreements for the purchase of satellite capacity from third parties under contracts with a maximum life of eight years, as well as EUR 68 million (2021: EUR 70 million) capital contribution into a Luxembourg space sector fund in connection with the renewal of the agreement with Luxembourg government in respect of SES's concession to operate satellites under Luxembourg's jurisdiction.

Other Commitments

€MILLION	2022	2021
Within one year	126	68
After one year but not more than five years	162	126
After more than five years	51	75
Total	**339**	**269**

The total expense recognised for transponder service agreements in 2022 was EUR 94 million (2021: EUR 68 million).

LITIGATION

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

GUARANTEES

On 31 December 2022 the Group had outstanding bank guarantees of EUR 72 million (2021: EUR 67 million) with respect to performance and warranty guarantees for services of satellite operations.

NOTE 30 - LEASES

1) LESSOR

During 2022 the Group did not recognise any leasing income (2021: EUR 32 million) related to customer lease contract. The lease matured in November 2021, so there is no related carrying amount of property, plant and equipment leased as at 31 December 2022 (31 December 2021: EUR nil).

2) LESSEE

The Group has recognised right-of-use assets, and associated liabilities, in relation to contracts previously classified as "operating leases" under the provision of IFRS 16. These assets and liabilities were measured at the present value of the remaining lease payments, discounted using the Group's weighted average incremental borrowing rate of 2.87% as at 31 December 2022 (2.76% as at 31 December 2021). The difference between the operating lease commitments and the right-of-use assets recognised represents impact of discounting over the outstanding lease term.

i) Amounts recognised in the consolidated statement of financial position

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

Group leases of Offices, Ground Segment, Assets and other Fixtures, Tools and Equipment, Information 2022

€MILLION	Buildings	Transponders (included within Space Segment)	Ground segment	Other fixtures and fittings, tools and equipment	31 December 2022
Right-of-use assets					
Cost	51	5	13	2	71
Accumulated depreciation	(23)	(4)	(3)	(1)	(31)
Total	**28**	**1**	**10**	**1**	**40**

Group leases of Offices, Ground Segment, Assets and other Fixtures, Tools and Equipment, Information 2021

€MILLION	Buildings	Ground segment	Other fixtures and fittings, tools and equipment	31 December 2021
Right-of-use assets				
Cost	42	15	3	60
Accumulated depreciation	(19)	(9)	(2)	(30)
Total	**23**	**6**	**1**	**30**

There were no material additions to the right-of-use assets during 2022, depreciation charge for the year was EUR 19 million (2021: EUR 11 million).

Lease liabilities are presented below as at 31 December:

Lease Liabilities

€MILLION	2022	2021
Maturity analysis - contractual undiscounted cash flows		
Within one year	15	12
After one year but not more than five years	24	19
More than five years	12	8
Total	**51**	**39**
Lease liabilities included in the statement of financial position at 31 December		
Current	15	11
Non-current	30	22
Total	**45**	**33**

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.

ii) Amounts recognised in the consolidated income statement

Depreciation charge of right-of-use assets:

Depreciation Charge of Right-of-Use Assets

€MILLION	2022	2021
Buildings	10	7
Transponders (included within Space Segment)	4	-
Ground segment	4	3
Other fixtures and fittings, tools and equipment	1	1
Total	**19**	**11**

Finance cost:

Finance Cost

€MILLION	2022	2021
Interest expense	2	1
Total	**2**	**1**

The total cash outflow for leases in 2022 was EUR 17 million (2021: EUR 14 million).

NOTE 31 - CASH FLOW INFORMATION

NON-CASH INVESTING ACTIVITIES

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

NET DEBT RECONCILIATION

This section sets out an analysis of net debt and the movements in net debt for 2022 and 2021.

Net debt 2022 and 2021

€MILLION	2022	2021
Cash and cash equivalents	1,047	1,049
Borrowings - repayable within one year	(719)	(57)
Borrowings - repayable after one year	(3,629)	(3,524)
Net debt[1]	**(3,301)**	**(2,532)**
Cash and cash equivalents	1,047	1,049
Borrowings - floating rates	(150)	(190)
Borrowings - fixed interest rates	(4,198)	(3,391)
Net debt[1]	**(3,301)**	**(2,532)**

1 Net debt excludes current and non-current lease liabilities. Net debt including lease liabilities as at 31 December 2022 was EUR 3,376 million (2021: EUR 2,589 million).

Movements in Net Debt for 2022 and 2021

€MILLION	Cash and cash equivalents	Borrowings repayable within one year	Borrowings repayable after one year	Total
Net debt as at 1 January 2022	**1,049**	**(57)**	**(3,524)**	**(2,532)**
Cash flows (net)	(17)	57	(744)	(704)
Foreign exchange adjustments	15	-	(90)	(75)
Transfers	-	(719)	719	-
Other non-cash movements*	-	-	10	10
Net debt as at 31 December 2022	**1,047**	**(719)**	**(3,629)**	**(3,301)**
Net debt as at 1 January 2021	**1,162**	**(613)**	**(3,317)**	**(2,768)**
Cash flows (net)	(116)	614	(159)	339
Foreign exchange adjustments	3	-	(101)	(98)
Transfers	-	(57)	57	-
Other non-cash movements*	-	(1)	(4)	(5)
Net debt as at 31 December 2021	**1,049**	**(57)**	**(3,524)**	**(2,532)**

* Mainly fair value changes and amortised cost.

During 2022 the Group issued European Commercial Paper for EUR nil (2021: EUR 275 million) and reimbursed EUR nil (2021: EUR 275 million). These have been presented net in the consolidated statement of cash flows.

NOTE 32 - RELATED PARTIES

The state of Luxembourg holds a direct 11.58% voting interest in the Company and two indirect interests, both of 10.88% each, through two state owned banks, Banque et Caisse d'Epargne de l'Etat and Société Nationale de Crédit et d'Investissement. These shares constitute the Company's Class B shares, as described in >> Note 21.

The total remuneration to directors for attendance at board and committee meetings in 2022 amounted to EUR 1.0 million (2021: EUR 1.1 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:

Group Management Compensation

€MILLION	2022	2021
Remuneration including bonuses and other benefits	7	7
Pension benefits	-	1
Share-based compensation plans	3	2
Total	**10**	**10**

The total outstanding amount in respect of share-based payment instruments allocated to key management as at 31 December 2022 were 5,455,577 (2021: 4,916,470).

NOTE 33 - C-BAND REPURPOSING

At its Open Commission Meeting held on 28 February 2020, the Federal Communications Commission ('FCC') adopted a Report and Order and Order of Proposed Modification ('the FCC Order') in connection with the clearing of a 300 MHz band of C-band downlink spectrum between 3,700 and 4,000 MHz by December 2025 to support the rapid deployment of terrestrial 5G services in the contiguous United States ('CONUS').

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

- Phase I: By 5 December 2021, SES will relocate all of its commercial services out of the 3,700-3,820 MHz band over the CONUS. This will require making equipment changes on all associated incumbent earth stations located in 46 of the top 50 Partial Economic Areas, supplementing telemetry, tracking and control ("TT&C") operations to enhance two earth stations located in Hawley (Pennsylvania, U.S.A.) and Brewster (Washington, U.S.A.) and beginning the consolidation of gateway services currently located at other SES locations, as well as any customer or user gateway services, to Hawley and / or Brewster.
- Phase II: By 5 December 2023, SES will relocate all its CONUS commercial services out of the full 3,700-4,000 MHz band, making necessary equipment changes on all associated incumbent earth stations located in all CONUS Partial Economic Areas, completing its gateway consolidation to the Hawley and Brewster sites and completing TT&C upgrades across SES teleports.

SES filed its Phase I Certification of Accelerated Relocation with the FCC on 1 October 2021 and an amended certificate on 26 October 2021. The FCC validated the amended certificate on 24 November 2021, at which time the EUR 839 million (USD 977 million) of Accelerated Relocation Payments were fully earned. SES received the Accelerated Relocation Payments on 29 December 2021 and 3 January 2022.

The Group will receive a further USD 2,991 million (EUR 2,641 million) for Phase II if it successfully completes the clearing of the spectrum as described above. In the case of delays in achieving the Phase II spectrum clearing milestone, then the Accelerated Relocation Payments will decrease on a sliding scale to zero over the six-month period beginning 5 December 2023.

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

To facilitate the clearing of the spectrum SES is procuring six C-band satellites and launch vehicles and is consolidating and upgrading its ground facilities to comply with the provisions of the FCC Order. In parallel, customers and affiliated earth stations are being equipped with special filters, new antennae and/or other technology capabilities so that they can be migrated to work with services operating in the remaining 200 MHz of spectrum (between 4,000 MHz and 4,200 MHz) available to satellite operators.

The SES Board of Directors approved an investment envelope of EUR 1.4 billion (USD 1.6 billion) for the implementation of the accelerated clearing programme including the procurement and launch of the new satellites and other equipment and services described above. SES expects these spectrum clearing costs to be reimbursed by the Clearinghouse which is administering the transition and related payments with FCC oversight.

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

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

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

Assets in the course of construction 2022

€MILLION	Space segment	Ground segment	Total
Cost as at 1 January 2022	**668**	**37**	**705**
Additions	315	14	329
Impact of currency translation	39	2	41
Cost as at 31 December 2022	**1,022**	**53**	**1,075**
Expected reimbursements as at 1 January 2022	**(668)**	**(37)**	**(705)**
Additions	(311)	(13)	(324)
Repayments	679	1	680
Impact of currency translation	(45)	(2)	(47)
Expected reimbursements as at 31 December 2022	**(345)**	**(51)**	**(396)**

Assets in the course of construction 2021

€MILLION	Space segment	Ground segment	Total
Cost as at 1 January 2021	**316**	**8**	**324**
Additions	309	28	337
Impact of currency translation	43	1	44
Cost as at 31 December 2021	**668**	**37**	**705**
Expected reimbursements as at 1 January 2021	**(11)**	**-**	**(11)**
Additions	(642)	(36)	(678)
Impact of currency translation	(15)	(1)	(16)
Expected reimbursements as at 31 December 2021	(668)	(37)	(705)

In 2022 the Group expended EUR 329 million (2021: EUR 337 million) of capital expenditures which have been partially offset by expected reimbursements as per the above, amounting to EUR 322 million (2021: EUR 678 million), reclassified from assets under construction to other receivables.

The Group records operating expenses as incurred for both equipment transferred to customers and affiliated earth stations to facilitate their migration to the upper 200 MHz of the C-band and other associated spectrum clearing costs. The Group records C-band repurposing reimbursement income related to these expenses when the expenses have been incurred and the Group has obtained reasonable assurance that the costs will be reimbursed and that it will comply with the requirements attached to the reimbursement.

In both cases, the Group believes it obtains such reasonable assurance when either the Clearinghouse validates the costs as being reimbursable or the costs fall within cost ranges for the applicable costs as published by the FCC in a cost catalogue.

In 2022 the Group recorded C-band repurposing income of EUR 184 million (2021: EUR 901 million) including EUR 173 million of Verizon accelerated clearing proceeds (2021: EUR 839 million of accelerated relocation payments recognised pursuant to the FCC's confirmation of Phase 1 completion). C-band-related expenses of EUR 30 million (2021: EUR 122 million) represent cost of sales of EUR 3 million (2021: EUR 51 million), accumulated staff costs of EUR 12 million (2021: EUR 36 million) and other operating expenses (including travel and consulting charges) of EUR 15 million (2021: EUR 35 million).

As at 31 December 2022, in connection with the accelerated relocation payments, operating expenses, and capital expenditures above, the Group has other receivables of EUR 480 million (2021: EUR 1,273 million) related to the C-band repurposing project (see >> Note 17).

Once the accelerated clearing programme had been confirmed, the Group began the amortisation of the remaining balance of deferred charges in connection with the C-band repurposing of EUR 5 million (31 December 2021: EUR 10 million). These deferred charges, which are presented under 'Prepayments' in the Statement of Financial Position are to be amortised on a straight-line basis through to the completion of Phase II in December 2023.

In 2020 SES entered into procurement agreements with three satellite manufacturers to acquire the six satellites needed to facilitate the repurposing of the C-band spectrum representing an aggregate commitment of EUR 755 million. As at 31 December 2022, SES has a nil balance (2021: EUR 655 million) presented under non-current 'Fixed assets suppliers' in the consolidated statement of financial position (refer to >> Note 28 as well).

As at 31 December 2022, SES's other commitments for C-band repurposing expenditures represent EUR 22 million (2021: EUR 8 million).

NOTE 34 - SUBSEQUENT EVENTS

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

NOTE 35 - ALTERNATIVE PERFORMANCE MEASURES

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

These measures may not be comparable to similarly titled measures used by other companies and are not measurements under IFRS 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 balance sheet line items:

Net Debt

€MILLION	2022	2021
Borrowings - non-current	3,629	3,524
Borrowings - current	719	57
Borrowings, less	4,348	3,581
Cash and equivalents	1,047	1,049
Net debt	**3,301**	**2,532**

2) EBITDA and EBITDA margin

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

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

EBITDA

€MILLION	2022	2021
Profit before tax	52	397
Add: Depreciation and impairment expense	836	626
Add: Amortisation and impairment expense	266	768
Add: Net financing costs	88	71
EBITDA	**1,242**	**1,862**

The following table provides a reconciliation of EBITDA margin:

EBITDA Margin

€MILLION	2022	2021
Revenue	1,944	1,782
C-band repurposing income	184	901
EBITDA	1,242	1,862
EBITDA Margin (%)	**58.3%**	**69.4%**

3) Adjusted EBITDA and Adjusted EBITDA margin

Adjusted EBITDA is defined as EBITDA adjusted to exclude significant special items. Significant special items exceeding the threshold of EUR 5 million at first recognition need to be approved by management and primarily consist of restructuring charges announced in the framework of the Group's 'Simplify and Amplify' programme, and other special factors or distortions linked to the C-band repurposing.

Adjusted EBITDA

€MILLION	2022	2021
EBITDA	1,242	1,862
Deduct: C-Band repurposing income (>> Note 33)	(184)	(901)
Add: C-Band repurposing expenses (>> Note 33)	30	122
Add: Other significant special items (>> Note 4)	17	8
Adjusted EBITDA	**1,105**	**1,091**

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

Adjusted EBITDA Margin

€MILLION	2022	2021
Revenue	1,944	1,782
Adjusted EBITDA	1,105	1,091
Adjusted EBITDA Margin (%)	**56.9%**	**61.2%**

4) Operating profit and operating profit margin

Operating profit is defined as profit for the year before the impact of net financing charges, income tax, the Group's share of the results of associates and includes any extraordinary line item between revenue and profit before tax in the Group's consolidated income statement. The Group uses operating profit to monitor its financial return after both operating expenses and a charge representing the cost of usage of both its property, plant and equipment and definite-life intangible assets.

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

Operating Profit

€MILLION	2022	2021
Profit before tax	52	397
Add: Net financing costs	88	71
Operating profit	**140**	**468**

Operating profit margin is defined as operating profit as a percentage of revenue. SES believes that operating profit margin is a useful measure to demonstrate the proportion of revenue that has been realised as operating profit, and therefore an indicator of profitability.

The following table provides a reconciliation of the operating profit margin:

Operating Profit Margin

€MILLION	2022	2021
Revenue	1944	1782
Operating profit	140	468
Operating profit margin	**7.2%**	**26.3%**

5) Adjusted Net Debt

Adjusted Net Debt is defined as current and non-current borrowings less cash and cash equivalents, all as disclosed on the consolidated financial position and also includes 50% of the Group's EUR 1.2 billion of the perpetual bonds (consistent with rating agencies' methodology). The Group believes that Adjusted Net Debt is relevant to investors, since it gives an indication of the absolute level of non-equity funding of the business. This can be compared to the income and cash flows generated by the business, and available undrawn facilities.

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

Adjusted Net Debt

€MILLION	2022	2021
Borrowings - non-current	3629	3,524
Borrowings - current	719	57
Total borrowings	4,348	3,581
50% of the Group's EUR 1.2 billion (2021: EUR 1.2 billion) of perpetual bonds	588	588
Less: Cash and cash equivalents	1,047	1,049
Adjusted Net Debt	**3,889**	**3,120**

6) Adjusted Net Debt to Adjusted EBITDA ratio

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

Adjusted Net Debt to Adjusted EBITDA ratio

€MILLION	2022	2021
Adjusted Net Debt	3,889	3,120
Adjusted EBITDA	1,105	1,091
Adjusted Net debt to Adjusted EBITDA ratio	**3.52 times**	**2.86 times**

7) Adjusted Net Profit and Adjusted Earnings per Share

Adjusted Net Profit is defined as profit or loss of the period attributable to shareholders of the group adjusted to exclude the after-tax impact of significant special items. Significant special items exceeding the threshold of EUR 5 million on first recognition, need to be approved by management and primarily consist of restructuring charges announced in the framework of the Group's 'Simplify and Amplify' programme, and other special factors or distortions linked to the C-band repurposing, as well as the impairment expenses, including the tax impact of impairment charges on shareholdings arising at SES S.A. or at the subsidiary level.

The tax rate applied to the pre-tax impact of the C-band operating expenses is the US tax rate and the tax rate applied to the restructuring expenses and impairment expenses represents the computed weighted average tax rate of the jurisdictions where the expenses occurred.

Adjusted Net Profit

€MILLION	2022	2021
Profit of the group attributable to shareholders of the parent	(34)	453
C-band net of income / operating expenses	(154)	(779)
Other significant special items	17	8
Impairment expenses	397	724
Add/(Less): Total significant special items	**260**	**(47)**
Tax on C-band operating expenses (net of income), at 18.3% (2021: 21%)	28	164
Tax on other significant special items, at 25% (2021: nil)	(3)	(2)
Tax on impairment expenses, at 19.3% (2021: 1.8%)	(77)	(13)
Add/(Less): Tax on significant special items	**(52)**	**149**
Add/(Less): Tax expense/(benefit) in respect of impairment expenses on the carrying value of subsidiary investments and other assets eliminated at consolidation level	15	(232)
Adjusted Net Profit	**189**	**323**

Adjusted Earnings per Share is the reported earnings share adjusted for the after-tax impact of significant special items as described above. For the year 2022, Adjusted Earnings per Share of EUR 0.35 per Class A share (2021: EUR 0.63), and EUR 0.14 per Class B share (2021: EUR 0.25) have been calculated on the following basis:

Adjusted Earnings for Computation of Adjusted Earnings per Share

€MILLION	2022	2021
Adjusted Net Profit	189	323
Assumed coupon on perpetual bond (net of tax)	(36)	(41)
Total	**153**	**282**

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

Weighted Average Number of Shares

	2022	2021
Class A shares (in million)	364.1	369.7
Class B shares (in million)	185.8	189.2
Total	**549.9**	**558.9**

Adjusted Earnings per Share

	2022	2021
Class A shares	0.35	0.63
Class B shares	0.14	0.25

8) Free cash flow before dividend and treasury activities

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

Free Cash Flow

€MILLION	2022	2021
Net cash generated by operating activities	1,476	1,294
Net cash absorbed by investing activities	(1,798)	(283)
Free cash flow before financing activities	**(322)**	**1,011**
Interest paid on borrowings	(103)	(121)
Lease payments	(17)	(14)
Free cash flow before equity distributions and treasury activities	**(442)**	**876**

NOTE 36 - CONSOLIDATED SUBSIDIARIES, ASSOCIATES

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

Group's Subsidiaries and Associates

	Economic interest (%)		Method of consolidation	
	2022	2021	2022	2021
SES Astra S.A., Luxembourg	100	100	Full	Full
SES Global-Americas Inc., U.S.A.	100	100	Full	Full
SES Global Americas Holdings Inc., U.S.A.[1]	100	100	Full	Full
SES Participations S.A., Luxembourg	100	100	Full	Full
SES Finance S.à r.l., Luxembourg	100	100	Full	Full
SES Holdings (Netherlands) B.V., Netherlands	100	100	Full	Full
SES Astra Services Europe S.à r.l., Luxembourg	100	100	Full	Full
SES Latin America S.à r.l., Luxembourg	100	100	Full	Full
SES Insurance International (Luxembourg) S.A., Luxembourg	100	100	Full	Full
SES Insurance International Re (Luxembourg) S.A., Luxembourg	100	100	Full	Full
SES Networks Lux S.à r.l., Luxembourg	100	100	Full	Full
Northern Americas Satellite Ventures, Inc., Canada	100	100	Full	Full
SES Techcom S.A., Luxembourg	100	100	Full	Full
Redu Operations Services S.A., Belgium	48	48	Equity	Equity
Redu Space Services S.A., Belgium	52	52	Full	Full
HD Plus GmbH, Germany	100	100	Full	Full
SES Germany GmbH, Germany	100	100	Full	Full
SES Media Solutions GmbH, Germany	100	100	Full	Full
MX1 (Thailand) Ltd, Thailand[2]	-	100	-	Full
PT MX1 Smartcast Indonesia, Indonesia	100	100	Full	Full
ASTRA Deutschland GmbH, Germany[3]	100	100	Full	Full
ASTRA France S.A., France	100	100	Full	Full
ASTRA (GB) Limited, United Kingdom	100	100	Full	Full
ASTRA CEE Sp. z o.o, Poland[2]	-	100	-	Full
SES ASTRA (Romania) S.r.l., Romania[2]	-	100	-	Full
SES HD Plus Ghana Limited Company), Ghana	84.7	84.7	Full	Full

	Economic interest (%)		Method of consolidation	
	2022	2021	2022	2021
SES Engineering (Luxembourg) S.à r.l., Luxembourg	100	100	Full	Full
SES Astra AB, Sweden	100	100	Full	Full
Sirius Satellite Services SIA, Latvia	100	100	Full	Full
SES SIRIUS Ukraina, Ukraine	100	100	Full	Full
SES-10 S.à r.l., Luxembourg	100	100	Full	Full
LuxGovSat S.A., Luxembourg[3]	50	50	Full	Full
SES Satellite Leasing Ltd, Isle of Man	100	100	Full	Full
Al Maisan Satellite Communications Company L.L.C, United Arab Emirates[5]	35	35	Full	Full
Satellites Ventures (Bermuda) Ltd, Bermuda	50	50	Full	Full
SES ASTRA Africa Proprietary Limited, South Africa	100	100	Full	Full
SES Americom Inc., U.S.A.	100	100	Full	Full
SES Telecomunicações do Brasil Ltda., Brazil	100	100	Full	Full
SES Space & Defense, Inc., U.S.A.[5,6]	100	100	Full	Full
SES Mexico, S. de R.L. de C.V., Mexico[7]	100	100	Full	Full
SES Telecommunicaciones de Mexico S. de R.L. de C.V., Mexico[2]	-	100	-	Full
SES Satellites International, LLC, U.S.A.	100	100	Full	Full
SES Satellites (Gibraltar) Ltd., Gibraltar	100	100	Full	Full
SES Americom (Asia 1A) LLC, U.S.A.	100	100	Full	Full
Americom Asia Pacific LLC, U.S.A.	100	100	Full	Full
QuetzSat Directo S. de R.L. de C.V., Mexico[8]	100	100	Full	Full
SES Engineering (US) Inc., U.S.A.[2]	100	100	Full	Full
QuetzSat S. de R.L. de C.V., Mexico	100	100	Full	Full
Satelites Globales S. de R.L. de C.V., Mexico[8]	100	100	Full	Full
SES Satelites Directo Ltda, Brazil	100	100	Full	Full
SES DTH do Brasil Ltda, Brazil	100	100	Full	Full

	Economic interest (%)		Method of consolidation	
	2022	2021	2022	2021
SES Satellites Iberica, S.L., Spain	100	100	Full	Full
New Skies Satellites B.V., The Netherlands	100	100	Full	Full
SES Engineering (Netherlands) B.V., The Netherlands	100	100	Full	Full
New Skies Satellites, LLC, U.S.A.[4]	-	100	-	Full
New Skies Satellites Mar B.V., The Netherlands	100	100	Full	Full
New Skies Satellites Ltda, Brazil	100	100	Full	Full
SES New Skies Marketing B.V., The Netherlands	100	100	Full	Full
New Skies Satellites Argentina B.V., The Netherlands	100	100	Full	Full
New Skies Satellites Australia Pty Ltd, Australia	100	100	Full	Full
New Skies Satellites Licensee B.V., The Netherlands	100	100	Full	Full
SES Asia Sà r.l., Luxembourg	100	100	Full	Full
SES Finance Services AG, Switzerland	100	100	Full	Full
SES World Skies Singapore Pte Ltd, Singapore	100	100	Full	Full
O3b Networks Limited, Jersey, Channel Islands	100	100	Full	Full
O3b Limited, Jersey, Channel Islands	100	100	Full	Full
O3b Africa Limited, Mauritius[5]	-	100	-	Full
O3b Sales B.V., The Netherlands[3]	100	100	Full	Full
O3b Networks USA LLC, U.S.A.	100	100	Full	Full
O3b Teleport Services (Australia) Pty Limited, Australia	100	100	Full	Full
O3b Teleport Serviços (Brasil) Ltda, Brasil[6]	-	100	-	Full
O3b Networks (Brasil) Ltda, Brasil[6]	-	100	-	Full
O3b Services (Portugal) Ltda, Portugal	100	100	Full	Full
O3b Teleport Services (Perú) SAC, Peru	100	100	Full	Full
SES mPOWER S.à r.l., Luxembourg	100	100	Full	Full
SES Networks Satellites S.à r.l., Luxembourg	100	100	Full	Full
West Africa Platform Services Ltd, Ghana[1]	49	49	Full	Full
MX1 Ltd, Israel	100	100	Full	Full
MX1 LLC, U.S.A.[2]	100	100	Full	Full
GSN GeoSat Distribution Network Ltd, Cyprus[2]	100	100	Full	Full
EMP Media Port Ltd, Cyprus[5]	-	100	-	Full
SES Services Romania S.R.L., Romania	100	100	Full	Full

	Economic interest (%)		Method of consolidation	
	2022	2021	2022	2021
SES-17 S.à r.l., Luxembourg	100	100	Full	Full
SES Defence UK Ltd, United Kingdom	100	100	Full	Full
SES Techcom Afrique S.A. S.U., Burkina Faso[5]	-	100	-	Full
SES Satellite Nigeria Limited, Nigeria	100	100	Full	Full
SES Networks GmbH, Germany[4]	100	100	Full	Full
SES Satellites India Private Limited, India	100	100	Full	Full
SES 5G Customer Services LLC, U.S.A.	100	100	Full	Full
SES US Satellite Holdings LLC, U.S.A.	100	100	Full	Full
SES Telecomunicaciones de Colombia S.A.S., Colombia	100	100	Full	Full
SES Telecomunicaciones de Colombia Zona Franca S.A.S., Colombia[5]	-	100	-	Full
SES Telecomunicaciones de Chile SpA, Chile	100	100	Full	Full
SES LU Satellite Holdings S.à r.l., Luxembourg	100	100	Full	Full
Luxembourg Space Sector Development General Partner S.à r.l., Luxembourg	100	100	Full	Full
Luxembourg Space Sector Development SCSp, Luxembourg	50	50	Full	Full
SES LU US Holdings S.à r.l, Luxembourg	100	100	Full	Full
Global Enterprise Solutions Inc., U.S.A.[1,6]	100	-	Full	-
SES Technologies Verwaltungs GmbH, Germany[1,6]	100	-	Full	-
Global Networks Services LLC, U.S.A.[1,6]	100	-	Full	-
TSI International LLC, U.S.A.[1,7]	100	-	Full	-
Société Européenne des Satellites Telecomunicaciones de Agentina S.A., Argentina[1]	100	-	Full	-
Jio Space Technology Limited, India[7]	49	-	Equity	-
SES Marketing India Private Limited, India	100	-	Full	-

1 Entity added in 2022
2 Entity sold, merged, liquidated or "hedge of equity" process finalized in 2022
3 Change in capitalization of entity in 2021 from Series A shares to a US corporation (Inc.)
4 Formerly Steerage State Services de Mexico S de R.L. de C.V.
5 Formerly SES Government Solutions Inc.
6 See note 3, "Significant accounting judgments and estimates"
7 Joint venture formed by the Group in fiscal year 2022



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SES S.A. ANNUAL ACCOUNTS

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This version of the SES S.A. annual accounts 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 ANNUAL ACCOUNTS

OUR OPINION

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of SES S.A. (the "Company") as at 31 December 2022, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

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

BASIS FOR OPINION

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

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

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

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

The non-audit services that we have provided to the Company and its controlled undertakings, if applicable, for the year then ended, are disclosed in >> Note 19 to the annual accounts.

KEY AUDIT MATTERS

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

Valuation of the shares in affiliated undertakings

The Company has investments in shares in affiliated undertakings in net amount of 5,422 million EUR (see >> Note 4), which includes 214 million EUR of value adjustments recorded during the year then ended.

Management's assessment of the recoverable amount of investments in subsidiaries requires significant judgement in the determination of the level at which the investments in affiliated undertakings are tested for impairment taking into account the substance of the business activity, interdependency of the cash flows between the different subsidiaries and their level of integration.

Moreover, the determination of the recoverable value requires significant estimates as it relates to the estimation of the forecasted cash flows and of the discount rates and long-term growth rates.

We focused on this area due to the inherent complexity and judgement in the estimate for the recoverable amount of the investments in affiliated undertakings and the materiality of the balance.

What we have audited

The Company's annual accounts comprise:

- the balance sheet as at 31 December 2022;
- the profit and loss account for the year then ended;
- the statement of changes in shareholders' equity as at 31 December 2022; and
- the notes to the annual accounts, which include a summary of significant accounting policies.

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Cabinet de révision agréé, Expert-comptable (autorisation gouvernementale n° 10028753), RCS Luxembourg B 65 477 - TVA LU 25462518

How our audit addressed the key audit matter

- We tested the design and implementation of relevant internal controls;
- We evaluated Management's methodology used to estimate the recoverable amount of the investments in affiliated undertakings. To that effect, we noted that Management has grouped certain undertakings together for the purposes of testing them for impairment in order to appropriately reflect the substance of the activity, interdependency of cash flows and the level of integration of their operations;
- We evaluated, where Management planned a divestiture/restructuring at undertaking level, the impact on the recoverable amount determined at the individual affiliated undertaking level;
- When Management has grouped certain undertakings together for the purposes of testing them for impairment, we involved valuation specialists and independently recalculated the weighted average cost of capital based on the use of market date and challenged the long-term growth rate applied based on market data;
- We agreed the forecasted cash flows used for the determination of the recoverable value to the 2023 Business Plan as approved by the Board of Directors;
- We evaluated the forecasted revenue and costs assumptions, considering our expectations in terms of significant developments during the forecast period (significant new contracts or loss thereof) and corroborated these with market data in respect of demand for satellite capacity and pricing;
- We evaluated the capital expenditure assumptions, considering our expectations in terms of significant developments during the forecast period (capital expenditure programs, replacement of satellites) and the expected capital expenditure level in terminal period in order to maintain the current assets base;
- We performed sensitivity analysis of the models to changes in the key assumptions;
- When Management has undertaken the testing for impairment at individual affiliated undertaking level, we have obtained the related independent valuation reports and evaluated the related value adjustment calculations where required;
- We considered the appropriateness of the disclosures in >> Note 4 to the annual accounts.

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE ANNUAL ACCOUNTS

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

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

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

The Board of Directors is responsible for presenting the annual accounts in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

RESPONSIBILITIES OF THE "RÉVISEUR D'ENTREPRISES AGRÉÉ" FOR THE AUDIT OF THE ANNUAL ACCOUNTS

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

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

We have been appointed as "Réviseur d'Entreprises Agréé" by the General Meeting of the Shareholders on 7 April 2022 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 10 years.

We have checked the compliance of the annual accounts of the Company as at 31 December 2022 with relevant statutory requirements set out in the ESEF Regulation that are applicable to annual accounts.

For the Company it relates to the requirement that annual accounts are prepared in a valid XHTML format.

In our opinion, the annual accounts of the Company as at 31 December 2022, identified as "SES 2022 Annual report", have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

PricewaterhouseCoopers, Société coopérative
Represented by



François Mousel Luxembourg, 27 February 2023

BALANCE SHEET

As at 31 December 2022

Assets

€MILLION	Note	2022	2021
Fixed Assets			
Intangible assets		0.4	0.4
Payments on account and intangible assets under development	2.2.1	8.3	4.1
Financial assets	2.2.2, 4		
Shares in affiliated undertakings	4 a	5,421.7	5,032.0
Loans to affiliated undertakings	4 b	2,805.3	3,252.7
		8,235.7	8,289.2
Current Assets			
Debtors	2.2.3		
Amounts owed by affiliated undertakings			
becoming due and payable within one year	5 a	3,646.7	3,416.3
becoming due and payable after one year	5 a	269.7	287.1
Other debtors			
becoming due and payable within one year	5 b	30.9	16.6
Investments			
Own shares	2.2.4, 6	40.0	54.0
Cash at bank and cash in hand		890.7	935.1
		4,878.0	4,709.1
Prepayments	2.2.5	24.7	35.3
Total assets		**13,138.4**	**13,033.6**

Liabilities

€MILLION	Note	2022	2021
Capital and reserves			
Subscribed capital	7	696.5	719.0
Share premium account	7	1,832.3	1,890.2
Reserves			
Legal reserve	8	71.9	71.9
Reserve for own shares	9	40.0	54.0
Profit brought forward		2,132.0	2,776.8
Profit for the financial year		646.9	(428.7)
		5,419.6	5,083.2
Creditors	2.2.6		
Debenture loans - Non-convertible loans	10		
becoming due and payable within one year		778.0	65.9
becoming due and payable after more than one year		4,299.4	4,639.4
Amounts owed to credit institutions	10		
becoming due and payable within one year		-	40.2
becoming due and payable after more than one year		-	-
Trade creditors			
becoming due and payable within one year		2.0	1.0
Amounts owed to affiliated undertakings	10		
becoming due and payable within one year		1,988.9	1,626.8
becoming due and payable after more than one year		168.0	587.3
Other creditors			
Social security authorities		0.4	0.4
Other creditors	11		
becoming due and payable within one year		203.0	711.8
payable after more than one year		259.1	277.6
		7,718.8	7,950.4
Total liabilities (Capital, Reserves, Liabilities)		**13,138.4**	**13,033.6**

The accompanying notes form an integral part of the annual accounts.

The accompanying notes form an integral part of the annual accounts.

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2022

Profit and Loss Account

€MILLION	Note	2022	2021
Other operating income	12	17.9	27.3
Raw material and consumables and other external expenses			
Other external expenses	12	(27.5)	(28.8)
Staff costs	13		
Wages and salaries		(16.2)	(15.6)
Social security costs			
relating to pensions		(1.8)	(1.7)
other social security costs		0.2	(0.6)
Other staff costs		(0.1)	(0.1)
Other operating expenses		(3.5)	(3.0)
Income from participating interest			
derived from affiliated undertakings	2,2,8, 14	688.0	1,896.8
Income from other investments and loans forming part of fixed assets			
derived from affiliated undertakings	15	90.8	85.0
Other interest receivable and similar income			
derived from affiliated undertakings	3, 16 a	235.5	40.5
other interest and similar income	16 b	221.3	228.6
Value adjustment in respect of financial assets and of investments held as current assets	17	(158.7)	(2,252.2)
Interest payable and similar expenses			
concerning affiliated undertakings	3, 18 a	(54.4)	(29.5)
other interest and similar expenses	18 b	(342.8)	(375.9)
Tax on profit or loss		(1.9)	(0.4)
Profit or loss for the financial year		**646.9**	**(428.7)**

The accompanying notes form an integral part of the annual accounts.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

As at 31 December 2022

Statement of Changes in Shareholders' Equity

€MILLION	Subscribed capital	Share premium	Legal reserve	Other reserves*	Result for the year	Total
At 1 January 2021	719.0	1,890.2	71.9	2,506.1	508.8	**5,696.0**
Allocation of result	-	-	-	508.8	(508.8)	-
Distribution of dividends	-	-	-	(184.1)	-	**(184.1)**
Profit for the financial year	-	-	-	-	(428.7)	**(428.7)**
At 31 December 2021	**719.0**	**1,890.2**	**71.9**	**2,830.8**	**(428.7)**	**5,083.2**
At 1 January 2022	719.0	1,890.2	71.9	2,830.8	(428.7)	**5,083.2**
Allocation of result	-	-	-	(428.7)	428.7	-
Share Capital reduction	(22.5)	(57.9)	-	-	-	**(80.4)**
Distribution of dividends	-	-	-	(230.1)	-	**(230.1)**
Profit for the financial year	-	-	-	-	646.9	**646.9**
At 31 December 2022	**696.5**	**1,832.3**	**71.9**	**2,172.0**	**646.9**	**5,419.6**

* Including reserves for own shares, other non-available reserves and profit brought forward

The accompanying notes form an integral part of the annual accounts.

NOTES TO THE ANNUAL ACCOUNTS

As at 31 December 2022

NOTE 1 - GENERAL INFORMATION

SES S.A. (hereafter 'SES' or 'the Company') was incorporated on 16 March 2001 as a limited liability company (Société Anonyme) under the laws of the Grand-Duchy of Luxembourg for an unlimited period. The registered office of the Company is at: Château de Betzdorf, L-6815 Betzdorf, Luxembourg.

The purpose of the Company is to take generally any interest whatsoever in electronic media and to be active, more particularly, in the communications area via satellites and to invest, directly or indirectly, in other companies that are actively involved in the satellite communication industry.

The Company prepares consolidated financial statements for the SES Group which are drawn up in accordance with International Financial Reporting Standards as endorsed by the European Union ('IFRS') and are published according to the provisions of the Luxembourg law. The accounting period of the Company is from 1 January to 31 December.

Article 65, Paragraph (1) 2° of the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings (the "Law") requires the disclosure of the amount of capital and reserves and profit and loss for the last financial year of each affiliated undertaking. In conformity with Art.67 (3) of the Law, these details have been omitted as the Company prepares consolidated financial statements and these consolidated financial statements, and the related management report and auditors' report thereon, have been lodged with the Luxembourg Trade Registry.

The Company's Fiduciary Deposit Receipts ('FDRs') have been listed on the Luxembourg Stock Exchange since 1998 and on Euronext Paris since 2004 under the symbol SESG. FDRs can be traded freely and are convertible into an equal number of Class A shares at any time, and at no cost, at the option of the holder under the conditions applicable in the Company's articles of association, and in accordance with the terms of the FDRs.

Until April 2022, the Company had a 99.94% interest in a partnership, SES Global Americas Holdings GP, whose accounts were integrated into those of the Company to the level of its partnership interest. In April 2022 the partnership was converted into a separate legal entity named SES Global Americas Holdings Inc. (refer to >> Note 3).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND VALUATION RULES

2.1. BASIS OF PREPARATION

The annual accounts are prepared in accordance with the Luxembourg legal and regulatory requirements under the historical cost convention relating to the preparation and presentation of the annual accounts. Accounting policies and valuation rules are, besides the ones laid down by the amended Law of 19 December 2002, determined and applied by the Board of Directors.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions are changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

Management makes estimates and assumptions that may affect the reported amounts of assets and liabilities in the next financial year(s). Estimates and judgments are regularly re-evaluated, and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.2. SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies and valuation rules applied by the Company are the following:

2.2.1. Intangible assets

Amounts related to the development of software and other related expenses, are included in the balance sheet when incurred. Development expenditure is capitalised when its future recoverability can be regarded as assured. The expenditure is transferred to assets in use, and depreciation commences, when the resulting asset is put into service.

2.2.2. Financial assets

Shares in affiliated undertakings held by the Company are recorded at acquisition cost.

In the case of a permanent diminution in the value of a financial fixed asset in the opinion of the Board of Directors, a value adjustment is made such that the investment is valued at the lower figure. Value adjustments are not maintained if the reasons for which they were made have ceased to apply.

In some instances, where the Board of Directors believes that it is more appropriate under the circumstances and better reflects the substance of the activity, the interdependency of cash flows between SES subsidiaries, and their level of integration, have been considered in assessing the carrying value of the financial assets.

In those instances, investments in certain undertakings have been grouped together for the purposes of testing them for impairment - similarly to cash generating units ('CGUs') as defined in IAS 36 "Impairment of Assets" under IFRS.

However, as set out in >> Note 5, where a contractual disposal of an investment included in one of the cash-generating units triggers the recognition of a book loss then this loss is recorded by the Company in the result of the period when the transaction was approved and the magnitude of the loss was ascertained.

Loans to affiliated undertakings are valued at their nominal value. Value adjustments are recorded on loans which appear to be partly or wholly irrecoverable. These value adjustments are not maintained if the reasons for which they were made have ceased to apply.

2.2.3. Debtors

Debtors are recorded at their nominal value. They are subject to value adjustments where their recovery is uncertain. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

2.2.4. Investments - own shares

Own shares are recorded at acquisition cost, including expenses incidental thereto. At the balance sheet date, own shares are valued at the lower of acquisition cost and a valuation calculated based on weighted average cost or market value.

A value adjustment is recorded where the market value is lower than the acquisition cost. These value adjustments are not maintained if the reasons for which the value adjustments were made have ceased to apply.

2.2.5. Prepayments

Prepayments represent expenditures incurred during the financial year but relating to a subsequent financial year.

Loan origination costs are recorded at their nominal value, and are presented as prepayments. These costs are amortised over the remaining estimated loan periods based on the Company's financing strategy.

2.2.6. Creditors

Debenture loans and amounts owed to credit institutions are recorded at their reimbursement value. Where the amount repayable is greater than the amount received, then the difference is shown as an asset and is written off on a straight-line basis over the term of the borrowing.

2.2.7. Foreign currency translation

The Company maintains its books and records in euro (EUR). Transactions expressed in currencies other than the euro are translated into euros at the exchange rates effective at the time of the transaction.

Except for fixed assets, all assets and liabilities denominated in foreign currencies are converted at the rate of exchange ruling at the balance sheet date. Realised and unrealised gains and losses are recognised in the profit and loss account.

Fixed assets denominated in currencies other than euro, except for loans to affiliated undertakings classified as financial fixed assets, are translated into euro at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historical exchange rates.

The foreign exchange result for the year has been presented on a net basis.

2.2.8. Dividends paid and received

Dividends are declared after the annual accounts for the year have been approved. Accordingly, dividends payable are recorded in the subsequent year's annual accounts. Dividends receivable on own shares are recorded as income in the year in which the dividend is approved.

Dividends receivable from affiliated undertakings are recorded as income in the year in which they are approved by the subsidiary.

2.2.9. Share-based compensation

Employees of the Company receive remuneration in the form of share-based compensation, whereby employees render services to the Company as consideration for equity instruments.

Four share-based compensation schemes have been established by the Company and are available to members of the Company's staff, and to employees of the SES Group:

Equity settled plans:

- The Stock Appreciation Rights Plan ('STAR Plan')
- Executive Incentive Compensation Plan ('EICP')
- Long-Term Incentive Programme ('LTIP')

Cash settled plan:

- Simulated Restricted Stock Units plan ('SRSU Plan')

A charge, representing the difference between the acquisition cost of own shares and exercise price, is recognised in the profit and loss account on the exercising of share option/shares.

The SRSU Plan was inaugurated in 2017 and is replacing, over time, the Star Plan. SRSUs are delivered on 1 June following a three-year vesting period. Delivery occurs through a gross cash payment in the June payroll cycle instead of in FDR's.

For the cash-settled plan, a charge corresponding to the number of SRSUs outstanding at the share price on 31 December 2022 is recognised in the profit and loss account on a pro-rata basis over the vesting period and is presented as part of 'Wages and salaries' in the profit and loss account. A corresponding liability is recorded and presented in the balance sheet under 'Other creditors'.

NOTE 3 - CONVERSION OF SES GLOBAL AMERICAS HOLDINGS GP

Until April 2022, the Company had a 99.94% interest in a partnership, SES Global Americas Holdings GP, whose accounts were integrated into those of the Company to the level of its share in the partnership. In April 2022 the partnership was converted into a separate legal entity named SES Global Americas Holdings Inc..

On conversion, all assets and liabilities of the partnership were deemed disposed against a fair market value of 99.94% interest in SES Global Americas Holdings Inc. in the amount of EUR 2,117.2 million, generating a gain of EUR 135.5 million.

The impact of the conversion on the annual accounts of the Company was as follows:

The impact of conversion of SES Global Americas Holdings GP

€MILLION		
Shares in affiliated undertakings		(831.9)
Disposal of 99.94% in SES Global-Americas, Inc.	(2,919.2)	
Disposal of 32.34% in SES Astra A.B.	(29.9)	
Acquisition of 99.94% in SES Global Americas Holdings Inc	2,117.2	
Debtors		
Amounts owed by affiliated undertakings due and payable within one year		(284.4)
Short term loan to SES Americom Inc.	(284.4)	
Prepayments		(11.7)
Loan origination costs related to 144A Bond USD 500 million (2044)	(11.7)	
Total Assets		**(1,128.0)**
Creditors		
Debenture loans - Non convertible loans due and payable after one year		(476.7)
144A Bond USD 500 million (2044)	(476.7)	
Amounts owed to affiliated undertakings due and payable within one year		(217.5)
Current accounts	(217.5)	
Amounts owed to affiliated undertakings due and payable after one year		(569.3)
Long term loan from SES Americom Inc.	(569.3)	
Total Liabilities		**(1,263.5)**
Other interest receivable and similar income - derived from affiliated undertakings		**50.3**
Gain on sale of 144A Bond USD 500 million (2044)	50.3	
		85.2
Gain on disposal of shares in SES Global – Americas, Inc.	75.2	
Gain on disposal of shares SES Astra A.B.	10.0	
Profit for the Financial Year		**135.5**

The accompanying notes form an integral part of the annual accounts.

NOTE 4 - FINANCIAL ASSETS

A) SHARES IN AFFILIATED UNDERTAKINGS

Movement in Shares in Affiliated Undertakings

€MILLION	2022	2021
Historic cost:		
As at 1 January:	7,323.4	7,275.7
Increase	3,933.2	97.0
Decrease	(3,929.1)	(49.3)
Transfer	(104.7)	-
As at 31 December	**7,222.8**	**7,323.4**
Accumulated value adjustments		
As at 1 January	(2,291.4)	(104.7)
Increase	(213.5)	(2,186.7)
Decrease	599.1	-
Transfer	104.7	-
As at 31 December	**(1,801.1)**	**(2,291.4)**
Net book value:		
As at 1 January	5,032.0	7,171.0
As at 31 December	**5,421.7**	**5,032.0**

In April 2022 SES Global Americas Holdings GP was converted from a partnership into a separate legal entity named SES Global Americas Holdings Inc. As a result of the conversion:

- the investment in SES Global-Americas, Inc. decreased by EUR 2,919.2 million (representing a decrease in the historic cost of EUR 3,498.1 million net of accumulated value adjustments of EUR 578.9 million),
- the investment in SES Astra A.B. decreased by 29.9 million (representing a decrease of cost of EUR 50.1 million net of accumulated value adjustments of EUR 20.2 million), and
- the investment in SES Global Americas Holdings Inc. increased by the amount of EUR 2,117.2 million (refer to » Note 3).

The Company then acquired the remaining 0.06% interest in SES Global Americas Holdings Inc from SES Astra S.A. for EUR 1.3 million, and contributed all its shares in SES Global Americas Holdings Inc to SES LU US Holdings S.à r.l. for EUR 2,118.5 million.

In September 2022, the Company contributed its loan receivable with SES Americom, Inc. in the amount of EUR 470.6 million into the share premium of SES LU US Holdings S.à r.l., increasing the carrying value of its interest in SES LU US Holdings S.à r.l. by the same amount.

In November 2022, the Company contributed its loan receivable with SES mPower S.à r.l. in the amount of EUR 578.3 million into the share premium of SES LU US Holdings S.à r.l., increasing the carrying value of its interest in SES LU US Holdings S.à r.l. by the same amount.

In November 2022, the Company made a contribution in cash into the share premium of SES Latin America S.à r.l. of EUR 11.0 million, increasing the carrying value of its interest in SES Latin America S.à r.l. by the same amount.

In November 2022, SES Finance S.à r.l. reduced its share premium by means of a capital repayment to the Company of EUR 3.5 million, decreasing the carrying value of its interest in SES Finance S.à r.l. by the same amount.

In December 2022, SES Holdings (Netherlands) B.V. reduced its share premium by means of a capital repayment to the Company in the amount of EUR 377.4 million, resulting in a reduction in the carrying value of its interest in SES Holdings (Netherlands) B.V. of the same amount.

In December 2022, the Company converted a portion of its current account with SES Networks Lux S.à r.l. of EUR 377.4 million into a long-term loan and contributed this loan into the share premium of SES LU US Holdings S.à r.l., increasing the carrying value of its interest in SES LU US Holdings S.à r.l. by the same amount.

In December 2022, the Company made a contribution in cash into share premium of SES LU US Holdings S.à r.l. of EUR 377.4 million, increasing the carrying value of its interest in SES LU US Holdings S.à r.l. by the same amount.

In 2022, the increase in accumulated value adjustments of EUR 213.5 million represents an impairment of the investment in SES Participations of EUR 18.8 million and an aggregate amount of EUR 194.7 million recorded in connection with the investments in SES LU US Holdings S.à r.l. (EUR 135.6 million), SES Astra S.A. (EUR 47.9 million), SES Holdings (Netherlands) B.V. (EUR 9.8 million) and SES Latin America S.à r.l. (EUR 1.4 million).

The 2021 increase in historic cost represented a share premium contribution to SES Holdings (Netherlands) B.V. of EUR 76.5 million and a contribution in kind to SES Global-Americas, Inc. of EUR 20.5 million. The decrease represented a share premium reduction in SES Finance S.à r.l (EUR 28.8 million) and in SES Holdings (Netherlands) B.V. (EUR 20.5 million).

In 2021, the increase in accumulated value adjustments reflected impairment of investments in SES Global-Americas, Inc. (EUR 578.9 million), SES Finance S.à r.l (EUR 1,502.1 million), SES Participations S.A. (EUR 85.5 million) and SES Astra A.B. (EUR 20.2 million).

As at 31 December 2022, the Company held the following investments:

Net book value

€MILLION	Incorporation in	2022	2021	2022	2021
SES Global-Americas, Inc.	United States	–	99.94%	–	2,919.2
SES Finance S.à r.l.	Luxembourg	100%	100%	8.6	12.1
SES Holdings (Netherlands) B.V.[1]	Netherlands	100%	100%	491.4	878.6
SES Astra S.A.	Luxembourg	100%	100%	996.9	1,046.8
SES Participations S.A.	Luxembourg	100%	100%	2.5	21.3
SES Insurance International Re (Luxembourg) S.A.	Luxembourg	100%	100%	90.3	90.3
SES Astra A.B.	Sweden	–	32.34%	–	29.9
SES Insurance International (Luxembourg) S.A.	Luxembourg	100%	100%	15.2	15.2
SES Latin America S.à r.l.	Luxembourg	100%	100%	28.3	18.6
SES LU US Holdings S.à r.l.	Luxembourg	100%	100%	3,786.5	–
Total				**5,421.7**	**5,032.0**

[1] SES Holdings (Netherlands) B.V. is a 100% direct owner of the entity New Skies Satellites B.V. and "CGU subject ownership" for the CGU Networks – for impairment testing purposes the investment is allocated between the SES GEO and SES MEO cash generating units.

Management identified the following CGUs for the purpose of impairment testing:

- SES GEO operations ('SES GEO') and
- SES MEO operations ('SES MEO').

The following entities not directly connected to a CGU are considered out of scope: SES Participations S.A., SES Insurance International Re (Luxembourg) S.A. and SES Insurance International (Luxembourg) S.A..

The investment in SES Holdings (Netherlands) B.V. of EUR 270.0 million (2021: EUR 878.6 million) includes both SES GEO and SES MEO operations and was analysed accordingly for impairment testing purposes.

In December 2022, the Company contributed a loan to SES Networks Lux S.à r.l. of EUR 377.4 million and cash of EUR 377.4 million into the share premium of SES LU US Holdings S.à r.l.. As both these contributions are MEO-related, they were allocated to the SES MEO CGU.

Impairment testing for SES GEO

Affiliated undertakings listed under "SES GEO" form part of the GEO satellite operations of the SES Group. They are aggregated into one CGU for the purpose of testing their carrying values for impairment, considering the interdependency of their cash flows and their level of integration (see >> Note 2). Loans to and from SES GEO companies are added to the carrying values of the shares concerned for impairment testing purposes.

The value-in-use of this CGU is determined based on a calculation using the most recent business plan information approved by the Board of Directors which covers a period of five years. This period reflects the long-term contractual base for the satellite business.

The pre-tax discount rate varies based on the geographic region covered by the satellites; the rates used ranged from 9.02% to 12.62% and were selected to reflect market interest rates and commercial spreads, the capital structure of businesses in the SES Group's business sector, and the specific risk profile of the businesses concerned.

Similarly, the terminal growth rates used in the valuation varied from +2.5% to -2.7%, reflecting the most recent long-term planning assumptions approved by the Board, and are supported by reference to the performance of the SES business concerned over a longer period in the relevant markets.

The assessment resulted in EUR 194.7 million impairment being recorded on certain investments.

An impairment test performed on each investment taken individually (the "line-by-line method"), would potentially lead to a different conclusion. However, for the reasons stated above and as described in >> Note 2.2.2, the Board of Directors of the Company does not believe that the "line-by-line method" is appropriate considering the integrated nature of the SES GEO operations business and the interdependency of its cash flows.

Impairment testing for SES MEO operations

SES MEO operations, representing the O3b Networks business acquired in 2016, is considered a separate CGU, as the business currently generates cash inflows that are largely independent from SES GEO operations.

Similar to SES GEO, the value-in-use of this CGU is determined based on a calculation using the most recent business plan information approved by the Board of Directors which covers five years. An specific 'H-model' was used to estimate the cash flows beyond the business plan period in order to capture the projected growth of the business in connection with the O3b mPOWER constellation which is expected to begin commercial service towards the end of 2023. The post-business plan growth rate (2027 to 2028) began at 10.0% and reduced on a straight-line basis to a terminal growth rate of 3.0% over a period of 10 years.

The pre-tax discount rate applied for 2022 was 10.38% (2021: 8.13%) and was selected to reflect market interest rates and commercial spreads; the capital structure of businesses in the CGU's business sector; and the specific risk profile of the businesses concerned. As noted above, the terminal growth rate used was 3.0% (2021: 3.0%), reflecting current long term inflation assumptions.

B) LOANS TO AFFILIATED UNDERTAKINGS

Loans to affiliated undertakings as of 31 December 2022 consist of:

Loans to Affiliated Undertakings as of 31 December 2022

€MILLION	Principal and accrued interest 31 December 2022	Maturity	Interest rate
Counterparty			
SES Astra S.A.	700.0	October 2030	0.64%
SES-10 S.à r.l.	53.4	January 2032	2.29%
SES Networks Lux S.à r.l.	958.2	October 2029	3.33%
SES Networks Satellites S.à r.l.	465.0	October 2029	3.33%
New Skies Satellites B.V.	5.3	December 2024	3.01%
New Skies Satellites B.V.	243.6	December 2032	3.01%
SES Holdings (Netherlands) B.V.	180.9	December 2024	3.01%
SES Holdings (Netherlands) B.V.	96.1	December 2024	3.01%
SES Holdings (Netherlands) B.V.	32.8	December 2024	3.01%
HD Plus GmbH	70.0	November 2030	5.60%
Total	**2,805.3**		

The Company does not consider any balances on its loans to affiliates as being irrecoverable as at 31 December 2022.

Loans to affiliated undertakings as of 31 December 2021 consist of:

Loans to Affiliated Undertakings as of 31 December 2021

€MILLION	Principal and accrued interest 31 December 2021	Maturity	Interest rate
Counterparty			
SES Astra S.A.	800.0	October 2030	0.64%
SES-10 S.à r.l.	60.0	January 2032	0.41%
SES Networks Lux S.à r.l.	874.9	October 2029	3.33%
SES Networks Satellites S.à r.l.	424.6	October 2029	3.33%
New Skies Satellites B.V.	199.5	November 2023	3.14%
New Skies Satellites B.V.	367.7	November 2023	3.14%
New Skies Satellites B.V.	4.9	December 2024	3.14%
New Skies Satellites B.V.	229.4	December 2032	3.14%
SES Holdings (Netherlands) B.V.	170.3	October 2024	3.14%
SES Holdings (Netherlands) B.V.	90.5	December 2024	3.14%
SES Holdings (Netherlands) B.V.	30.9	December 2024	3.14%
Total	**3,252.7**		

NOTE 5 - DEBTORS

A) AMOUNTS OWED BY AFFILIATED UNDERTAKINGS

The SES Group operates a centralised treasury function at the level of the Company, including a cash-pooling mechanism which manages the Group's liquidity and optimises its funding costs.

Amounts owed by affiliated undertakings as at 31 December consist of:

Amounts owed by Affiliated Undertakings

€MILLION	2022	2021
Becoming due and payable within one year		
Intercompany current accounts	2,715.5	2,381.2
Forward Sale Agreement with SES mPower S.à r.l.	197.2	704.2
Short term loan to Luxembourg satellite companies	6.6	6.7
Short term loan to SES Astra S.A.	101.3	101.5
Short term loan to SES Americom	-	262.3
Short term loan to SES New Skies Satellites B.V.	615.2	-
Short term loan to HD Plus GmbH	10.9	30.2
Short term loan to SES Media Solutions GmbH	218.0	210.0
Value adjustments	(718.0)	(279.8)
Total	**3,046.7**	**3,416.3**
Becoming due an payable after one year		
Forward Sale Agreement with SES mPower S.à r.l.	259.1	277.6
Long term advance to SES DTH do Brasil Ltda	10.6	9.5
Total	**269.7**	**287.1**

Intercompany current accounts represent short-term advances bearing interest at market rates.

As at 31 December 2022, the Company performed an analysis of the amounts owed by affiliated undertakings and reversed previously recorded value adjustment of EUR 61.8 million (see also >> Note 17) as these amounts are no longer considered to be irrecoverable:

- Intercompany current account with MX1 Limited of EUR 40.7 million
- Intercompany current account with SES Media Solutions GmbH of EUR 16.8 million
- Intercompany current account with SES Astra Services Europe of EUR 4.3 million

As at 31 December 2021 the Company had recorded value adjustments of EUR 279.8 million with respect to:

- Intercompany current account with MX1 Limited of EUR 40.7 million
- Short-term loan to SES Media Solutions GmbH of EUR 210.0 million and intercompany current account with SES Media Solutions GmbH of EUR 24.8 million
- Intercompany current account with SES Astra Services Europe of EUR 4.3 million

In 2018, SES entered into a forward sale agreement with SES mPower S.à r.l (see >> Note 11) in connection with seven mPower satellites currently under construction. In August 2020 an option to procure four additional satellites was exercised.

In September 2022 SES aquired six of the seven initial mPower satellites. As at 31 December 2022, SES had a receivable from SES mPower S.à r.l of EUR 456.3 million (2021: EUR 981.8 million) in connection with the procurement of the mPower satellites.

B) OTHER DEBTORS

Other debtors as at 31 December 2022 consist of:

Other debtors

€MILLION	2022	2021
Becoming due and payable within one year		
Trade debtors	0.4	3.1
Receivable related to VAT	16.3	4.2
Other tax receivables	14.2	9.3
Total	**30.9**	**16.6**

Other tax receivables

The Company is subject to the tax regulations in Luxembourg and, until April 2022, also in the U.S. for the partnership. In accordance with Article 164bis of the Luxembourg income tax law, SES S.A. is the head of the Luxembourg tax unity with its direct and indirect subsidiaries as follows:

- SES Finance S.à r.l.
- SES Astra S.A.
- SES Asia S.A.
- SES-10 S.à r.l.
- SES Participations S.A.
- SES Engineering S.à r.l.
- SES Astra Services Europe S.A.
- SES Networks Lux S.à r.l.
- SES Techcom S.A.
- SES Latin America S.A.
- SES Insurance International (Luxembourg) S.A.
- SES Insurance International Re (Luxembourg) S.A.
- SES-17 S.à r.l.
- SES mPower S.à r.l.
- SES Networks Satellites S.à r.l.
- SES LU Satellite Holdings S.à r.l.
- Luxembourg Space Sector Development General Partner S.à r.l.
- SES LU US Holdings S.à r.l.

The balance sheet tax position represents the net amount payable to, or receivable from, the Luxembourg tax authorities by the Company in its role as head of the tax unity. The net tax receivable of EUR 14.2 million as at 31 December 2022 includes a payable for corporate income tax of nil million (2021:EUR 7.4 million), municipal business tax receivable of EUR 14.2 million (2021: EUR 16.6 million) and a Net Wealth Tax receivable of EUR nil million (2021: liability of EUR 0.1 million).

The respective tax charge/income of each subsidiary is computed on a stand-alone basis and it is recorded for the entire Luxembourg tax unity by the Company.

NOTE 6 - INVESTMENTS - OWN SHARES

'Own shares' refers to holdings of the Company's own FDRs. All FDRs held are for use in connection with the share-based compensation plans for executives and staff of the SES Group. FDRs are valued at the lower of the weighted average cost and the market price.

As at 31 December 2022, the Company owned 6,565,553 FDRs (2021: 7,748,429) representing a carrying value of EUR 40.0 million (2021: EUR 54.0 million).

NOTE 7 - SUBSCRIBED CAPITAL AND SHARE PREMIUM ACCOUNT

SES has a subscribed capital of EUR 696.5 million (2021: EUR 719.0 million), represented by 371,457,600 Class A shares (2021: 383,457,600) and 185,728,800 Class B shares (2021: 191,728,800) with no par value. Although they constitute separate classes of shares, Class A and Class B shares have the same rights except that Class B shares, which are held by the State of Luxembourg and by two entities wholly-owned by the State of Luxembourg, entitle their holders to only 40% of the dividend, or in case the Company is dissolved, to 40% of the net liquidation proceeds paid to shareholders of Class A. Class B shares are not freely traded. Each share, whether of Class A or Class B, is entitled to one vote.

In 2022 SES acquired 12 million class A Shares and 6 million class B shares from SES Astra S.A., purchased under the share buy-back programme executed between May and August 2021. Following the acquisition, SES proceeded with a cancellation of these shares and a reduction of its share capital by EUR 22.5 million to EUR 696.5 million, represented by a total of 557,186,400 million shares and a reduction of its share premium account by EUR 57.9 million to EUR 1,832.3 million (2021: EUR 1,890.2 million).

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

Movement between the Opening and Closing Number of Shares

	Class A shares	Class B shares	Total shares
As at 1 January 2022	**383,457,600**	**191,728,800**	**575,186,400**
Reduction of shares during the year	(12,000,000)	(6,000,000)	(18,000,000)
As at 31 December 2022	**371,457,600**	**185,728,800**	**557,186,400**

	Class A shares	Class B shares	Total shares
As at 1 January 2021	**383,457,600**	**191,728,800**	**575,186,400**
As at 31 December 2021	**383,457,600**	**191,728,800**	**575,186,400**

NOTE 8 - LEGAL RESERVE

In accordance with Luxembourg legal requirements, a minimum of 5% of the annual net profit is transferred to a legal reserve. This requirement is satisfied when the reserve reaches 10% of the issued share capital. This reserve may not be distributed.

NOTE 9 - RESERVE FOR OWN SHARES

In accordance with the Law, the Company has created a non-distributable "reserve for own shares" of EUR 40.0 million (2021: EUR 54.0 million), corresponding to the balance of the own shares held as of year end.

ACQUISITION OF TREASURY SHARES

SES has historically, in agreement with its shareholders, purchased FDRs in connection with executives' and employees' share-based payments plans, as well as for cancellation.

NOTE 10 - CREDITORS

A) DEBENTURE LOANS - NON CONVERTIBLE LOANS

The maturity profile of notes and bonds is as follows as at 31 December 2022.

Maturity Profile of Notes and Bonds as at 31 December 2022

€MILLION	Interest rate	Maturity	2022
Creditors - Financial liabilities			
a) Debenture loans - Non convertible loans			
becoming due and payable within one year			**778.0**
Non-convertible bonds due >1 Y: Accrued interest			74.8
144A Bond USD 750.0 million (2023)	3.60%	April-23	703.2
becoming due and payable between 2 and 5 years			**1,690.0**
German Bond issue of EUR 150.0 million (2024)	Floating	June-24	150.0
German Bond issue of EUR 250.0 million (2025)	1.71%	December-25	250.0
EUR 650 million Eurobond (2026)	1.625%	March-26	650.0
EUR 140.0 million Private Placement (2027)	4.00%	May-27	140.0
EUR 500 million Eurobond (2027)	0.875%	November-27	500.0
becoming due and payable after 5 years			**2,609.4**
EUR 750 million Eurobond (2029)	3.50 %	January-29	750.0
144A Bond USD 250.0 million (2043)	5.30%	April-43	234.4
German Bond issue of EUR 50.0 million (2032)	4.00%	November-32	50.0
EUR 550 million deeply subordinated fixed rate resettable securities	5.625%	N/A[1]	550.0
EUR 625 million deeply subordinated fixed rate resettable securities	2.875%	N/A[2]	625.0
EUR 400 million Eurobond (2028)	2.00%	July-28	400.0

[1] 1st reset date January 2023

[2] 1st reset date August 2025

The maturity profile of notes and bonds is as follows as at 31 December 2021.

Maturity Profile of Notes and Bonds as at 31 December 2021

€MILLION	Interest rate	Maturity	2021
Creditors - Financial liabilities			
a) Debenture loans - Non convertible loans			
becoming due and payable within one year			**65.9**
Non-convertible bonds due >1 Y: Accrued interest			65.9
becoming due and payable between 2 and 5 years			**1,712.2**
144A Bond USD 750.0 million (2023)	3.60%	April-23	662.2
German Bond issue of EUR 150.0 million (2024)	Floating	June-24	150.0
German Bond issue of EUR 250.0 million (2025)	1.71%	December-25	250.0
EUR 650 million Eurobond (2026)	1.625%	March-26	650.0
becoming due and payable after 5 years			**2,927.2**
EUR 140.0 million Private Placement (2027)	4.00%	May-27	140.0
144A Bond USD 250.0 million (2043)	5.30%	April-43	220.7
144A Bond USD 500.0 million (2044)	5.30%	March-44	441.5
German Bond issue of EUR 50.0 million (2032)	4.00%	November-32	50.0
EUR 550 million deeply subordinated fixed rate resettable securities	5.625%	N/A[1]	550.0
EUR 625 million deeply subordinated fixed rate resettable securities	2.875%	N/A[2]	625.0
EUR 500 million Eurobond (2027)	0.875%	November-27	500.0
EUR 400 million Eurobond (2028)	2.00%	July-28	400.0

[1] First reset date January 2022

[2] 1st reset date August 2025

European Medium-Term Note Programme ('EMTN Programme')

SES has an EMTN Programme enabling SES, or SES Global Americas Holdings Inc., to issue as and when required notes up to a maximum aggregate amount of EUR 4,000 million. As at 31 December 2022, SES had issued EUR 2,440 million (2021: EUR 1,690 million) under the programme with maturities ranging from 2023 to 2029.

EUR 750.0 million Deeply Subordinated Fixed Rate Resettable Securities (2022)

In June 2016, SES issued EUR 750.0 million Deeply Subordinated Fixed Rate Resettable Securities ('perpetual bond') at a coupon of 4.625% to the first call date, a price of 99.666% and a yield of 4.7%. SES was entitled to call the securities on 2 January 2022 and on subsequent coupon payment dates.

In May 2021, SES announced a capped tender offer for its outstanding EUR 750 million 4.625% perpetual bond at a fixed purchase yield of -0.10% to refinance the existing perpetual bond callable in January 2022 in advance of the first call date. The tender offer was accepted by the required number of bondholders such that the Company was able to repurchase 84.5% of the existing bonds on 28 May 2021 at a price representing 102.838% of nominal value, and the remaining 15.5% at par, with a settlement date of 30 June 2021.

EUR 550.0 million Deeply Subordinated Fixed Rate Resettable Securities (2024)

In November 2016, SES issued a second perpetual bond of EUR 550.0 million at a coupon of 5.625% to the first call date, a price of 99.304% and a yield of 5.75%. SES is entitled to call the second perpetual bond in January 2024 and on subsequent coupon payment dates.

EUR 625.0 million Deeply Subordinated Fixed Rate Resettable Securities

In May 2021 the Company issued further Deeply Subordinated Fixed Rate Resettable Securities for an amount of EUR 625 million, with a first reset date on 27 August 2026. The securities bear a coupon of 2.875% per annum and were priced at 99.409% of their nominal value.

EUR 650 million Eurobond (2026)

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

EUR 500 million Eurobond (2027)

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

EUR 400 million Eurobond (2028)

In July 2020, SES issued a EUR 400 million bond under the Company's EMTN Programme. The bond bears interest at a fixed rate of 2.00% and has a final maturity date in July 2028.

EUR 750 million Eurobond (2029)

In June 2022 SES issued a EUR 750 million bond under the EMTN Programme. The bond bears interest at a fixed rate of 3.50% and has a final maturity date in January 2029.

EUR 140 million Private Placement (2027)

In 2012 SES issued three individual tranches of a total EUR 140 million Private Placement under the Company's EMTN Programme to ING Bank N.V. The Private Placement has a 15-year term, beginning in May 2012, and bears interest at a fixed rate of 4.00%.

German bond issue of EUR 50 million (2032)

In 2012 the Company issued EUR 50 million in the German bond ('Schuldschein') market. The German bond bears a fixed interest rate of 4.00% and matures in November 2032.

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

In 2018 the Company issued a EUR 400 million bond in the German bond ('Schuldschein') market. The transaction comprised two tranches: a EUR 150 million tranche with a floating interest rate of a six-month EURIBOR plus a margin of 0.8% and a final maturity date in June 2024; and, a EUR 250 million tranche with a fixed interest rate of 1.71% and a final maturity date in December 2025.

144A Bond USD 750 million (2023)

In 2013 SES issued a USD 750 million 10-year bond in the US 144A bond market with a coupon of 3.60% and a final maturity in April 2023.

144A Bond USD 250 million (2043)

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

144A Bond USD 500 million (2044)

In 2014 SES Global Americas Holdings Inc. completed a 144A offering in the US market issuing for a USD 500 million 30-year bond with a coupon of 5.30% and a final maturity date in March 2044 (see >> Note 3).

B) AMOUNTS OWED TO CREDIT INSTITUTIONS

There were no amounts owed to credit institutions as of 31 December 2022. Amounts owed to credit institutions as of 31 December 2021 were:

Amounts owed to Credit Institutions as of 31 December 2021

€MILLION	Interest rate	Maturity	2021
Creditors - Financial liabilities			
b) amounts owed to credit institutions			
becoming due and payable within one year			**40.2**
COFACE facility	EURIBOR +1.70%	various in 2022	40.2

Syndicated Loan Facility 2019

The facility is provided by 19 banks and is structured as a 5-year multi-currency revolving credit facility. In 2021 the Company extended the Termination date from 26 June 2025 to 26 June 2026. The facility is for EUR 1,200 million and the interest payable is linked to a ratings grid. At the current SES credit rating of BBB/ Baa2, the interest rate is 40 basis points over EURIBOR/LIBOR. As at 31 December 2022 and 2021, nothing was drawn under this facility.

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

On 16 December 2022 SES signed a seven-year facility with the EIB to support the funding of three fully-digital satellites serving the 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/ Baa2 this equates to 0.34% per annum over EURIBOR (in the case of a floating rate) or over a base rate as determined by the EIB (in case of fixed rate). As at 31 December 2022 no amount has been drawn under this facility.

EUR 522.9 million COFACE facility

In 2009 SES signed a financing agreement with the Compagnie Française d'Assurance pour le Commerce Extérieur ('Coface') in respect of the investment in four geostationary satellites (ASTRA 2E, ASTRA 2F, ASTRA 2G, ASTRA 5B). The facility is divided into five loans. Drawings under the facility were associated with invoices from the suppliers of the satellites.

The first drawing was made in April 2010 and all loan tranches were fully drawn by November 2014. Each Coface tranche is repayable in 17 equal semi-annual instalments where Coface A had a final maturity date of 1 August 2022, Coface F matured on 21 May 2021. SES opted to execute voluntary prepayment clauses pursuant to the Agreement and repaid the remaining outstanding amount of Coface tranche B in November 2017 and of Coface C and D in April 2022 (contractual maturity in October 2022). The entire facility bore interest at a floating rate of six-month EURIBOR plus a margin of 1.7%.

European commercial paper programme

In 2012 SES incepted a joint EUR 1,000.0 million guaranteed European commercial paper programme of SES S.A. and SES Global Americas Holdings Inc.. Issuances under the programme represent senior unsecured obligations of the issuer and are guaranteed by the non-issuing entity. The programme is rated by Moody's Investors Services and FitchRatings and is compliant with the standards set out in the STEP Market Convention. On 9 July 2021, this programme was updated and extended. As at 31 December 2022 and 2021, no borrowings were outstanding under this programme.

Negotiable European Commercial Paper "NEU CP" (former French Commercial paper programme)

In 2005 SES put in place a EUR 500 million 'NEU CP' programme in accordance with articles L.213-1 to L213-4 of the French Monetary and Financial Code and article 6 of the order of 30 May 2016 and subsequent amendments. The maximum outstanding amount of 'NEU CP' issuable under the programme is EUR 500 million or its counter value at the date of issue in any other authorised currency. In June 2022 the programme was extended for a further year. As at 31 December 2022 and 2021, no borrowings were outstanding under this programme.

C) AMOUNTS OWED TO AFFILIATED UNDERTAKINGS

Amounts owed to affiliated undertakings of EUR 2,176.9 million (2021: EUR 2,214.1 million) include the following:

Amounts owed to Affiliated Undertakings

€MILLION	2022	2021
Current accounts	1,948.4	1,626.8
Long term loans (payable within one year)	40.5	-
Long term loans (payable between 2 and 5 years)	188.0	587.3
Long term loans (payable after five years)	-	-
Total	**2,176.9**	**2,214.1**

"Current accounts" are linked to the daily cash pooling mechanism and represent short-term debts bearing interest at market rates. The daily cash pooling mechanism supports the liquidity of the Group and the optimisation of its funding costs.

Following the conversion of SES Global Americas Holdings GP in April 2022 from a partnership into a separate legal entity, current accounts of EUR 217.5 million and a loan of USD 600.4 million (EUR 569.3 million) from SES Americom Inc. with a maturity date of March 2024 and bearing interest at a rate of 3.7%, were deemed disposed of by the Company (see >> Note 3).

As at 31 December 2022, long-term loans included:

- A loan of SEK 450.3 million (EUR 40.5 million) from SES Astra AB with a maturity date of November 2023 and bearing interest at a rate of 0.72%.
- A loan issued in 2022 of USD 200.5 million (EUR 188.0 million) from New Skies Satellites B.V. with a maturity date of December 2027 and bearing interest at a rate of 3.01%.

NOTE 11 - OTHER CREDITORS

ACQUISITION OF SES MPOWER MEDIUM-EARTH ORBIT ('MEO') CONSTELLATION

In September 2017, the Company, jointly with O3b Networks Limited, entered as 'Procurement Agents' into a Master Procurement Agency and Option Agreement with a financial institution in connection with the procurement by that financial institution of seven MEO satellites from The Boeing Company.

Under the satellite Purchase and Sale agreement between the financial institution and The Boeing Company, seven satellites were procured. At the end of the satellite construction period, SES has the right to acquire, or lease, the satellites from the financial institution or to direct their sale to a third-party. SES has the right to nominate the entity within the SES Group which will acquire or lease those assets shortly before the end of the construction period. This entity is currently defined as being SES mPower S.à r.l. in Luxembourg and to this end the Company entered into a forward sale agreement with that entity in May 2018 whereby as the satellite construction process proceeds, and the Procurement Agents confirm that construction milestones are achieved, the underlying asset-under-construction is transferred by the Company to that entity against an intercompany receivable.

Since the underlying Satellite Purchase and Sale Agreement is directly between the financial institution and The Boeing Company, there is no contractual obligation on the side of the Procurement Agents during the satellite construction process. However, SES management has taken the view that there is a constructive obligation arising over the construction period and hence the SES Group is accruing the programme costs.

In August 2020 the Company exercised its option to procure four additional mPower satellites. At the end of the construction period for the four satellites, foreseen in the 2023 - 2024 time frame, the Company will again have the right to acquire, or lease, the satellites from the financial institution or to direct their sale to a third-party.

In September 2022, SES acquired the first six mPower satellites from the financial institution.

As at 31 December 2022 an amount of EUR 456.3 million (2021: EUR 981.8 million), corresponding to the constructive obligation of the Company towards the financial institution procuring the satellites, was recorded under the caption 'Other creditors – becoming due and payable within one year' with a futher EUR 259.1 million presented under the caption 'Other creditors – becoming due and payable after one year'.

The corresponding amounts due to the Company from SES mPower S.à r.l. under the forward purchase agreement were disclosed on the balance sheet under the caption 'Amounts owed by affiliated undertakings – becoming due and payable within one year' (EUR 197.2 million) and 'Amounts owed by affiliated undertakings – becoming due and payable after one year' (EUR 259.1 million) – see also >> Note 5.

Other Creditors as at 31 December consist of:

Other Creditors

€MILLION	2022	2021
Becoming due and payable within one year		
SES mPower acquisition	197.2	704.2
Personnel-related accruals	5.8	7.6
Total	**203.0**	**711.8**
Becoming due and payable after one year		
SES mPower acquisition	259.1	277.6
Total	**259.1**	**277.6**

NOTE 12 - OTHER OPERATING INCOME AND OTHER EXTERNAL EXPENSES

Other operating income of EUR 17.8 million (2021: EUR 27.3 million) consists mainly of intra-group recharge income from advisory support services rendered to various affiliates.

Other external expenses of EUR 27.5 million (2021: EUR 28.8 million) consists mainly of intra-group recharge expenses for advisory support services rendered to the Company by various affiliates.

NOTE 13 - STAFF COSTS

As at 31 December 2022, the number of full-time equivalent employees was 113 (2021: 102) and the average number of employees in the workforce for 2022 was 108 (2021: 101).

The average number of employees staff by functional area is as follows:

Number of employee staff by functional area

€MILLION	2022	2021
Finance	43	40
Strategy and Product	15	7
People and Culture	14	14
Legal	13	12
Global Services	7	5
Corporate Development	7	7
Internal Audit	4	4
General Management	2	8
Technology	2	3
Sales Networks and Video	1	1
Total	**108**	**101**

Staff costs can be analysed as follows:

Staff Costs

€MILLION	2022	2021
Wages and salaries	16.2	15.6
Social security costs relating to pension	1.8	1.7
Other social security costs	(0.2)	0.6
Other staff costs	0.1	0.1
Total	**17.9**	**18.0**

NOTE 14 - INCOME FROM PARTICIPATING INTERESTS

Income from participating interest concerning affiliated undertakings consists of the following:

Income from Participating Interests

€MILLION	2022	2021
Dividends received SES Finance S.à r.l	4.0	1,887.3
Dividends received SES Astra S.A.	545.0	-
Dividends received SES Astra A.B.	-	6.4
Dividends received SES Participations S.A.	14.0	-
Dividends received SES Holdings Netherland B.V.	96.4	-
Dividends received SES Astra Services Europe S.A.	25.0	-
Dividends received on own shares	3.6	3.1
Total	**688.0**	**1,896.8**

NOTE 15 - INCOME FROM OTHER INVESTMENTS AND LOANS FORMING PART OF FIXED ASSETS

Income from other investments and loans forming part of fixed assets comprise the following:

Income from Other Investments and Loans

€MILLION	2022	2021
Interest income from affiliated undertakings	90.8	85.0
Total	**90.8**	**85.0**

NOTE 16 - OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

A) DERIVED FROM AFFILIATED UNDERTAKINGS

Other interest receivable and similar income derived from affiliated undertakings of EUR 100.0 million (2021: EUR 40.5 million) represents interest income on intercompany current accounts. In 2022, the conversion of SES Global Americas Holdings GP generated a EUR 135.5 million gain on sale of the 144A Bond USD 500 million (2044) (see >> Note 3).

B) OTHER INTEREST AND SIMILAR INCOME

Other Interest Receivable and Similar Income

€MILLION	2022	2021
Interest income on bank accounts	0.7	0.1
Interest income on deposits	3.6	0.0
Foreign exchange gain	215.7	228.1
Gain on disposal on own shares	1.3	0.4
Total	**221.3**	**228.6**

NOTE 17 - VALUE ADJUSTMENTS IN RESPECT OF FINANCIAL ASSETS AND INVESTMENTS HELD AS CURRENT ASSETS

Value adjustments of financial assets and investments held as current assets were recorded in respect of:

Value Adjustments of Financial Assets and Investments

€MILLION	2022	2021
Shares in affiliated undertakings (>> Note 4)	213.5	2,186.7
Amounts owed by affiliated undertakings (>> Note 5)	(61.8)	62.0
Net loss on SES FDRs	7.0	3.5
Total	**158.7**	**2,252.2**

As at 31 December 2022 the Company recorded value adjustments in respect of shares in affiliated undertakings of EUR 213.5 million (2021: EUR 2,186.7) (see >> Note 4) and released value adjustments of EUR 61.8 million in respect of amounts owed by affiliated undertakings (2021: value adjustments of EUR 62.0 million) (see >> Note 5).

A net loss of EUR 7.0 million (2021: loss of EUR 3.5 million) was recorded on FDRs comprising a loss on disposals of EUR 7.4 million (2021: loss of EUR 3.9 million) and a revaluation gain on FDRs held as at 31 December 2022 of EUR 0.4 million (2021: EUR 0.4 million [loss]) to account for the FDRs at the lower of the weighted average cost and the market price. The price of the SES FDR listed on Euronext in Paris was EUR 6.09 as at 31 December 2022 (2021: EUR 6.97).

NOTE 18 - INTEREST PAYABLE AND SIMILAR EXPENSES

A) DERIVED FROM AFFILIATED UNDERTAKINGS

Interest expense from affiliated undertakings

€MILLION	2022	2021
Interest charges on intercompany current accounts	54.4	29.5
Total	**54.4**	**29.5**

B) OTHER INTEREST AND SIMILAR EXPENSES

Other interest and similar financial expenses include the following:

Other Interest Payable and Similar Expenses

€MILLION	2022	2021
Interest charges on loans and bank accounts	179.9	186.7
Loan fees and origination costs	4.7	31.0
Foreign exchange loss	158.2	157.3
Total	**342.8**	**375.0**

NOTE 19 - AUDIT FEES

Art. 65 Paragraph (1) 16° of the Law requires the disclosure of the independent auditor fees. In conformity with the Law these details have been omitted as the Company prepares consolidated accounts in which this information is disclosed, and these consolidated accounts and the related consolidated management report and auditors' report thereon have been lodged with the Luxembourg Trade Registry.

Fees incurred in connection with other assurance and non-audit services rendered to the Company and its controlled undertakings as defined by the Regulation (EU) N°537/2014 amounted to EUR 34,850 (2021: EUR 88,000) and represented comfort letters issued in connection to the Company's treasury funding operations.

NOTE 20 - BOARD OF DIRECTORS' REMUNERATION

Total payments to directors for attendance at board and committee meetings in 2022 amounted to EUR 1.1 million (2021: EUR 1.1 million). These payments are computed on a fixed and variable basis, the variable part being based upon attendance at board and committee meetings.

NOTE 21 - OFF BALANCE SHEET COMMITMENTS

CAPITAL COMMITMENTS

On 11 September 2017, SES S.A., jointly with O3b Networks Limited, entered as Procurement Agents into a Master Procurement Agency and Option Agreement with a financial institution in connection with the procurement by that financial institution of seven medium-Earth orbit satellites from The Boeing Company. In August 2020 the company exercised its option to procured an additional four satellites. In September 2022, SES acquired six of the initial seven satellites. The outstanding commitment of the Company in respect of the related contracted capital expenditure as at 31 December 2022 was EUR 21.9 million (2021: EUR 55.0 million).

GUARANTEES

On 31 December 2022 the Company had outstanding bank guarantees provided for an amount of EUR 71.8 million (2021: EUR 66.8 million) with respect to performance and warranty guarantees for services of satellite operations.

PARENTAL GUARANTEES

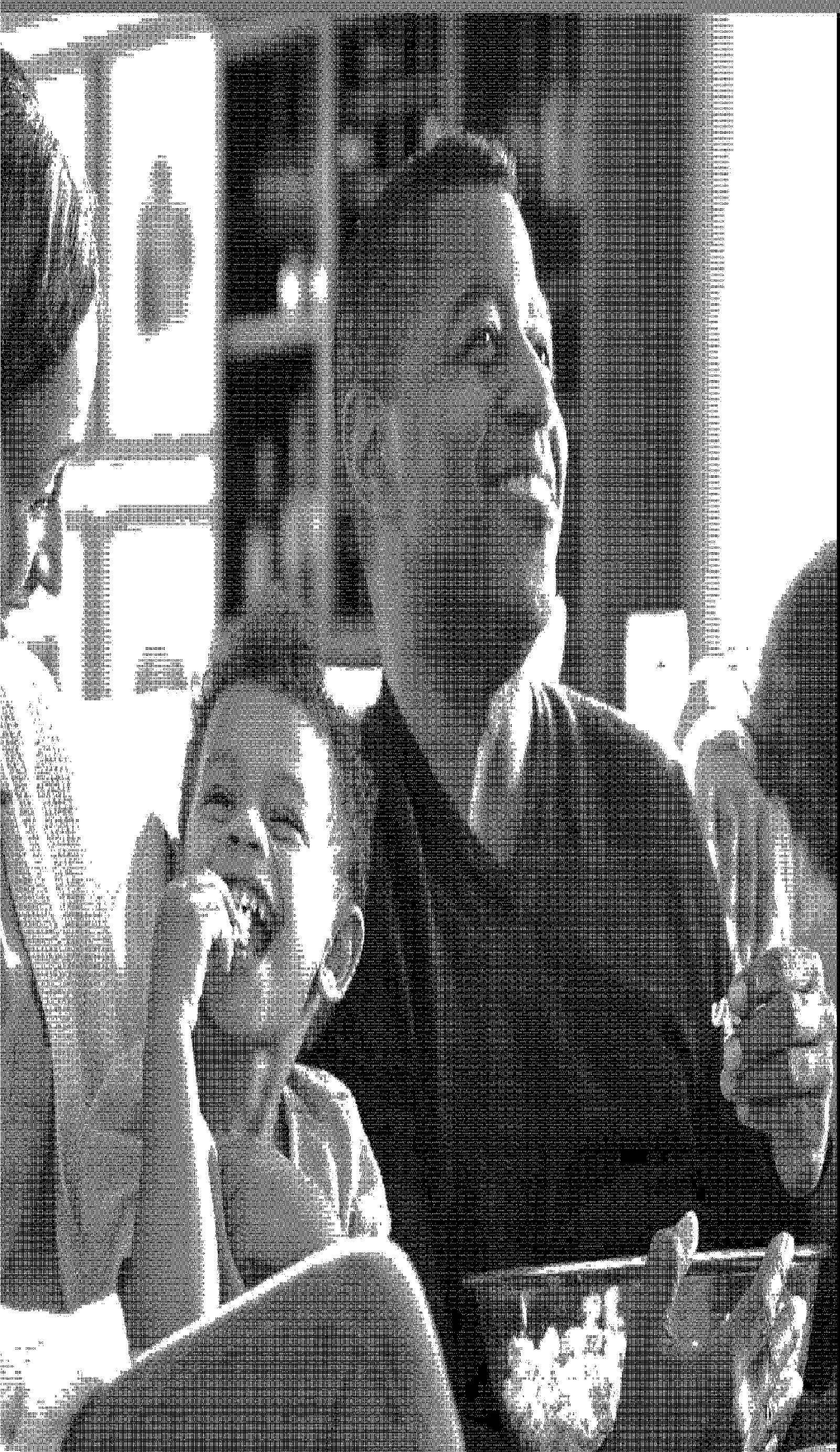
SES S.A. issued a letter of guarantee to three of its subsidiaries to provide sufficient financial support to meet its obligations in full for at least two years after the issuance date of the 31 December 2022 standalone financial statements of the subsidiary.

LITIGATION

SES S.A. is not currently subject to any material legal proceedings or litigation arising in the normal course of business.

NOTE 22 - SUBSEQUENT EVENTS

There were no significant events between the balance sheet date and the approval of the annual accounts which would have influenced the results of the Company as at 31 December 2022.



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ADDITIONAL INFORMATION

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FINANCIAL CALENDAR

IMPRINT

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