Société Anonyme
RCS Luxembourg B 81267

La Société, SES, société anonyme, convoque par le présent avis à son

Assemblée Générale Ordinaire

qui se tiendra

le jeudi 1 avril 2021 à 10h30, heure de Luxembourg

au siège social de SES, société anonyme, (la « Société ») Château de Betzdorf, 6815 Betzdorf, Luxembourg.

ORDRE DU JOUR

1. Liste de présences, quorum et adoption de l'ordre du jour
2. Désignation d'un secrétaire et de deux scrutateurs
3. Présentation par le Président du Conseil d'administration du rapport de gestion du Conseil pour l'année 2020
4. Présentation des principaux développements de la Société pendant l'année 2020 et perspectives
5. Présentation des résultats financiers pour l'exercice 2020
6. Présentation du rapport du réviseur d'entreprises
7. Approbation du bilan au 31 décembre 2020 et du compte de profits et pertes pour l'exercice 2020
8. Affectation du résultat net de l'exercice 2020 et transferts entre comptes de réserves
9. Décharge à donner aux administrateurs
10. Fixation du nombre d'administrateurs
11. Nomination d'un administrateur pour une durée d'un an et d'un administrateur pour une durée de trois ans
12. Approbation de la Politique de Rémunération
13. Fixation de la rémunération des membres du Conseil d'administration
14. Approbation du Rapport de Rémunération
15. Election statutaire du réviseur d'entreprises pour l'année 2021 et fixation de sa rémunération
16. Résolution permettant à la société l'acquisition de ses propres FDRs et/ou actions de la catégorie A ou B
17. Divers

Assister à l'assemblée

Les droits d'un actionnaire de participer à l'assemblée générale ordinaire et d'exercer le vote attaché à ses actions sont déterminés en fonction des actions détenues par cet actionnaire le quatorzième jour qui précède l'assemblée générale ordinaire, à savoir le 18 mars 2021 à minuit (la date d'enregistrement). Si un détenteur de Fiduciary Depositary Receipts (FDRs) souhaite assister à l'assemblée, il devra se faire inscrire comme actionnaire dans le registre des actionnaires de la Société avant la date d'enregistrement. Une personne qui n'est pas actionnaire à la date d'enregistrement ne peut pas assister à l'assemblée générale ordinaire.

Conformément aux mesures sanitaires en place, il n'y aura pas de participation physique des actionnaires à l'assemblée générale de cette année. Les actionnaires peuvent assister à l'assemblée générale à distance.

Conversion en actions de la catégorie A

Le détenteur de FDRs qui souhaite convertir ses FDRs en actions A doit faire cette demande conformément aux clauses 12 et 16 des *Terms and Conditions* du *Amended and Restated Fiduciary Deposit Agreement* du 26 septembre 2001. Ce document est disponible auprès de la Banque et Caisse d'Epargne de l'Etat, Luxembourg. Aucune commission de conversion ne sera exigée des personnes physiques qui ne sont pas déjà actionnaires de la catégorie A et qui procèdent à la conversion d'un maximum de 10.000 FDRs en actions A, leur permettant de participer à l'assemblée générale ordinaire du 1 avril 2021.

Pour assister à l'assemblée, la conversion de FDRs en actions de la catégorie A devra être effectuée le 18 mars 2021 à 16 heures 30 heure de Luxembourg au plus tard. Les actionnaires qui ont converti leurs FDRs en actions A avant cette date recevront une copie des documents de l'assemblée générale, y compris le certificat de vote ainsi que tous les autres détails nécessaires pour assister à l'assemblée générale de cette année. Conformément aux mesures sanitaires en place, il n'y aura pas de participation physique à l'AG. Pour plus d'information à ce sujet, merci de bien vouloir contacter la Banque et Caisse d'Epargne de l'Etat, Luxembourg à l'adresse suivante : corporateactions.sec@spuerkeess.lu

Instructions de vote

Le détenteur de FDRs est en droit, sous réserve des dispositions applicables (la loi luxembourgeoise, statuts de la Société, seuils de participation et contrat de concession) d'instruire le Fiduciaire en tant que mandataire en vue d'exercer son droit de vote au moyen d'un certificat de vote disponible sur demande à la banque auprès de laquelle les FDRs sont détenus.

Pour que les instructions de vote soient valables, le certificat de vote devra être complété et dûment signé par le détenteur de FDRs ou le cas échéant par le bénéficiaire économique. Pour plus d'informations à ce sujet, merci de bien vouloir contacter la Banque et Caisse d'Epargne de l'Etat, Luxembourg à l'adresse suivante : corporateactions.sec@spuerkeess.lu

A la réception du certificat de vote comportant les déclarations et documents requis par le Fiduciaire ou la Société, avant ou à la date déterminée par le Fiduciaire (à savoir le 29 mars 2021 à 17 heures, heure de Luxembourg), celui-ci devra transmettre à la Société ledit certificat de vote accompagné des déclarations et documents requis pour vérifier si les détenteurs de FDRs ou les bénéficiaires économiques peuvent acquérir la qualité d'actionnaires de la catégorie A de la Société si à la place des FDRs ils détenaient un nombre correspondant d'actions A.

Si dans un délai de huit jours ouvrables au Luxembourg à partir de la réception du certificat de vote avec les déclarations et documents requis, la Société n'a pas notifié au Fiduciaire son rejet de la demande du détenteur de FDRs, elle est présumée l'avoir acceptée.

Après réception de l'accord écrit de la Société quant aux instructions de vote, le Fiduciaire votera ou fera en sorte qu'il soit voté conformément à ces instructions. Le Fiduciaire pourra désigner et nommer des représentants dûment autorisés afin que ceux-ci assistent à l'assemblée et votent au nom et pour compte des détenteurs de FDRs.

Les instructions de vote sont considérées comme étant irrévocables et définitives 48 heures avant l'heure d'ouverture de l'assemblée, à savoir le 30 mars 2021 à 10 heures 30 au plus tard, heure de Luxembourg.

Dans le cas où le Fiduciaire n'aurait pas reçu des instructions de vote des détenteurs de FDRs, le Fiduciaire sera supposé avoir été instruit de voter conformément aux propositions de vote du Conseil d'administration définies lors de sa réunion y afférente.

Aucune résolution ne sera soumise au vote sous le point 17. Divers.

Modifications de l'ordre du jour

Un ou plusieurs actionnaires disposant ensemble d'au moins 5% du capital social de SES, ont le droit d'inscrire des points à l'ordre du jour de l'assemblée générale ordinaire et de déposer des projets de résolution concernant des points inscrits ou à inscrire à l'ordre du jour de l'assemblée générale ordinaire. Cette demande devra être formulée par écrit et adressée par voie postale (à SES, attn. Mme Sarah Gavin, Château de Betzdorf, L-6815 Betzdorf) ou par voie électronique (shareholders@ses.com) et doit parvenir à la Société au plus tard le vingt-deuxième jour qui précède l'assemblée générale ordinaire (à savoir le 10 mars 2021). Cette demande doit inclure une justification ou un projet de résolution à adopter lors de l'assemblée générale ordinaire, ainsi qu'une adresse postale ou électronique à laquelle la Société peut transmettre l'accusé de réception de cette demande endéans 48 heures.

La Société publiera alors un ordre de jour révisé au plus tard le quinzième jour qui précède la date de l'assemblée générale ordinaire (le 17 mars 2021).

Documents mis à disposition par SES

Les documents mis à disposition par la Société pour les besoins de la présente assemblée (y inclus les propositions du Conseil d'administration) peuvent être consultés par les détenteurs de FDRs auprès du Fiduciaire - Banque et Caisse d'Epargne de l'Etat, Securities Department, 1, rue Zithe, L-2954 Luxembourg, BGL BNP Paribas Luxembourg S.A., 50, avenue J. F. Kennedy, L-2951 Luxembourg et

Société Générale, GSSI/GIS/CMO/AGL, 32, rue du Champ de Tir, F-44312 Nantes Cedex 3, pendant les heures d'ouverture et sont disponibles sur les sites internet suivants www.ses.com et www.spuerkeess.lu/SES. N'hésitez pas à contacter SES pour de plus amples informations à l'adresse suivante: shareholders@ses.com

Société Anonyme
RCS Luxembourg B 81267

Notice is hereby given of the

Annual General Meeting

of SES, Société Anonyme, to be held at the Company's registered office at Château de Betzdorf, 6815 Betzdorf (the "Company"), Luxembourg, on

Thursday 1 April 2021 at 10:30 a.m. CET

AGENDA

1. Attendance list, quorum and adoption of the agenda
2. Nomination of a secretary and of two scrutineers
3. Presentation by the Chairman of the Board of Directors of the 2020 activities report of the Board
4. Presentation of the main developments during 2020 and of the outlook
5. Presentation of the 2020 financial results
6. Presentation of the audit report
7. Approval of the balance sheet as of 31 December 2020 and of the 2020 profit and loss accounts
8. Allocation of 2020 profits and transfers between reserve accounts
9. Discharge of the members of the Board of Directors
10. Determination of the number of Board members
11. Election of one Director for a one-year term and one Director for a three-year term
12. Approval of Remuneration Policy
13. Determination of the remuneration of Board members
14. Approval of Remuneration Report
15. Appointment of the auditor for the year 2021 and determination of its remuneration
16. Resolution on Company acquiring own FDRs and/or own A-, or B-shares
17. Miscellaneous

Attendance

The right of a shareholder to attend the Annual General Meeting ("AGM") and to participate in the vote will be determined at midnight on the fourteenth day preceding the AGM, i.e. 18 March 2021 (the "Registration Date"). If a Fiduciary Depositary Receipts ("FDR") holder wishes to attend the meeting he has to be recorded as a shareholder in the share register of the Company prior to the Registration Date. Anyone not being a shareholder on the Registration Date may not attend or vote at the AGM.

In compliance with the latest COVID-19 restrictions, there will be no physical attendance of shareholders at this year's AGM. Shareholders may attend the AGM remotely.

Withdrawal of FDRs and Conversion into A-shares

An FDR holder who wants to convert FDRs into A-shares has to request this conversion in accordance with conditions 12 and 16 of the Terms and Conditions of the Amended and Restated Fiduciary Deposit Agreement dated 26 September 2001. This document is available at the Banque et Caisse d'Epargne de l'Etat, Luxembourg. No charge for conversion will be requested for natural persons who are not yet shareholders of category A and who proceed to a conversion of a maximum of 10,000 FDRs into A-shares, allowing them to participate in the AGM of 1 April 2021.

The latest date for withdrawing FDRs and converting into A-shares for attendance at the AGM is 18 March 2021 at 4:30 p.m. CET. Shareholders who have converted their FDRs into A-shares prior to that date, will receive a copy of the AGM documents, including the voting certificate and details required to remotely attend this year's AGM. Please feel free to contact Banque et Caisse d'Epargne de l'Etat, Luxembourg, for further queries in this respect, at the following address: corporateactions.sec@spuerkeess.lu

Voting instructions

The FDR holder is entitled, subject to any applicable provisions (e.g. Luxembourg law, articles of association, shareholders' thresholds and concession agreement) to instruct the Fiduciary as proxyholder as to the exercise of the voting rights by means of a voting certificate available on request at the bank where the FDRs are held.

In order for the voting instructions to be valid, the voting certificate form must be completed and duly signed by the FDR holder or, as the case may be, the beneficial owner. Please feel free to contact Banque et Caisse d'Epargne de l'Etat, Luxembourg, for further queries in this respect at the following address: corporateactions.sec@spuerkeess.lu

Upon receipt of the voting certificate on or before the date determined by the Fiduciary (being at the latest 29 March 2021 at 5:00 p.m. CET) with such certification and evidence as requested by the Fiduciary or by the Company, the Fiduciary shall transmit to the Company the relevant certifications and supporting evidence and the Company shall verify whether the relevant holders of FDRs or the beneficial owners thereof would qualify as an A-shareholder of the Company if in lieu of FDRs they would hold the corresponding number of A-shares.

If within eight Luxembourg business days from the receipt of such certification and supporting evidence, the Company has not notified the Fiduciary of its rejection of the request of a holder to exercise its voting rights pertaining to the A-shares underlying its FDRs, the Company shall be deemed to have accepted the relevant voting request.

After receipt of the written approval of the voting request by the Company, the Fiduciary shall vote or cause to be voted in accordance with the instructions set forth in such requests. The Fiduciary may designate and appoint authorized representatives to attend the meeting and vote on behalf of the FDR holders.

The voting instructions are deemed to be irrevocable and definitive 48 hours prior to the time for which the meeting has been convened, i.e. at the latest on 30 March 2021 at 10:30 a.m. CET. If the Fiduciary has not received voting instructions from the FDR holder, the Fiduciary shall be deemed to have been instructed to vote in the manner proposed by the Board of Directors in the relevant meeting.

There will be no vote under item 17. Miscellaneous

Amendments to the Agenda

One or more shareholders owning together at least 5% of the share capital of SES have the right to add items to the agenda of the AGM and may deposit draft resolutions regarding items listed on the agenda or proposed to be added to the agenda. This request will need to be received at the latest the twenty–second day (i.e. 10 March 2021) preceding the AGM and made in writing via mail (to: SES, attn. Ms Sarah Gavin, Château de Betzdorf, L-6815 Betzdorf) or e-mail (to: shareholders@ses.com) and will need to include a justification or draft resolution to be adopted at the AGM. The written request will need to include a contact address (mail or e-mail) to which the Company can confirm receipt within 48 hours from the receipt of the request.

At the latest fifteen days (i.e. 17 March 2021) preceding the AGM, the Company will then publish a revised agenda.

Documents made available by SES

Documents made available by the Company (including the recommendations of the Board of Directors) for the purpose of this meeting may be inspected during normal working hours by the FDR holders at the offices of the Fiduciary, Banque et Caisse d'Epargne de l'Etat, Luxembourg, Securities Department, 1, rue Zithe, L-2954 Luxembourg, or alternatively at the offices of the Listing Agents, BGL BNP Paribas S.A., 50, avenue J.F. Kennedy, L-2951 Luxembourg and Société Générale, GSSI/GIS/CMO/AGL, 32, rue du Champ de Tir, F-44312 Nantes Cedex 3, and are available on the following websites www.ses.com and www.spuerkeess.lu/SES

Please feel free to contact SES for further queries in this respect at the following address: shareholders@ses.com

Assemblée Générale Ordinaire

1 Liste de présences, quorum et adoption de l'ordre du jour

D'après l'article 24 des statuts, « l'Assemblée ne peut valablement délibérer que si la moitié des actions des catégories A et la moitié des actions de la catégorie B sont représentées ».

Il sera demandé à l'Assemblée d'approuver l'ordre du jour.

2 Désignation d'un secrétaire et de deux scrutateurs

Selon l'article 23 des statuts « Le président de l'Assemblée désigne un secrétaire. L'Assemblée choisit deux scrutateurs ».

3 Présentation par le Président du Conseil d'administration du rapport de gestion du Conseil pour l'année 2020

Présentation par le Président du Conseil d'administration du rapport de gestion du Conseil pour l'année 2020.

Annual General Meeting

1 Attendance list, quorum and adoption of the agenda

According to article 24 of the Articles of Association, “The Meeting may deliberate validly only if at least half of the shares of Class A and at least half of the shares of Class B are represented”.

The Meeting will be asked to adopt the agenda.

2 Nomination of a secretary and of two scrutineers

According to article 23 of the Articles of Association “The Chairperson shall appoint a secretary. The Meeting shall appoint two scrutineers”.

3 Presentation by the Chairman of the Board of Directors of the 2020 activities report of the Board

Presentation by the Chairman of the Board of Directors of the 2020 activities report of the Board.

CORPORATE GOVERNANCE

SHAREHOLDER STRUCTURE

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

SES Shareholders	Number of Shares	Voting Participation	Economic Participation
Registered shares	4,542,160	0.79%	0.99%
FDRs (free float)	378,915,440	65.88%	82.35%
Total A Shares	**383,457,600**	**66.67%**	**83.33%**
BCEE	62,572,893	10.88%	5.44%
SNCI	62,565,085	10.88%	5.44%
Etat du Luxembourg	66,590,822	11.58%	5.79%
Total B Shares	**191,728,800**	**33.33%**	**16.67%**
Total shares (actual)	**575,186,400**	**100.00%**	**100.00%**
Total shares (economic)	**460,149,120**		

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 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 and two indirect voting 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 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 authorize 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.

[1] *The Executive Committee is internally called the Senior Leadership Team (SLT). Therefore, going forward the term SLT will be used instead of Executive Committee*

INVESTOR RELATIONS

SES' dedicated Investor Relations ('IR') 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.

CHAIRMAN'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 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 shareholder who is recorded in the company's shareholder register 14 business 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 will receive written notice of the annual general meeting, including the time of the meeting and the agenda, at least 30 days prior to the meeting. Holders of the company's FDRs will be represented at the meeting by Banque et Caisse d'Epargne de l'Etat acting as fiduciary. Each FDR will represent one A-share. If a holder of FDRs wishes to attend the annual general meeting of shareholders in person, that shareholder will need to convert at least one FDR into an A-share. In order to facilitate the attendance of the meeting by FDR holders, the company will pay the applicable charge for a conversion of up to 10,000 FDRs for a short period prior to the annual general meeting.

Notice of the meeting and of the proposed agenda will also be published in the international press. The fiduciary will circulate 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 will be 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 will vote 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 will need to be made in writing (via mail or e-mail) and received no later than the twenty-second day preceding the AGM and will need 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 will then publish 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 French, but an English translation is provided by the company. Interventions in English will be translated into French. A French version of the AGM minutes and the results of the shareholders' votes will be published on the SES website within 15 days after the annual general meeting.
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 2020, the AGM was held on 2 April. Following the recommendations from the government in the context of the COVID-19 pandemic, shareholders who had expressed an interest in attending 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 98.28% of the company's shareholders, excluding the 4,876,540 FDRs held by the company. All resolutions submitted to the shareholders were approved by comfortable majority votes. The detailed results of the shareholders' votes are available on the company's website.

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 SLT 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 and 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 2020, the Board was comprised of 11 members of which 7 were considered independent.

MEMBERS OF THE BOARD AS OF 31 DECEMBER 2020

Frank Esser
Chairman of the Board

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

Tsega Gebreyes
Vice-Chairperson of the Board

- Mrs Tsega Gebreyes became a director on 4 April 2013.
- She is the Founding Director of Satya Capital Limited. She served as Chief Business Development and Strategy Officer of Celtel International BV and Senior Advisor to Zain.
- She was also Founding Partner of the New Africa Opportunity Fund, LLP, and has worked with Mc Kinsey and Citicorp.
- Mrs Gebreyes is a director of Satya Capital Limited and was a director of Sonae. She is a Senior Advisor to TPG Growth.
- She has a double major in Economics and International Studies from Rhodes College and holds an M.B.A. from Harvard Business School.
- She is Vice-Chairperson of the Board and a member of the Nomination Committee of SES.
- Mrs Gebreyes is an Ethiopian national. She is an independent director.

Anne-Catherine Ries
Vice-Chairperson of the Board
Chairperson of the Nomination Committee

- Mrs Anne-Catherine Ries became a director on 1 January 2015.
- Mrs Ries is First Government Advisor to the Prime Minister and Minister for Media and Telecommunications in Luxembourg, in charge of media, telecom and digital policy.
- 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, where she specialised in Telecommunications, Information Technology and European Competition Law.
- After starting her professional career at an American law firm in Paris, she joined the Luxembourg civil service at the negotiating table of Luxembourg to the European Union in Brussels. Over the last two decades, her focus 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 also sits on the Board of Directors of POST Luxembourg, a provider for telecommunications, postal and financial services.
- Mrs Ries is the Chairperson of the Nomination Committee of SES.
- Mrs Ries is a Luxembourg and French national. She is not an independent director because she represents an important shareholder.

Serge Allegrezza

- Mr Serge Allegrezza became a director on 11 February 2010.
- He is currently the Director General of Statec, the Luxembourg Institute for Statistics and Economic Studies, a post he has held since April 2003.
- He was Conseiller de Gouvernement 1ère classe at the Ministry of Economics, responsible for internal market policy, and is the Chairman of the Observatory for Competitiveness. He is also the Chairman of the Board of Directors of POST Luxembourg and of the Board of LuxTrust and former president of the Conseil Economique et Social.
- Mr Allegrezza, who was a part-time lecturer at the IAE/University of Nancy 2, has a Masters in Economics and a PhD. in Applied Economics.
- Mr Allegrezza is a member of the Audit and Risk Committee and of the Remuneration Committee of SES.
- Mr Allegrezza is a Luxembourg national. He is not an independent director because he represents an important shareholder.

Peter van Bommel

- Mr Peter van Bommel became a director on 2 April 2020.
- Mr van Bommel is Chief Financial Officer and member of the Board of Management of ASM International.
- 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 ASM Pacific Technology, Neways Electronics International, Bernhoven Foundation and the Amsterdam Business School, where he is the Chair of the EMFC Curatorium. He was also a Director of KPN from 2012-2020.
- Mr van Bommel holds an MSc in Economics from Erasmus University in Rotterdam.
- Mr van Bommel is a member of the Remuneration Committee, of the Audit and Risk Committee and of the Strategic Committee of SES.
- Mr van Bommel is a Dutch national. He is an independent director.

Béatrice de Clermont-Tonnerre

- Mrs Béatrice Clermont-Tonnerre became a director on 2 April 2020.
- Mrs de Clermont-Tonnerre has held several executive positions at Google including Director AI Partnerships EMEA and Southern Europe Monetisation Director for six years until Q3 2019.
- Before that, Mrs de Clermont-Tonnerre worked 15 years for Groupe Lagardère in different executive roles including Senior VP for Corporate Development. She previously worked at Groupe Canal Plus, having started her career with Matra Marconi Space. She is the Lead Director of Grupo Prisa (Spain) and a member of the Board of Directors of Klépierre (France). She is an Investor and Executive Committee Member of Kayrros, a climate-tech pioneering pollutant emissions quantification along the energy supply chain.
- Mrs de Clermont-Tonnerre holds a Masters degree in Politics and Economics from the Institut d'Etudes Politiques in Paris and an MBA from ESSEC Business School, France.
- Mrs de Clermont-Tonnerre is a member of the Nomination and the Strategic Committees of SES.
- Mrs de Clermont-Tonnerre is a French national. She is an independent director.

Paul Konsbruck

- Mr Paul Konsbruck became a director on 13th June 2019.
- Mr Konsbruck is currently Chief of Staff to the Prime Minister and Minister for Media and Communications in Luxembourg.
- Mr Konsbruck holds a Masters degree in Literature and Linguistics from the University of Heidelberg,and participated in the Senior Executive Fellow Programme at the Harvard Kennedy School.
- Mr Konsbruck is a Director of ENCEVO SA and is the government commissioner to CLT-UFA/RTL Luxembourg.
- After starting his professional career as Journalist and News Presenter at RTL, he became Editor in Chief at Eldoradio. Mr. Konsbruck entered public service in 2014 as communications adviser to the Luxembourg government and was named Chief of Staff and First Government Councillor at the Ministry of State on 1 January 2016.
- Mr Konsbruck is a member of the Nomination Committee and of the Strategic Committee of SES.
- Mr Konsbruck is a Luxembourg national. He is not an independent director because he represents an important shareholder.

Ramu Potarazu

- Mr Ramu Potarazu became a director on 20 February 2014.
- He is 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 Mathematics from Oklahoma Christian University. He also holds an MSc in Electrical Engineering from John Hopkins University and was a member of the Stanford Executive Program.
- He is a member of the Remuneration Committee and of the Strategic Committee of SES.
- Mr Potarazu is a US national. He is an independent director.

Kaj-Erik Relander

- Mr Kaj-Erik Relander became a director on 6 April 2017.
- He is Senior Independent Advisor of Mubadala Development Company.
- 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 Committees.
- Mr Relander graduated from the Helsinki School of Economics with an MSC in Economics. He also holds an MBA from Helsinki School of Economics, having completed part of it at Wharton School, University of Pennsylvania (USA), and studied also for a PhD at Wharton School and Aalto University, Helsinki.
- He is Chairman of the Investment Committee at the private equity fund Apis.pe and a board director of Starzplay Arabia.
- He is a member of the Audit and Risk Committee and of the Nomination Committee of SES.
- Mr Relander is a Finnish national. He is an independent director.

Françoise Thoma
Chairperson of the Remuneration Committee

- Ms Françoise 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 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 Chairperson of the Remuneration Committee and a member of the Audit and Risk Committee of SES.
- Ms Thoma is a Luxembourg national. She is not an independent director because she represents an important shareholder.

Katrin Wehr-Seiter
Chairperson of the Audit and Risk Committee

- Mrs Katrin 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 also worked 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 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 the Chairperson of the Audit and Risk Committee and a member of the Remuneration Committee of SES.
- Mrs Wehr-Seiter is a German national. She is an independent director.

MISSION AND COMPOSITION

At the annual general meeting in April 2020, the shareholders decided to reduce the Board to 12 members. Following the decision by Mr Romain Bausch to resign from his mandate in June, the Board of SES has been composed, as of 31 December 2020, of 11 non-executive directors, five of them female.
In accordance with the company’s articles of association, two-thirds of the board members represent the holders of A-shares and one-third of the board members represent the holders of B-shares.
The mandates of the current directors will expire at the annual general meeting of shareholders in April 2021, 2022 and 2023, 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 annual general meeting 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 2020, seven of the board members are considered independent: Béatrice de Clermont-Tonnerre, Tsega Gebreyes, 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.

Mr Thai Rubin, Chief Legal Officer, is the Board Secretary. He is supported by Mr 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 is 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 Chairman 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 2020, 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 2020

The Board of Directors held two physical meetings and eight Board calls in 2020, with an attendance rate of more than 94.35%. In accordance with the sanitary measures related to the COVID-19 pandemic, imposed on the company as of March 2020, board meetings were held via video conference calls. After endorsement by the Audit and Risk Committee, the Board approved the 2019 audited accounts, the dividend and the financial results for the first half of 2020.

The Board approved the final version of the 2020 Budget and the 2020-2024 Business Plan as well as the 2021 Budget and Business Plan. It also reviewed the Strategic Plan and held a detailed Strategic Session on the eve of that Board meeting. On that occasion, Management briefed the Board on the latest industry trends and the resulting strategic implications for SES.
The Board approved the proposed C-band filings and related investments as well as additional O3b mPOWER investments, thus reducing the implications of a potential launch failure as well as increasing the project capabilities.
With regard to the company's corporate governance, the Board adopted a related party transaction policy and it reviewed the powers of the Remuneration Committee, agreeing in that context, that all decision power should revert from the Committees to the Board. The Board appointed a new CFO and decided on changes to the composition of the Executive Committee.

During 2020, the Board also decided to launch a new share buyback programme, implementing through the filing of a 'notice d'information' on 20 April 2020 a decision taken by the shareholders during the annual general meeting of 2 April 2020. The 2020 programme executed on Euronext Paris was limited to the following two objectives:

1. to operate under the framework of a liquidity contract signed with Rothschild, and
2. to meet the company's obligations under its executive share ownership and stock option plans.

Under this programme, the company is authorised to buy back up to 20 million A-shares and 10 million B-shares at prices between EUR 5 and EUR 25 per A-share and EUR 2 and EUR 10 per B-share. During the year, the Company decided to terminate its existing liquidity agreement with Rothschild.

The Board was regularly updated on the development of the major projects and it noted updates on the company's risk management report. The 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 2020 Business Objectives; (iii) the impact of COVID-19 on the company's business as well as its staff; and (iv) the Company's corporate simplification program which resulted in an important reduction of the number of entities of the group.

At each meeting directors receive a report on ongoing matters, and the Chairperson of the committees set up by the Board presents 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 monthly 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 Chairman 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 has an oversight function and provides a link between the internal and external auditors and the Board.

The Remuneration Committee proposes the remuneration of the members of the 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 nominates suitable candidates for the Board of Directors, for election by the annual general meeting 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 nominates suitable candidates for the SLT.

The Strategic Committee reviews, analyses and discusses market trends, market opportunities, risks and the competitive landscape. The Committee prepares Board discussions on strategic matters and supports Management in planning and preparing the annual Strategic Plan for approval by the Board, as well as in the preparation of any investment or divestment decision for approval by the Board. The Strategic Committee discusses and reviews important industry and company developments as presented by Management and reviews with Management the implementation of strategic and investment decisions approved by the Board.

Board Structure and Committees

Chairman of the Board:	**Frank Esser**
Vice-Chairpersons of the Board:	**Tsega Gebreyes, Anne-Catherine Ries**

AUDIT AND RISK COMMITTEE	**REMUNERATION COMMITTEE**	**NOMINATION COMMITTEE**	**STRATEGIC COMMITTEE**	**SECRETARY TO THE BOARD OF DIRECTORS**
CHAIR: Katrin Wehr-Seiter	CHAIR: Françoise Thoma	CHAIR: Anne-Catherine Ries	CHAIR: Frank Esser	Thai Rubin
Serge Allegrezza	Serge Allegrezza	Béatrice de Clermont-Tonnerre	Peter van Bommel	Mathis Prost (Minutes)
Peter van Bommel	Peter van Bommel	Frank Esser	Béatrice de Clermont-Tonnerre	
Kaj-Erik Relander	Frank Esser	Tsega Gebreyes	Ramu Potarazu	
Françoise Thoma	Ramu Potarazu	Paul Konsbruck	Paul Konsbruck	
	Katrin Wehr-Seiter	Kaj-Erik Relander		
MEETINGS AND ATTENDANCE RATE IN %				
1 MEETING AND 3 CALLS 90,91 %	2 MEETINGS AND 5 CALLS 83.33%	2 MEETINGS AND 4 CALLS 97.22%	2 CALLS 100%	

Activities of the Committees in 2020

THE AUDIT AND RISK COMMITTEE	THE REMUNERATION COMMITTEE
• Reviewed the 2019 financial results before their submission to the Board and their subsequent approval by the shareholders at the statutory annual general meeting. • Reviewed the H1 2020 financial results of the company. Members had the opportunity to communicate any comments they had on the company's quarterly results through the Chair of the Audit and Risk Committee prior to the publication of these results. • 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 2019 PricewaterhouseCoopers ('PwC') Management letter. • Proposed to the Board and to the shareholders to appoint PwC as external auditor for 2020, 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. • PwC briefed the Audit and Risk Committee on upcoming regulatory changes. After each meeting, the Board is briefed in writing about the work of the Audit and Risk 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 2019. • Adoption of the 2020 corporate business objectives, which are used as one element in the determination of 2020 bonuses for SLT members. • Determination of the remuneration packages for new SLT members. • Determination of the 2020 long term equity grants for SLT members. • Proposal to amend the program under which the members of the SLT must hold at least the equivalent of an annual salary's worth of shares in the company (with the CEO of SES having to hold shares of at least two years' worth of his or her annual salary) to allow FDRs to be considered, a proposal that was subsequently approved by the Board. • Proposal to amend the Charter of the Remuneration Committee so that all decision power on remuneration matters reverts back to the full Board. This proposal has also been approved by the Board. • Proposal to adjust the bonus plan design for SLT members to retain Financial Objectives (70% weighting) and Strategic Objectives (30% weighting) from 2021 performance year onwards in-keeping with best practice. The proposal has been approved by the Board. • After each meeting, the Board is briefed in writing about the work of the Remuneration Committee.

THE NOMINATION COMMITTEE	THE STRATEGIC COMMITEE
• Discussed the size and the composition of the Board. • Proposed to the Board duration of mandates for new Directors. • It also discussed the renewal of existing directors and proposed to the Board a list of candidates for election by the shareholders in April 2020. • 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.	• The Board decided to create a Strategic Committee to prepare and to support regular discussions of a strategic nature at the level of the Board. • The Committee discussed strategic industry trends, market opportunities, risks and competition and the disruption underway in satellite industry. • The Strategic Committee included input from two outside consultants; one with a focus on the strategies and progress of disruptive satellite systems and the other focused on developments in Telco. • The Committee reviewed and discussed the company strategy and strategic options • After each meeting, the Board is briefed in writing about the work of the Strategic Committee.

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 EUR 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 EUR 30 million. Members of the SLT are appointed by the Board of Directors upon a proposal from the Nomination Committee.

Steve Collar
(CEO, SES Group, Chairman of the SLT)

- Appointed in April 2018.
- Since 2017 he has been CEO of SES Networks.
- Prior to SES, he was CEO of O3b Networks, and has profound experience in several commercial 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.

John-Paul Hemingway
(CEO, SES Networks)

- Appointed in April 2018.
- 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 Strategy and Development Officer)

- Appointed in August 2015.
- 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 Chairman 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.

Evie Roos
(Chief Human Capital Officer)

- Appointed in February 2017.
- Prior to that, she held the position of Executive Vice-President Human Resources of SES and is a member of the Board of SES ASTRA, as well as an elected member of the Luxembourg Chamber of Commerce.
- Before joining SES, she held various management positions at ArcelorMittal.
- Holds two degrees in Law and European Studies from the University of Leuven in Belgium and the Europa Institut in Saarbrücken.
- Mrs Roos is a Belgian, Luxembourg and US 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.
- 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.

Thai Rubin
(Chief Legal Officer)

- Appointed in July 2020.
- Prior to that, he was the General Counsel of O3b Networks where, as a key member of the leadership team, he guided 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, 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 Chairman 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 the company.
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

With the COVID-19 outbreak in March 2020, it became fundamental to effectively enact procedures and measures to adequately respond to the substantial health risks and to secure business continuity under the pandemic situation. SES activated pandemic plans with measures to protect the health and safety of staff and to continue its operational business. SES instituted a Work from Home policy to allow the majority of employees to safely work remotely, but where necessary some teams continue to work onsite under dedicated safety rules to deliver uninterrupted service to SES customers. Some of the most important COVID-19 measures taken by the company are included in the following paragraphs.

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 operations as well as the specific and dedicated C-band spectrum clearing activities taking place in connection with the FCC Order dated 3rd March 2020. The framework provides reasonable assurance that the internal control objectives are being achieved; it is also consistent with the reference framework proposed by the French securities regulator, the ‘Autorité des Marchés Financiers’ (AMF).

The control environment is an essential element of the company’s internal control framework, as it sets the tone for the organisation. This is the foundation of the other components of internal control, providing discipline and structure. The Board has delegated the design, implementation and maintenance of a rigorous and effective system of internal controls to the Senior Leadership Team of SES, which in turn works closely with the other levels of management in establishing control policies and procedures.

Policies and procedures are regularly updated, as appropriate. The aim is to design and implement a common set of policies and procedures that best support the organisation and can be used company wide. The policies and procedures apply to all employees and officers of the SES group, and where appropriate, to its directors. The policies and procedures take into account the specificities of each business unit and legal entity, and are adapted where necessary to their activity, size, organisation and legal and regulatory environment.

A Delegation of Authority Policy is in place and regularly updated, providing the rules for the Internal Approval and External Execution that are required to authorise any external commitment of the company.

A group-wide ‘Code of Conduct and Ethics’ (‘the Code’) has been in place since 2009. The Code, which has been reviewed in 2020, is designed to enable all employees, officers and directors to take a consistent approach to integrity issues and to make sure that SES conducts its business in compliance with all applicable laws and regulations and observes the highest standards of business ethics.

An SES Compliance Committee (‘the Committee’), composed of designated Compliance Officers in each main corporate location, is tasked with raising the staff’s awareness of the Code and ensures a consistent roll-out and training programme for the Code. 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 introduced a whistleblowing hotline, managed by a third-party provider, which allows its staff to file any compliance complaints in full confidence.

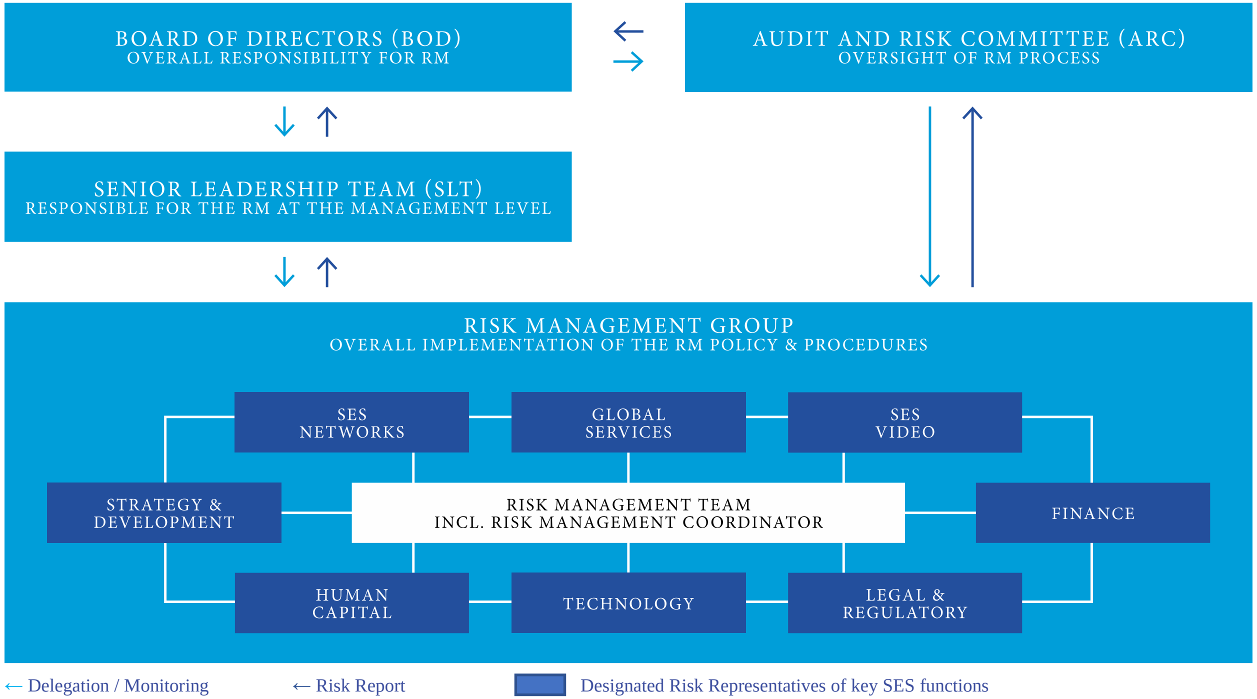
SES has implemented a comprehensive compliance training programme with the major focus of 2020 trainings having been on cybersecurity, General Data Protection Regulation (‘GDPR’), anti-bribery & corruption, sanctions & export controls and code of conduct. As a response to the COVID-19 pandemic, continuous training sessions

have been offered to better manage the new challenges and keep productivity at a high level. Training sessions have been particularly provided to gain or refresh knowledge about effective working from home and the use of some key business applications such as SES Connect, Teams, One Drive, One Note, or Outlook.
To ensure better compliance with data protection laws and regulations, SES appointed a Data Protection Officer in 2014. SES has implemented a variety of measures, has reviewed and updated relevant procedures and processes, and continuously strives to comply with the GDPR.
The descriptions of the main SES functions and processes are electronically documented. 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. Processes are documented using a centralised Business Process Management software to ensure information is always available and up to date.
Another key component of the control environment is the coordination of risk management with internal control. Risk management and internal control systems complement each other in controlling the company's activities.

RISK MANAGEMENT

SES adopted a risk management framework based on principles proposed by COSO and ISO31000. A Risk Management Group is in place, which consists of direct reports of the SLT representing SES key functions (Designated Risk Representatives). The Risk Management Group is responsible for the adequate reporting of the company's risks and the implementation of the risk management policy and procedures. In order to facilitate and coordinate the tasks of the Risk Management Group, a Risk Management Team was created in 2019. The Risk Management Team, which includes a Risk Management Coordinator, works closely with the Risk Management Group and, amongst other things, facilitates and coordinates the reporting process and assists with the assessment of risks. The Risk Management Group reports to the SLT. The SLT 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.
At the end of 2019, the Risk Management Team performed a review of the SES risk management framework and developed a new reporting format, to ensure substantive risk reporting. The new framework has been implemented throughout 2020 and further improvements are envisaged in 2021.The risk management policy is being reviewed and updated by the Risk Management Team, including common definitions and measures of risk management, and is shared with the risk owners.
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 SLT, the Audit and Risk Committee and the Board.

Risk Management Structure



INTERNAL CONTROL ACTIVITIES

Accounting, Consolidation and Reporting

In the area of accounting, consolidation and reporting, the following should be noted:

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

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

Controls have been established in the processing of accounting transactions to ensure appropriate authorisations, an effective segregation of duties, and the complete and accurate recording of financial information.

This control framework continues to be both extended (as more entities are brought onto the group's ERP platform) and enhanced through the implementation of additional workflow-based controls and validations.

To this effect a Business Process Management function has been established within the Finance team to work through all the key financial operations and further enhance both the efficiency of the processes and reinforce appropriate segregation of duties and internal controls.

Concerning the revenue recognition process, adequate procedures and controls are in place, such as monthly reviews and data validation procedures, to ensure the correct and timely recognition of revenues.

The group is currently replacing different legacy systems used for processing order-to-cash transactions, and associated accounting activities such as revenue recognition, with a common platform covering nearly all the group's operations. This implementation is expected to be completed during 2021.

Risk-based monitoring controls are implemented for key SAP control configurations and transactions.

The completeness 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.

In accordance with the requirements of IFRS, 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 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 company are drawn up and brought to the Board for approval.

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

Any material weaknesses in the system of internal controls identified by either internal or external auditors are promptly and fully addressed.

The external auditors perform a limited review of the group's interim condensed consolidated financial statements and a full audit of the annual consolidated financial statements.

Space Related insurance

In the area of space related insurance, the following should be noted:
The vast majority 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. The governance structure of the companies is comprised of both companies’ Boards of Directors, three committees (Investment, Underwriting and Audit, Compliance and Risk) and four key functions (Risk Management, Compliance, Actuarial and Internal Audit).
Risk retention levels authorised under launch and in-orbit insurance policies are approved by the SES Board. Placement of new launch insurance policies as well as the placement or renewal of the SES fleet in-orbit insurance policy are approved by the SLT.

Treasury Management

In the area of treasury management, the following should be noted:
The treasury function uses SES’ ERP system (SAP) for all day-to-day activities, complemented with specific software that helps to ensure the efficiency and control of the FX and liquidity management and the implementation of SES’ hedging strategy for interest rate and foreign currency fluctuations. Treasury aims to centralise the cash management of SES’ affiliates. In order to ensure enhanced security and efficiency of the bank payments process, the company uses a banking payments system allowing for secured authorisation and transfer of payments from the SAP accounting system directly to the bank.
A clear segregation of duties and assignment of bank mandates between members of SES management, treasury and accounting departments has been implemented.
In order to streamline the cash management process, SES has centralised the in-house bank into one hub. This in-house banking set-up is fully integrated and managed in SAP. In 2020, treasury operations, including in-house bank set-up, were moved from Switzerland to Luxembourg. The respective systems including the SAP environment have been updated to reflect that change and ensure continued functioning of the respective control environment.
Foreign exchange risk (‘FX’) is monitored, assessed and managed within the Group as part of a cross-functional task of Group Financial Reporting, Treasury and Tax where each department adds their specific expertise to define strategies to keep P&L volatility and cash impact as low as possible. The teams review monthly all relevant FX exposures, the FX drivers of the FX results are identified and understood, options for best possible mitigation as well as strategies for possible future FX exposure are discussed and agreed.
From time to time, SES uses forward currency contracts to eliminate or reduce the currency exposure, e.g. for satellite procurements. The group treasury policy is in place describing the strategy to limit FX exposures and use of hedging instruments.
Those treasury activities with a significant potential risk, such as financial derivative transactions with external parties and hedging activities, take place within a framework approved by the Board.
The monthly group finance report issued to the SES Board contains a treasury section highlighting KPI’s such as cash balance, leverage and debt maturity profile.
To further strengthen the controls mentioned above, the group treasury policy is in place and reviewed on a bi-annual basis.
In addition, a Treasury Roadmap based on SES’ strategic and business plans, is prepared and presented to the Audit and Risk Committee on an annual basis. Further updates to the Audit and Risk Committee happen from time to time, both to review operational treasury controls but also to assess SES’ liquidity (e.g. in the COVID-19 environment), leverage, credit rating developments and the potential impact of certain business developments on the funding strategy (e.g. mPOWER, C-band).

Tax Management

Regarding the internal controls in the area of tax management, the following should be noted:

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. The tax department seeks, where possible, to achieve upfront tax clearances with relevant local tax authorities with regard to the tax ramifications of main business ventures, corporate reorganisations and financing structures of the company.

Current and deferred tax liabilities are recorded in the SES group accounts on the basis of 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.

The transfer pricing documentation is continuously updated and improved, underpinning all significant cross-border inter-company transactions in the company through functional and economic analyses including benchmarking studies. SES' transfer pricing documentation includes a master file, local files and annual country-by-country reporting.

Satellite Operations

Regarding the internal controls in the area of satellite operations, the following should be noted:

SES' Technology Department is responsible for the procurement of satellites and launch vehicles, the procurement and maintenance of satellite-related ground infrastructure, and the administration, control and operations of the satellite fleet.

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 such as constant satellite telemetry monitoring, out-of-limit reporting, orbital control manoeuvres execution, escalation and hand-over of operations to backup centres procedures. These procedures are periodically reviewed to ensure that they are up to date. 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. Power BI reports are also used to timely understand any business impact flowing from a satellite anomaly.

SES has designed crisis management systems and supporting infrastructure in order to address satellite in-orbit anomaly situations at an appropriate management level. A single escalation tool for both Geostationary Earth Orbit ('GEO') and Medium Earth Orbit ('MEO') satellites is used as an emergency communication platform with dedicated emergency response teams defined. SES applies industry-standard incident management, escalation and reporting processes to provide effective and timely support to customers.

The Satellite Contingency and Emergency Response Process reflects the company's current organisational structure.

LuxGovSat has a highly secured Network Operation Centre ('NOC') on the Betzdorf campus.

SES has adequate satellite control primary and backup capabilities utilising the European and US-based Satellite Operations Centres ('SOCs'). A SOC was set up in Brazil to control the SES-14 satellite and in Mexico to control Quetzsat-1, with Betzdorf having the ability to control them.

For SES GEO located satellites, primary satellite operations in Europe are operated from the technical facility in Betzdorf, and primary satellite operations in North America are operated from Princeton. Both SOCs are in a position to take over the operations of the other in an emergency with the fail-over procedure being tested regularly. Satellite engineering and Flight Dynamics tools, applications and documentation required to support satellite operations are available in the Betzdorf and

Princeton SOCs and Data Centres. Backup satellite operations are also located in Redu (Belgium) and Woodbine (US). The backup SOCs in Redu and Woodbine are tested twice a year. Due to COVID-19 restrictions some of the tests have been performed remotely.

For SES MEO located satellites (O3b), primary satellite operations are performed from the SOC in Betzdorf and backup satellite operations are performed from the SOC in Manassas (US).

For SES Infrastructure Redundancy, adequate backup capabilities are implemented.

The COVID-19 situation did not require changes to the existing satellite operations, but procedures and preventive measures have been implemented to ensure continuous and safe satellite operations during 2020. Control centres have been declared as restricted zones minimising physical contact and removing shift overlaps. A risk mitigation incremental plan was implemented to ensure 24/7 satellite operations also with reduced levels of staff, providing appropriate redundancy and sharing workload between control centres in Europe and US as far as applicable.

Global Services

Regarding the internal controls in the area of Global Services, the following should be noted:

SES' 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 for managed networks, network components and satellite carriers address static state as well as anomalous states of this network. All Network Operation Centre ('NOC') engineers are trained in the execution of such procedures. These procedures are periodically reviewed to ensure that they are up to date. 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 Operations Centres mainly located in US (Woodbine, Manassas) and Europe (Betzdorf, Munich). Video operations centres are located in Emek (Israel), Munich (Germany), Bucharest (Romania), and Betzdorf (Luxembourg). SES has instituted disaster recovery procedures if one of our Operations Centres becomes unusable. 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.

Under COVID-19 restrictions, NOC's can be largely controlled remotely, accessing the relevant monitoring systems via secure internet connections.

The Vendor Management & Procurement ('VMP') function inside SES' Global Services Department supports business for the non-satellite procurement, particularly in the areas of sourcing, procurement, negotiations, contracting, and risk management.

The VMP process is governed by a dedicated policy that sets the frame for a sound level of internal control when purchasing. It includes general principles (e.g. segregation of duty, four eyes principle, delegation of authority) as well as specific VMP requirements (e.g. authorised purchasing methods and thresholds, vendor selection and registration and review principles, need for service or goods receiving, vendor type classification) that are to be followed.

Supply chain optimises and streamlines the exchange of goods or services covering demand planning, logistics and warehouse management. Controls are in place to ensure effective workflows, efficient use of resources and safeguard legal constraints (e.g. inventory tracking, shipment and custom documentation, US export controls). Controls are largely automated in the supporting SES SAP or CRM systems via workflow rules and user roles supplemented by manual controls (e.g. stock counting).

Information Technology

Regarding the internal controls in the area of information technology, the following should be noted:
Management is committed to ensuring that SES' data, infrastructure and information technology systems are as secure as is reasonably 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 in order to ensure the protection and confidentiality of data as well as compliance with GDPR.
As part of continuous organisational improvements, and in line with its commitment to strengthen information and cyber-security, management has rolled out its information security and cybersecurity framework across business units. This framework is continuously being aligned with global organisational improvements and security controls and practices within the SES group.
During 2020 SES further improved its Information Security Management System (ISMS) in line with the ISO 27001 standard and has achieved an ISO 27001:2013 certification for the ISMS for the scope of data services delivered through high throughput GEO satellites.
A digital workflow process for managing information technology development projects is in place on a ServiceNow platform. Relevant key performance indicators are reviewed on a weekly basis.
A service asset and configuration management process and database are in place.
All SES' main trading operations operate on a common SAP ERP platform, applying consistent processes and controls. Appropriate SAP access management, using the SAP Governance Risk and Compliance module, is in place and is continually monitored and enhanced. A Business Process Management initiative has been established to review processes and further roll-out SAP best practices. The operation of the SAP hosting platform continues to mature in various areas including data privacy, data encryption and intrusion detection as annually confirmed in the Statement on Standards for Attestation Engagements ('SSAE') report provided by the hosting company. A detailed operational handbook is maintained to safeguard the smooth and secure operation of the company's SAP ERP platform. The hosting company operates a state-of-the-art backup data centre to ensure enhanced continuity of the SAP system operations. A comprehensive SAP security policy has been defined and implemented.
SES has disaster recovery plans for its business applications. 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 copies are stored off-site.
While the basics of the SES Azure Platform had been put in place at the beginning of 2020, most features have been added since April. The Cloud Center of Excellence program with Microsoft officially started in April 2020 and is since executed entirely remotely. All desired milestones have been achieved on time, providing SES with a solid Cloud platform on Microsoft Azure today.
As an immediate response to the COVID-19 restrictions, SES ensured additional VPN connectivity and redundancy to cater for users to work remotely. More applications were added onto our RSA Multi-Factor authentication to allow for alternative access to mitigate a potential failure of VPN. Split tunnel was implemented to ensure Office 365 traffic was sent via individuals' private internet other than over VPN again to protect against traffic saturation. A rapid and company-wide rollout of MS Teams allowed for much approved collaboration which has proved invaluable under the given circumstances. As well as some other Office 365 features being rolled out, such as 'Shifts' which provides an effective booking system for people who need to come into the office to ensure adherence to safety rules and respecting the allowed number of users in an office at any one time.

INFORMATION AND COMMUNICATION

Internal communication ensures the effective circulation of information across the organisation and supports the implementation of internal control and risk management by providing business and functional objectives, instructions and information across all levels and functions of SES via a wide array of communications channels.
The corporate intranet and other digital collaboration tools such as the Connect platform and the recently rolled out MS Teams application, are instrumental in sharing information and knowledge in a timely and efficient manner throughout the company.
With the COVID-19 outbreak, SES enacted multi-stage pandemic plans with procedures and measures implemented to ensure the health and safety of all SES employees worldwide. In March 2020, a dedicated and cross-functional taskforce was set up to coordinate the company's response to the developing COVID-19 pandemic. The task force meets several times a week in different local/global compositions to assess the latest developments of the pandemic and to discuss and agree on guidance to be communicated or measures to be taken that will ensure emergency preparedness, business continuity, and the well-being/security of employees.
The Task Force is in close contact and follows guidance from national governments, public health agencies and the World Health Organization, but also retrieves information from other peers to develop a safe and effective strategy during the COVID-19 pandemic.
Since its inception, the COVID-19 SES Taskforce set up and implemented a comprehensive communications strategy to deliver targeted, timely and relevant communications to the SES community on the company's guidelines, decisions, measures taken to keep SES employees safe and healthy, protect our operations, and ensure continuity of services to customers and partners. The communications were disseminated across key internal platforms and channels such as email, intranet and updates during monthly all-hands meetings, which during critical times were held every 2-weeks.
The team delivered regular policy and progress updates via email and the dedicated COVID-19 page on the SES intranet. The topics covered include staff well-being, holiday travel, local topics (tax, cross-border workers, testing etc.), business travel, and home office set up. The team also executed periodic global surveys, which helped assess levels of productivity, engagement and well-being of employees worldwide. Survey results were shared internally, and key findings helped to determine courses of action and to detect issues that were followed up accordingly.

MONITORING ACTIVITIES

Monitoring of business policies and procedures is done in one of two ways:
1. Through continuous assessments;
2. Through a specific analysis.

Continuous assessments are performed by management as routine operations, built into business processes, and are performed on a real-time basis, reacting to changing conditions.
The SES Internal Audit function performs specific analyses of the relevance of, and compliance with, company policies and internal control procedures.

The mission of the Internal Audit function is to provide independent and objective assurance regarding the effectiveness and efficiency of business operations, the reliability of financial and operational reporting, and the company's compliance with legal and regulatory requirements. In this context, Internal Audit is also tasked with supporting management in identifying, preventing and minimising risks, as well as safeguarding the company's assets.

To ensure an appropriate level of independence and communication, the Internal Audit function has a direct reporting line into the Audit and Risk Committee and functionally reports to the CEO.

The activities of the Internal Audit function are executed in accordance with an annual audit plan, which is reviewed and approved by the Audit and Risk Committee. This plan is prepared in close cooperation with the company's Risk Management Team to dynamically link the audit plan to risks and exposures that may affect the organisation and its operations.

Internal Audit reports its observations and mitigation proposals to management and monitors the implementation of these recommendations. Regular reports are provided to the SLT and to the Audit and Risk Committee, summarising Internal Audit's conclusions regarding internal control effectiveness testing and compliance.

Internal Audit also regularly coordinates audit planning and exchanges relevant information with the company's external auditors PwC.

The proxy structure of the SES Government Solutions Inc. entity, a wholly-owned subsidiary of SES SA, in line with common practice for businesses serving certain segments of the US Government, imposes various restrictions on the Board and executive management in directly supervising the maintenance of an internal control system and imposing an internal audit structure.

The SES Internal Audit function does not perform any direct internal control reviews of this entity in line with those restrictions. However, these restrictions are mitigated through having agreement on a required risk management and internal control framework for SES Government Solutions that is subject to evaluation and testing by a third-party internal audit function.

An adequate reporting process of activities of the third-party audit function to the SES Internal Audit function and the Audit and Risk Committee is in place.

It should be further noted that the group's external auditor is also engaged for the audit of the financial statements of SES Government Solutions.

PRINCIPAL RISKS

To minimise risks across the business and achieve our objectives to create sustainable value for stakeholders, we have identified potential risk areas relating to our business activities. This section contains a summary of the main risks that SES may face during the normal course of its business. However:

- this section does not purport to contain an exhaustive list of the risks faced by SES and SES may be significantly affected by risks that it has not identified or considered not to be material;
- some risks faced by SES, whether they are mentioned in this section or not, may arise from external factors beyond SES's control; and 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 the risk.

SES defines risk as the possibility that a potential event, condition, action or inaction will occur and adversely affect SES' ability to achieve its business objectives.

Risks are categorized as follows:

RISKS RELATING TO PROCUREMENT

Dependency on satellite manufacturer(s) and / or secondary supplier(s)	SES is currently dependent on five major satellite manufacturers for the construction of its satellites. Dependency on a small number of satellite manufacturers may reduce SES' negotiating power and access to advanced technologies (which may only be available to certain suppliers). It may also result in a higher concentration of risk in procuring new satellites. Further, the difficulties caused by any technical problems with the design of a particular model of satellite may be multiplied if several satellites of that design are purchased. SES mitigates these risks by establishing a Field Office at manufacturers' facilities composed of SES engineers and industry experts to facilitate continued oversight. SES also maintains constant monitoring of its supplier base along with multiple procurement sources and develops relationships with new suppliers where possible.
Dependency on launch service provider(s)	SES is currently largely dependent on two primary launch service providers to launch its satellites. SES may incur significant delays in launching new satellites in the event of a prolonged unavailability of service from one of these launch service providers.
Launch delay(s) and / or launch failure(s)	A launch delay or failure could have a material negative effect on future revenues. Satellite launch and in-orbit insurance policies do not compensate for lost revenues due to the loss of customers or for consequential losses resulting from any

	launch delay or failure. SES attempts to mitigate the risk that launch delay or failure interrupts existing services by ensuring adequate time margins in procurement schedules for replacement satellites. There remains a small but an inherent risk of launch or early orbit failure resulting in a reduced satellite lifetime, reduced functionality of the satellite or the total loss of a mission. SES attempts to mitigate the risk of launch failure in several ways, including by detailed technical risk management of each satellite and launch vehicle programme and asset insurance for each launch.
Dependency on other suppliers and manufacturers	SES engages in end-to-end managed services and total network delivery to its end-users in many cases. While satellites play a major role in delivering such services, successful delivery depends upon having access to all elements of the value chain. These include but are not limited to: antennas, modems, platforms, and specialized software. As in all development/R&D work, schedule slippage risk is a possibility. Such slippage and associated delays could impact start of revenue realisation.

RISKS RELATING TO SATELLITES

In-orbit failure(s)	One or more of SES' satellites may suffer in-orbit failures, ranging from a partial impairment of its commercial capabilities to a total loss of the asset. In the event of such a failure, SES may not be able to continue to provide service to some of its customers. A number of SES' satellites have experienced technical anomalies either before or during 2020. SES attempts to mitigate the risk of in-orbit failure by careful vendor selection and high quality in-orbit operations. SES' fleet is diversified by manufacturer and satellite type, which reduces the likelihood of widespread technical problems. The impacts of such failures on customer service and related revenues may be mitigated by an in-orbit backup strategy in which customers on an impaired satellite may be transferred to another satellite in the fleet. In addition, SES has a restoration agreement in place with another satellite operator pursuant to which customers on an impaired geostationary ('GEO') satellite may be transferred to another satellite in that operator's fleet in order to protect continuity of service. The O3b satellites operate as a constellation in a non-geostationary orbit with each satellite providing service to all customers over each complete orbit around the Earth. A failure on a single satellite could therefore affect a number of customers around the world and may require SES to remove the satellite or beam from commercial operation, thereby reducing the number of beams or regions served by the constellation. SES mitigates this risk by maintaining spare satellites to provide back-up, if needed, for other satellites in the constellation. In-orbit insurance constitutes an additional financial mitigation against the risk of impairments, subject to the limitations of such insurance.

Shortened operational life	The design life of SES' GEO satellites is typically 15 years and the design life of the O3b satellites is 12 years. In the event of changes in the expected fuel life of the satellite, in-orbit anomalies or other technical factors, its actual life may be shorter than this. This could lead to the satellite being depreciated faster than anticipated and the lifetime revenue generated by the satellite being reduced, diminishing the overall return on investment for the asset. SES attempts to mitigate the risk of a reduced operational life by careful vendor selection and high quality in-orbit operations.

RISKS RELATING TO INSURANCE

Insurance coverage and availability	SES' satellites may be subject to damage or loss from events that might not be covered by insurance policies. SES maintains: 1. pre-launch insurance, 2. launch and initial in-orbit insurance, 3. in-orbit insurance, and 4. third-party liability insurance for its satellites. The insurance policies generally contain customary exclusions and do not provide compensation for business interruption, loss of market share, reputational damage, loss of revenue, incidental and consequential damages and similar losses. In addition, SES' in-orbit insurance only covers losses in excess of the risk retention level selected by SES. SES will not be fully reimbursed if the cost of a replacement satellite exceeds the sum insured. As a consequence, the loss, damage or destruction of any satellites could result in material increases in costs or reductions in expected revenues or both. SES has adopted a policy of limited self-insurance. Premiums relating to its satellite fleet are paid to a wholly-owned subsidiary, which may then decide to only re-insure part of the risk relating to the satellite fleet and, in a limited number of cases, a small percentage of the exposure under its launch policies. This reduces the amount of insurance premiums paid to external insurance companies. If any event occurs that is covered by the in-orbit insurance, differences between the net book value of the insured asset and available re-insurance proceeds could result in a net loss to the company. SES has third party liability insurance that covers damage suffered by third parties resulting from accidents such as launch failures and satellite collisions. It is subject to an annual combined single limit of EUR 500 million. The entire SES fleet is covered by this policy. In addition, the satellite insurance market is subject to the laws of supply and demand and has seen a reduction of capacity, combined with a significant increase of insurance rates during 2020. This is resulting in increases in the amount of insurance premiums paid by SES to cover its risks or, in some cases, has led SES to increase its risk retention levels as a way to mitigate premium increases. In addition, changes in the insurance market may affect SES's ability to obtain the desired level of coverage going forward.

RISKS RELATING TO CUSTOMERS	
Key customer loss	SES depends on a number of key customers whose loss (or non-renewal) would reduce SES' revenues. SES' five largest customers represented 22.1% of SES' total revenues in 2020. SES' business is vulnerable to increasing presence from non-traditional Video distributors (Over The Top 'OTT') that may reduce demand for services provided by SES' customers. SES may be forced to reduce prices in respect of its Networks services in current and future agreements. This risk is caused by various factors, including emergence of new technologies, such as Low Earth Orbit (LEO) systems, which may claim ability to deliver lower pricing in the future, and pricing set in the past in long-term agreements which may no longer allow SES' customers to compete effectively in today's market. Bankruptcy of key customers or customer consolidation can reduce demand for SES' services, impacting SES' revenues.
Customer credit	SES may suffer a financial loss if any of its customers fails to fulfil its contractual payment obligations. The level of customer credit risk may increase as SES, and / or its customers, grow revenues in emerging markets because credit risk tends to be higher in these markets (compared to the markets of Europe and North America). This risk is mitigated principally through a customer credit policy that includes credit checks, credit profiles, deposits or other forms of security, monitoring of payment performance and the application of a provisioning policy. In some cases, customer credit risks are mitigated by credit insurance. Further details are provided in note 18 to the consolidated financial statements
Inherent in international business	SES conducts business around the world. It is exposed to issues such as financial, regulatory, geopolitical, tax, sanctions and trade risks in many jurisdictions. Political and financial stability in some jurisdictions may impact SES' business in that country. In practice, it may be difficult for SES to enforce its legal rights in some jurisdictions. The inherent uncertainties in doing business in certain jurisdictions may have a negative impact on SES' results.
Inherent in doing business with the U.S. Government	As a result of U.S. national security laws and regulations, SES Government Solutions, Inc. is subject to a proxy agreement with the U.S. government ('the Proxy Agreement'). The proxy structure imposed upon SES Government Solutions is common for businesses contracting with the U.S. government and is similarly imposed on some of SES' competitors. The U.S. government requires SES Government Solutions to enter into the Proxy Agreement because SES Government Solutions is indirectly owned by SES, a non-U.S. company, and SES Government Solutions has classified contracts with the U.S. government. The Proxy Agreement imposes strict limitations on the information that may be shared between SES Government Solutions and other SES subsidiaries and on the control of SES Government Solutions by SES. It is important to note that inter-company activities including the provision of satellite capacity to SES Government Solutions for provision to the U.S. government are permitted under the Proxy Agreement.

RISKS RELATING TO THE SATELLITE COMMUNICATIONS MARKET	
Competition risk	The telecommunications, connectivity and media market is fiercely competitive and SES faces competition from satellite (GEO and planned LEO) and terrestrial (fixed and wireless) networks. SES faces competition from international, national and regional GEO satellite operators, as well as from planned LEO constellations. Some planned LEO constellations might have material advantages based on their owners' capability to cross-subsidize and / or fertilize their satellite business with other parts of their business. In addition, SES competes with operators of terrestrial (fixed and wireless) networks. Any increase in the technical effectiveness or geographic spread of these terrestrial networks could result in a reduction in demand for SES' satellite capacity. Developments and competition in the media market could result in a demand reduction for SES' satellite services and / or pricing changes resulting in a significant negative impact on SES' revenues. Changing consumer behaviour and the emergence of terrestrial technological substitution, particularly non-linear over the top services, could lead to horizontal consolidation among satellite service providers and to a reduction in demand for satellite-based distribution.
Technology risk	The satellite communications industry is subject to increasing technological change. SES' satellites and associated technology could become less suited to meet requirements due to unforeseen advances in communications technology, leading to a reduction in demand for its services and a negative impact on revenues. The use of new technology to improve the signal compression rate could lead to a reduction in demand for SES' satellite services on the Video side, which could lead to a negative impact on the financial results.

RISKS RELATING TO SES STRATEGIC DEVELOPMENT

Emerging market risk	SES' development strategy includes targeting new geographical areas and emerging markets and developing joint ventures or partnerships with local telecommunications, media and financial businesses in order to improve market access for its services. SES may be exposed to the inherent instability of doing business in those regions, including customers who may be less financially secure and run a higher risk of insolvency. Such exposure could have an adverse impact on SES' revenues and operational costs.
Investment risk	SES regularly evaluates opportunities to make strategic investments. These opportunities may not yield the expected benefits due to a number of factors, such as evolving market conditions, antitrust issues, financing costs and regulatory approvals. If an investment is made, it may adversely affect SES' results due to financing costs or the economic performance of the investment following acquisition. The success of any such investment is not guaranteed. SES has investments in businesses that it does not fully control. As a result, SES is dependent in part on the cooperation of other investors and partners in protecting and realising the full potential of certain investments. SES also invests in new and innovative projects, which often feature new and unproven technology or uncertain market demand. If the technology is not successful or demand does not materialise as planned, the economic value of SES' investment may be reduced.

RISKS RELATING TO LEGAL, REGULATORY, SPECTRUM AND CORPORATE

Legal risk	SES' operations and business are subject to the laws, regulations and political will of the governmental authorities of the countries in which SES operates, uses radio spectrum, offers satellite capacity and services, as well as to the frequency coordination process of the International Telecommunication Union ('ITU'). New or modified rules, regulations, legislation, or decisions by a governmental entity or the ITU could materially and adversely affect operations. The international nature of SES' business means that it is subject to applicable sanctions, export control, competition, anti-corruption and anti-bribery, and cyber-security laws and regulations. Violations of such laws and regulations could expose SES to civil and criminal penalties and other enforcement actions and may negatively affect commercial operations. Disputes concerning SES' business arise from time to time and can result in legal or arbitration proceedings. A negative outcome in a substantial litigation or arbitration could have a material impact on SES' business, financial position and results.
Spectrum access risk	Access to orbital slots and frequencies is required for SES to develop and maintain its satellite fleet and services. Spectrum and use of orbital locations are accessed through ITU filings made by national administrations and in accordance with the ITU Radio Regulations. The ITU may reallocate spectrum from satellite to other uses. In addition, national administrations are increasingly charging for access to spectrum through the use of fees and auctions. Reallocation of spectrum from satellite to other uses or fees and charges assessed by national administrations may have a significant adverse effect on SES' financial results and commercial prospects.

Spectrum coordination risk	SES must coordinate the operation of its satellites with other satellite operators through the relevant national administrations and in accordance with the ITU process so as to prevent or reduce interference between satellites. As a result of such coordination, SES may be required to modify the proposed coverage areas or satellite design or transmission plans in order to eliminate or minimise interference with other satellites or ground-based facilities. Those modifications may restrict certain satellite use, possibly to the extent that it may not be economical to replace a particular satellite at end-of-life. Similarly, the performance of SES' satellites in some areas could be adversely affected by harmful interference caused by other operators to SES' satellites.
Spectrum use risk	If SES does not occupy unused orbital locations by specified deadlines, does not maintain satellites in the orbital locations it uses or does not operate in all the licensed frequency bands, then in accordance with applicable national and ITU regulations, those orbital locations or frequency bands may become available to other operators. SES has a portfolio of orbital locations and frequencies filed through various administrations. For each filing, the ITU and the national regulators impose conditions that must be met in order to secure the spectrum. Operational issues such as satellite launch failure, launch delay or in-orbit failure might compromise access to the spectrum or orbital locations. SES has high quality satellite and launch procurement processes which help to reduce this risk. In addition, SES' large satellite fleet may permit the relocation of in-orbit satellites in order to satisfy regulatory requirements.
Regulatory risk	SES may need to obtain and maintain approvals from authorities or other entities to operate its satellites and to offer satellite capacity and services, including licenses or other approvals in certain countries to enable provision of satellite capacity to those countries. The failure to obtain the necessary approvals could lead to loss of revenues and compliance actions against SES. There may be governmental regulations that adversely affect our customers' operations. SES could lose revenues if customers are unable to obtain any necessary approvals in a timely manner or if licencing restrictions become unduly burdensome.
Export control	SES must comply with applicable export control laws and regulations. SES may not be able to maintain normal business activities or source certain satellites, hardware, technology and services if: - export licences are not timely obtained; - export licences do not permit transfer of all items requested; - satellite launches are not permitted in the preferred locations; or - the licence contains conditions or restrictions that pose significant commercial or technical issues. Such occurrences could impede construction and delay the launch of any future satellites, adversely impacting current and / or future revenues.
Sanctions compliance risk	SES' business is subject to applicable financial and trade sanctions compliance laws and regulations, restricting SES' ability to provide services in and export hardware or software to certain countries or specific entities. SES has policies and systems in place to monitor the company's activities and to prevent engaging in prohibited activities or dealing with sanctioned parties. Failure to obtain or maintain required sanctions authorisations or to comply with applicable sanctions laws and regulations could have a material adverse effect on SES' business.

External threat risk	Like other satellite operators, SES is vulnerable to the risk of terrorist acts, sabotage, piracy, attack by anti-satellite devices, jamming, unintentional interference and natural disaster. Such external threats may lead to a temporary or permanent interruption in service and / or the loss of customers. Any such act or event could have a potentially significant adverse effect on SES' business, financial situation and results.
Cyber risk	SES' operations may be subject to hacking, malware and other forms of cyber-attack. Due to the fast-moving pace of new hacking techniques, the high sophistication of certain attackers and an increasingly hostile cyber-attack environment, it may be difficult to detect, determine the scope of, contain and remediate every such event. Any inability to prevent or to detect the occurrence of cyber-attacks in a timely manner could result in a disruption of services or malfunctions, loss of customers, inadvertent violations of data protection, export control and other relevant laws, damage to SES' reputation, or damage to SES' properties, equipment and data. Such event could result in large expenditures necessary to repair or replace such networks or information systems or to protect them from similar events. Any of the above acts could have a potentially significant adverse effect on SES' business, financial situation and results. SES has protections in place to help protect its networks and continues to work to implement additional protective measures intended to limit the risks associated with such attacks.
People-related risk	SES is competing for talent with large and well-known companies. In the context of low unemployment rates and a shortage of qualified candidates, SES may have difficulties in finding and onboarding diverse and competent talent with the required capabilities. SES attempts to mitigate this risk through the creation of a dedicated Talent Acquisition function, to enhance the sourcing of high-quality candidates, improve the applicant experience, and network more effectively with partners, as well as strengthening our Employer Brand. If SES is unable to source, onboard, energise and retain key talent, this could have a negative impact on SES' business, financial situation and results.
Unforeseen high impact risk	SES' operations may be subject to unforeseen events that are both improbable and have a high impact. Due to the unforeseen nature of the event, it is difficult to manage the impact of such events or predict the nature or extent of the damage. Such unforeseen events may have a significant negative impact on SES' business, financial situation and results.
Global pandemic risk	SES is subject to the risk of a global pandemic such as COVID-19. A pandemic may result in countries adopting restrictive measures. Following the COVID-19 outbreak in early 2020, SES enacted procedures and measures to effectively respond to the health risks and to secure business continuity under the pandemic situation [also *see section on Internal Control Procedures for further details*]. A resurgence of COVID-19 or appearance of a similar pandemic could affect various areas of SES' business including procurement and launch of new satellites, entry into service of new satellites, procurement of ground infrastructure and provision of services to customers. In addition, sales to existing and new customers could be impacted due to decrease in demand for capacity in certain areas and operational and financial difficulties that some customers may find themselves in. Failure to adequately respond to the effects of a global pandemic thus may have a significant impact on SES' business, operations and financial results.

RISKS RELATING TO FINANCE	
Economic downturn risk	An economic slowdown in the countries where SES operates may have a negative effect on its performance if potential customers face difficulties funding their business plans. This could, in turn, result in decreased profitability, with significant negative consequences for SES' business, financial condition and results of operations.
Cash flow risk	SES operates in accordance with a strong business model. If, for any reason, SES is not successful in implementing its business model then cash flow and cash resources may not be sufficient to repay indebtedness. If SES were unable to meet its debt service obligations, then a default under debt agreements would occur. To avoid such default, SES could be forced to reduce or delay the completion or expansion of the satellite fleet, sell assets, obtain additional equity capital or restructure its debt
Credit rating risk	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 Standard & Poor's and Moody's. If SES' credit rating were to be downgraded, it may affect SES' ability to obtain financing and the terms associated with that financing. SES cannot guarantee that it will maintain its investment grade credit ratings.
Tax risk	SES' financial results may be materially adversely affected by unforeseen additional tax assessments or other tax liabilities. SES does business in many different countries and is therefore subject to taxation in multiple jurisdictions. SES makes provisions in its accounts for current and deferred tax assets and liabilities based on a continuous assessment of prevailing tax laws in those jurisdictions. However, SES cannot always be certain of a tax authority's application and interpretation of the tax law. SES may become subject to unforeseen material tax claims, including late payment interest and / or penalties. In addition, SES may be subject to retroactive tax assessments based on changes in laws in a particular tax jurisdiction. SES has implemented a tax risks mitigation charter based on (among other things) a framework of tax opinions for the financially material positions taken, transfer pricing policies and documentation covering the group's important inter-company transactions, and procedures for accurate tax compliance in all jurisdictions.
Asset impairment risk	SES' non-current intangible and tangible assets are valued at historic cost less amortisation, depreciation (where relevant) and accumulated impairment charges. The resulting net book values are subject to validation each year through impairment testing procedures, where they are compared to the higher of fair value or value-in-use of the asset, representing the present value of the future cash flows expected to be derived from the asset. Where future assumptions for a specific asset, as set out in the approved Business Plan, become less favourable, or the discount rates applied to the future cash flows increase, then this may result in the need for material asset impairment charges. In the SES SA annual accounts, impairment testing—using value-in-use procedures similar to those outlined above—is performed on the carrying value of the shares in affiliate undertakings, or on the carrying value of groups of shareholdings where the Board of Directors believes that it is more appropriate under the circumstances, and better reflects the substance of the activities, the interdependency of the associated cash flows and their level of integration. If the carrying value of the relevant investment, or group of investments, is not substantiated by its value-in-use, and any shortfall is

	assessed as being other than a temporary nature, then this could result in an impairment charge being recorded to the income statement of the SES SA annual accounts in the period concerned.
Liquidity risk	SES requires liquidity to maintain its operations and meet its obligations. Any liquidity problems may have a significant impact on SES' operations and lead to the breach of contractual obligations. In case of liquidity needs, SES can call on a number of committed and uncommitted credit facilities with banks. In addition, if deemed appropriate based on prevailing market conditions, SES can raise funds through its European Medium-Term Note programme or other debt capital market instruments. SES' debt maturity profile is tailored to allow the company to cover repayment obligations as they fall due. SES operates a centralised treasury function, which manages the liquidity of SES and seeks to optimise the funding costs. This is supported by a daily cash pooling mechanism. Further details are provided in note 18 to the consolidated financial statements.
Foreign exchange risk	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 U.S. dollar whereby the Group's functional currency is Euro. Furthermore, SES is exposed to movements in some other foreign currencies in which it generates revenue or incurs expenses. To mitigate this exposure, SES may enter into forward foreign exchange or similar derivatives contracts to hedge any underlying foreign exchange exposure. Further details are provided in note 18 to the consolidated financial statements.
Interest rate risk	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. The terms of such derivatives are negotiated to match the terms of the hedged item to maximise the effectiveness of the hedge. Further details are provided in note 18 to the consolidated financial statements.
Counterparty credit risk	SES' exposure relates to the potential default of a counterparty holding financial assets (cash and cash equivalents, held for trading financial assets, loans, receivables and derivative instruments). The counterparty credit 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, SES only deals with well-established financial institutions with an appropriate credit rating. All counterparties are financial institutions that are regulated and controlled by the national financial supervisory authorities of the applicable countries. The counterparty credit 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 relationship for all categories of products (derivatives as well as deposits). Further details are provided in note 18 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 2020, prepared in accordance with Luxembourg legal and regulatory requirements, and the consolidated financial statements as of and for the year ended 31 December 2020, 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 2021

Frank Esser
Chairman of the Board of Directors

Steve Collar
CEO

SES

Attachment 1

SES Shareholders
as of 31 December 2020

SES Shareholders	Number of Shares	Voting Participation	Economic Participation
Registered shares	4,542,160	0.79%	0.99%
FDRs (free float)	378,915,440	65.88%	82.35%
Total A Shares	**383,457,600**	**66.67%**	**83.33%**
BCEE	62,572,893	10.88%	5.44%
SNCI	62,565,085	10.88%	5.44%
Etat du Luxembourg	66,590,822	11.58%	5.79%
Total B Shares	**191,728,800**	**33.33%**	**16.67%**
Total shares (actual)	**575,186,400**	**100.00%**	**100.00%**
Total shares (economic)	**460,149,120**		

SES

Attachment 2

Composition of the Board of Directors as of 31 December 2020

Chair

Mr Frank Esser

Vice-Chairs

Mrs Tsega Gebreyes
Mrs Anne-Catherine Ries

Members

Mr Serge Allegrezza
Mr Peter van Bommel
Mrs Béatrice de Clermont-Tonnerre
Mr Paul Konsbruck
Mr Ramu Potarazu
Mr Kaj-Erik Relander
Ms Françoise Thoma
Mrs Kathrin Wehr-Seiter

Observers

Mr Guy Harles, Commissioner of the Government at SES ASTRA
Mr Marc Serres, Commissioner of the Government at SES ASTRA
Mrs Maria Kugel, SES ASTRA Employee Representative

Secretary to the Board of Directors

Mr Thai Rubin, Chief Legal Officer and Secretary to the Board of Directors
Mr Mathis Prost, Assistant Secretary to the Board of Directors

SES

Composition of the Committees set up by the Board
as of 31 December 2020

Audit and Risk Committee

Mrs Katrin Wehr-Seiter, Chair
Mr Serge Allegrezza
Mr Peter van Bommel
Mr Kaj-Erik Relander
Ms Françoise Thoma

Nomination Committee

Mrs Anne-Catherine Ries, Chair
Mrs Béatrice de Clermont-Tonnerre
Mr Frank Esser
Mrs Tsega Gebreyes
Mr Paul Konsbruck
Mr Kaj-Erik Relander

Remuneration Committee

Ms Françoise Thoma, Chair
Mr Serge Allegrezza
Mr Peter van Bommel
Mr Frank Esser
Mr Ramu Potarazu
Mrs Kathrin Wehr-Seiter

Strategic Committee

Mr Frank Esser, Chair
Mr Peter van Bommel
Mrs Béatrice de Clermont-Tonnerre
Mr Paul Konsbruck
Mr Ramu Potarazu

Assemblée Générale Ordinaire

4 Présentation des principaux développements de la Société pendant l'année 2020 et perspectives

Une présentation sur les principaux développements de la société pendant l'année 2020 et les perspectives sera donnée en cours de séance.

Annual General Meeting

4 Presentation of the main developments during 2020 and of the outlook

A presentation of the main developments during 2020 and of the outlook will be given during the meeting.

Presentation of the Main Developments during 2020 and of the Outlook

Steve Collar
CEO

LEADER IN GLOBAL CONTENT CONNECTIVITY SOLUTIONS

SES

WE DO THE EXTRAORDINARY IN SPACE TO DELIVER AMAZING EXPERIENCES EVERYWHERE ON EARTH

OUR UNIQUE NETWORKS INFRASTRUCTURE AND PRIME VIDEO NEIGHBOURHOODS supports the content connectivity needs of world-leading organisations and institutions to make a difference to billions around the globe.

OUR DISCIPLINED FINANCIAL APPROACH is focused on a strong cash flow generation and strong balance sheet metrics, to support profitable investment and cash return to shareholders.

99% of the Earth is covered by the SES network	**€1.88BN** 2020 group Revenue
+27% growth in SES Networks underlying revenue (since 2017)	**€1.15BN** 2020 group Adjusted EBITDA
ONLY Multi-orbit, multi-frequency satellite-enabled solutions	**<3.0x** 2020 Adjusted Net Debt to Adjusted EBITDA ratio
~365MN TV homes served by SES Video	**€5.6BN** Fully protected contract backlog
PARTNER to world-leading companies, governments and institutions	**€0.40** Minimum base dividend per A-share

SES

LONG-TERM VALUE PROPOSITION EVIDENCED BY STRONG YEAR OF EXECUTION

	2020 FULL YEAR HIGHLIGHTS
STRONG EXECUTION	Achieved pre-COVID Adjusted EBITDA outlook and upper end of mid-year outlook
	Recurring OpEx lower YOY. Ongoing focus on operational excellence with S&A savings of €50M from 2022
	Leverage at a 5-year low (<3x) with €0.5B YOY Net Debt reduction on the back of strong cash generation
MARKET SUCCESS	€1.3B new business signed in 2020. >€440M signed for core European Video neighbourhoods since Q3
	Backlog for SES-17 and O3b mPOWER up 40% at $740M ahead of both launches this year
	New MEO use cases demonstrated, ready for significant scale with O3b mPOWER
DISCIPLINED FINANCIAL APPROACH SUPPORTING PROFITABLE GROWTH & SHAREHOLDER RETURNS	Stable Fixed Dividend at minimum of €0.40 per A-share going forward
	Exceptional progress with C-band. Clear line of sight to $4B payments, with first $1B from end-2021 clearing
	CapEx reduced by €390M. Growth investments support Revenue, EBITDA, and FCF growth from 2023

RESILIENT FINANCIAL PERFORMANCE IN COVID ENVIRONMENT

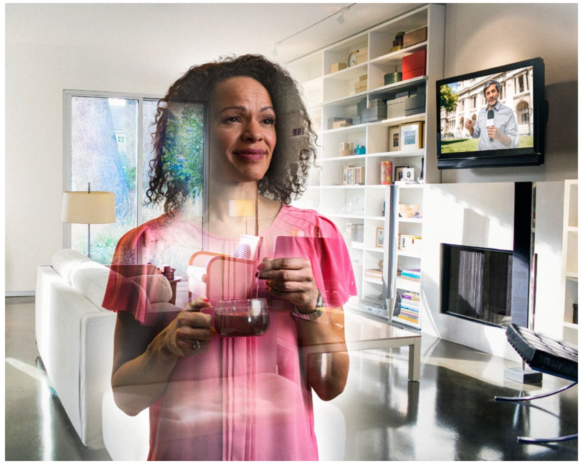
	2020	
Video Revenue	€1,108M	*-8.0% YOY underlying[1]*
Networks Revenue	€767M	*+5.3% YOY underlying[1]*
Group Revenue	€1,876M	*-3.0% YOY underlying[1]*
Adjusted EBITDA[2]	€1,152M	*-5.9% YOY at constant FX*
Adj. Net Debt to Adj. EBITDA[2,3]	2.97 times	

- Networks +27% since 2017 and Video outturn at the upper end of the 2020 revenue outlook
- Adjusted EBITDA margin of 61% reflecting benefit of exceptional cost measures taken early in response to COVID headwinds
- Strong FCF resulting in €505M YOY net debt reduction, with Adjusted Net Debt to Adjusted EBITDA ratio of <3x, at the lowest level for 5 years
- Proposed dividend of €0.40 per A-share, in line with Financial Policy to maintain minimum base dividend of €0.40 per A-share

1) At constant FX (comparative figures restated at the current period FX) and excluding periodic and other revenue; 2) EBITDA excluding restructuring charge (2020: €40M; 2019: €21M) and operating expenses related to US C-band repurposing (2020: €33M net of income; 2019: nil); and 3) Treats hybrid bonds as 50% debt and 50% equity, per the rating agency methodology

SOLID EXECUTION HIGHLIGHTS VALUE OF OUR PRIME VIDEO NEIGHBOURHOODS

- FY 2020 revenue of €1,108M (59% of group) in line with the upper end of our mid-year 2020 outlook
- Prime video neighbourhoods demonstrating long-term value and customer attraction of our **unparalleled reach** of >365M TV homes
  - €650M of renewals/new business secured during 2020 and substantial momentum from Q3 until now with long-term agreements signed with Canal+, Sky and other major European broadcasters totaling more than €440M
  - Expanding in emerging markets with Ethiopia DTH and launch of HD+ Ghana
  - Over 2 million HD+ paying subscribers, up since the start of 2020, while the roll-out of our HD+ TV app continues to gain traction in the market
- Strengthened position as the **market leader in premium content** with nearly 3,000 HD/UHD TV channels
- Secured high-value, state-of-the-art services for BBC, UKTV, Dish Mexico evolving to **hybrid, multi-platform, cloud-based solutions**
- €3.4B secured backlog underpinning long-term cash flow visibility and demonstrating the lasting, strategic importance of satellite
  - Global revenue from linear TV expected to grow by 5% to $386B (2020-2024)(1)



CANAL+

STRENGTHENED PARTNERSHIP WITH LONG-TERM EXTENSIONS

"Extending our partnership with SES was a natural choice, since we have a long and successful partnership in delivering superior quality video experiences to diverse audiences around the world. This agreement across three orbital slots demonstrates that satellite is at heart of our pay-tv operations throughout the world. We look forward to many more years of working together to ensure we reach the widest possible TV audiences."

Jacques du Puy, CEO, CANAL+ International

BBC

DELIVERING A COMPLETE SUITE OF VIDEO SERVICES

"Our UK and global audiences and advertisers expect seamlessly delivered high-quality services, and in the transforming world of broadcast we need flexibility and responsiveness to meet ever changing audience demands. By selecting SES, we believe we have found a partner that is committed to delivering innovation and can meet our business needs going into the future."

Marcus Arthur, President UK, Ireland BBC Studios & CEO UKTV

1) Source: OMDIA (December 2020)

THIRD YEAR OF STRONG NETWORK GROWTH, DESPITE COVID

- ▲ FY 2020 revenue of €767M (41% of group) with underlying growth of 5.3% YOY in 2020 and 27% growth since 2017
- ▲ Capturing strong demand for our **unique intelligent, multi-orbit infrastructure** and managed solutions
  - Expanded US Government applications including high-throughput loopback services and important breakthrough with the US Navy for crew welfare solutions
  - New Telco/MNO connectivity solutions in the Americas, Africa, and Asia, plus new energy and cloud revenues, delivering growth in Fixed Data
  - Mobility revenue remains robust despite COVID headwinds, albeit with delays in new Aero and Cruise opportunities
- ▲ **Seamless integration** with broader network ecosystem with recent successful demonstration of 5G over MEO
- ▲ **Pioneering cloud adoption** with foundational Microsoft partnership and growing cloud-related backlog already ~€35M
- ▲ €2.2B secured backlog underpinning future revenue while launch of SES-17 and O3b mPOWER on schedule for Q3 2021
  - Gross backlog for SES-17 and O3b mPOWER +40% since Q3 2020 to $740M(1)
  - Addressable market expected to multiply by 3-4 times in size (2020-2029) with annual industry revenue reaching $22B by the end of the decade(2)

EXPANDING SERVICES FOR US GOVERNMENT

"The need to provide resilient and diverse satellite communications is critical to meeting Department of Defense SATCOM requirements. This industrial-grade, high-throughput, low-latency capability has been integrated into a turnkey MEO terminal and can be scaled up or down based on the number of users and support requirements. The demonstrated throughput is unsurpassed in a portable maritime system of this size."

Pete Hoene, CEO, SES GS

PIONEERING CLOUD ADOPTION

"Our launch of Azure Orbital will enable our partners' customers to on-ramp their data into Azure where it can immediately be processed with market-leading data analytics, geospatial tools and machine learning services, adding another layer of automation and intelligence in their networks. SES' O3b mPOWER communications system is proof of SES' cloud-first strategy, focusing on industry standards and orchestration, and aligns with our connectivity vision for the future, and we are delighted to be kicking off this project."

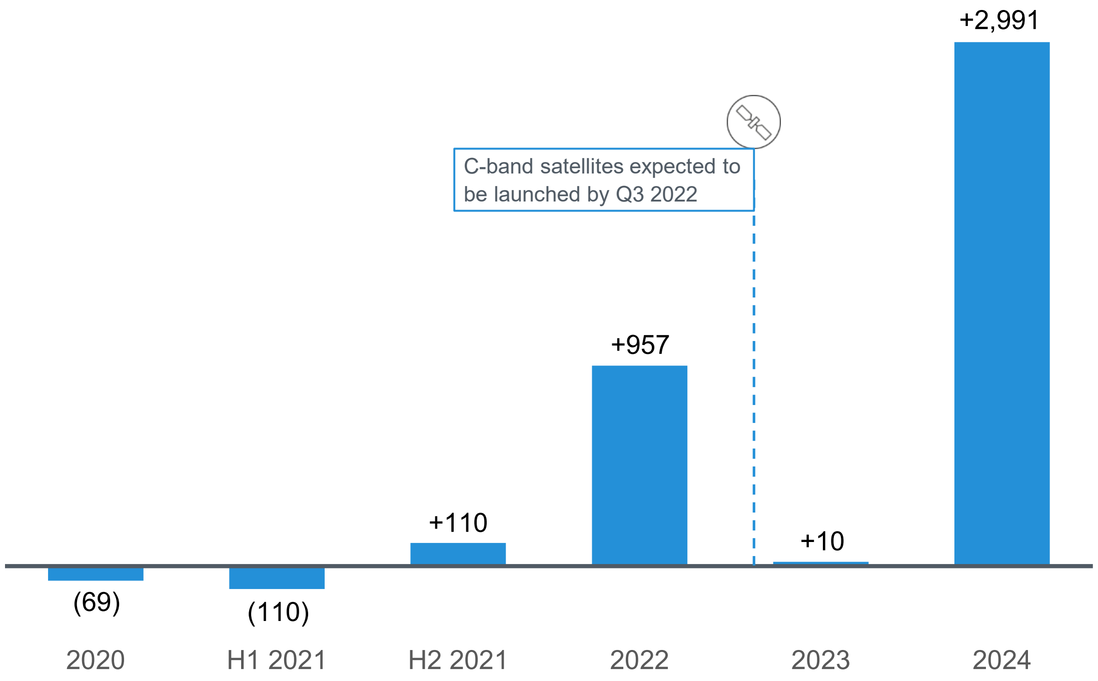
Jeff Cohen, Azure Networking, Microsoft

1) Gross backlog $740M (fully protected: $605M), including $180M signed since 1 January 2021; Q3 2020: $525M (fully protected: $510M); 2) Source: Northern Sky Research (June 2020)

CLEAR VISIBILITY OF SUBSTANTIAL VALUE-CREATION FROM US C-BAND

Expected C-band clearing net cash inflows / (outflows)

$M (pre-tax), including accelerated relocation payments



- On track to meet end-2021 and end-2023 clearing deadlines and realise $4B (pre-tax) accelerated relocation payments
  - $1B (triggered end-2021) to be fully utilised for strengthening balance sheet
  - $3B (triggered end-2023) used in the most optimal way for the benefit of shareholders
- Total clearing cost of $1.6B of which >$1.5B expected to be reimbursed
- 2021 C-band non-reimbursable costs estimated at $18-24M, but cash flow in 2021 estimated at zero, due to start of reimbursement
- Vigorously pursuing claim of up to $1.8B[1] against Intelsat
- Actively engaged in additional C-band monetisation opportunities both in the US and in other countries

1) Comprising $450M in compensatory damages and the balance in punitive damages

KEY STRATEGIC INITIATIVES DRIVING FUTURE GROWTH AND SHAREHOLDER VALUE

	2021	2022	2023
ON TRACK TO MEET FCC TIMELINE FOR US C-BAND REPURPOSING	$1B pre-tax relocation payment (end-2021) to strengthen the balance sheet; $3B pre-tax relocation payment (end-2023) used for benefit of shareholders		
SIMPLIFY & AMPLIFY SUPPORTING PROFITABILITY AND CASH FLOWS	Secured target of €40M of annual EBITDA optimisation in 2021, ramping to €50M from 2022 onwards		
NETWORK OF THE FUTURE PROPELLING SUSTAINED PROFITABLE GROWTH	SES-17 and O3b mPOWER gross backlog(1) now at $740M to date with strong commercial pipeline, ahead of launch (Q3 2021) and 1st revenues from H2 2022		
PIONEERING CLOUD ADOPTION, DRIVING VALUE AND ENABLING NEW SERVICES	1st cloud revenues (€3M) in 2020 with target to grow this to €10-15M for 2021. Leveraging foundational and expanded partnership with Microsoft, allowing customers unprecedented access to the cloud		

1) Gross backlog of $740M (fully protected: $605M), including $180M signed since 1 January 2021; Q3 2020: $525M (fully protected: $510M)

Assemblée Générale Ordinaire

5 Présentation des résultats financiers pour l'exercice 2020

Une présentation sur les résultats financiers pour l'exercice 2020 sera donnée en cours de séance.

Annual General Meeting

5 Presentation of the 2020 financial results

A presentation on the 2020 financial results will be given during the meeting.

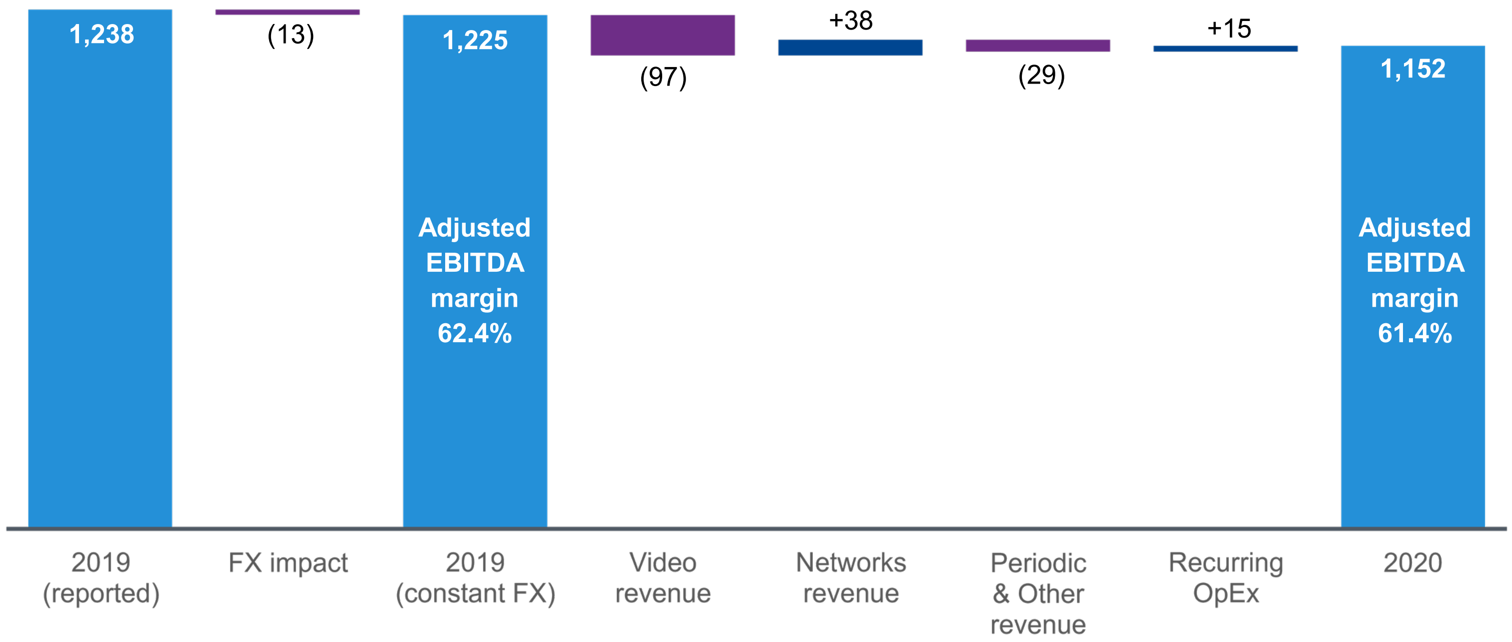
Presentation of the 2020 financial results

Sandeep Jalan
CFO

RESILIENT ADJUSTED EBITDA PERFORMANCE IN COVID ENVIRONMENT

EBITDA margin reflects strong COVID cost mitigation to protect bottom line

Adjusted EBITDA Walk (in €M)



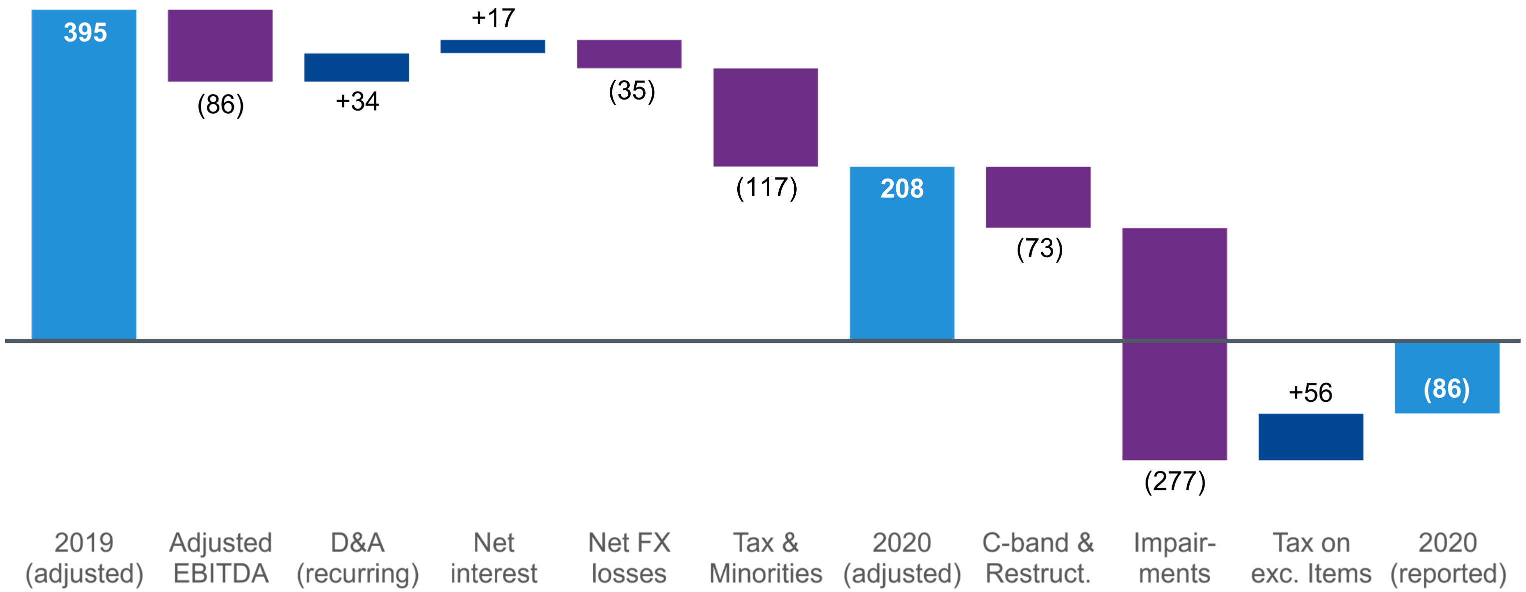
- **Solid EBITDA above low end of pre-COVID outlook, and at upper end of mid-year outlook**
- EBITDA margin reflects strong COVID mitigations and control of discretionary spend
  - OpEx reduced 1.9% YOY, despite change in sales mix, protecting bottom line
- **Video (-8.0% YOY) in line with expectations**
  - Distribution (-7.8%): near-term impact of 'right-sizing' of capacity in mature markets
  - Services (-8.7%): reduced exposure to low margin activities and COVID impact on Sports & Events
- **Continued Networks expansion (+5.3% YOY)**
  - Mobility (+9.0%): new business in H2 2019 sustained strong growth despite COVID
  - Government (+1.7%): benefiting from new GEO- and MEO-enabled business wins in H1 2020
  - Fixed Data (+6.7%): acceleration of growth in new Telco, MNO, energy and cloud services

SES

NET PROFIT IMPACTED BY EXCEPTIONAL ITEMS

Net Profit impacted by a combination of exceptional items in 2020

Adjusted Net Profit and Net Profit Attributable to SES Shareholders Walk as reported (€M)



Walk Adjusted Net Profit 2019 to 2020:

- Lower Adjusted EBITDA partly offset by 4.5% YOY reduction in recurring D&A and 9.6% YOY reduction in net interest expense
- Non-cash FX loss of €32M in 2020 impacted Financing costs (€3M gain in 2019)
- Tax variation mainly impacted by benefit of exceptional tax income of €57M in 2019

Walk Adjusted Net Profit 2020 to Reported Net Loss 2020:

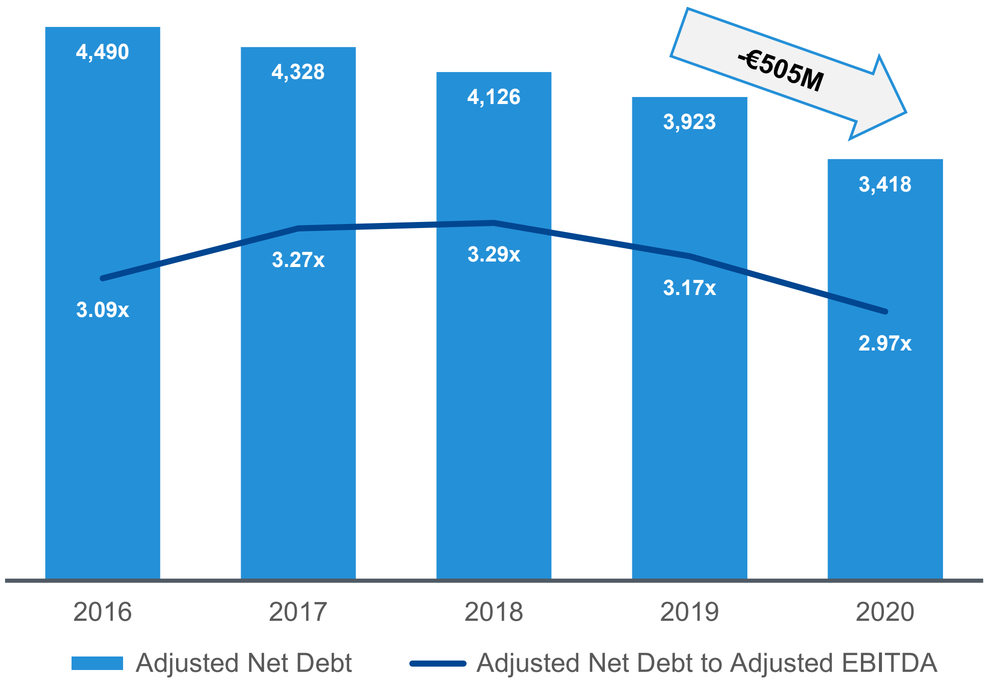
- Exceptional restructuring expenses (€40M) and US C-band expenses (€33M, net of reimbursement-related income of €10M)
- Non-cash impairment expenses (€277M) representing 2% of total assets relating to 8 GEO assets, orbital slot rights, and the former MX1 business
- Impairment includes effect of COVID on future cash flows for certain definite life assets, and MX1 integration with Video infrastructure business
- Tax impact (€56M) on above exceptional items

SES

STRONG BALANCE SHEET WITH LEVERAGE AT LOWEST LEVEL FOR 5 YEARS

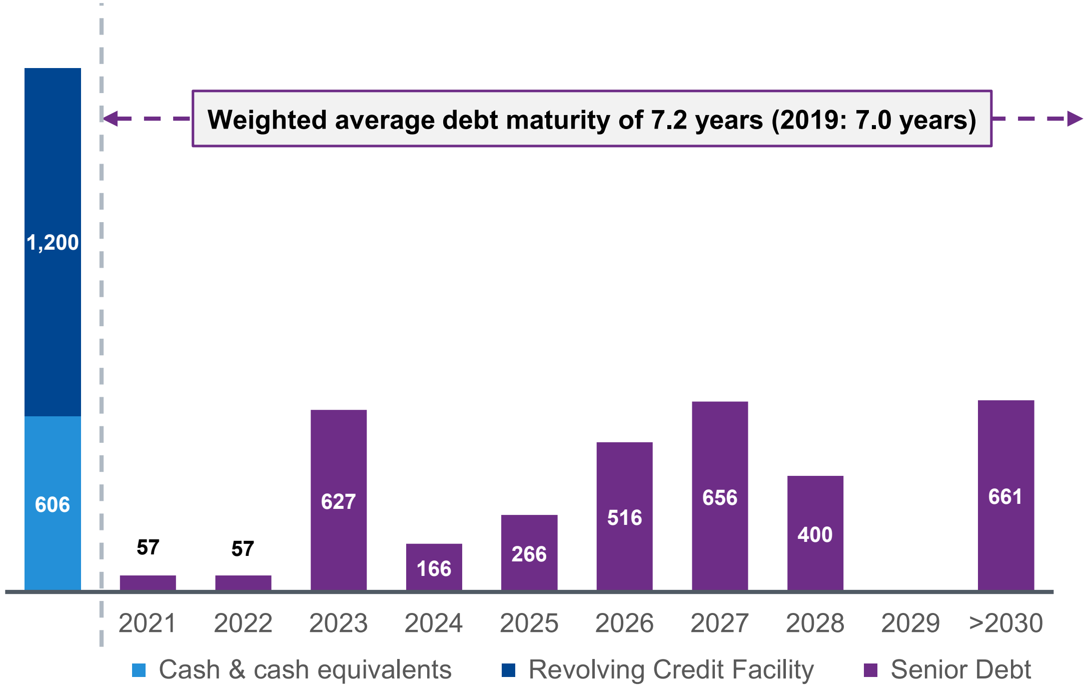
Leverage and Net Debt at lowest level since 2016

Adjusted Net Debt (€M)[1] and Adjusted Net Debt to Adjusted EBITDA ratio (Times)



No significant senior maturities before Q2 2023

Pro forma debt maturity profile (€M)[2]



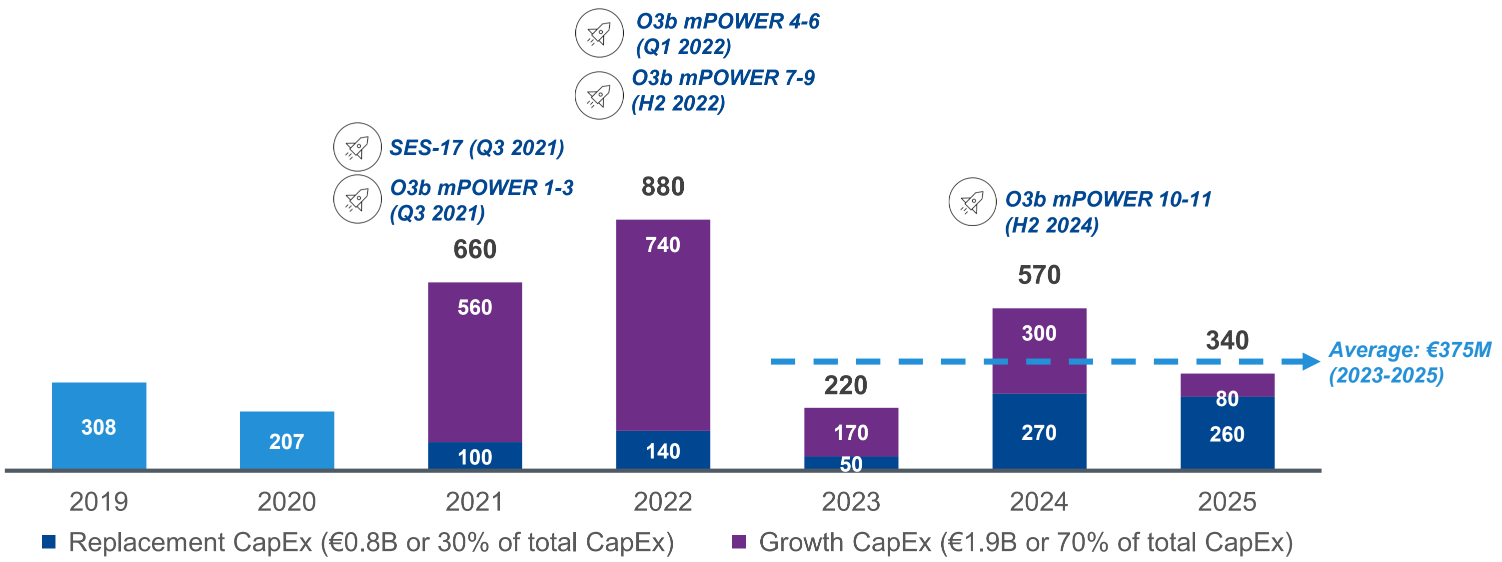
1) Adjusted Net Debt to Adjusted EBITDA ratio treats hybrid bonds as 50% debt and 50% equity, per the rating agency methodology; 2) Assuming March 2021 Notes (€556 million outstanding) settled with cash on 31 December 2020

CAPEX REDUCED BY €390M FROM PREVIOUS GUIDANCE, STRONG FCF BEYOND 2022 DRIVEN BY EXPANDING EBITDA AND LOWER NORMALISED CAPEX OF €375M

SES

Growth investment peaks in 2022 followed by meaningfully lower CapEx profile, combined with expanding revenue and EBITDA driven by SES-17 & O3b mPOWER

Expected Capital Expenditure (€M, excluding US C-band)(1)



Q3 2020 (€1=$1.20)	300	830	940	545	245	New
Q3 2020 (€1=$1.15)	310	850	970	550	250	New

- **CapEx reduced by €390 million (inc. €70M FX) over 2020-2024 compared with the previous forecast, lowering growth investment peak in 2021-2022**
- Significant reduction in average annual CapEx to €375M (2023-2025) combined with EBITDA growth from 2023 to drive strong future FCF generation
- 2020 FCF(2) of €665M (+0.9% YOY) with lower CapEx offsetting lower NOCF (€1,049M)
  - CapEx of €207M (excluding C-band CapEx of €10M) was 34% or €103M lower than forecast for 2020
- Low average annual replacement CapEx of €165m over the forecast period (2021-2025)
- Important growth investment (SES-17 and O3b mPOWER) on track and supporting return to profitable growth from 2023
  - Gross backlog for SES-17 and O3b mPOWER improved to $740 million, including $180 million signed since 1 January 2021

1) CapEx represents the net cash absorbed by the group's investing activities excluding acquisitions and financial investments. CapEx outlook assumes €/$ FX rate of €1 = $1.20 and excludes repurposing of US C-band (2020: €10 million; 2019: nil); 2) FCF before equity distributions and treasury activities

COMMITMENT TO THE DISCIPLINED FINANCIAL POLICY

	OUR POLICY	OUTLOOK
DISCIPLINED INVESTMENT	▲ Replacement CapEx to sustain profitable portfolio of business ▲ Disciplined value-accretive growth investment ▲ IRR hurdle rate >10% (post-tax) over the investment horizon	▲ Limited annual replacement CapEx €165M (2021-2025) ▲ €1.9B total growth CapEx (2021-2025), including €1.3B over 2021-2022 ▲ Followed by substantially lower annual CapEx of €375M (2023-2025)
MAINTAIN STRONG BALANCE SHEET	▲ Maintain a strong balance sheet consistent with investment grade ratios, allowing continued access to wide range of funding sources and keeping low cost of funding	▲ Adjusted Net Debt to Adjusted EBITDA below 3.3x
CASH RETURN TO SHAREHOLDERS	▲ Maintain minimum base dividend of €0.40 per A-share	▲ 2020 proposed dividend of €0.40 per A-share
UTILISING EXCESS CASH	▲ Utilise any excess cash in the most optimal way for the benefit of shareholders	▲ 1st C-band relocation payment ($1B pre-tax) linked to 5 December 2021 clearing milestone to be fully utilised to strengthen the Balance Sheet ▲ 2nd C-band relocation payment ($3B pre-tax) linked 5 December 2023 clearing milestone, to be used for a mix between return to shareholders, strong balance sheet and any disciplined value-accretive investment

Assemblée Générale Ordinaire

6 Présentation du rapport du réviseur d'entreprises

Une présentation du rapport du réviseur d’entreprises sera donnée en cours de séance.

Annual General Meeting

6 Presentation of the audit report

A presentation of the audit report will be given during the meeting.

SES
Société Anonyme
Château de Betzdorf
L-6815 Betzdorf

RCS Luxembourg B 81267

Consolidated financial statements as at and for the year ended
31 December 2020 and
Independent auditor's report

Contents

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 2020, 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 2020;
- 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 5 to the consolidated financial statements.

Key audit matters

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

Revenue recognition

The application of revenue recognition accounting standards is complex and involves a number of key judgements and estimates in the determination of the appropriate accounting treatment (lease vs. service arrangements, identification of the performance obligations and timing of revenue recognition, barter transactions, principle versus agent considerations, etc.).

We focused on this area due to the inherent complexity and judgement in applying the revenue recognition accounting standards and to the significant focus on the revenue amount (1,876 million EUR for the year ended 31 December 2020) by the users of the consolidated financial statements (see Note 3).

How our audit addressed the key audit matter

- We obtained an understanding of the main revenue streams and evaluated the accounting policy for revenue recognition thereof;
- We held discussions with Management on IFRS accounting analysis of any non-standard revenue contracts, performed testing of significant new revenue contracts and verified that the underlying revenue transactions were accounted in accordance with the substance of the commercial agreement and the relevant IFRS standards;
- We performed substantive analytical procedures at year-end on revenue and revenue related accounting in order to identify any unusual variances;
- We tested any unusual and/or significant manual journal entries made to the revenue accounts, both at local and group level;
- We evaluated the deferred revenue schedules and their reconciliation with the accounting;
- We performed substantive testing on a sample of revenue transactions;
- We considered the disclosures in Note 3 the consolidated financial statements and assessed their appropriateness.

Impairment of goodwill and orbital slot license rights (indefinite life)

The Group has goodwill of 2,026 million EUR and orbital rights with indefinite useful lives of 1,916 million EUR. An impairment expense of 51 million EUR was recognised for the year ended 31 December 2020 in relation to the goodwill at the level of the MX1 CGU (see Note 14).

Management performed the annual impairment test that is based on the value in use determined on the basis of a discounted cash flows model.

We focused on this area due to the high level of judgement 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 tested 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 2021 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 14 to the consolidated financial statements.

Impairment of satellites

The Group has a space segment assets balance, representing primarily satellites, of 3,770 million EUR as at 31 December 2020. An impairment expense of 229 million EUR and a reversal of impairment expense previously recorded of 46 million EUR were recognised for the year ended 31 December 2020 in relation to several satellites, due to the change in their forecasted future revenue (see Note 12).

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 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 tested 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 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 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 12 to the consolidated financial statements.

Taxation

The Group operates across a large number of jurisdictions and is subject to various tax legislations and periodic reviews by local tax authorities of a range of tax matters during the normal course of business, including transfer pricing. Moreover, the current tax structure of the Group evolves to consider the recent developments in international taxation.

We focused on two specific tax matters relating to the provisions for tax risks, and the recognition and recoverability of the deferred tax assets, clue to the high level of judgment in the determination of the current and deferred income tax balances and the determination of the level of the tax provisions.

How our audit addressed the key audit matter

- We tested the design and implementation of controls in respect of tax accounting, including the determination of the provisions for tax risks;
- We involved tax specialists in Luxembourg, the Netherlands and the USA, representing the main tax jurisdictions where the Group has exposure, to gain an understanding of the current tax risks and evaluated the current and deferred tax income and expense and related balances;
- We held discussions with the Group Tax Management to understand and evaluate positions taken on uncertain tax risks and assessed Group tax provision;
- We discussed with Management the status of the open tax audits and evaluated their impact on the consolidated financial statements;
- We analysed the recognition and recoverability of the deferred tax assets and determined that it is supported by forecast future tax profits;
- We considered the appropriateness of the disclosures in Notes 7 and 8 to the consolidated financial statements.

C-band spectrum clearing

The Group has orbital slots license rights over several orbital location over the US. These have been recognised in the consolidated statements of financial position as intangible assets, following past business combinations.

On 3 March 2020, the Federal Communications Commission (the “FCC”) released a Report and Order and Order of Proposed Modification in the matter of Expanding Flexible Use of the 3.7 to 4.2 GHz Band (the “Order”), aimed to change how the C-band may be used in the contiguous United States and to make a part of it available for 5G technology.

As a result of the Order, the Group is required to no longer use the lower 300 MHz of the C-band and to continue its existing operations into the upper 200 MHz of the C-band. Through the provisions of the Order, the FCC seeks to ensure that the Group can continue to maintain comparable service for existing customers and obtain future customers in the upper 200 MHz. Also, transition costs are reimbursed under the condition that the lower 300 MHz of the C-band is successfully cleared by 5 December 2025.

In addition, the Order created a mechanism to provide the Group with an option to clear the spectrum on an accelerated timeline in exchange for accelerated relocation payments. The Group elected to apply for the accelerated relocation, and this was confirmed by the FCC on 2 June 2020. If successful clearing is achieved by the accelerated timeline, the Group is entitled to accelerated relocations payments as follows:

- Phase 1 deadline: 5 December 2021 for the lower 120 MHz of the C-band. If successfully completed, the Group will receive the Accelerated Relocation Phase 1 Payment of 977 million USD;

- Phase 2 deadline: 5 December 2023 for the remaining portion of the lower 300 MHz of the C- band. If successfully completed, the Group will receive of 2,991 million USD.

We focused on this area due to the complex and specific nature of the transaction and the significant judgments required in applying the applicable accounting framework to the specific recognition and measurement considerations (see Note 33).

How our audit addressed the key audit matter

- We held discussions with Management to understand the C-band spectrum clearing transaction and to identify and evaluate all the accounting impacts on the consolidated financial statements;

- We assessed Management’s position that recognition and measurement of income and expenses related to C-band spectrum clearing, as well as accelerated relocation payments are recorded in accordance with IAS 20, Accounting for Government Grants and Disclosure of Government Assistance;

- We assessed Management’s position that it is appropriate to recognise capital expenditure reimbursments related to the new satellites and new ground assets and other income related to the reimbursements of costs at the time when they are reasonably assured;

- We considered the appropriateness of the disclosures in note 33 to the consolidated financial statements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the 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.

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.

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 2 April 2020 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 8 years.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 24 February 2021

François Mousel

Consolidated income statement
For the year ended 31 December 2020

In millions of euros		**2020**	2019
Revenue	Note 3	**1,876**	1,984
C-band repurposing income	Note 33	**10**	-
Cost of sales	Note 4	**(291)**	(269)
Staff costs	Note 4	**(330)**	(312)
Other operating expenses	Note 4	**(186)**	(186)
Operating expenses	Note 4	**(807)**	(767)
EBITDA		**1,079**	1,217
Depreciation expense	Note 12	**(625)**	(664)
Property, plant and equipment impairment	Note 12	**(183)**	(33)
Amortisation expense	Note 14	**(95)**	(90)
Intangible assets impairment	Note 14	**(94)**	(64)
Operating profit	Note 3	**82**	366
Net financing costs	Note 6	**(184)**	(166)
Profit/(loss) before tax		**(102)**	200
Income tax benefit	Note 7	**7**	76
Profit/(loss) after tax		**(95)**	276
Profit/(loss) for the year		**(95)**	276
Attributable to:			
Owners of the parent		**(86)**	296
Non-controlling interests		**(9)**	(20)
		(95)	276
Basic and diluted earnings/(loss) per share (in euro)			
Class A shares	Note 10	**(0.30)**	0.54
Class B shares	Note 10	**(0.12)**	0.22

Adjusted EBITDA		**1,152**	1,238
C-band repurposing income	Note 33	**10**	-
C-band operating expenses	Note 33	**(43)**	-
Restructuring expenses	Note 24	**(40)**	(21)
EBITDA		**1,079**	1,217

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

Consolidated statement of comprehensive income
For the year ended 31 December 2020

In millions of euros		**2020**	2019
Profit/(loss) for the year		**(95)**	276
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligation		**(3)**	(1)
Income tax effect		**1**	-
Remeasurements of post-employment benefit obligation, net of tax		**(2)**	(1)
Income tax relating to treasury shares impairment expense or reversal		**6**	6
Total items that will not be reclassified to profit or loss		**4**	5
Items that may be reclassified subsequently to profit or loss			
Impact of currency translation	Note 9	**(624)**	143
Income tax effect	Note 9	**35**	(3)
Total impact of currency translation, net of tax		**(589)**	140
Net investment hedge		**113**	(27)
Income tax effect		**(29)**	7
Total net investment hedge, net of tax		**84**	(20)
Net movements on cash flow hedges, net of tax		**-**	-
Total net movements on cash flow hedges, net of tax		**-**	-
Total items that may be reclassified subsequently to profit or loss		**(505)**	120
Total other comprehensive income/(loss) for the year, net of tax		**(501)**	125
Total comprehensive income/(loss) for the year, net of tax		**(596)**	401
Attributable to:			
Owners of the parent		**(585)**	420
Non-controlling interests		**(11)**	(19)
		(596)	401

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

Consolidated statement of financial position
As at 31 December 2020

In millions of euros		**2020**	2019
Non-current assets			
Property, plant and equipment	Note 12	**4,170**	5,186
Assets in the course of construction	Note 13	**1,651**	924
Total property, plant and equipment		**5,821**	6,110
Intangible assets	Note 14	**4,192**	4,685
Other financial assets		**14**	12
Trade and other receivables	Note 16	**268**	285
Deferred customer contract costs		**9**	18
Deferred tax assets	Note 8	**313**	260
Total non-current assets		**10,617**	11,370
Current assets			
Inventories		**27**	31
Trade and other receivables	Note 16	**488**	590
Deferred customer contract costs		**10**	18
Prepayments		**72**	62
Income tax receivable		**11**	7
Cash and cash equivalents	Note 19	**1,162**	1,155
Total current assets		**1,770**	1,863
Total assets		**12,387**	13,233
Equity			
Attributable to the owners of the parent	Note 20	**5,366**	6,173
Non-controlling interests	Note 21	**72**	83
Total equity		**5,438**	6,256
Non-current liabilities			
Borrowings	Note 23	**3,317**	3,737
Provisions	Note 24	**12**	14
Deferred income	Note 15	**296**	317
Deferred tax liabilities	Note 8	**333**	359
Other long-term liabilities	Note 26	**127**	168
Lease liabilities	Note 29	**25**	30
Fixed assets suppliers	Note 27	**1,310**	623
Total non-current liabilities		**5,420**	5,248
Current liabilities			
Borrowings	Note 23	**613**	691
Provisions	Note 24	**60**	49
Deferred income	Note 15	**454**	467
Trade and other payables	Note 25	**300**	351
Lease liabilities	Note 29	**12**	11
Fixed assets suppliers	Note 27	**67**	135
Income tax liabilities		**23**	25
Total current liabilities		**1,529**	1,729
Total liabilities		**6,949**	6,977
Total equity and liabilities		**12,387**	13,233

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

Consolidated statement of cash flows
For the year ended 31 December 2020

In millions of euros		**2020**	2019
Profit/(loss) before tax		**(102)**	200
Taxes paid during the year		**(31)**	(54)
Interest expense	Note 6	**123**	144
Depreciation, amortisation and impairment	Notes 12, 14	**997**	851
Amortisation of client upfront payments		**(72)**	(88)
Other non-cash items in the consolidated income statement		**76**	43
Consolidated operating profit adjusted for non-cash items and tax payments and before working capital changes		**991**	1,096
Changes in working capital			
(Increase)/decrease in inventories		**(6)**	5
(Increase)/decrease in trade and other receivables		**17**	(64)
(Increase)/decrease in prepayments and deferred charges		**17**	(22)
Increase/(decrease) in trade and other payables		**(73)**	63
Increase in upfront payments and deferred income		**103**	56
Changes in working capital		**58**	38
Net cash generated by operating activities		**1,049**	1,134
Cash flow from investing activities			
Payments for purchases of intangible assets		**(39)**	(26)
Payments for purchases of tangible assets		**(171)**	(279)
Other investing activities		**(7)**	(3)
Net cash absorbed by investing activities		**(217)**	(308)
Cash flow from financing activities			
Proceeds from borrowings	Note 30	**395**	497
Repayment of borrowings	Note 30	**(785)**	(484)
Coupon paid on perpetual bond	Note 20	**(66)**	(66)
Dividends paid on ordinary shares[1]	Note 11	**(182)**	(364)
Interest paid on borrowings		**(152)**	(154)
Payments for acquisition of treasury shares		**(10)**	(50)
Proceeds from treasury shares sold and exercise of stock options		**9**	57
Lease payments	Note 29	**(15)**	(13)
Payment in respect of changes in ownership interest in subsidiaries		**(7)**	-
Net cash absorbed by financing activities		**(813)**	(577)
Net foreign exchange movements		**(12)**	(3)
Net increase in cash		**7**	246
Cash and cash equivalents at beginning of the year	Note 19	**1,155**	909
Cash and cash equivalents at end of the year	Note 19	**1,162**	1,155

[1] Dividends are presented net of dividends received on treasury shares of EUR 2 million (2019: EUR 4 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 2020

In millions of euros	Issued capital	Share premium	Treasury shares	Perpetual bond	Other reserves[2]	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interest	Total equity
	Attributable to owners of the parent									
At 1 January 2020	**719**	**1,636**	**(90)**	**1,300**	**2,519**	**296**	**(207)**	**6,173**	**83**	**6,256**
Result for the year	-	-	-	-	-	(86)	-	(86)	(9)	**(95)**
Other comprehensive income	-	-	-	-	4	-	(503)	(499)	(2)	**(501)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**4**	**(86)**	**(503)**	**(585)**	**(11)**	**(596)**
Allocation of 2019 result	-	-	-	-	296	(296)	-	**-**	-	**-**
Coupon on perpetual bond (Note 20)	-	-	-	-	(66)	-	-	**(66)**	-	**(66)**
Tax on perpetual bond coupon (Note 20)	-	-	-	-	18	-	-	**18**	-	**18**
Dividends provided for or paid[1]	-	-	-	-	(182)	-	-	**(182)**	-	**(182)**
Acquisition of treasury shares	-	-	(10)	-	-	-	-	**(10)**	-	**(10)**
Share-based compensation expense	-	-	-	-	10	-	-	**10**	-	**10**
Exercise of share-based compensation	-	-	7	-	(14)	-	-	**(7)**	-	**(7)**
Sale of treasury shares	-	-	17	-	-	-	-	**17**	-	**17**
Other movements	-	-	-	-	(2)	-	-	**(2)**	-	**(2)**
At 31 December 2020	**719**	**1,636**	**(76)**	**1,300**	**2,583**	**(86)**	**(710)**	**5,366**	**72**	**5,438**

1 Dividends are presented net of dividends received on treasury shares of EUR 2 million.

2 The non-distributable items included in other reserves are described in Note 20.

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

Consolidated statement of changes in shareholders' equity
For the year ended 31 December 2019

	Attributable to owners of the parent									
In millions of euros	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 2019	**719**	**1,636**	**(132)**	**1,300**	**2,673**	**279**	**(326)**	**6,149**	**102**	**6,251**
Result for the year	-	-	-	-	-	296	-	296	(20)	**276**
Other comprehensive income	-	-	-	-	5	-	119	124	1	**125**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**5**	**296**	**119**	**420**	**(19)**	**401**
Allocation of 2018 result	-	-	-	-	279	(279)	-	**-**	-	**-**
Coupon on perpetual bond (Note 20)	-	-	-	-	(66)	-	-	**(66)**	-	**(66)**
Tax on perpetual bond coupon (Note 20)	-	-	-	-	18	-	-	**18**	-	**18**
Dividends provided for or paid[1]	-	-	-	-	(364)	-	-	**(364)**	-	**(364)**
Acquisition of treasury shares	-	-	(50)	-	-	-	-	**(50)**	-	**(50)**
Share-based compensation expense	-	-	-	-	10	-	-	**10**	-	**10**
Exercise of share-based compensation	-	-	18	-	(36)	-	-	**(18)**	-	**(18)**
Sale of treasury shares	-	-	74	-	-	-	-	**74**	-	**74**
Other movements	-	-	-	-	-	-	-	**-**	-	**-**
At 31 December 2019	**719**	**1,636**	**(90)**	**1,300**	**2,519**	**296**	**(207)**	**6,173**	**83**	**6,256**

1 Dividends are presented net of dividends received on treasury shares of EUR 4 million.

2 The non-distributable items included in other reserves are described in Note 20.

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

Consolidated financial statements

Notes to the consolidated financial statements
31 December 2020

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 consolidated financial statements of SES as at and for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the Board of Directors on 24 February 2021. 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 2020.

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, effective from 1 January 2020 and adopted by the Group. Any new IFRS amendments, effective from 1 January 2020 and not mentioned below are not applicable to the Group.

1) **Amendment to IFRS 3 - Definition of a Business**

   The IASB has issued 'Definition of a Business (Amendments to IFRS 3)' aimed at resolving the difficulties which arise when an entity determines whether it has acquired a business or a group of assets.

   The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020. The adoption of this amendment did not have any impact on the Group's consolidated financial statements.

2) **Amendment to IAS 1 and IAS 8 on the definition of material**

   The IASB has issued 'Definition of Material (Amendments to IAS 1 and IAS 8)' to clarify the definition of 'material' and to align the definition used in the Conceptual Framework and the standards themselves.

   The amendments are effective for annual reporting periods beginning on or after 1 January 2020 and earlier application is permitted. The adoption of this amendment did not have any impact on the Group's consolidated financial statements.

3) **Amendments to References to the Conceptual Framework in IFRS standards**

   The IASB has published its revised 'Conceptual Framework for Financial Reporting'. Included are revised definitions of an asset and a liability as well as new guidance on measurement and derecognition, presentation and disclosure. The new Conceptual Framework does not constitute a substantial revision of the document as was originally intended when the project was first taken up in 2004. The adoption of these amendments did not have any impact on the Group's consolidated financial statements.

4) **Amendment to IFRS 16, "Leases" – COVID-19 related rent concessions**

As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs. The amendment is effective for annual reporting periods beginning on or after 1 June 2020. The adoption of this amendment 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 purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Non-controlling interests in the results and equity of subsidiaries are presented separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

Investments in associates

An associate is an entity in which the Group has significant influence but not control or joint control. The Group accounts for investments in associates using the equity method of accounting.

Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of the profit or loss of the associate. 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.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. 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 application to the relevant national and international regulatory authorities and are generally made available for a defined period. Where the Group has obtained such rights through the acquisition of subsidiaries, 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, 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 14.

(ii) Taxation

The Group operates in numerous tax jurisdictions and management is required to assess tax issues and exposures across its entire operations and to accrue for potential liabilities based on its interpretation of country-specific tax law and best estimates. In conducting this review management assesses the magnitude of the issue and the likelihood, based on experience and specialist advice, as to whether it will result in a liability for the Group. If this is deemed to be the case, then a provision is recognised for the potential taxation charges. More details are given in Notes 7 and 24.

One significant area of management's 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) Consolidation of entities in which the Group holds 50% or less

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

  Management has concluded that the Group controls Al Maisan Satellite Communication LLC ('Al Maisan'), even though it holds 35% economic interest in this subsidiary, since it has the majority of the voting rights on the Board of Directors of Al Maisan and there is no other effective control owning potential voting rights that could affect SES' control.

  SES has effective control over the relevant activities of Al Maisan, such as budget approval, appointment and removal of the CEO and senior management team as well as the effective control to appoint or remove the majority of the members of the Board of Directors. The entity is therefore consolidated with a 65% non-controlling interest (see Note 21).

- **LuxGovSat S.A.**

  SES and the Luxembourg government jointly incorporated the legal entity LuxGovSat S.A. ('LuxGovSat') as a limited liability company (Société Anonyme) under Luxembourg law. The Luxembourg government and SES subscribed equally in the equity of the new company. Management has concluded that the Group controls LuxGovSat, as SES has effective control over the relevant activities of the entity. It is therefore consolidated with a 50% non-controlling interest (see Note 21).

(iv) SES Government Solutions, Inc.

SES Government Solutions, Inc., USA (‘SES GS’) is subject to specific governance rules and is 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 which is being shared with industries. 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 required that SES GS enter into a proxy agreement because it is indirectly owned by SES and SES GS has contracts with the DOD which contain classified information. The Proxy Agreement enables SES GS 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 GS and other Group companies. The Proxy Holders, besides acting as directors of SES GS, are entitled to vote in the context of a trust relationship with SES on whose 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 GS 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 GS.

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 GS and has an exposure to variable returns from its involvement in SES GS, 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 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 also to choose a suitable pre-tax discount rate and terminal growth rate in order to calculate the present value of those cash flows. More details are given in Note 14.

(ii) Impairment testing for space segment assets

The Group assesses at each reporting date whether there is any indicator that an asset may be impaired. If any such indication exists, the Group determines an estimate of the recoverable amount, as the higher of: (1) the fair value less cost of disposal and, (2) its value in use, to determine whether the recoverable amount exceeds the carrying amount included in the consolidated financial statements. As far as this affects the Group’s satellite assets, the estimation of the value in use requires estimations of the future commercial revenues to be generated by each satellite, particularly related to new markets or services, and also the impact of past in-orbit anomalies and their potential impact on the satellite’s ability to provide its expected commercial service (Note 12).

(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 any deferred tax assets 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 these assets to be recovered.

(iv) Expected credit losses on trade receivables and unbilled accrued revenue

The Group estimates expected credit losses on trade receivables and unbilled accrued revenue using a provision matrix based on loss expectancy rates and forward-looking information. The Group records additional losses if circumstances or forward-looking information cause the Group to believe that additional collectability risk exists that is not reflected in the loss expectancy rates (Note 16).

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 losses.

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

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

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

Buildings	25 years
Space segment assets	10 to 18 years
Ground segment assets	3 to 15 years
Other fixtures, fittings, tools and equipment	3 to 15 years
Right-of-use assets	6 to 12 years

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

For reimbursable capitalised costs related to the procurement of satellites, launches, and upgraded ground facilities as part of the U.S. C-band repurposing project, the Group applies government grant accounting. The Group records credits to the recorded book values of the related asset when the costs have been incurred and the Group has obtained reasonable assurance that the costs will be reimbursed and that it will comply with the requirements attached to the reimbursement. See additional information in Note 33.

Assets in the course of construction

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

The cost of satellite construction may include an element of deferred consideration to satellite manufacturers referred to as satellite performance incentives. 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. Historically, the satellite manufacturers have earned substantially all of these payments. 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. 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 subsequently put into service and ready to operate in the manner intended by management, the expenditure is transferred to assets in use and depreciation commences.

Borrowing costs

Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalised 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 accounting policy for business combinations in Note 2.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill, from the acquisition date, is allocated to each of the Group's 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 using five-year business plans approved by the Board of Directors. Beyond a five-year period, cash flows are generally estimated on the basis of stable rates of growth or decline, although longer periods may be considered where relevant to accurately calculate the value in use.

Where goodwill forms part of a 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 programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

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

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. 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 indication exists, the recoverable amount of the asset or CGU is reviewed in order 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 income statement, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value and revalued through the 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 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 expensed over the term of those contracts.

Inventories

Inventories primarily consist of equipment held for re-sale, work-in-progress, related accessories and network equipment spares and are stated at the lower of cost or net realisable value, with cost determined on a weighted average-cost method.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Trade receivables

Trade receivables are recognised initially at fair value and 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 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 include 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.

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.

Revenue from provision of satellite capacity

For the Group's contracts to provide satellite capacity, the Group makes capacity 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 satellite capacity is 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. 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 contracts in which the Group sells both equipment and capacity services, the Group evaluates at contract inception whether the equipment and capacity services represent separate performance obligations. When they represent separate performance obligations, the Group allocates consideration to the equipment 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.

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 that are typically one year and represent assurance-type warranties. Standard warranties do not represent performance obligations that are 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.

Proceeds from sale of transponders

The proceeds of transponder sales are recognised in the period of the transaction at the time the Group transfers control of the transponders, which generally corresponds to the timing of transfer of title and risks and rewards associated with the holding of the transponders.

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 because costs incurred best reflect the pattern of transfer of control of the services to the customer.

Non-cash consideration

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.

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 balance sheet based on their nature.

C-band repurposing income

Income arising from settlements from the Relocation Payment 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 when either the Relocation Payment Clearinghouse validates the costs as being reimbursable or the costs fall within cost ranges for the applicable costs as published by the Federal Communications Commission (“FCC”) in a 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 financial statements for the year have been approved. Accordingly, dividends are recorded in the subsequent year’s 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 transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

Current taxes

Current tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from, or paid to, the tax authorities. The tax rates and 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) that 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 an asset or a liability, 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 deferred tax 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. The functional currency of all the significant subsidiaries is the local currency, except for SES Satellites Leasing Ltd, O3b Sales B.V. and New Skies Satellites B.V. whose functional currency is the US dollar.

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

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

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

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

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

	Average rate for 2020	**Closing rate for 2020**	Average rate for 2019	Closing rate for 2019
USD	**1.1384**	**1.2271**	1.1213	1.1234

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 bond, 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 take into account 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 finance income or cost.

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 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 cease 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 balance sheet, 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 into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the 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 Executive Incentive Compensation Plan ('EICP Plan'), and a Black Scholes Model for the Long-term Incentive Programme ('LTI'). Further details are given in Note 22. 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 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 10).

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. The fair value is determined using a binomial model, further details of which are given in Note 22.

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 20) 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 10).

Leases

The determination as to whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, primarily whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the Group has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

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

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

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate. At the commencement of the lease the Group recognises a lease asset and a lease liability. The lease liability is initially measured at present value of 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 to a portfolio of leases with similar characteristics; and
- not accounting for leases ending within 12 months of the date of the initial application, or the underlying asset has a low value.

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are relevant for the Group and effective for annual periods beginning after 1 January 2021, 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 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 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 1 January 2023. 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) **Amendment to IFRS 3, IAS 16, IAS 37**

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. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The amendments were not yet endorsed by the EU. The Group does not expect any significant impact of these amendments on its consolidated financial statements.

3) **Amendments to IFRS 4 "Insurance contracts – deferral of IFRS 9"**

The amendments extend the expiry date of the temporary exemption from applying IFRS 9 from 1 January 2021 to 1 January 2023 to align the effective dates of IFRS 9 Financial Instruments with IFRS 17 Insurance Contracts. The amendments were endorsed by the EU and are effective for annual periods beginning on or after 1 January 2021. The Group does not expect any significant impact of these amendments on its consolidated financial statements.

Note 3 - 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:

- analysis 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 single operating segment, the comparative prior year figures are analysed both as reported and at 'constant FX' - recomputed using the exchange rates applying for each month in the current period.

The segment's financial results for 2020 are set out below:

In millions of euros	**2020**	2019	Change Favourable +/- Adverse
Revenue	**1,876**	1,984	-5.4%
C-band repurposing income	**10**	-	N/m
Operating expenses	**(807)**	(767)	-5.2%
EBITDA	**1,079**	1,217	-11.3%
EBITDA margin (%)	**57.2%**	61.3%	-3.8% pts
Depreciation and impairment	**(808)**	(697)	-15.9%
Amortisation and impairment	**(189)**	(154)	-22.7%
Operating profit	**82**	366	-77.6%

Adjusted EBITDA	**1,152**	1,238	-6.9%
Adjusted EBITDA margin	**61.4%**	62.4%	-1.0% pts
C-band repurposing income	**10**	-	N/m
C-band operating expenses	**(43)**	-	N/m
Restructuring expenses	**(40)**	(21)	-90.5%
EBITDA	**1,079**	1,217	-11.3%

In millions of euros	**2020**	Constant FX 2019	Change Favourable +/- Adverse
Revenue	**1,876**	1,964	-4.5%
C-band repurposing income	**10**	-	N/m
Operating expenses	**(807)**	(760)	-6.2%
EBITDA	**1,079**	1,204	-10.4%
EBITDA margin (%)	**57.2%**	61.3%	-3.8% pts
Depreciation and impairment	**(808)**	(688)	-17.4%
Amortisation and impairment	**(189)**	(148)	-27.7%
Operating profit	**82**	368	-77.7%

Adjusted EBITDA	**1,152**	1,224	-5.9%
Adjusted EBITDA margin	**61.4%**	62.3%	-0.9% pts
C-band repurposing other income	**10**	-	N/m
C-band operating expenses	**(43)**	-	N/m
Restructuring expenses	**(40)**	(20)	-100%
EBITDA	**1,079**	1,204	-10.4%

Revenue by business unit

As reported and at constant FX, the revenue allocated to the relevant business units developed as follows:

In millions of euros	**2020**	2019	Constant FX 2019	Change Favourable + /- Adverse	Change Favourable +/- Adverse (constant FX)
SES Video	**1,108**	1,213	1,208	-8.6%	-8.3%
Underlying [1]	***1,108***	*1,210*	*1,205*	*-8.4%*	*-8.0%*
Periodic [2]	**-**	*3*	*3*	*N/m*	*N/m*
SES Networks	**767**	762	747	+0.6%	+2.6%
Underlying [1]	***759***	*734*	*720*	*+3.4%*	*+5.3%*
Periodic [2]	***8***	*28*	*27*	*-71.5%*	*-70.3%*
Sub-total	**1,875**	**1,975**	**1,955**	**-5.1%**	**-4.1%**
Underlying [1]	***1,867***	*1,944*	*1,925*	*-4.0%*	*-3.0%*
Periodic [2]	***8***	*31*	*30*	*-74.3%*	*-73.3%*
Other [3]	**1**	9	9	*N/m*	*N/m*
Group Total	**1,876**	**1,984**	**1,964**	**-5.4%**	**-4.5%**

In millions of euros	**2019**	2018	Constant FX 2018	Change Favourable + /- Adverse	Change Favourable +/- Adverse (constant FX)
SES Video	**1,213**	1,306	1,326	-7.1%	-8.5%
Underlying [1]	***1,210***	*1,292*	*1,312*	*-6.4%*	*-7.8%*
Periodic [2]	***3***	*14*	*14*	*-76.1%*	*-76.2%*
SES Networks	**762**	696	727	+9.5%	+4.7%
Underlying [1]	***734***	*671*	*702*	*+9.4%*	*+4.5%*
Periodic [2]	***28***	*25*	*25*	*+13.4%*	*+10.7%*
Sub-total	**1,975**	**2,002**	**2,053**	**-1.3%**	**-3.8%**
Underlying [1]	***1,944***	*1,963*	*2,014*	*-1.0%*	*-3.5%*
Periodic [2]	***31***	*39*	*39*	*-19.3%*	*-20.8%*
Other [3]	**9**	8	9	+2.4%	-1.2%
Group Total	**1,984**	**2,010**	**2,062**	**-1.3%**	**-3.8%**

1 "Underlying" revenue represents the core business of capacity sales, as well as associated services and equipment. This revenue may be impacted by changes in launch schedule and satellite health status.

2. "Periodic" revenue separates revenues that are not directly related to or would distort the underlying business trends. Periodic revenue includes: the outright sale of transponders or transponder equivalents; accelerated revenue from hosted payloads during the course of construction; termination fees; insurance proceeds; certain interim satellite missions and other such items when material

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

Revenue by category

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

2020 *In millions of euros*	**Revenue recognised at a point in time**	**Revenue recognised over time**	**Total**
Revenue from contracts with customers	**20**	**1,816**	**1,836**
Lease income	**-**	**40**	**40**
Total	**20**	**1,856**	**1,876**

2019 *In millions of euros*	**Revenue recognised at a point in time**	**Revenue recognised over time**	**Total**
Revenue from contracts with customers	17	1,916	1,933
Lease income	-	43	43
Other income	8	-	8
Total	25	1,959	1,984

Revenue from contracts with customers recognised at a point in time is related to sales of equipment or transponders and amounts to EUR 20 million in 2020 (2019: EUR 17 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. Our backlog was EUR 6.1 billion as of December 31, 2020, EUR 5.6 billion of which related to our 'protected' backlog and EUR 0.5 billion of which related to our 'unprotected' backlog. Approximately 28% of the backlog is expected to be recognised as revenue in 2021, approximately 17% in 2022, and approximately 14% in 2023, 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:

In millions of euros	**2020**	2019
Luxembourg (SES country of domicile)	**54**	60
United States of America	**590**	629
Germany	**368**	385
United Kingdom	**232**	253
France	**94**	91
Others - Europe	**196**	202
Others	**342**	364
Total	**1,876**	1,984

No single customer accounted for 10%, or more, of total revenue in 2020, or 2019.

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.

In millions of euros	**2020**	2019
Luxembourg (SES country of domicile)	**4,754**	4,821
United States of America	**2,808**	2,790
The Netherlands	**1,183**	1,512
Isle of Man	**900**	1,178
Sweden	**160**	163
Germany	**48**	98
Israel	**30**	84
Others	**130**	149
Total	**10,013**	10,795

Note 4 - Operating expenses

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

1) Cost of sales, which excludes staff costs and depreciation, represents expenditures which generally vary directly with revenue. They are incurred in order to deliver 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 12 million (2019: nil), C-band related expenses (Note 33).

In millions of euros	**2020**	2019
Rental of third-party satellite capacity	**(82)**	(75)
Customer support costs	**(55)**	(39)
Other cost of sales	**(154)**	(155)
Total cost of sales	**(291)**	(269)

2) Staff costs of EUR 330 million (2019: EUR 312 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 38 million (2019: EUR 14 million) and C-band related expenses of EUR 15 million (2019: nil). At the year-end the total full-time equivalent number of members of staff is 2,095 (2019: 2,159).

3) Other operating expenses in the amount of EUR 186 million (2019: EUR 186 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 2 million (2019: EUR 7 million) restructuring charges in connection with charges associated with the Group's ongoing optimisation programme (Note 24) and as well an amount of EUR 16 million (2019: nil) C-band related expenses (Note 33).

Note 5 - Audit and non-audit fees

For 2020 and 2019 the Group has recorded charges, billed and accrued, from its independent auditors and affiliated companies thereof, as set out below:

In millions of euros	**2020**	2019
Fees for statutory audit of annual and consolidated accounts	**2.2**	2.3
Fees charged for other assurance services	**0.1**	0.2
Fees charged for other non-audit services	**-**	-
Total audit and non-audit fees	**2.3**	2.5

'Other assurance services' represent primarily comfort letters issued in connection with treasury funding operations and interim dividends reviews.

Note 6 - Finance income and costs

In millions of euros	**2020**	2019
Finance income		
Interest income	**1**	4
Net foreign exchange gains[1]	**-**	3
Total	**1**	7
Finance costs		
Interest expense (excluding amounts capitalised)	**(123)**	(144)
Loan fees and origination costs and other	**(30)**	(29)
Net foreign exchange losses[1]	**(32)**	-
Total	**(185)**	(173)

[1] Net foreign exchange gains/losses are mostly related to revaluation of bank accounts, deposits and other monetary items denominated in US dollars.

Note 7 - 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:

In millions of euros	**2020**	2019
Current income tax		
Current income tax charge on result of the year	**(38)**	(86)
Adjustments in respect of prior periods	**(4)**	12
Foreign withholding taxes	**(9)**	(6)
Total current income tax	**(51)**	(80)
Deferred income tax		
Relating to origination and reversal of temporary differences	**73**	101
Relating to tax losses carried forward	**7**	38
Changes in tax rate	**(12)**	17
Adjustment of prior years	**(10)**	-
Total deferred income tax	**58**	156
Income tax benefit per consolidated income statement	**7**	76
Consolidated statement of changes in equity		
Current and Deferred Income tax related to items (charged) or credited directly in equity		
Post-employment benefit obligation	**1**	-
Impact of currency translation	**35**	(3)
Net investment hedge - current tax	**(29)**	7
Tax impact of the treasury shares impairment recorded in the stand-alone financial statements	**6**	6
Tax impact on perpetual bond	**18**	18
Current and deferred income taxes reported in equity	**31**	28

A reconciliation between the income tax benefit and the profit before tax of the Group multiplied by a theoretical tax rate of 25.69% (2019: 25.69%) which corresponds to the Luxembourg domestic tax rate for the year ended 31 December 2020 is as follows:

In millions of euros	**2020**	2019
Profit/(loss) before tax from continuing operations	**(102)**	200
Multiplied by theoretical tax rate	**(26)**	51
Effect of different foreign tax rates	**4**	(19)
Investment tax credits	**(64)**	(72)
Tax exempt income	**-**	1
Non-deductible expenditures	**9**	4
Taxes related to prior years	**4**	(5)
Effect of changes in tax rate	**15**	(20)
Other changes in group tax provision not included in separate lines	**-**	(2)
Impairment on investments in subsidiaries and other assets	**14**	(25)
Impact of deferred taxes	**31**	4
Foreign withholding taxes	**9**	6
Other	**(3)**	1
Income tax reported in the consolidated income statement	**(7)**	(76)

Effect of changes in tax rate

During 2020, the reduction of the general Dutch corporate income tax rate from 25% to 21.7% as of 1 January 2021 which had been adopted in 2019 was cancelled and the deferred tax assets and liabilities balances have been re-measured. The total impact of re-measurement was an income tax expense of EUR 15 million. All the above re-measurements were considered changes in accounting estimate in accordance with IAS 8.

Foreign withholding tax

The foreign withholding tax of EUR 9 million includes a provision of EUR 4 million for Indian withholding tax withheld by customers and paid to the Indian tax authorities. A final decision on Indian withholding taxes is still pending at the level of the Supreme Court. The remaining EUR 5 million mainly relates to the provision for Brazilian withholding tax and withholding tax charge withheld by our customers in various jurisdictions

Investment tax credits

In 2020, the continuing investment in the O3b mPOWER and SES-17 procurements triggered the recognition of deferred tax assets for investment tax credits of EUR 55 million (2019: EUR 43 million) and EUR 6 million respectively (2019: EUR 28 million). The remaining EUR 3 million of deferred tax assets for investment tax credits was recognised in connection with other investments by Group companies in Luxembourg.

Based on Luxembourg tax law, unused investment tax credits can be carried forward for ten years. SES believes that it is probable that sufficient taxable profits will be available in the Luxembourg fiscal unity in the future to use all the available investment tax credits.

GovSat-1 was successfully launched on 31 January 2018 and entered in operational service on 28 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 amount of EUR 4 million was reversed during 2020 (2019: EUR 5 million).

Impairment on subsidiaries and other assets

The impairment expense of EUR 64 million (2019: EUR 154 million) taken on the carrying value of subsidiary investments held by entities in Luxembourg resulted in a positive effective tax rate 'ETR' impact of EUR 17 million (2019: EUR 40 million).

The impairment expense of EUR 47 million (2019: EUR 64.0 million) relating to the goodwill booked in a German entity of the MX1 CGU resulted in a negative ETR impact of EUR 12 million (2019: EUR 14 million).

The impairment expense of EUR 72 million (2019: nil) on satellites owned by SES Satellites Leasing Ltd resulted in a negative ETR impact of EUR 19 million (2019: nil).

Note 8 - Deferred income tax

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

In millions of euros	**Deferred tax assets 2020**	Deferred tax assets 2019	**Deferred tax liabilities 2020**	Deferred tax liabilities 2019
Losses carried forward	**73**	71	**-**	-
Tax credits	**227**	168	**-**	-
Intangible assets	**27**	31	**(219)**	(207)
Tangible assets	**-**	-	**(123)**	(169)
Trade receivables	**13**	23	**-**	-
Other	**9**	9	**(27)**	(25)
Total deferred tax assets/(liabilities)	**349**	302	**(369)**	(401)
Offset of deferred taxes	**(36)**	(42)	**36**	42
Net deferred tax assets/(liabilities)	**313**	260	**(333)**	(359)

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 2020 the Group did not recognize any additional deferred tax assets for tax losses carried forward in Luxembourg (2019: EUR 29 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 34 million).

As a result of management's analysis of the recoverability of the deferred tax asset for Germany, an amount of EUR 10 million was reversed during 2020.

In addition to the recoverable tax losses for which the Group has recognised deferred tax assets, the Group has further tax losses of EUR 497 million as at 31 December 2020 (31 December 2019: EUR 437 million) which are available for offset against future taxable profits of the companies in which the losses arose. EUR 431 million (31 December 2019: 395 million) of these tax losses are generated in the US. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group and they have arisen in subsidiaries that are not expected to generate taxable profits against which these losses could be offset in the foreseeable future.

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:

Deferred tax assets	**Losses carried forward**	**Tax credits**	**Intangible assets**	**Receivables**	**Other**	**Total**
At 1 January 2019	**32**	**97**	**38**	**18**	**9**	**194**
(Charged)/credited to the income statement	39	71	(8)	5	-	107
Charged directly to equity	-	-	-	-	-	-
Exchange difference[1]	-	-	-	-	1	1
At 31 December 2019	**71**	**168**	**30**	**23**	**10**	**302**
(Charged)/credited to the income statement	3	60	(4)	(9)	1	51
Charged directly to equity	-	-	-	-	1	1
Exchange difference[1]	(2)	-	-	(1)	(2)	(5)
At 31 December 2020	**72**	**228**	**26**	**13**	**10**	**349**

Deferred tax liabilities	Intangible assets	Tangible assets	Other	Total
At 1 January 2019	**216**	**213**	**15**	**444**
Charged/(credited) to the income statement	(13)	(46)	10	(49)
Exchange difference[1]	4	2	-	6
At 31 December 2019	**207**	**169**	**25**	**401**
Charged/(credited) to the income statement	29	(38)	2	(7)
Exchange difference[1]	(17)	(8)	-	(25)
At 31 December 2020	**219**	**123**	**27**	**369**

[1] A foreign exchange impact arises due to the translation of Group's operations with a different functional currency than euro. This amounts to EUR 30 million as at 31 December 2020 (2019: EUR 6 million)

Note 9 - Components of other comprehensive income

In millions of euros	**2020**	2019
Impact of currency translation	**(624)**	143
Income tax effect	**35**	(3)
Total impact of currency translation, net of tax	**(589)**	140

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 euro, which is the Company's functional and presentation currency. 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 unrealised loss in 2020 of EUR 624 million (2019: unrealised gain of EUR 143 million) reflects the impact on the valuation of SES's net US dollar assets due to the weakening of the US dollar against the euro from 1.2271 to 1.1234 (2019: 1.1450 to 1.1234). This effect is partially offset by the impact of the net investment hedge (Note 18).

Note 10 - 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 bond.

For the year 2020, basic loss per share of EUR (0.30) per Class A share (2019: earnings per share of EUR 0.54), and EUR (0.12) per Class B share (2019: earnings per share of EUR 0.22) have been calculated on the following basis:

Profit attributable to the owners of the parent for calculating basic earnings per share was as follows:

In millions of euros	**2020**	2019
Profit attributable to owners of the parent	**(86)**	296
Assumed coupon on perpetual bond (net of tax)	**(49)**	(49)
Total	**(135)**	247

Assumed coupon accruals of EUR 49 million (net of tax) for the year ended 31 December 2020 (2019: EUR 49 million) related to the perpetual bonds issued during 2016 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 20, net of own shares held, for calculating basic earnings per share was as follows:

	2020	2019
Class A shares (in million)	**378.4**	378.0
Class B shares (in million)	**191.7**	191.7
Total	**570.1**	569.7

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 the year 2020, diluted loss per share of EUR (0.30) per Class A share (2019: earnings per share of EUR 0.54), and EUR (0.12) per Class B share (2019: earnings per share of EUR 0.22) have been calculated on the following basis:

In millions of euros	**2020**	2019
Profit attributable to owners of the parent	**(86)**	296
Assumed coupon on perpetual bond (net of tax)	**(49)**	(49)
Total	**(135)**	247

The weighted average number of shares, net of own shares held, for calculating diluted earnings per share was as follows:

	2020	2019
Class A shares (in million)	**381.3**	379.6
Class B shares (in million)	**191.7**	191.7
Total	**573.0**	571.3

Note 11 - Dividends paid and proposed

Dividends declared are paid net of any withholding tax (2020: EUR 20 million, 2019: EUR 37 million).

Dividends declared and paid during the year:

In millions of euros	**2020**	2019
Class A dividend for 2019: EUR 0.40 (2018: EUR 0.80)	**153**	307
Class B dividend for 2019: EUR 0.16 (2018: EUR 0.32)	**31**	61
Total	**184**	368

Dividends proposed for approval at the annual general meeting to be held on 1 April 2021, which are not recognised as a liability as at 31 December 2020:

In millions of euros	**2021**	2020
Class A dividend for 2020: EUR 0.40 (2019: EUR 0.40)	**153**	153
Class B dividend for 2020: EUR 0.16 (2019: EUR 0.16)	**31**	31
Total	**184**	184

Note 12 - Property, plant and equipment

In millions of euros	Land and buildings	Space segment	Ground Segment	Other fixtures and fittings, tools and equipment	Total
Cost					
As at 1 January 2020	**290**	**12,054**	**834**	**215**	**13,393**
Additions	5	-	8	2	15
Disposals	(2)		(1)	(1)	(4)
Retirements[1]	(6)	(285)	(1)	(2)	(294)
Transfers from assets in course of construction (Note 13)	3	-	15	23	41
Transfers between categories	-	-	1	(1)	-
Impact of currency translation	(12)	(678)	(45)	(7)	(742)
As at 31 December 2020	**278**	**11,091**	**811**	**229**	**12,409**

In millions of euros	Land and Buildings	Space Segment	Ground Segment	Other fixtures and fittings, tools and equipment	Total
Depreciation					
As at 1 January 2020	**(178)**	**(7,335)**	**(536)**	**(158)**	**(8,207)**
Depreciation	(21)	(527)	(57)	(20)	(625)
Impairment expense	-	(229)	-	-	(229)
Impairment reversal		46			46
Disposals	-	-	1	1	2
Retirements[1]	6	285	1	2	294
Impact of currency translation	7	439	29	5	480
As at 31 December 2020	**(186)**	**(7,321)**	**(562)**	**(170)**	**(8,239)**
Net book value as at 31 December 2020	**92**	**3,770**	**249**	**59**	**4,170**

1 Satellites AMC-7 and ASTRA 1F were retired in 2020

In millions of euros	Land and buildings	Space segment	Ground Segment	Other fixtures and fittings, tools and equipment	Total
Cost					
As at 1 January 2019	**282**	**11,676**	**752**	**200**	**12,910**
Additions	12	9[1]	9	6	36
Disposals	(8)	(15)[2]	(3)	(2)	(28)
Retirements	-	(361)[3]	(3)	(2)	(366)
Transfers from assets in course of construction (Note 13)	-	599[4]	67	8	674
Transfers from intangible assets	-	-	5	2	7
Transfers between categories	1	(2)	(1)	2	-
Impact of currency translation	3	148	8	1	160
As at 31 December 2019	**290**	**12,054**	**834**	**215**	**13,393**

In millions of euros	Land and Buildings	Space Segment	Ground Segment	Other fixtures and fittings, tools and equipment	Total
Depreciation					
As at 1 January 2019	**(163)**	**(7,028)**	**(473)**	**(140)**	**(7,804)**
Depreciation	(18)	(561)	(64)	(21)	(664)
Impairment expense	-	(33)	-	-	(33)
Disposals	4	15[2]	3	2	24
Retirements	-	361[3]	3	2	366
Impact of currency translation	(1)	(89)	(5)	(1)	(96)
As at 31 December 2019	**(178)**	**(7,335)**	**(536)**	**(158)**	**(8,207)**
Net book value as at 31 December 2019	**112**	**4,719**	**298**	**57**	**5,186**

1 Addition of 17 AMC-8 transponders (including EUR 6 million non-cash transaction)

2 Sale of 2 AMC-18 transponders (non-cash transaction)

3 AMC-10 and ASTRA 1H were retired in 2019

4 SES-12 and O3b satellites 17-20 became operational during 2019

The Group's policy in setting the useful economic life of its satellites is to initially use the design life and then, once sufficient time has passed to allow for any 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, if any.

The review in 2020 resulted in revisions to the remaining useful economic lives of four GEO satellites and five MEO satellites resulting in a net decrease in the depreciation expense for the year of EUR 17 million. The impact of the changes to the four GEO satellites was a decrease of EUR 5 million and the impact of the changes to the five MEO satellites was a net decrease of EUR 12 million. The corresponding review in 2019 resulted in revisions to the useful economic lives of four GEO satellites with a net decrease in the depreciation expense for the year of EUR 8 million.

As at 31 December 2020, the amount of the property, plant and equipment pledged in relation to the Group's liabilities is nil (2019: nil). For further information related to right-of-use assets, see Note 29.

Impairment of space segment assets

In 2020, the net impairment expense for space segment assets recorded was EUR 183 million (2019: EUR 33 million), comprising impairment expenses of EUR 229 million offset by impairment reversals of EUR 46 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.

In millions of euros	Carrying value	Value in use	Discount rate	Impairment expense
2020 – Expense	814	585	5.8% - 7.1%	229
2020 – Reversal	140	186	5.8% - 7.1%	(46)
2020 – Net impact				183
2019	285	252	6.3% - 8.1%	33

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 – or timing of - the satellites (for example the placement of a particular satellite into inclined orbit) or associated ground segment infrastructure.

Specific developments largely in the second half of 2020 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 asset, 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 52 million would be recorded. A 1% increase in the discount rate at a constant EBITDA level would increase satellite impairments by EUR 23 million. Taken separately, a 5% decrease in EBITDA would increase satellite impairments by EUR 29 million.

Note 13 - Assets in the course of construction

In millions of euros	Land and Buildings	Space segment	Ground segment	Fixtures, tools & equipment	Total
Cost and net book value as at 1 January 2020	**1**	**842**	**60**	**21**	**924**
Movements in 2020					
Additions[1]	-	766	69	26	**861**
Transfers to assets in use (Note 12)	(3)	-	(15)	(23)	(41)
Transfer to intangible assets (Note 14)			(5)	(1)	(6)
Transfer between categories	3	-	(12)	9	-
Impact of currency translation	-	(79)	(7)	(1)	(87)
Cost and net book value as at 31 December 2020	**1**	**1529**	**90**	**31**	**1651**

[1] Additions related to O3b mPOWER, SES-17, C-band repurposing (including EUR 702 million non-cash transactions)

In millions of euros	Land and Buildings	Space segment	Ground segment	Fixtures, tools & equipment	Total
Cost and net book value as at 1 January 2019	**-**	**831**	**69**	**7**	**907**
Movements in 2019					
Additions	1	600	57	21	679
Transfers to assets in use (Note 12)	-	(599)	(67)	(8)	(674)
Impact of currency translation	-	10	1	1	12
Cost and net book value as at 31 December 2019	**1**	**842**	**60**	**21**	**924**

Borrowing costs of EUR 5 million (2019: EUR 8 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 3.34% (2019: 3.73%) 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 3.14% (2019: 3.63%). During 2020 the Group recognised EUR 405 million (2019: EUR 291 million) additions in respect of the O3b mPOWER arrangement and EUR 47 million (2019: EUR 181 million) additions in respect of the SES-17 construction, described in Note 27 and as well EUR 313 million (2019: nil) additions for C-band repurposing (Note 33). 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 14 - Intangible assets

In millions of euros	Orbital slot licence rights (indefinite-life)	Goodwill	Orbital slot licence rights (definite life)	Other definite life intangibles	Internally generated development costs	Total
Cost						
As at 1 January 2020	**2,095**	**2,398**	**776**	**458**	**39**	**5,766**
Additions	-	-	-	2	45	47
Retirement	-	-	-	(6)	-	(6)
Transfers from assets in course of construction	-	-	-	24	(24)	-
Transfers from assets under constructions, property, plant and equipment (Note 13)	-	-	-	7	(1)	6
Impact of currency translation	(165)	(225)	(5)	(15)	(1)	(411)
As at 31 December 2020	**1,930**	**2,173**	**771**	**470**	**58**	**5,402**
Amortisation						
As at 1 January 2020	**-**	**(134)**	**(587)**	**(360)**	**-**	**(1,081)**
Amortisation	-	-	(44)	(51)	-	(95)
Impairment	(14)	(51)	-	(29)	-	(94)
Retirement	-	-	-	6	-	6
Impact of currency translation	-	38	1	15	-	54
As at 31 December 2020	**(14)**	**(147)**	**(630)**	**(419)**	**-**	**(1,210)**
Net book value as at 31 December 2020	**1,916**	**2,026**	**141**	**51**	**58**	**4,192**

In millions of euros	Orbital slot licence rights (indefinite-life)	Goodwill	Orbital slot licence rights (definite life)	Other definite life intangibles	Internally generated development costs	Total
Cost						
As at 1 January 2019	**2,058**	**2,348**	**770**	**440**	**27**	**5,643**
Additions	1	-	6	9	29	45
Retirement	-	-	-	(4)	-	(4)
Transfers from assets in course of construction	-	-	-	10	(10)	-
Transfers to property, plant and equipment				-	(7)	(7)
Impact of currency translation	36	50	-	3	-	89
As at 31 December 2019	**2,095**	**2,398**	**776**	**458**	**39**	**5,766**
Amortisation						
As at 1 January 2019	**-**	**(63)**	**(549)**	**(310)**	**-**	**(922)**
Amortisation	-	-	(38)	(52)	-	(90)
Impairment	-	(64)	-	-	-	(64)
Retirement	-	-	-	4	-	4
Impact of currency translation	-	(7)	-	(2)	-	(9)
As at 31 December 2019	**-**	**(134)**	**(587)**	**(360)**	**-**	**(1,081)**
Net book value as at 31 December 2019	**2,095**	**2,264**	**189**	**98**	**39**	**4,685**

Indefinite-life intangible assets

The Group's indefinite-life intangible assets comprise primarily goodwill and orbital slot licence rights.

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) Perpetuity growth rates

   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.

Goodwill

Management identified the following CGUs at the level of which goodwill is allocated: SES GEO operations, SES MEO operations, MX1, and Other.

- SES GEO operations: The level of integration of SES GEO operations has led management to conclude that it represents a single group of CGUs to which the goodwill is allocated for impairment test purposes.
- SES MEO operations: SES MEO operations, representing the O3b Networks business acquired in 2016, is considered a separate CGU, as the business generates cash inflows that are currently largely independent from SES's GEO operations (see Note 2). For the MEO CGU, the impairment test period was extended beyond the five-year period, to 2034. This extension is necessary to fully capture the contracted capital expenditure and expected growth of the business in connection with the O3b mPOWER constellation, which is expected to launch in 2021, as well as properly reflect the timing of the replacement capital expenditure.
- MX1: The MX1 CGU represents SES's media services business, comprised of the legacy SES Platform Services business in Germany and the legacy RR Media business in Israel, which were brought together following the acquisition of RR Media in 2016. This video services business generated largely separate cash flows in 2019 and 2020 and hence was considered a separate CGU.

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

	2020	2019
SES GEO operations	**8.04%**	8.37%
SES MEO operations	**7.97%**	9.32%
MX1	**8.43%**	8.09%

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. Specifically, the risk-free rate reduced significantly, especially the USD-based rate applied to SES MEO operations, and market risk premiums also decreased over the course of 2020.

The terminal growth rate used in the valuations is 0.5% (2019: 2.0%) for SES GEO operations, 2.0% (2019: 2.0%) for SES MEO operations and 2.0% (2019: 2.0%) for MX1. 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 of the companies concerned over a longer period. The lower rate applied to SES GEO operations reflects the projected growth expectations approaching the end of the business planning period, and is benchmarked using expected growth rates for wide-beam and high-throughput satellites from external data sources.

As a result of the impairment tests conducted as of 31 December 2020, no impairment expense was recorded on the carrying value of goodwill in either SES GEO operations or SES MEO operations.

- For SES GEO operations, the inclusion for the first time of future net cash inflows in connection with the Group's ongoing spectrum-clearing activities in the United States (see Note 33), which have an after-tax net present value of EUR 2,264 million, largely offset the effect of a lower perpetual growth rate assumption (EUR 1,558 million) and decrease in the present value of net cash inflows from the business due to revised commercial assumptions. Management has included 100% of the accelerated relocation payments due to the confidence around a successful clearing.
- For SES MEO operations, a decrease in the discount rate (positive impact of EUR 830 million) largely offsets changes in the projected business cash flows (negative impact of EUR 1,116 million) – including the inclusion for the first time of the four additional O3b mPOWER satellites contracted during the year. This augmentation of the O3b mPOWER fleet serves to decrease launch risk, as the O3b mPOWER launches are now spread over four separate launches, and also provides additional business opportunities due to the ability to provide increased throughput to each client terminal.

An impairment expense of EUR 80 million was recorded relating to the MX1 CGU (2019: EUR 64 million). The impairment reflects business developments over the past year, most notably management's continuing repositioning of the service offering of the business in preparation for its integration into the Group's wider Video business unit. The goodwill for this CGU is now fully written off, with the carrying value in use of EUR 113 million reflecting the value of the tangible fixed assets and working capital of MX1 which are deemed to be at their fair or recoverable value. The previous estimate of value in use was EUR 220 million.

For all three CGUs, the updated business plan approved by the SES Board of Directors in December 2020 reflects the impact of COVID-19 on each of the CGUs.

Arising from the impairment reviews above, the Group's remaining goodwill has a net book value as at 31 December 2020 and 2019 by CGU as presented below:

In millions of euros	**2020**	2019
SES GEO operations	**1,883**	2,054
SES MEO operations	**138**	153
MX1	**-**	51
Other (SES GS)	**5**	6
Total	**2,026**	2,264

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:

- SES GEO operations: no impairment would be recorded applying the most adverse combination of developments (a 1% increase in discount rates and 1% decrease in the perpetual growth rate)
- SES MEO CGU: whilst SES MEO operations would not require impairment in the case of a 1% decrease in the perpetual growth rate, it would require an impairment of EUR 317 million in the case of a 1% increase in the discount rate and of EUR 547 million were there to be a combination of a 1% higher discount rate and a 1% lower perpetual growth rate.
- MX1: since the goodwill has now been reduced to a carrying value of zero, no further impairment exposure remains.

Taken separately from changes in discount and perpetuity growth rates, a 5% reduction in EBITDA would not lead to an impairment expense in the SES GEO or SES MEO CGUs, nor any additional impairment in the MX1 CGU.

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. For this reason, the Group aggregates the GEO orbital slot licence rights in Europe, the U.S., Canada, and Mexico into separate CGUs. All other GEO orbital slot licence rights are not separable and do not generate separate cash flows, and thus are considered a single CGU, "International". 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:

	2020	2019
SES MEO operations	**7.97%**	9.32%
SES GEO operations:		
Europe	**9.04%**	9.37%
U.S., Canada, Mexico, and International	**9.15%**	10.12%

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 rate used in the valuations is 0.5% for GEO operations and 2% for MEO operations (2019: 2% for both GEO and MEO operations), which reflects the most recent long-term planning assumptions approved by the Board of Directors and can be supported by reference to the trading performance of the companies concerned over a longer period.

The Group recorded impairment expenses of EUR 14 million on orbital slot licence rights for the year ending 31 December 2020 (2019: nil).

The orbital slot license rights have a net book value as at 31 December 2020 and 2019 by CGU as presented below:

In millions of euros	**2020**	2019
MEO operations	**1,038**	1,134
Europe	**146**	150
U.S.	**294**	322
Canada	**-**	7
Mexico	**6**	7
International	**432**	475
Total	**1,916**	2,095

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.

For orbital slot licence rights, the least favourable case - a combination of lower terminal growth rates and higher discount rates - would not lead to any impairment expenses of any orbital slot licence right CGU.

Definite-life intangible assets

The definite-life intangible assets as at 31 December 2020 have a net book value by CGU as presented below:

In millions of euros	**2020**	
	Orbital slot licence rights	**Other**
Luxembourg	130	24
Israel	-	2
Brazil	7	-
Other	4	25
Total	**141**	**51**

The definite-life intangible assets as at 31 December 2019 have a net book value by CGU presented below:

In millions of euros	**2019**	
	Orbital slot licence rights	**Other**
Luxembourg	173	25
Israel	-	45
Brazil	11	1
Other	5	27
Total	**189**	**98**

The Group's primary definite life intangible asset is 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 - are being amortised on a straight-line basis over the 21-year term of the agreement.

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 will also contribute a maximum of EUR 7 million per year into a space sector fund.

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 2020, the amount of the intangible assets pledged in relation to the Group's liabilities is nil (2019: nil).

Note 15 - Assets and liabilities related to contracts with customers

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

In millions of euros	**2020**	2019
Current contract assets		
Trade debtors	**393**	525
Provision for trade debtors	**(93)**	(94)
Trade debtors, net of provisions	**300**	431
Unbilled accrued revenue	**127**	122
Provision for unbilled accrued revenue	**(2)**	(13)
Unbilled accrued revenue, net of provisions	**125**	109
Deferred customer contract costs	**10**	18
	435	558
Non-current contract assets		
Unbilled accrued revenue	**275**	291
Provision for unbilled accrued revenue	**(7)**	(6)
Unbilled accrued revenue, net of provisions	**268**	285
Deferred customer contract costs	**9**	18
	277	303
Current contract liabilities		
Deferred income	**454**	467
Non-current contract liabilities		
Deferred income	**296**	317

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

In millions of euros	Non-current	Current
As at 1 January 2020	**317**	**467**
Revenue recognised during the year	-	(1,184)
New billings	-	1,236
Other movements*	(12)	(50)
Impact of currency translation	(9)	(15)
As at 31 December 2020	**296**	**454**

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

In millions of euros	Non-current	Current
As at 1 January 2019	**370**	**476**
Revenue recognised during the year	-	(1,309)
New billings	-	1,268
Other movements*	(56)	28
Impact of currency translation	3	4
As at 31 December 2019	**317**	**467**

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

Note 16 - Trade and other receivables

In millions of euros	**2020**	2019
Trade receivables, net of provisions	**300**	431
Unbilled accrued revenue, net of provisions	**393**	394
Other receivables	**63**	50
Total trade and other receivables	**756**	875
Of which:		
Non-current	**268**	285
Current	**488**	590

Unbilled accrued revenue represents revenue recognised, but not billed, for satellite capacity under long-term contracts. Billing will occur based on the terms of the contracts. The non-current balance represents entirely unbilled accrued revenue. Other receivables include EUR 21 million (2019: nil) to be received as part of the C-band repurposing project (refer to Note 33).

An amount of EUR 35 million (2019: EUR 32 million) was expensed in 2020 reflecting an increase in the impairment of trade and other receivables. This amount is recorded in 'Other operating expenses'. As at 31 December 2020, trade and other receivables with a nominal amount of EUR 102 million (2019: EUR 113 million) were impaired. Movements in the provision for the impairment of trade and other receivables were as follows:

In millions of euros	**2020**	2019
As at 1 January	**113**	92
Increase in provision	**77**	44
Reversals of provision	**(42)**	(12)
Utilised	**(39)**	(12)
Impact of currency translation	**(7)**	1
As at 31 December	**102**	113

Note 17 - 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.

In line with 2019, as at 31 December 2020, 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 COFACE, Fixed Term Loan Facility (LuxGovSat) 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 2020

In millions of euros	Fair value hierarchy	Carried at amortised costt Carrying amount	Fair value	Carried at fair value Carrying amount	Total Balance Sheet
As at 31 December 2020					
Financial assets					
Non-current financial assets:					
Other financial assets		14	14	-	14
Trade and other receivables		268	268	-	268
Total non-current financial assets		**282**	**282**	**-**	**282**
Current financial assets:					
Trade and other receivables		488	488	-	488
Cash and cash equivalents		1,162	1,162	-	1,162
Total current financial assets		**1,650**	**1,650**	-	**1,650**
Financial liabilities					
Borrowings:					
At floating rates:					
Syndicated loan 2019*	2	-	-	-	-
COFACE	2	81	81	-	81
German Bond 2024 (EUR 150 million), non-listed	2	150	152	-	150
At fixed rates:					
Eurobond 2021 (EUR 650 million)	2	555	560	-	555
US Bond 2023 (USD 750 million)	2	610	648	-	610
German Bond 2025 (EUR 250 million), non-listed	2	249	266	-	249
Eurobond 2026 (EUR 500 million)	2	496	529	-	496
Euro Private Placement 2027 (EUR 140 million) issued under	2				
EMTN		140	167	-	140
Eurobond 2027 (EUR 500 million)	2	497	508	-	497
Eurobond 2028 (EUR 400 million)	2	395	426.0	-	395
Fixed Term Loan Facility (LuxGovSat)	2	115	139		115
German Bond 2032 (EUR 50 million), non-listed	2	50	63	-	50
US Bond 2043 (USD 250 million)	2	197	211	-	197
US Bond 2044 (USD 500 million)	2	395	429.0	-	395
Total borrowings		**3,930**	**4,179**		**3,930**
Non-current financial liabilities:		**4,779**	**5,020**	**-**	**4,779**
Non-current borrowings		3,317	3,558	-	3,317
Lease liabilities		25	25	-	25
Fixed assets suppliers		1,310	1,310	-	1,310
Other long-term liabilities		127	127	-	127
Current financial liabilities:		**992**	**1,000**	**-**	**992**
Current borrowings		613	621	-	613
Lease liabilities		12	12	-	12
Fixed assets suppliers		67	67	-	67
Trade and other payables		300	300	-	300

* As at 31 December 2020 no amount has been drawn down under this facility. As a consequence, the remaining balance of loan origination cost of the Syndicated Loan has been disclosed under prepaid expenses for an amount of EUR 3 million.

As at 31 December 2019

In millions of euros	Fair value hierarchy	Carried at amortised Carrying amount	Fair value	Carried at fair value Carrying amount	Total Balance Sheet
As at 31 December 2019					
Financial assets					
Non-current financial assets:					
Other financial assets		12	12	-	12
Trade and other receivables		285	285	-	285
Total non-current financial assets		**297**	**297**	**-**	**297**
Current financial assets:					
Trade and other receivables		590	590	-	590
Cash and cash equivalents		1,155	1,155	-	1,155
Total current financial assets		**1,745**	**1,745**	-	**1,745**
Financial liabilities					
Borrowings:					
At floating rates:					
Syndicated loan 2019*	2	-	-	-	-
COFACE	2	120	121	-	120
German Bond 2024 (EUR 150 million), non-listed	2	150	151	-	150
At fixed rates:					
Eurobond 2020 (EUR 650 million)	2	650	656	-	650
Eurobond 2021 (EUR 650 million)	2	649	686	-	649
US Bond 2023 (USD 750 million)	2	666	683	-	666
German Bond 2025 (EUR 250 million), non-listed	2	249	262	-	249
Eurobond 2026 (EUR 500 million)	2	495	517	-	495
Euro Private Placement 2027 (EUR 140 million) issued under EMTN	2	140	168	-	140
Eurobond 2027 (EUR 500 million)	2	497	486	-	497
Fixed Term Loan Facility (LuxGovSat)	2	115	137		115
German Bond 2032 (EUR 50 million), non-listed	2	50	60	-	50
US Bond 2043 (USD 250 million)	2	215	209	-	215
US Bond 2044 (USD 500 million)	2	432	423	-	432
Total borrowings		**4,428**	**4,559**		**4,428**
Non-current financial liabilities:		**4,558**	**4,668**	**-**	**4,558**
Non-current borrowings		3,737	3,847	-	3,737
Lease liabilities		30	30	-	30
Fixed assets suppliers		623	623	-	623
Other long-term liabilities		168	168	-	168
Current financial liabilities:		**1,188**	**1,208**	**-**	**1,188**
Current borrowings		691	711	-	691
Lease liabilities		11	11	-	11
Fixed assets suppliers		135	135	-	135
Trade and other payables		351	351	-	351

* As at 31 December 2019 no amount has been drawn down under this facility. As a consequence, the remaining balance of loan origination cost of the Syndicated Loan has been disclosed under prepaid expenses for an amount of EUR 4 million.

Note 18 - Financial risk management objectives and policies

The Group's financial instruments, other than derivatives, comprise: a syndicated loan, Eurobonds, US dollar bonds (144A), an Euro-dominated Private Placement, German Bonds ('Schuldschein'), drawings under Coface and under a committed credit facility for specified satellites under construction, 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 so as 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, among others, the liquidity of the Group in order 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 4,604 million as at 31 December 2020 and EUR 4,260 million as at 31 December 2019 - more details in Note 23).

The table below summarises the projected contractual undiscounted cash flows based on the maturity profile as at 31 December 2020 and 2019.

In millions of euros	Within 1 year	Between 1 and 5 years	After 5 years	Total
As at 31 December 2020:				
Borrowings	613	1,117	2,234	3,964
Future interest commitments	119	305	656	1,080
Trade and other payables	300	-	-	300
Other long-term liabilities	-	127	-	127
Lease liabilities	13	26	4	43
Fixed assets suppliers	67	1,310	-	1,377
Total maturity profile	**1,112**	**2,885**	**2,894**	**6,891**
As at 31 December 2019:				
Borrowings	691	1,549	2,222	4,462
Future interest commitments	151	347	748	1,246
Trade and other payables	351	-	-	351
Other long-term liabilities	-	168	-	168
Lease liabilities	13	29	6	48
Fixed assets suppliers	135	623	-	758
Total maturity profile	**1,341**	**2,716**	**2,976**	**7,033**

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: 51.4% (2019: 50.5%) of the Group's sales and 57.7% (2019: 52.9%) of its operating expenses being denominated in US dollars. The Group does not enter into derivative instruments to hedge these currency exposures.

The Group uses predominantly 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 2020 and 2019, 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, MX1 Ltd in Israel and the operational entities providing the O3b MEO services ('O3b Networks') to hedge the Group's exposure to foreign exchange risk on these investments.

As at 31 December 2020, all designated net investment hedges were assessed to be highly effective and a total gain of EUR 84 million, stated net of tax of EUR 29 million is included as part of other comprehensive income for the period (2019: loss EUR 20 million net of tax of EUR 7 million).

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

	2020 USD	2019 USD
USD statement of financial position exposure:		
SES Americas	**2,729**	2,855
SES Netherlands	**4,733**	4,649
SES Satellite Leasing Limited	**984**	1,193
MX1 Ltd, Israel	**47**	104
O3b Networks[1]	**-**	181
Total	**8,493**	8,982
Hedged with:		
US Bonds	**1,500**	1,500
Total	**1,500**	1,500
Hedged proportion	**18%**	17%

[1] O3b Networks moved under SES Netherlands during 2020

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 account with no impact on profit and loss.

31 December 2020	Amount in USD million	Amount in EUR million at closing rate of 1.2271	Amount in EUR million at rate of 1.47	Amount in EUR million at rate of 0.98
USD statement of financial position exposure:				
SES Americas	2,729	2,224	1,856	2,785
SES Netherlands	4,733	3,857	3,220	4,829
SES Satellite Leasing Limited	984	802	669	1,004
MX1 Ltd, Israel	47	38	32	48
Total	**8,493**	**6,921**	**5,777**	**8,666**
Hedged with:				
US Bonds	1,500	1,222	1,020	1,531
Other external borrowings	-	-	-	-
Total	**1,500**	**1,222**	**1,020**	**1,531**
Hedged proportion	18%			
Absolute difference without hedging			(1,144)	1,745
Absolute difference with hedging			(942)	1,437

31 December 2019	Amount in USD million	Amount in EUR million at closing rate of 1.1234	Amount in EUR million at rate of 1.3500	Amount in EUR million at rate of 0.9000
USD statement of financial position exposure:				
SES Americas	2,855	2,542	2,115	3,172
SES Netherlands	4,649	4,138	3,444	5,165
SES Satellite Leasing Limited	1,193	1,062	884	1,326
MX1 Ltd, Israel	104	92	77	115
O3b Networks	181	161	134	201
Total	**8,982**	**7,996**	**6,653**	**9,980**
Hedged with:				
US Bonds	1,500	1,335	1,111	1,667
Other external borrowings	-	-	-	-
Total	**1,500**	**1,335**	**1,111**	**1,667**
Hedged proportion	17%			
Absolute difference without hedging			(1,342)	1,985
Absolute difference with hedging			(1,118)	1,653

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 2020 and 31 December 2019, the Group had no interest rate hedges outstanding.

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

In millions of euros	At fixed rates	At floating rates	Total
Borrowings at 31 December 2020	**3,699**	**231**	**3,930**
Borrowings at 31 December 2019	4,158	270	4,428

In the course of 2020, the Group repaid a maturing USD 650 million senior bond and a total amount of EUR 41 million related to various Coface instalments.

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 nil basis points or a decrease of 9 basis points (2019: increase of 10 basis points or a decrease of nil basis points).

Euro interest rates *In millions of euros*	Floating rate borrowings	Increase in rates Pre-tax impact	Decrease in rates Pre-tax impact
Borrowings at 31 December 2020	**231**	**-**	**0.2**
Borrowings at 31 December 2019	270	-	0.3

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.

While cash and cash equivalents are also subject to impairment testing, there was no impairment loss identified as at 31 December 2020.

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 and 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 2020 and 31 December 2019 is as follows:

In millions of euros

31 December 2020	**Current**	**Less than 1 month**	**Between 1 and 3 months**	**More than 3 months**	**Total**
Average expected loss rate (by portfolio)	4.1%	5.1%	7.5%	12.1%	
Gross carrying amount – trade receivables	164	40	33	156	393
Provision	**-**	**-**	**1**	**8**	**9**

31 December 2019	**Current**	**Less than 1 month**	**Between 1 and 3 months**	**More than 3 months**	**Total**
Average expected loss rate (by portfolio)	3.3%	4.0%	6.7%	12.1%	
Gross carrying amount – trade receivables	244	55	71	156	526
Provision	**-**	**-**	**-**	**5**	**5**

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. An additional provision for trade receivables of EUR 84 million has been recorded as at 31 December 2020 (31 December 2019: EUR 89 million), of which approximately EUR 10 million (2019: 0) represents an incremental estimated provision for cruise and aero customers that have been most significantly affected by the COVID-19 pandemic.

The provision in respect of unbilled accrued revenue as at 31 December 2020 amounts to EUR 9 million and the corresponding expected credit loss is 2.2% (31 December 2019: EUR 19 million and the corresponding expected credit losses is 4.6%).

The movement in provisions for trade receivables and unbilled accrued revenue as at 31 December 2020 and 2019 are as follows:

In millions of euros	Provisions for trade receivables		Provisions for unbilled accrued revenue	
	2020	2019	**2020**	2019
Opening provision as at 1 January - calculated under IFRS 9	**94**	**66**	**19**	**26**
Increase in provision recognised in profit or loss during the year	75	39	2	5
Receivables written off during the year as uncollectible	(28)	(4)	(11)	(8)
Unused amount reversed	(41)	(8)	(1)	(4)
Impact of currency translation	(7)	1	-	-
At 31 December	**93**	**94**	**9**	**19**

C-band repurposing receivables

The Group has recorded C-band repurposing receivables 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 2020 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's policy is to attain, and retain, a stable BBB- rating with Standard & Poor's and a stable Baa2 rating with Moody's. This investment grade rating serves to maintain investors, creditors, rating agency and market confidence. Within this framework, the Group manages its capital structure and liquidity in order to reflect changes in economic conditions to keep its cost of debt low, maintain the confidence of debt investors at a high level and to create added value for the shareholder. The Group's dividend policy takes into account the financial performance of the year, cash flow developments and other factors such as yield and pay-out ratio.

Note 19 - Cash and cash equivalents

In millions of euros	**2020**	2019
Cash at bank and in hand	**708**	398
Short-term deposits	**454**	757
Total cash and cash equivalents	**1,162**	1,155

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 18 above.

As at 31 December 2020, there were no investments in money market funds, whereas at the end of 2019 an amount of EUR 17 million was so invested and included under 'Short-term deposits' as part of cash and cash equivalents.

Note 20 - Shareholders' equity

Issued capital

SES has a subscribed capital of EUR 719 million (2019: EUR 719 million), represented by 383,457,600 class A shares (2019: 383,457,600 class A shares) and 191,728,800 class B shares (2019: 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:

	Class A shares	Class B shares	Total shares
As at 1 January 2020	**383,457,600**	**191,728,800**	**575,186,400**
Shares issued during the year	-	-	-
As at 31 December 2020	**383,457,600**	**191,728,800**	**575,186,400**
	Class A shares	Class B shares	Total shares
As at 1 January 2019	**383,457,600**	**191,728,800**	**575,186,400**
Shares issued during the year	-	-	-
As at 31 December 2019	**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.

Buy-back of treasury shares

SES has historically, in agreement with the shareholders, purchased FDRs in respect of 'Class A' shares in connection with executives' and employees' share-based payments plans as well as for cancellation. 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 balance sheet and are carried at acquisition cost as a deduction of equity.

	2020	**2019**
FDRs held as at 31 December	4,559,818	4,708,584
Carrying value of FDRs held (in millions of euros)	77	90

EUR 750,000,000 Deeply Subordinated Fixed Rate Resettable Securities

In 2016 SES issued EUR 750,000,000 Deeply Subordinated Fixed Rate Resettable Securities (the 'EUR 750 million perpetual bond') at a coupon of 4.625 percent to the first call date, a price of 99.666 and a yield of 4.7 percent. Transaction costs related to this transaction amounted to EUR 20 million and have been deducted from 'Other reserves'. SES is entitled to call the EUR 750 million perpetual bond on 2 January 2022 and on subsequent coupon payment dates.

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 1,282 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 two perpetual bonds occurred on 2 January 2020 (EUR 35 million) and 29 January 2020 (EUR 31 million) and have been deducted from 'Other reserves'. The corresponding payments in 2019 were on 2 January 2019 (EUR 35 million) and 29 January 2019 (EUR 31 million) and were also deducted from 'Other reserves'.

Tax on the perpetual bond coupon accrual of EUR 18 million (2019: EUR 18 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 2020 a legal reserve of EUR 72 million (2019: EUR 72 million) is included within other reserves.

Other reserves include a non-distributable amount of EUR 77 million (2019: EUR 90 million) linked to treasury shares, and an amount of EUR 228 million (2019: EUR 228 million) representing the net worth tax reserve for 2015-2019, 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 21 - Non-controlling interest

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.

In millions of euros	LuxGovSat S.A. (50% NCI)**		Al Maisan Satellite Communications LLC, UAE (65% NCI)*	
Summarised balance sheet	**2020**	2019	**2020**	2019
Current assets	**39**	33	**12**	12
Current liabilities	**(27)**	(5)	**(4)**	(3)
Current net assets	**12**	28	**8**	9
Non-current assets	**178**	192	**28**	35
Non-current liabilities	**(100)**	(116)	**-**	-
Non-current net assets	**78**	76	**28**	35
Net assets	**90**	104	**36**	44
Accumulated NCI	**45**	52	**24**	29
Transactions with non-controlling interests	**-**	-	**-**	-

* The Group, as of 31 December 2020 and 31 December 2019, has majority of the voting rights on the Board of Directors of the Company, i.e. 3 members out of 5 or 60% (Note 2)

** Please refer to Note 2 for more details

In millions of euros	LuxGovSat S.A. (50% NCI)		Al Maisan Satellite Communications LLC, UAE (65% NCI)	
Summarised statement of comprehensive income	**2020**	2019	**2020**	2019
Revenue	**21**	19	**7**	7
Operating expenses	**(16)**	(13)	**(8)**	(15)
Profit/(loss) for the period	**(13)**	(14)	**(4)**	(20)
Other comprehensive income	**-**	-	**-**	-
Total comprehensive income	**(13)**	(14)	**(4)**	(20)
Profit/(loss) allocated to NCI	**(6)**	(7)	**(3)**	(13)
Dividend paid to NCI	**-**	-	-	-

In millions of euros	LuxGovSat S.A. (50% NCI)		Al Maisan Satellite Communications LLC, UAE (65% NCI)	
Summarised cash flows	**2020**	2019	**2020**	2019
Cash flows from/(absorbed by) operating activities	**8**	3	**3**	-
Cash flows from/(absorbed by) investing activities	**-**	-	**-**	-
Cash flows from/(absorbed by) financing activities	**6**	4	**-**	-
Net foreign exchange movements	**-**	-	**-**	-
Net increase/(decrease) in cash and cash equivalents	**14**	7	**3**	-

Transactions with non-controlling interests

In 2018 SES entered into an agreement with the minority partner holding 30% interest in Ciel Satellite Limited Partnership, according to which SES would distribute to the minority partner a fixed amount per month over a five-year period, replacing the variable income stream previously received based on the partnership's financial performance. As the minority partner was no longer subject to variable returns and had no interest in the residual assets of the partnership, the non-controlling interest amounting to EUR 14 million as at 31 December 2018 was fully reversed.

In 2020 an agreement was signed with the minority partner to acquire its 30% minority shareholding for EUR 7 million.

Note 22 - 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.

	2020	**2019**
Outstanding options at the end of the year	1,134,170	1,594,540
Weighted average exercise price in euro	27.31	26.52

All of the 1,134,170 outstanding options as at 31 December 2020 (2019: 1,594,540), are fully vested and exercisable. No options were exercised in 2020 or in 2019.

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

	2020 Average exercise price per share option	**Number of options**	2019 Average exercise price per share option	Number of options
As at 1 January	**26.5**	**1,594,540**	25.01	2,154,927
Forfeited	**24.58**	**(460,370)**	20.71	(560,387)
Exercised	**-**	**-**	-	-
At 31 December	**27.31**	**1,134,170**	26.52	1,594,540

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

Grant	Expiry date	Exercise price per share options	Number of options	
			2020	2019
2016	2023	24.39	**488,338**	544,459
2015	2022	32.73	**313,802**	350,047
2014	2021	26.5	**332,030**	368,394
2013	2020	23.51	**-**	331,640
			1,134,170	1,594,540

2) Simulated Restricted Share Units (SRSU)

In 2017, the Group entered into a new compensation plan, which will progressively replace the STAR Plan. Simulated Restricted Share Units (SRSU) are cash-settled awards which will be delivered on 1 June following a three-year vesting period and are settled in cash. The liability for the cash-settled awards is measured initially and at the end of each reporting period until settled, at the fair value of the share appreciation rights, 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 2020, 864,428 SRSUs have been granted (2019: 333,049). During the same period, 98,645 SRSUs have been forfeited (2019: 91,073) and 221,056 SRSUs have been vested (2019: 9,375). An accrual amounting to EUR 4,591,628 has been recognised in the consolidated income statement as ‘staff costs’ as at 31 December 2020 (31 December 2019: EUR 5,474,458) based on the 1,403,456 outstanding SRSUs (31 December 2019: 858,729) 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 Incentive Compensation Plan (‘EICP’)

The EICP is available to Group executives. Under the plan, “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. In 2019, the plan was renamed to Equity Based Compensation Plan (‘EBCP Option’).

	2020	2019
Outstanding options at the end of the year	**18,364,300**	14,908,795
Weighted average exercise price in euro	**15.29**	18.60

Out of 18,364,300 outstanding options as the end of 2020 (2019: 14,908,795), 12,241,571 options are exercisable (2019: 9,699,314). No options were exercised in 2020, while in 2019 358,293 treasury shares were delivered at a weighted average price of EUR 13.03 each. On average, in 2019, the related weighted average share price at the time of exercise during 2019 was EUR 16.91 per share.

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

	2020 Average exercise price per share option	**Number of options**	2019 Average exercise price per share option	Number of options
At 1 January	**18.6**	**14,908,795**	19.22	14,311,080
Granted	**5.97**	**4,824,735**	15.47	2,927,606
Forfeited	**18.61**	**(1,369,230)**	19.45	(1,971,598)
Exercised	**-**	**-**	13.03	(358,293)
At 31 December	**15.29**	**18,364,300**	18.60	14,908,795

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

Grant	Expiry date	Exercise price per share options	Number of options	
			2020	2019
2020	2030	5.97	**4,816,869**	-
2019	2029	15.01	**2,262,401**	2,408,747
2018	2028	18.23	**407,000**	407,000
2018	2028	12.67	**4,294,036**	4,792,760
2017	2027	21.15	**2,511,089**	2,705,797
2016	2026	24.39	**1,864,557**	2,032,260
2015	2025	32.73	**750,640**	848,352
2014	2024	26.5	**605,363**	687,230
2013	2023	23.51	**315,092**	354,804
2012	2022	18.1	**313,392**	332,892
2011	2021	17.57	**223,861**	233,387
2010	2020	17.96	**-**	105,566
			18,364,300	14,908,795

4) Long-term Incentive programme ('LTI')

The LTI Plan is also a programme for executives, and senior executives, of the Group. 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. In 2019, the plan was renamed to Equity Based Compensation Plan, comprising performance shares ('EBCP PS') and restricted shares ('EBCP RS').

	2020	**2019**
Restricted and performance shares outstanding at the end of the year	**2,026,147**	1,546,366
Weighted average fair value in euro	**8.65**	12.46

During 2020, 262,731 restricted shares (2019: 194,385) and 676,743 (2019: 379,305) performance shares were granted; 26,298 restricted shares (2019: 47,773) and 75,436 performance shares (2019: 122,844) were forfeited; and 266,385 performance shares (2019: 210,984) and 91,574 restricted shares (2019: 224,228) 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 EICP and a Black & Scholes model for LTI, 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 2020 and 31 December 2019.

2020	EBCP Option	EBCP PS and EBCP RS
Dividend yield (%)	**6.89%**	**6.61%**
Expected volatility (%)	**30.42%**	**35.12%**
Risk-free interest rate (%)	**-0.62%**	**-0.64%**
Expected life of options (years)	**10**	**3**
Share price at inception (EUR)	**6.34**	**6.34**
Fair value per option/share (EUR)	**0.77-0.90**	**5.12-5.53**
Total expected cost for each plan (in millions of euros)	**3.64**	**4.38**

2019	EBCP Option	EBCP PS and EBCP RS
Dividend yield (%)	**6.35%**	**5.94%**
Expected volatility (%)	**30.47%**	**34.82%**
Risk-free interest rate (%)	**-0.47%**	**-0.62%**
Expected life of options (years)	**10**	**3**
Share price at inception (EUR)	**15.38**	**15.38**
Fair value per option/share (EUR)	**2.16-2.26**	**12.86**
Total expected cost for each plan (in millions of euros)	**4.98**	**4.89**

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 10 million (2019: EUR 12 million), out of which equity-settled EUR 9 million (2019: EUR 10 million) and cash-settled EUR 1 million (2019: EUR 2 million).

Note 23 - Interest-bearing borrowings

As at 31 December 2020 and 2019, the Group's interest-bearing borrowings were:

In millions of euros	Effective interest rate	Maturity	**Amounts outstanding 2020, carried at amortised cost**
Non-current			
Coface	EURIBOR 6M + 1.70%	Various 2022	40
US Bond (USD 750 million)	3.60%	April 2023	610
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	249
Eurobond 2026 (EUR 500 million)	1.625%	March 2026	496
Euro Private Placement 2027 (EUR 140 million issued 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	98
German bond (EUR 50 million), non-listed	4.00%	November 2032	50
US Bond (USD 250 million)	5.30%	April 2043	197
US Bond (USD 500 million)	5.30%	March 2044	395
Total non-current			**3,317**
Current			
Coface	EURIBOR 6M + 1.70%	Various in 2021	41
Eurobond 2021 (EUR 650 million)	4.75%	March 2021	556
Fixed Term Loan (LuxGovSat)	3.30%	December 2027	16
Total current			**613**

In millions of euros	Effective interest rate	Maturity	Amounts outstanding 2019, carried at amortised cost
Non-current			
Eurobond 2021 (EUR 650 million)	4.75%	March 2021	649
Coface	EURIBOR 6M + 1.70%	Various 2021 - 2022	79
US Bond (USD 750 million)	3.60%	April 2023	666
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	249
Eurobond 2026 (EUR 500 million)	1.625%	March 2026	495
Euro Private Placement 2027 (EUR 140 million issued under EMTN)	4.00%	May 2027	140
Eurobond 2027 (EUR 500 million)	0.875%	November, 2027	497
Fixed Term Loan (LuxGovSat)	3.30%	December 2027	115
German bond (EUR 50 million), non-listed	4.00%	November 2032	50
US Bond (USD 250 million)	5.30%	April 2043	215
US Bond (USD 500 million)	5.30%	March 2044	432
Total non-current			**3,737**
Current			
Coface	EURIBOR 6M + 1.70%	Various in 2020	41
Eurobond 2020 (EUR 650 million)	4.625%	March 2020	650
Total current			**691**

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 2020, SES had issued EUR 2,096 million (2019: EUR 2,440 million) under the EMTN Programme with maturities ranging from 2021 to 2028.

144A Bond USD 500 million (2019)

SES repaid its USD 500 million 5-year bond with a coupon of 2.50%, on 25 March 2019.

EUR 650 million Eurobond (2020)

SES repaid its EUR 650 million 10-year bond under the Company’s European Medium-Term Note Programme issued 2010, with a fixed interest rate of 4.625% on March 9, 2020.

EUR 650 million Eurobond (2021)

In 2011 SES issued a EUR 650 million bond under the Company’s European Medium-Term Note Programme. The bond has a 10-year maturity and bears interest at a fixed rate of 4.75%. On 30 June 2020, SES further announced the completion of a tenor offer to repurchase the aggregated principal amount of total EUR 94 million of its outstanding Eurobond 2021 (650 million) at a repurchase price of 102.75% of the nominal amount.

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 500 million Eurobond (2026)

In 2018 SES issued a EUR 500 million 8-year bond under the Company’s European Medium-Term Note Programme. 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)

On 2 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.

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

In June 2019 the Company renewed its previous syndicated loan facility ('Syndicated loan 2015'). The updated facility is being provided by 19 banks and has been structured as a 5-year multi-currency revolving credit facility with an option to extend until 2026 (two one-year extension options at the discretion of the lenders). 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 45 basis points over EURIBOR/LIBOR. As at 31 December 2020 and 2019, 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 has a final maturity date of 1 August 2022, Coface F will mature on 21 May 2021 and Coface C and D will mature on 3 October 2022. The entire facility bears interest at a floating rate of six-month EURIBOR plus a margin of 1.7%. In November 2017, 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. All other Coface tranches remain in place as contracted.

EUR 115 million Credit Facility (LuxGovSat)

In 2015 LuxGovSat S.A. signed a financing agreement with BGL BNP Paribas for a EUR 115 million with a fixed rate coupon of 3.30%. The facility is repayable in 14 semi-annual installments and has a final maturity date of 1 December 2027. The first drawing was done on 1 May 2016 and as of 31 December 2020 and 2019, total borrowings of EUR 115 million were outstanding under the fixed term 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 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. On 20 May 2020, this programme was extended for one further year. As at 31 December 2020 and 2019, 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 is compliant with the standards set out in the STEP Market Convention. On 4 July 2017, this programme was updated and extended. As at 31 December 2020 and 2019, no borrowings were outstanding under this programme.

Note 24 - Provisions

In millions of euros	**2020**	2019
Non-current	**12**	14
Current	**60**	49
Total	**72**	63

Movements in each class of provision during the financial year are set out below:

In millions of euros	**Group tax provision**	**Restructuring provision**	**Other provisions**	**Total**
As at 1 January 2020	**52**	**8**	**3**	**63**
Additional provisions recognised	11	40	-	51
Unused amounts reversed	(3)	(5)	-	(8)
Used during the year	(8)	(18)	-	(26)
Reclassification to income tax payable	-	(1)	-	(1)
Impact of currency translation	(6)	(1)	-	(7)
As at 31 December 2020	**46**	**23**	**3**	**72**
Non-current	9	-	3	12
Current	37	23	-	60

In millions of euros	**Group tax provision**	**Restructuring provision**	**Other provisions**	**Total**
As at 1 January 2019	**57**	**5**	**3**	**65**
Additional provisions recognised	10	21	(1)	30
Unused amounts reversed	(4)	(5)	1	(8)
Used during the year	(4)	(13)	-	(17)
Reclassification to income tax payable	(8)	-	-	(8)
Impact of currency translation	1	-	-	1
As at 31 December 2019	**52**	**8**	3	**63**
Non-current	11	-	3	14
Current	41	8	-	49

Group tax provision

Group tax provision mainly relates to Indian withholding taxes and potential associated interest charges. The decrease of the Group tax provision was mainly due to the weakening of INR against EUR and to the reversal of provisions for the years under statute of limitation.

Restructuring provision

Expenses of the period include an amount of EUR 40 million (2019: EUR 21 million) of charges associated with the reorganisation of the Group's operations, mainly in the framework of the Group's 'Simplify & Amplify' programme. These comprise primarily personnel measures such as the implementation of an incentive programme for early retirement and measures to adjust staffing levels and structures in certain areas, as well as the cessation of operations in certain locations including the Isle of Man, Poland and Switzerland. Reflecting these activities, the consolidated statement of financial position includes a provision of EUR 23 million (2019: EUR 8 million).

Note 25 - Trade and other payables

In millions of euros	**2020**	2019
Trade creditors	**94**	81
Payments received in advance (please also see Note 26)	**40**	40
Interest on borrowings	**51**	75
Personnel-related liabilities	**35**	56
Tax liabilities other than for income tax	**19**	64
Other liabilities	**61**	35
Total	**300**	351

Tax liabilities mainly relate to VAT payables in the amount of EUR 11 million as of 31 December 2020 (2019: EUR 59 million).

Note 26 - Other long-term liabilities

In millions of euros	**2020**	2019
Employee benefits obligations	**27**	25
Payments received in advance	**80**	118
Other long-term liabilities	**20**	25
Total	**127**	168

Employee benefits obligations

In US operations, certain employees benefit from a post-retirement health benefits programme which is externally insured. As at 31 December 2020, accrued premiums of EUR 19 million (2019: EUR 17 million) are included in this position.

Contributions made in 2020 to Group pension schemes totalled EUR 2 million (2019: EUR 1 million), which are recorded in the consolidated income statement under 'staff costs'.

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 2020 (2019: EUR 12 million) in this respect, out of which EUR 3 million is included under 'Trade and other payables' (2019: EUR 3 million).

Payments received in advance

In the framework of receivables securitisation transactions completed in June 2017, June 2018 and June 2019 the Group received a net cash amount of EUR 61 million, 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.

A corresponding liability of EUR 119 million (2019: EUR 157 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 Statement of Financial Position as at 31 December 2020 under 'Other long-term liabilities' for EUR 80 million (2019: EUR 118 million) and under 'Trade and other payables' for EUR 39 million (2019: EUR 38 million).

Other long-term liabilities

The other long-term liabilities include customer collateral deposits amounting to EUR 19 million (2019: EUR 21 million).

Note 27 - Fixed assets suppliers

In millions of euros	**2020**	2019
Non-current	**1,310**	623
Current	**67**	135

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 28. 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;
- The SES-17 satellite programme;
- Five satellites being procured in connection with the C-band repurposing activities.

Acquisition of the SES O3b mPOWER medium-Earth orbit constellation and launchers - EUR 860 million (2019: EUR 545 million)

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 1 A consisting of four satellites and sub-block 1B consisting of three satellites) currently under construction. At the end of the satellite construction period, which is foreseen in 2021, 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 2022, 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 then 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.

Acquisition of the SES-17 satellite – EUR 189 million (2019: EUR 178 million).

The liability towards the manufacturer of the SES-17 satellite, which is scheduled for launch in 2021, is stated at the higher of the milestone invoices outstanding or the amount payable to the manufacturer in the case of a termination for convenience of the programme by the Company.

Procurement of satellites in connection with the C-band repurposing activities – EUR 313 million (2019: nil), refer to Note 33

Note 28 - Commitments and contingencies

Capital expenditure commitments

The Group had outstanding commitments in respect of contracted capital expenditure totalling EUR 948 million as at 31 December 2020 (2019: EUR 555 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 27. The commitments as at 31 December 2020 also include EUR 87 million (2019: 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 14 -“Intangible assets”.

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

In millions of euros	**2020**	2019
Within one year	**497**	265
After one year but not more than five years	**395**	230
After more than five years	**56**	60
Total	**948**	555

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 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.

In millions of euros	**2020**	2019
Within one year	**150**	83
After one year but not more than five years	**160**	50
After more than five years	**60**	65
Total	**370**	198

The total expense recognised for transponder service agreements in 2020 was EUR 82 million (2019: EUR 77 million).

Litigation

There were no significant litigation claims against the Group as at 31 December 2020, or as at 31 December 2019.

Guarantees

On 31 December 2020 the Group had outstanding bank guarantees for an amount of EUR 89 million (2019: EUR 101 million) with respect to performance and warranty guarantees for services of satellite operations.

Note 29 - Leases

1) Lessor

   During 2020 the Group recognised leasing income of EUR 40 million (2019: EUR 43 million) related to one (2019: two) lease contracts. One of the lease contracts matured in January 2019. The other lease contract matures in November 2021 and the related annual lease payment will amount to EUR 21 million in 2021. The related carrying amount of property, plant and equipment leased as at 31 December 2020 amounts to EUR 69 million (31 December 2019: EUR 122 million).

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 IAS 17. These assets and liabilities were measured at the present value of the remaining lease payments, discounted using the Group's weighted average incremental borrowing rate of 3.14% as at 31 December 2020 (3.62% as at 31 December 2019). 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.

In millions of euros	Buildings	Ground segment	Other fixtures and fittings, tools and equipment	31 December 2020
Right-of-use assets				
Cost	39	13	4	56
Accumulated depreciation	(14)	(6)	(2)	(22)
Total	**25**	**7**	**2**	**34**

In millions of euros	Buildings	Ground segment	Other fixtures and fittings, tools and equipment	31 December 2019
Right-of-use assets				
Cost	44	9	3	56
Accumulated depreciation	(12)	(4)	(1)	(17)
Total	**32**	**5**	**2**	**39**

There were no material additions to the right-of-use assets during 2020, depreciation charge for the year was EUR 15 million (2019: EUR 12 million).

Lease liabilities are presented below as at 31 December:

In millions of euros	**2020**	**2019**
Maturity analysis - contractual undiscounted cash flows		
Within one year	13	13
After one year but not more than five years	26	29
More than five years	4	6
Total	**43**	48
Lease liabilities included in the statement of financial position at 31 December		
Current	12	11
Non-current	25	30
Total	**37**	41

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:

In millions of euros	**2020**	**2019**
Buildings	11	8
Ground segment	3	3
Other fixtures and fittings, tools and equipment	1	1
Total	**15**	**12**

Finance cost:

In millions of euros	**2020**	**2019**
Interest expense	1	1
Total	**1**	**1**

The total cash outflow for leases in 2020 was EUR 15 million (2019: EUR 13 million).

Note 30 - 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 12, 13 and 14.

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for 2020 and 2019.

In millions of euros	**2020**	2019
Cash and cash equivalents	**1,162**	1,155
Borrowings - repayable within one year	**(613)**	(691)
Borrowings - repayable after one year	**(3,317)**	(3,737)
Net debt	**(2,768)**	(3,273)

In millions of euros	**2020**	2019
Cash and cash equivalents	**1,162**	1,155
Borrowings - floating rates	**(231)**	(270)
Borrowings - fixed interest rates	**(3,699)**	(4,158)
Net debt	**(2,768)**	(3,273)

In millions of euros	Cash and cash equivalents	Borrowings repayable within one year	Borrowings repayable after one year	**Total**
Net debt as at 1 January 2020	**1,155**	**(691)**	**(3,737)**	**(3,273)**
Cash flows (net)	19	785	(395)	409
Foreign exchange adjustments	(12)	-	113	101
Transfers	-	(707)	707	-
Other non-cash movements*	-		(5)	(5)
Net debt as at 31 December 2020	**1,162**	**(613)**	**(3,317)**	**(2,768)**

In millions of euros	Cash and cash equivalents	Borrowings repayable within one year	Borrowings repayable after one year	**Total**
Net debt as at 1 January 2019	**909**	**(476)**	**(3,909)**	**(3,476)**
Cash flows (net)	249	484	(497)	236
Foreign exchange adjustments	(3)	-	(25)	(28)
Transfers	-	(691)	691	-
Other non-cash movements*	-	(8)	3	(5)
Net debt as at 31 December 2019	**1,155**	**(691)**	**(3,737)**	**(3,273)**

* *related to loan origination costs*

During 2020 the Group issued European Commercial Paper for EUR 159 million (2019: EUR 150 million) and reimbursed EUR 159 million (2019: EUR 150 million). These have been presented net in the consolidated statement of cash flows.

Note 31 – 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 20.

The total remuneration to directors for attendance at board and committee meetings in 2020 amounted to EUR 1 million (2019: EUR 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 Group's Executive Committee, received compensation as follows:

In millions of euros	**2020**	2019
Remuneration including bonuses and other benefits	**5**	8
Pension benefits	**1**	1
Share-based compensation plans	**2**	2
Total	**8**	11

The total outstanding amount in respect of share-based payment instruments allocated to key management as at 31 December 2020 were 3,843,944 (2019: 3,567,545).

In 2019, SES and the Luxembourg government reached an agreement to renew SES's concession to operate satellites operating under Luxembourg's jurisdiction, as disclosed in Note 14 - "Intangible assets" and Note 28 - "Commitments and contingencies".

Note 32 - Implications of COVID-19

The continuing COVID-19 pandemic has had, and continues to have, widespread economic implications across nearly all economic sectors, including our own, and management continues to monitor carefully the impact on different aspects of our financial performance and to respond accordingly to protect the financial interests of the Group.

We have set out our analysis below into four areas of current, or potential, impact:

Operational risk

Overall, COVID-19 is having a pronounced short and medium-term impact, significantly challenging the contract base, renewals and dampening growth across Mobility, Energy, Government, as well as stretching cash flows across much of the industry, and accelerating a restructuring / consolidation process in some parts of the sectors the Group serves.

While the pandemic is challenging the Group's short-term growth, early indications tend to substantiate the expectation of a consumer bounce-back with a continuing strong appetite for reliable and high-performance connectivity, for example in the areas of Fixed Data – including in ubiquitous rural connectivity – and in Mobility, such as the appetite for bandwidth in the Aero vertical for in-flight connectivity services.

The overall revenue decrease versus prior year which can be directly attributed to COVID-19 was EUR 31 million (Video - EUR 17 million, Networks - EUR 14 million), whilst it is estimated that its impact on our Budget expectations for 2020 was EUR 77 million (Video - EUR 32 million, Networks - EUR 45 million). In the Group's most recent business planning exercise then whilst it is assumed that COVID-19 will continue to affect our customers, and hence our own business performance in 2021, management's expectation was that the residual impact on 2022 and beyond will not be significant.

- Video

  In Video, whilst growth in 'Sports & Events' was significantly impacted in the first half of 2020 due to the cancellation or postponement of many major tournaments and events, there was some recovery in the third quarter and a return to more normal monthly run rates by end of the year. The lockdown also impacted the Group's HD Plus business in Germany due to the closure of retailers, although there was a good recovery on the initial reopening in June 2020.

  The biggest driver of the decrease of EUR 17 million in Video revenue versus 2019 was the impact on the 'Sports and Events' business noted above. The plans of specific customers in Europe and Asia were also affected by the pandemic contributing to the balance of the decline.

  Over half of the shortfall for 2020 versus management's budgetary expectations came from the impact of the pandemic on the 'Sports & Events' business, with the balance again representing largely the impact on Video customers of the pandemic leading to the restriction, postponement or cancellation of projected new business opportunities.

- Networks

  For Networks, a year-on-year decline of EUR 14 million of revenue is attributable to COVID-19, mainly driven by aero and maritime customers in the Mobility area.

Of the shortfall to management's budgetary expectations for 2020 of EUR 45 million, then around half comes from the pandemic's impact on existing Mobility customers in maritime (primarily cruise) and aero operations, with the balance a combination of delays to, or postpone of, new business opportunities in both aero and Government reflecting travel restrictions and the pandemics impact on the value chain.

During the year the Group provided free-of-charge or reduced-rate capacity to certain Mobility customers in exchange for partial payments and/or significant contract extensions. These relief agreements impacted revenues in 2020, and will continue to do so in the medium-term, but have resulted in – or are expected to shortly result in - significant additions to the overall financial volume of those extended contracts and hence the Group's fully-protected contract backlog.

On costs, exceptional measures to mitigate revenue shortfall were implemented leading to a reduction of EUR 44 million in operating expenses for the year versus management's budgetary expectations, significantly offsetting the revenue shortfall of EUR 77 million. This decrease in operating costs was made up of a combination of: EUR 30 million in lower personnel costs; EUR 13 million in business travel; EUR 7 million in marketing; EUR 10 million from lower costs of sales; and, an increase in associated provisions on receivables of EUR 16 million.

In its business planning, which serves as a basis for the computation of value-in-use amounts in the framework of impairment testing, the revenue and cost projections have been adjusted to reflect the 2020 impact on the Group's operating results of the pandemic and management's best estimate of a likely recovery profile based on the information available at the time of the approval of those plans in December 2020.

Risk to the measurement of assets and liabilities

As noted above, the pandemic has impacted customers in both Video and Networks operations and the Group has worked constructively as a business partner with those customers to support their financial operations during the periods of enforced restriction of their businesses whilst maintaining and developing the respective business relationships for the longer term. In Video the impact on the Group's operating cash flow in 2020 was circa EUR 20 million; for Networks the impact was more significant at around EUR 52 million. Where appropriate the Group has recorded additional provisions against receivables as noted above.

Liquidity risk

As noted above there has been an impact on the Group's 2020 operating cash flow of the arrangements agreed with certain customers to support them during periods of regulatory restrictions on their operations with an aggregate impact of EUR 72 million. The Group's operating cash flow for the year remained nonetheless strong at EUR 1,049 million.

Beginning in March 2020 COVID-19 led to an increase of financing costs across the world and all sectors. This resulted in SES credit spreads have increased by 200 basis points. However, during Q3 and Q4 2020 credit spreads narrowed again and the Group successfully issued a EUR 400 million Eurobond in the senior debt market in July 2020. At the time of this issuance of these financial statements, refinancing conditions continue to be favourable and management does not believe that timely refinancing activities will either be impossible or will be substantially more expensive in 2021.

The Group manages its liquidity by monitoring the available cash holdings and the forecast cash-flow projections for the business. As of 31 December 2020, the Group has cash and cash equivalents of EUR 1,162 million, enough to cover its upcoming 2021 maturities and operational cash needs. In addition to the available cash holdings, the Group has a revolving credit facility for EUR 1,200 million in place until 2024 which is currently undrawn. Together these sources of immediately available funds represent EUR 2,362 million.

The continuing strong operating cash flows, the high cash holdings at the end of the year, the availability of the full revolving credit facility and the continuing access to liquid debt markets, indicate to management that there is no significant liquidity risk for the Group at the date of the issuance of these financial statements.

Going concern risk

Based on the information presented above, management does not believe that the impact on the Group's activities is such that there is any reason to cast doubt on the Group's ability to continue as a going concern or that there would be a material uncertainty in this regard.

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'). The FCC held a public auction for the repurposed spectrum which began on 8 December 2020 and is expected to end in March 2021.

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 will receive Accelerated Relocation Payments of USD 977 million (EUR 796 million) and USD 2,991 million (EUR 2,437 million) respectively for Phase 1 and Phase 2 if it successfully completes the clearing of the spectrum as described above. In the case of delays in achieving those spectrum clearing milestones then the Accelerated Relocation Payments will decrease on a sliding scale to zero over the six-month period beginning with the stated deadlines for Phases 1 and 2 set out above.

To facilitate the clearing of the spectrum SES will procure six C-band satellites and necessary 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 has 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 independent third-party Relocation Payment Clearinghouse that 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 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 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 Relocation Payment 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 2020 the Group recorded C-band repurposing income of EUR 10 million and C-band-related expenses of EUR 43 million representing cost of sales of EUR 12 million, accumulated staff costs of EUR 15 million and other operating expenses (including travel and consulting charges) of EUR 16 million. 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 14 million (31 December 2019: EUR 19 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 2 in December 2023.

During 2020 SES entered into procurement agreements with three satellite manufacturers to acquire five of the six satellites needed to facilitate the repurposing of the C-band spectrum representing an aggregate commitment of EUR 755 million, out of which EUR 313 million is presented under non-current 'Fixed assets suppliers ' in the Statement of Financial Position (refer to Note 27 as well).

SES's other commitments for C-band repurposing expenditures represent EUR 52 million, of which EUR 50 million relate to one vendor who is performing a service for one of SES's largest C-band customers through May 2021.

Note 34 - Post-Balance Sheet events

There were no other 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:

In millions of euros	**2020**	2019
Borrowings - non-current	**3,317**	3,737
Borrowings - current	**613**	691
Borrowings, *less*	**3,930**	4,428
Cash and equivalents	**1,162**	1,155
Net debt	**2,768**	3,273

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:

In millions of euros	**2020**	2019
Profit/(loss) before tax	**(102)**	200
Add: Depreciation and impairment expense	**808**	697
Add: Amortisation and impairment expense	**189**	154
Add: Net financing costs	**184**	166
EBITDA	**1,079**	1,217

The following table provides a reconciliation of EBITDA margin:

In millions of euros	**2020**	2019
Revenue	**1,876**	1,984
C-band repurposing income	**10**	-
EBITDA	**1,079**	1,217
EBITDA Margin (%)	**57.2%**	61.3%

3) Adjusted EBITDA and Adjusted EBITDA margin

Adjusted EBITDA is defined as EBITDA adjusted to exclude material exceptional items. In 2020 the primary exceptional items are restructuring charges announced in the framework of the Group's 'Simplify and Amplify' programme, and the net impact of the C-band repurposing.

In millions of euros	**2020**	2019
EBITDA	**1,079**	1,217
Deduct: C-band repurposing income (Note 33)	**(10)**	-
Add: C-band repurposing expenses (Note 33)	**43**	-
Add: Restructuring expenses (Note 24)	**40**	21
Adjusted EBITDA	**1,152**	1,238

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

In millions of euros	**2020**	2019
Revenue	**1,876**	1,984
Adjusted EBITDA	**1,152**	1,238
Adjusted EBITDA Margin (%)	**61.4%**	62.4%

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:

In millions of euros	**2020**	2019
Profit/(loss) before tax	**(102)**	200
Add: Net financing costs	**184**	166
Operating profit	**82**	366

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:

In millions of euros	**2020**	2019
Revenue	**1,876**	1,984
Operating profit	**82**	366

Operating profit margin	**4.4%**	18.4%

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 1.3 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:

In millions of euros	**2020**	2019
Borrowings – non-current	**3,317**	3,737
Borrowings – current	**613**	691
Total borrowings	**3,930**	4,428
50% of the Group's EUR 1.3 billion of perpetual bonds	**650**	650
Less: Cash and cash equivalents	**1,162**	1,155
Adjusted Net Debt	**3,418**	3,923

6) **Adjusted Net Debt to EBITDA ratio**

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

The following table reconciles the Adjusted Net Debt to EBITDA ratio to Adjusted Net Debt and EBITDA:

In millions of euros	**2020**	2019
Adjusted Net debt	**3,418**	3,923
EBITDA	**1,079**	1,217
Adjusted Net Debt to EBITDA ratio	**3.17 times**	3.22 times

7) **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.

In millions of euros	**2020**	2019
Adjusted Net Debt	**3,418**	3,923
Adjusted EBITDA	**1,152**	1,238
Adjusted Net debt to Adjusted EBITDA ratio	**2.97 times**	3.17 times

8) **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 material exceptional items of the period. In 2020 the primary exceptional items are restructuring charges announced in the framework of the Group's 'Simplify and Amplify' programme, the net impact of the C-band repurposing and as well the impairment expenses.

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:

In millions of euros	**2020**	2019
Profit/(loss) of the group attributable to shareholders of the parent	**(86)**	296
C-band operating expenses (net of income)	***33***	-
Restructuring expenses	***40***	*21*
Impairment expenses	***277***	*97*
Add: Total material exceptional items	***350***	*118*
Tax on C-band operating expenses (net of income), at 21%	***(7)***	-
Tax on restructuring expenses, at 22%	***(9)***	*(5)*
Tax on impairment expenses, at 14.4%	***(40)***	*(14)*
Less: Tax on material exceptional items	***(56)***	*(19)*
Adjusted Net Profit	**208**	395

Adjusted Earnings per Share is the reported earnings share adjusted for the after-tax impact of material exceptional and non-recurring items as described above. For the year 2020, Adjusted Earnings per Share of EUR 0.35 per Class A share (2019: EUR 0.76), and EUR 0.14 per Class B share (2019: EUR 0.31) have been calculated on the following basis:

In millions of euros	**2020**	2019
Adjusted Net Profit	**208**	395
Assumed coupon on perpetual bond (net of tax)	**(49)**	(49)
Total	**159**	346

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:

	2020	2019
Class A shares (in million)	**378.4**	378.0
Class B shares (in million)	**191.7**	191.7
Total	**570.1**	569.7

Adjusted Earnings per share	**2020**	2019
Class A shares	**0.35**	0.76
Class B shares	**0.14**	0.31

9) Free cash flow before equity distributions 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 equity distributions and treasury activities considers the effect of the 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 equity distributions 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.

In millions of euros	**2020**	2019
Net cash generated by operating activities	**1,049**	1,134
Net cash absorbed by investing activities	**(217)**	(308)
Free cash flow before financing activities	**832**	826
Interest paid on borrowings	**(152)**	(154)
Lease payments	**(15)**	(13)
Free cash flow before equity distributions and treasury activities	**665**	659

Note 36 - Consolidated subsidiaries, associates

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

	Economic interest (%) 2020	Economic interest (%) 2019	**Method of consolidation 2020**	Method of consolidation 2019
SES ASTRA S.A., Luxembourg	**100**	100	**Full**	Full
SES Global-Americas Inc., U.S.A.	**100**	100	**Full**	Full
SES Global Americas Holdings General Partnership, U.S.A.	**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.A., Luxembourg	**100**	100	**Full**	Full
SES Latin America S.A., Luxembourg	**100**	100	**Full**	Full
SES Belgium S.p.r.l, Belgium	**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
Ciel Satellite Holdings Inc., Canada	**100**	100	**Full**	Full
Ciel Satellite Limited Partnership, Canada	**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 (formerly MX1 GmbH), Germany	**100**	100	**Full**	Full
SES Media Solutions GmbH, Germany	**100**	100	**Full**	Full
MX1 (Thailand) Ltd, Thailand[3]	**100**	100	**Full**	Full
PT MX1 Smartcast Indonesia, Indonesia	**100**	100	**Full**	Full
ASTRA Deutschland GmbH, Germany	**100**	100	**Full**	Full
SES ASTRA Iberica S.A., Spain[4]	**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[3]	**100**	100	**Full**	Full
SES ASTRA (Romania) S.r.l., Romania	**100**	100	**Full**	Full
SES HD Plus Ghana Limited (formerly SES Satellite Ghana Ltd.), Ghana	**84.7**	100	**Full**	Full
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	**50**	50	**Full**	Full
SES Satellite Leasing Ltd, Isle of Man	**100**	100	**Full**	Full
Al Maisan Satellite Communications Company LLC, UAE	**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
SESTelecomunicações do Brasil Ltda., Brazil	**100**	100	**Full**	Full
SES Government Solutions, Inc., U.S.A.	**100**	100	**Full**	Full
Sistemas Satelitales de Mexico, S. de R.L. de C.V., Mexico	**100**	100	**Full**	Full
SES Telecommunicaciones de Mexico S. de R.L. de C.V., Mexico	**100**	100	**Full**	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	**100**	100	**Full**	Full
SES Engineering (US) Inc., U.S.A.	**100**	100	**Full**	Full
AOS Inc., U.S.A. [5]	**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	**100**	100	**Full**	Full
SES Satelites Directo Ltda, Brazil	**100**	100	**Full**	Full
SES DTH do Brasil Ltda, Brazil	**100**	100	**Full**	Full
SES Satélites Ibérica, S.L. (formerly SES Global South America Holding, S.L.), Spain	**100**	100	**Full**	Full
New Skies Satellites B.V., The Netherlands	**100**	100	**Full**	Full

	Economic interest (%) 2020	Economic interest (%) 2019	Method of consolidation 2020	Method of consolidation 2019
SES Engineering (Netherlands) B.V., The Netherlands	**100**	100	**Full**	Full
New Skies Satellites, Inc., U.S.A.	**100**	100	**Full**	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 S.A., 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[3]	**100**	100	**Full**	Full
O3b Sales B.V., The Netherlands	**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	**100**	100	**Full**	Full
O3b Networks (Brasil) Ltda, Brasil	**100**	100	**Full**	Full
O3b Services (Portugal) Ltda, Portugal	**100**	100	**Full**	Full
O3b Teleport Services (Peru) 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	**49**	51	**Full**	Full
MX1 Ltd, Israel	**100**	100	**Full**	Full
MX1 Inc., U.S.A.	**100**	100	**Full**	Full
GSN GoSat Distribution Network Ltd, Cyprus[3]	**100**	100	**Full**	Full
EMP Media Port Ltd, Cyprus[3]	**100**	100	**Full**	Full
SES Services Romania S.R.L. (formerly MX1 C.E.E. S.A.), Romania	**100**	100	**Full**	Full
MX1 Korea Ltd., Korea[3]	**100**	51	**Full**	Full
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	**100**	100	**Full**	Full
SES Satellite Nigeria Limited, Nigeria	**100**	100	**Full**	Full
SES Networks GmbH, Germany	**100**	100	**Full**	Full
SES Satellites India Private Limited, India	**100**	100	**Full**	Full
SES-15 S.à r.l., Luxembourg[3]	**-**	100	**Full**	Full
SES Astra Real Estate (Betzdorf) S.A., Luxembourg[3]	**-**	100	**Full**	Full
SES ASTRA 1KR S.à r.l., Luxembourg[3]	**-**	100	**Full**	Full
SES ASTRA 1L S.à r.l., Luxembourg[3]	**-**	100	**Full**	Full
SES ASTRA 1M S.à r.l., Luxembourg[3]	**-**	100	**Full**	Full
SES ASTRA 3B S.à r.l., Luxembourg[3]	**-**	100	**Full**	Full
SES ASTRA 5B S.à r.l., Luxembourg[3]	**-**	100	**Full**	Full
SES ASTRA 1N S.à r.l., Luxembourg[3]	**-**	100	**Full**	Full
SES ASTRA 2E S.à r.l., Luxembourg[3]	**-**	100	**Full**	Full
SES ASTRA 2F S.à r.l., Luxembourg[3]	**-**	100	**Full**	Full
SES ASTRA 2G S.à r.l., Luxembourg[3]	**-**	100	**Full**	Full
AMC-1 Holdings LLC, U.S.A.[3]	**-**	100	**Full**	Full
AMC-2 Holdings LLC, U.S.A.[3]	**-**	100	**Full**	Full
AMC-3 Holdings LLC, U.S.A.[3]	**-**	100	**Full**	Full
SES-9 Holdings LLC, U.S.A.[3]	**-**	100	**Full**	Full
AMC-6 Holdings LLC, U.S.A.[3]	**-**	100	**Full**	Full
AMC-8 Holdings LLC, U.S.A.[3]	**-**	100	**Full**	Full
AMC-9 Holdings LLC, U.S.A.[3]	**-**	100	**Full**	Full
AMC-10 Holdings LLC, U.S.A.[3]	**-**	100	**Full**	Full
AMC-11 Holdings LLC, U.S.A.[3]	**-**	100	**Full**	Full
AMC-12 Holdings LLC, U.S.A.[3]	**-**	100	**Full**	Full
AMC-4 Holdings LLC, U.S.A.[3]	**-**	100	**Full**	Full
AMC-7 Holdings LLC, U.S.A.[3]	**-**	100	**Full**	Full
AMC-15 Holdings LLC, U.S.A.[3]	**-**	100	**Full**	Full
AMC-16 Holdings LLC, U.S.A.[3]	**-**	100	**Full**	Full
SES-1 Holdings, LLC, U.S.A.[3]	**-**	100	**Full**	Full
SES-2 Holdings LLC, U.S.A.[3]	**-**	100	**Full**	Full
SES-3 Holdings LLC, U.S.A.[3]	**-**	100	**Full**	Full

	Economic interest (%) 2020	Economic interest (%) 2019	**Method of consolidation 2020**	Method of consolidation 2019
O3b Networks Management Services B.V., The Netherlands[3]	**-**	100	**-**	Full
O3b Holdings 1 B.V., The Netherlands[3]	**-**	100	**Full**	Full
O3b Holdings 2 B.V., The Netherlands[3]	**-**	100	**Full**	Full
O3b Coöperatief UA, The Netherlands[3]	**-**	100	**Full**	Full
O3b USA, LLC, U.S.A.[3]	**-**	100	**Full**	Full
O3b America, LLC, U.S.A.[3]	**-**	100	**Full**	Full
O3b (Singapore) Pte, Singapore[3]	**-**	100	**Full**	Full
SES-11 Holdings, LLC, U.S.A.[3]	**-**	100	**Full**	Full
SES 5G Customer Services LLC, U.S.A.[1]	**100**	-	**Full**	-
SES US Satellite Holdings LLC, U.S.A.[1]	**100**	-	**Full**	-
SES Telecomunicaciones de Colombia S.A.S., Colombia[1]	**100**	-	**Full**	-
SES Telecomunicaciones de Colombia Zona Franca S.A.S., Colombia[1]	**100**	-	**Full**	-
SES Telecomunicaciones de Chile SpA, Chile[1]	**100**	-	**Full**	-
SES LU Satellite Holdings S.à r.l., Luxembourg[1]	**100**	-	**Full**	-

1. Entity created in 2020
2. Entity sold, merged, liquidated or in the process of liquidation in 2019
3. Entity sold, merged, liquidated or in the process of liquidation in 2020, as part of 'Simplify and Amplify' programme
4. Entity merged into SES Global South America Holding S.L., Spain with effect from 1st January 2021
5. Entity liquidated with effect from 22nd January 2021

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Annual accounts as at and for the year ended 31 December 2020

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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 2020, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

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

What we have audited

The Company's annual accounts comprise:

- the balance sheet as at 31 December 2020;
- the profit and loss account for the year then ended;
- the statement of changes in shareholders' equity; and
- the notes to the annual accounts, which include a summary of significant accounting policies.

Basis for opinion

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

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

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

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

The non-audit services that we have provided to the Company and its controlled undertakings, if applicable, for the year then ended, are disclosed in Note 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 of 7,171million EUR (see Note 3).

Management's assessment of the recoverable amount of investments in subsidiaries requires significant judgement in the determination of the level at which the investments in affiliated undertakings are tested for impairment taking into account the substance of the business activity, interdependency of the cash flows between the different subsidiaries and their level of integration.

Moreover, the determination of the recoverable value requires significant estimates as it relates to the estimation of the forecasted cash flows and of the discount rates and long-term growth rates.

We focused on this area due to the inherent complexity and judgement in the estimate for the recoverable amount of the investments in affiliated undertakings and the materiality of the balance.

How our audit addressed the key audit matter

- We obtained an understanding of Management's process and controls related to the identification of the impairment indicators and the impairment test of the investments in affiliated undertakings;
- We evaluated Management's methodology used to estimate the recoverable amount of the investments in affiliated undertakings, including the grouping of certain investments in order to appropriately reflect the substance of the activity, interdependency of cash flows and the level of integration of their operations;
- We agreed the forecasted cash flows used for the determination of the recoverable value to the 2021 Business Plan as approved by the Board of Directors and challenged the different assumptions based on our expectations in terms of significant developments during the forecast period and evaluated whether these were appropriately reflected in the cash flows;
- 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 considered the appropriateness of the disclosures in Note 3 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.

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.

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 2 April 2020 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 8 years.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 24 February 2021

François Mousel

SES
Société Anonyme
Balance sheet
As at 31 December 2020

	Note	2020	2019
Assets			
		EUR million	**EUR million**
Fixed Assets			
Intangible assets		0.7	0.8
Financial assets			
Shares in affiliated undertakings	3	7,171.0	7,656.4
Loans to affiliated undertakings	3	3,430.5	3,489.7
		10,602.2	11,146.9
Current Assets			
Debtors			
Amounts owed by affiliated undertakings			
becoming due and payable within one year	4	1,288.4	1,146.6
becoming due and payable after one year	4	773.5	478.2
Other debtors			
becoming due and payable within one year		1.7	0.7
Investments			
Own shares	5	35.1	58.9
Cash at bank and cash in hand		1,020.6	1,021.4
		3,119.3	2,705.8
Prepayments		45.7	53.2
Total assets		**13,767.2**	**13,905.9**

The accompanying notes form an integral part of the annual accounts.

SES
Société Anonyme
Balance sheet
As at 31 December 2020

Liabilities	**Note**	**2020**	**2019**
		EUR million	**EUR million**
Capital and reserves			
Subscribed capital	6	719.0	719.0
Share premium account	6	1,890.2	1,890.2
Reserves			
Legal reserve	7	71.9	71.9
Reserve for own shares	8	35.1	58.9
Profit brought forward		2,471.0	2,121.5
Profit for the financial year		508.8	509.8
		5,696.0	5,371.3
Creditors			
Debenture loans - Non convertible loans	9		
becoming due and payable within one year		669.3	788.1
becoming due and payable after more than one year		4,512.4	4,875.2
Amounts owed to credit institutions	9		
becoming due and payable within one year		40.7	41.2
becoming due and payable after more than one year		40.2	80.9
Trade creditors			
becoming due and payable within one year		0.7	1.5
Amounts owed to affiliated undertakings	9		
becoming due and payable within one year		1,423.5	1,651.9
becoming due and payable after more than one year		614.7	611.7
Other creditors			
Tax authorities	10	0.3	1.2
Social security authorities		0.5	0.4
Other creditors			
becoming due and payable within one year		4.8	4.3
payable after more than one year	11	764.1	478.2
		8,071.2	8,534.6
Total liabilities (Capital, Reserves, Liabilities)		**13,767.2**	**13,905.9**

The accompanying notes form an integral part of the annual accounts.

SES
Société Anonyme
Profit and loss account
For the year ended 31 December 2020

Profit and loss account	**Note**	**2020** **EUR million**	**2019** **EUR million**
Other operating income	12	18.5	24.2
Raw material and consumables and other external expenses			
Other external expenses		(34.0)	(27.4)
Staff costs	13		
Wages and salaries		(15.2)	(10.4)
Social security costs			
relating to pensions		(1.5)	(1.4)
other social security costs		(0.2)	(0.6)
Other staff costs		(0.2)	(0.1)
Other operating expenses		(6.0)	(11.5)
Income from participating interest			
derived from affiliated undertakings	14	959.0	652.7
Income from other investments and loans forming part of fixed assets			
derived from affiliated undertakings	15	98.9	66.9
Other interest receivable and similar income			
derived from affiliated undertakings	16	32.3	55.8
other interest and similar income	16	0.6	2.2
Value adjustment in respect of financial assets and of investments held as current assets	17	(240.2)	(22.5)
Interest payable and similar expenses			
concerning affiliated undertakings	18	(28.5)	(45.3)
other interest and similar expenses	18	(274.5)	(236.8)
Tax on profit or loss			64.9
Other tax not shown under the previous items		(0.2)	(0.9)
Profit or loss for the financial year		**508.8**	**509.8**

The accompanying notes form an integral part of the annual accounts.

SES
Société Anonyme
Statement of changes in shareholders' equity
As at 31 December 2020

	Subscribed capital EUR million	Share premium EUR million	Legal reserve EUR million	Other reserves* EUR million	Result for the year EUR million	Total EUR million
At 1 January 2019	719.0	1,890.2	70.0	1,378.1	1,172.3	**5,229.6**
Allocation of result	-	-	1.9	1,170.4	(1,172.3)	**-**
Distribution of dividends	-	-	-	(368.2)	-	**(368.2)**
Other movements	-	-	-	0.1	-	**0.1**
Profit for the financial year	-	-	-	-	509.8	**509.8**
At 31 December 2019	**719.0**	**1,890.2**	**71.9**	**2,180.4**	**509.8**	**5,371.3**
At 1 January 2020	719.0	1,890.2	71.9	2,180.4	509.8	**5,371.3**
Allocation of result	-	-	-	509.8	(509.8)	**-**
Distribution of dividends	-	-	-	(184.1)	-	**(184.1)**
Profit for the financial year	-	-	-	-	508.8	**508.8**
At 31 December 2020	**719.0**	**1,890.2**	**71.9**	**2,506.1**	**508.8**	**5,696.0**

** Including reserves for own shares, other non available reserves and profit brought forward.*

The accompanying notes form an integral part of the annual accounts.

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 established at the 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 accounting period of the Company is from 1 January to 31 December.

The Company has a 99.94% interest in a partnership, SES Global Americas Holdings GP, whose accounts are integrated into those of the Company to the level of its share in the partnership.

In 2013 the Company established a branch in Switzerland in order to centralise the cash pooling mechanism in place for the Company and its subsidiaries ('the SES Group'). The annual accounts of the branch were also integrated into those of the Company till 31 October 2020. On 1 November 2020 the branch's activities moved from Switzerland to Luxembourg. As a consequence, all of the assets and liabilities of the branch were reallocated to the Company. Following the reallocation, the branch was closed. This transaction had no impact on the annual accounts of the Company as the branch was always integrated in its accounts.

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 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.

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.

Note 2 – Summary of significant accounting policies and valuation rules (continued)

2.1. Basis of preparation (continued)

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 reevaluated, 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. 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 taken into account 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.

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.

2.2.2. 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 on the basis of 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.

2.2.3. 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.

Note 2 – Summary of significant accounting policies and valuation rules (continued)

2.2.4. 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.

2.2.5. 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.

2.2.6. 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.

With the exception of 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 acquired in currencies other than euro, with the exception of the loans to affiliated undertakings, which are classified as 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.

2.2.7. 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 over the period of the debt based on a straight-line basis over the term of the borrowing.

2.2.8. Share-based compensation

Employees of the Company receive remuneration in the form of share-based compensation payments, whereby employees render services to the Company as consideration for equity instruments.

Four share-based payment schemes have been established by the Company and are available to members of the Company's staff and to employees of the SES Group:

Note 2 – Summary of significant accounting policies and valuation rules (continued)

2.2.8. Share-based compensation (continued)

- **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 prospectively 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 SES FDR's.

For the cash settled plan, a charge corresponding to the number of SRSUs outstanding at the share price on 31 December 2019 is recognised in the profit and loss account on a pro-rata basis over the vesting period and is presented as wages and salaries in the profit and loss account. A corresponding liability is recorded and presented in the balance sheet as other creditors.

Note 3 – Financial assets

a) Shares in affiliated undertakings

	2020	2019
	EUR million	**EUR million**
Historic cost:		
As at 1 January:	7,761.1	8,161.1
Decrease	(485.4)	(400.0)
As at 31 December	**7,275.7**	**7,761.1**
Accumulated value adjustments		
As at 1 January	(104.7)	(104.7)
As at 31 December	**(104.7)**	**(104.7)**
Net book value:		
As at 1 January	**7,656.4**	**8,056.4**
As at 31 December	**7,171.0**	**7,656.4**

The decrease in 2020 represents a share premium reduction in SES Holdings (Netherlands) B.V. in the amount of EUR 418.8 million, and a share capital reduction in SES Astra Services Europe in the amount of EUR 66.6 million. The decrease in 2019 represented the share premium reduction in SES Astra Services Europe S.A. in the amount of EUR 300.0 million and a share capital reduction in SES Participation S.A. in the amount of EUR 100.0 million.

As at 31 December 2020, the Company held the following investments:

Net book value			**2020**	**2019**
	Incorporation in:		EUR million	EUR million
SES Global – Americas, Inc.	United States	99.94%	3,477.6	3,477.6
SES Finance S.à r.l	Luxembourg	100%	1,543.0	1,543.0
SES Holdings (Netherlands) B.V. [1]	Netherlands	100%	822.6	1,241.4
SES Astra S.A.	Luxembourg	100%	1,046.8	1,046.8
SES Participations S.A.	Luxembourg	100%	106.8	106.8
SES Insurance International Re (Luxembourg) S.A.	Luxembourg	100%	90.3	90.3
SES Astra A.B.	Sweden	32.34%	50.1	50.1
SES Insurance International (Luxembourg) S.A.	Luxembourg	100%	15.2	15.2
SES Astra Services Europe S.A.	Luxembourg	100%	-	66.6
SES Latin America S.A	Luxembourg	100%	18.6	18.6
Total			**7,171.0**	**7,656.4**

[1] SES Holdings (Netherlands) B.V. has a 100% direct ownership of the entity New Skies Satellites B.V. and 100% indirect ownership of the entity O3b Networks Limited. Therefore for impairment testing purposes the investment is allocated between the SES GEO and SES MEO cash generating units.

Note 3 – Financial assets (continued)

a) Shares in affiliated undertakings (continued)

Management identified the following CGUs for the purpose of impairment testing:

- SES GEO operations ('SES GEO'),
- SES MEO operations ('SES MEO'), and
- MX1 and other service businesses ('Services').

The investment in SES Holdings (Netherlands) B.V., amounting to EUR 822.6 million (2019: EUR 1,241.4 million), includes both SES GEO and SES MEO operations and was considered accordingly for impairment testing purposes.

Impairment testing for SES GEO operations

Affiliated undertakings listed under "SES GEO operations" form part of the "SES GEO operations" business 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/from affiliated undertakings which are part of SES GEO have also been added to the carrying values of the shares in affiliated undertakings for impairment testing.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 used was 8.04% (2019: 8.37%) and was 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. The terminal growth rate used in the valuation was 0.5% (2019: 2.0%), which reflects the most recent long-term planning assumptions approved by the Board, and can be supported by reference to the performance of the SES business concerned over a longer period in the relevant markets.

An impairment test performed on each investment taken individually (the "line-by-line method"), would potentially lead to a different conclusion, in particular, for the investment held by the Company in SES Global-Americas, Inc. However, for the reasons stated above and as described in Note 2.2.1., 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.

For the SES MEO CGU, the impairment test period was extended beyond the five-year business plan period, to 2034. This extension was deemed necessary to fully capture the contracted capital expenditure and expected growth of the business in connection with the O3b mPOWER constellation, which is scheduled to launch during the period 2021 - 2024, as well as to properly reflect the timing of replacement capital expenditure.

The pre-tax discount rate applied for 2020 was 7.97% (2019: 9.32%) 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. The terminal growth rate used in the valuations was 2.0% (2019: 2.0%), which reflects the most recent long-term planning assumptions approved by the Board of Directors and can be supported by reference to the trading performance of the companies concerned over a longer period.

Note 3 – Financial assets (continued)

Impairment testing for 'Services' operations

Affiliated undertakings listed under "Services" are services companies of the SES Group. They are tested for impairment individually unless their carrying value is insignificant.

Based on this impairment testing, the Board of Directors believes that no value adjustment should be recorded on the carrying values of the shares in affiliated undertakings.

Article 65, Paragraph (1) 2º 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 accounts and these consolidated accounts, and the related consolidated management report and auditors' report thereon, have been lodged with the Luxembourg Trade Registry.

Note 3 – Financial assets (continued)

b) Loans to affiliated undertakings

Loans to affiliated undertakings as of 31 December 2020 consist of:

Counterparty	Principal and accrued interest 31 December 2020 (EUR million)	Maturity	Interest rate
SES Astra S.A. [1]	900.0	October-30	0.64%
HD Plus GmbH	30.5	October-22	4.50%
SES-10 S.à r.l.	66.7	November-22	0.41%
SES Americom Inc.	268.7	June-22	2.93%
SES Networks Lux S.à r.l.	782.1	October-29	3.33%
SES Networks Satellites S.à r.l.	379.6	October-29	3.33%
New Skies Satellites B.V.	179.6	November-23	3.87%
New Skies Satellites B.V.	331.0	November-23	3.87%
New Skies Satellites B.V.	4.6	December-24	3.87%
New Skies Satellites B.V.	214.5	December-24	3.87%
SES Holdings (Netherlands) B.V.	156.3	October-24	3.87%
SES Holdings (Netherlands) B.V.	84.4	December-24	3.87%
SES Holdings (Netherlands) B.V.	28.6	December-32	3.87%
SES DTH do Brasil Ltda	1.3	May-23	5.77%
SES DTH do Brasil Ltda	0.3	May-23	4.38%
SES DTH do Brasil Ltda	0.3	May-22	4.10%
SES DTH do Brasil Ltda	0.6	June-22	3.97%
SES DTH do Brasil Ltda	0.5	September-22	4.23%
SES DTH do Brasil Ltda	0.3	June-23	5.01%
SES DTH do Brasil Ltda	0.3	August-23	5.32%
SES DTH do Brasil Ltda	0.3	November-23	5.48%
Total	**3,430.5**		

[1] In the frame of a corporate restructuring process ten Luxembourg satellite companies were merged into SES Astra S.A. on 1 October 2020. All loans between those satellite entities and the Company have been settled and replaced on 1 October 2020 by a new loan between the Company and SES Astra S.A., with a principal amount of EUR 1,000 million.

The Company does not consider any balances on its loans to affiliates as being irrecoverable as at 31 December 2020.

Note 3 – Financial assets (continued)

b) Loans to affiliated undertakings (continued)

Loans to affiliated undertakings as of 31 December 2019 consist of:

Counterparty	**Principal and accrued interest 31 December 2019 (EUR million)**	**Maturity**	**Interest rate**
SES-15 S.à r.l	160.1	January-33	1.55%
SES Astra 5B S.à r.l.	160.7	June-29	1.11%
SES Astra 2G S.à r.l.	120.0	June-30	1.19%
SES Astra 2F S.à r.l.	93.3	November-27	0.95%
SES Astra 3B S.à r.l.	70.0	June-25	0.67%
SES-10 S.à r.l.	73.4	January-32	2.29%
SES Astra 2E S.à r.l.	22.5	February-29	1.06%
SES Astra 1N S.à r.l.	21.8	November-26	0.80%
HD Plus GmbH	60.0	October-22	4.50%
SES Media Solutions GmbH	140.1	November-21	0.41%
SES Americom Inc.	259.4	June-22	2.93%
SES Networks Lux S.à r.l.	826.5	October-29	3.33%
SES Networks Satellites S.à r.l.	401.1	October-29	3.33%
New Skies Satellites B.V.	190.5	November-23	3.87%
New Skies Satellites B.V.	351.2	November-23	3.87%
New Skies Satellites B.V.	5.0	December-24	3.87%
New Skies Satellites B.V.	234.3	December-24	3.87%
SES Holdings (Netherlands) B.V.	168.1	October-24	3.87%
SES Holdings (Netherlands) B.V.	95.9	December-24	3.87%
SES Holdings (Netherlands) B.V.	30.2	December-32	3.87%
SES DTH do Brasil Ltda	1.3	May-23	2.76%
SES DTH do Brasil Ltda	0.5	May-23	4.38%
SES DTH do Brasil Ltda	0.5	May-22	4.10%
SES DTH do Brasil Ltda	0.9	June-22	3.97%
SES DTH do Brasil Ltda	0.9	September-22	4.23%
SES DTH do Brasil Ltda	0.5	June-23	5.01%
SES DTH do Brasil Ltda	0.5	August-23	5.32%
SES DTH do Brasil Ltda	0.5	November-23	5.48%
Total	**3,489.7**		

Note 4 – Debtors

Amounts owed by affiliated undertakings

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

Amounts owed by affiliated undertakings as at 31 December 2020 consist of:

	2020	2019
	EUR million	EUR million
Becoming due and payable within one year		
Intercompany current accounts	1,153.5	963.3
Short term loan to Luxembourg satellite companies	6.7	83.3
Short term loan to SES Astra S.A.	101.7	-
Short term loan to MX1 Ltd	4.3	-
Short term loan to HD Plus GmbH	30.0	30.0
Short term loan to SES Media Solutions GmbH	210.0	70.0
Value adjustments	(217.8)	-
Total	**1,288.4**	**1,146.6**
Becoming due an payable after one year		
Forward Sale Agreement with SES mPower S.à r.l.	764.1	478.2
Long term advance to SES DTH do Brasil Ltda	9.4	-
Total	**773.5**	**478.2**

Intercompany current accounts represent short-term advances bearing interest at market rates.

The Company performed an analysis of the amounts owed by affiliated undertakings and does no longer consider the following balances to be recoverable:

- Intercompany current accounts with SES ASTRA Services Europe in the amount of EUR 6.0 million;
- Intercompany current accounts with MX1 Limited in the amount of EUR 28.6 million;
- Short term loan to SES Media Solutions GmbH in the amount of EUR 183.2 million.

As at 31 December 2020 the Company recorded an overall value adjustment of EUR 217.8 million in this respect (see also Note 17).

In 2018, SES entered into a forward sale agreement with SES mPower S.à r.l (see Note 11) in connection with the fleet of seven mPower satellites divided into 2 sub-blocks (Sub-Block 1 A consisting of four satellites and sub-block 1B consisting of three satellites) currently under construction.

In August 2020 an option to procure 4 additional satellites divided into 2 sub-blocks (Sub-block 2A consisting of two Satellites and sub-block 2B consisting of 2 Satellites) was exercised.

As at 31 December 2020, SES had a receivable from SES mPower S.à r.l of USD 937.7 million (EUR 764.1 million) in the framework of this agreement (divided by Block 1A and 1B for USD 743.9 million and Block 2A and 2B for USD 193.8 million).

Note 5 – Investments – own shares

Own shares refer to the Company's own Fiduciary Deposit Receipts. All FDRs in respect of Class A shares owned by the Company 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 2020, the Company owned 4,559,818 FDRs (2019: 4,708,584) representing a carrying value of EUR 35.1 million (2019: EUR 58.9 million).

Note 6 – Subscribed capital and share premium account

SES has a subscribed capital of EUR 719.0 million (2019: EUR 719.0 million), represented by 383,457,600 Class A shares (2019: 383,457,600) and 191,728,800 Class B shares (2019: 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.

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

	Class A shares	Class B shares	Total shares
As at 1 January 2020	**383,457,600**	**191,728,800**	**575,186,400**
Shares issued during the year	-	-	-
As at 31 December 2020	**383,457,600**	**191,728,800**	**575,186,400**
	Class A shares	Class B shares	Total shares
As at 1 January 2019	**383,457,600**	**191,728,800**	**575,186,400**
Shares issued during the year	-	-	-
As at 31 December 2019	**383,457,600**	**191,728,800**	**575,186,400**

Note 7 – 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 8 – Reserve for own shares

In accordance with the Law, the Company has created a non-distributable "reserve for own shares" for an amount of EUR 35.1 million (2019: EUR 58.9 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 9 – Creditors

a) Debenture loans - Non convertible loans

The maturity profile of notes and bonds is as follows as at 31 December 2020.

			2020
Creditors - Financial liabilities	Interest rate	Maturity	EUR million
a) Debenture loans - Non convertible loans			
becoming due and payable within one year*			**669.3**
EUR 650 million Eurobond (2021)	4.75%	March-21	556.0
Non convertible bonds due >1 Y: Accrued interest			113.3
becoming due and payable between 3 and 5 years			**1,011.2**
144A Bond USD 750.0 million (2023)	3.60%	April-23	611.2
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
becoming due and payable after 5 years			**3,501.2**
EUR 140.0 million Private Placement (2027)	4.00%	May-27	140.0
144A Bond USD 250.0 million (2043)	5.30%	April-43	203.7
144A Bond USD 500.0 million (2044)	5.30%	March-44	407.5
German Bond issue of EUR 50.0 million (2032)	4.00%	November-32	50.0
EUR 750 million deeply subordinated fixed rate resettable securities	4.625%	N/A**	750.0
EUR 550 million deeply subordinated fixed rate resettable securities	5.625%	N/A***	550.0
EUR 500 million Eurobond (2026)	1.625%	March-26	500.0
EUR 500 million Eurobond (2027)	0.875%	November-27	500.0
EUR 400 million Eurobond (2028)	2.00%	July-2028	400.0

* Includes accrued interest of EUR 113.3 million at a 31 December 2020 (2019: EUR 138.1 million).

** First reset date January - 22

*** First reset date January - 24

Note 9 – Creditors (continued)

a) Debenture loans - Non convertible loans (continued)

The maturity profile of notes and bonds is as follows as at 31 December 2019.

			2019
Creditors - Financial liabilities	Interest rate	Maturity	EUR million
a) Debenture loans - Non convertible loans			**5,663.3**
becoming due and payable within one year*			**788.1**
EUR 650 million Eurobond (2020)	4.625%	March-20	650.0
Non convertible bonds due >1 Y: Accrued interest			138.1
becoming due and payable between 1 and 2 years			**650.0**
EUR 650 million Eurobond (2021)	4.75%	March-21	650.0
becoming due and payable between 3 and 5 years			**817.6**
144A Bond USD 750.0 million (2023)	3.60%	April-23	667.6
German Bond issue of EUR 150.0 million (2024)	Floating	June-24	150.0
becoming due and payable after 5 years			**3,407.6**
EUR 140.0 million Private Placement (2027)	4.00%	May-27	140.0
144A Bond USD 250.0 million (2043)	5.30%	April-43	222.5
144A Bond USD 500.0 million (2044)	5.30%	March-44	445.1
German Bond issue of EUR 50.0 million (2032)	4.00%	November-32	50.0
EUR 750 million deeply subordinated fixed rate resettable securities	4.625%	N/A**	750.0
EUR 550 million deeply subordinated fixed rate resettable securities	5.625%	N/A***	550.0
EUR 500 million Eurobond (2026)	1.625%	March-26	500.0
EUR 500 million Eurobond (2027)	0.875%	November-27	500.0
German Bond issue of EUR 250 million (2025)	1.71%	December-25	250.0

* Includes accrued interest of EUR 138.1 million at year-end 2019 (2018: EUR 139.6 million).

** First reset date January - 22

*** First reset date January - 24

Note 9 – Creditors (continued)

a) Debenture loans - Non convertible loans (continued)

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 2020, SES had issued EUR 2,096 million (2019: EUR 2,440 million) under the EMTN Programme with maturities ranging from 2021 to 2028.

EUR 650 million Eurobond (2020)

SES repaid its EUR 650 million 10-year bond under the Company's European Medium-Term Note Programme issued 2010, with a fixed interest rate of 4.625% on 9 March 2020.

EUR 650 million Eurobond (2021)

In 2011 SES issued a EUR 650 million bond under the Company's European Medium-Term Note Programme. The bond has a 10-year maturity and bears interest at a fixed rate of 4.75%. On 30 June 2020, SES further announced the completion of a tenor offer to repurchase the aggregated principal amount of total EUR 94 million of its outstanding Eurobond 2021 (650 million) at a repurchase price of 102.75% of the nominal amount.

EUR 750.0 million Deeply Subordinated Fixed Rate Resettable Securities (2022)

On 10 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 is entitled to call the securities on 2 January 2022 and on subsequent coupon payment dates.

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.

EUR 500 million Eurobond (2026)

In 2018 SES issued a EUR 500 million 8-year bond under the Company's European Medium-Term Note Programme. 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 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 on 29 January 2024 and on subsequent coupon payment dates.

Note 9 – Creditors (continued)

a) Debenture loans - Non convertible loans (continued)

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)

On 2 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.

German bond issue of EUR 50 million (2032)

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

144A Bond USD 250 million (2043)

In 2013 SES completed a 144A offering in the US market issuing 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.

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.

Note 9 – Creditors (continued)

b) Amounts owed to credit institutions

Amounts owed to credit institutions as of 31 December 2020 were:

Creditors - Financial liabilities			**2020**
	Interest rate	Maturity	EUR million
b) amounts owed to credit institutions			
becoming due and payable within one year			**40.7**
COFACE facility	EURIBOR +1.70%	various in 2020	40.7
becoming due and payable after more than one year			**40.2**
COFACE facility	EURIBOR +1.70%	various from 2021 to 2022	40.2

Amounts owed to credit institutions as of 31 December 2019 were:

Creditors - Financial liabilities			**2019**
	Interest rate	Maturity	EUR million
b) amounts owed to credit institutions			
becoming due and payable within one year			**41.2**
COFACE facility	EURIBOR +1.70%	various in 2019	41.2
becoming due and payable after more than one year			**80.9**
COFACE facility	EURIBOR +1.70%	various from 2020 to 2022	80.9

Syndicated loan 2019

In June 2019 the Company renewed its previous syndicated loan facility (‘Syndicated loan 2015’). The updated facility is being provided by 19 banks and has been structured as a 5-year multi-currency revolving credit facility with an option to extend until 2026 (two one-year extension options at the discretion of the lenders). The facility is for EUR 1,200.0 million and the interest payable is linked to a ratings grid. At the current SES credit rating of BBB- / Baa2, the interest rate is 45 basis points over EURIBOR/LIBOR. As at 31 December 2020 and 2019, no amount has been drawn under this facility.

EUR 522.9 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 were 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. in the Coface tranches outstanding as at 31 December 2021 are repayable in 17 equal semi-annual instalments as follows: Coface A has a final maturity date of 1 August 2022, Coface F will mature on 21 May 2021 and Coface C and D will mature on 3 October 2022. The entire facility bears interest at a floating rate of six-month EURIBOR plus a margin of 1.7%.

Note 9 – Creditors (continued)

b) Amounts owed to credit institutions (continued)

European comercial 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 GP. 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 is compliant with the standards set out in the STEP Market Convention. In 2017 this programme was updated and extended. As at 31 December 2020 and 2019, no borrowings were outstanding under this programme.

Negotiable European Commercial Paper "NEU CP" (previous French Commercial paper programme)

In 2005 SES put in place a EUR 500.0 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 500.0 million or its counter value at the date of issue in any other authorised currency. On 20 May 2020, this programme was extended for one further year. As at 31 December 2020 and 2019, no borrowings were outstanding under this programme.

The aggregate maturity profile of amounts drawn from credit institutions and becoming due and payable after more than one year is as follows as at 31 December 2020 and 2019:

	2020	**2019**
	EUR million	**EUR million**
Between one and two years	40.2	80.9
Between two and five years	-	-
Total	**40.2**	**80.9**

During the year 2020, SES repaid floating rate obligations totaling EUR 41.2 million (2019: EUR 41.2 million) related to various Coface instalments.

Committed and uncommitted loan facilities

As at 31 December 2020, and as at 31 December 2019, the Company had no outstanding balances under uncommitted loan facilities.

Note 9 – Creditors (continued)

c) Amounts owed to affiliated undertakings

Amounts owed to affiliated undertakings of EUR 2,038.2 million (2019: EUR 2,263,6 million) include the following:

	2020	**2019**
	EUR million	**EUR million**
Long term loans (maturity after five years)	41.7	611.7
Long term loans (less than five years)	573.0	-
Current accounts	1,423.5	1,651,9
Total	**2,038.2**	**2,263.6**

"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, among others, the liquidity of the Group in order to optimize the funding costs.

As at 31 December 2020, long term loans included:

- A loan for a total amount of USD 51.2 million (EUR 41.7 million) from SES Satellites Gibraltar Ltd. with a maturity date of May 2025 and bearing interest at a rate of 4.2%;

- A loan for a total amount of USD 615.4 million (EUR 528.1 milion) from SES Americom Inc. with a maturity date of March 2024 and bearing interest at a rate of 3.7%;

- In November 2020, SES Astra AB granted a new long-term loan to the Company for a total amount of SEK 450.0 million with a maturity date of November 2023 and bearing interest at a rate of 0.72%. As at 31 December 2020, the outstanding balance, including accrued interest, amounted to SEK 450.3 million (EUR: 44.9 million).

Note 10 – Other creditors - tax authorities

The Company is subject to the tax regulations in Luxembourg, in the U.S. for the partnership and till October 2020 in Switzerland for the Swiss branch. 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 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 Lux Finance S.à r.l.

Note 10 – Other creditors - tax authorities (continued)

- 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 Finance 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 respective tax charge/income of each subsidiary is computed on a stand-alone basis and till the end of 2019 was recharged via intercompany accounts. From 2020 the tax charge/income of the entire Luxembourg tax unity is recorded by the Company.

Note 11 – Other creditors – payable after more than one year

Acquisition of SES mPower medium-Earth orbit 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 medium-Earth orbit satellites from The Boeing Company.

At the end of the satellite construction period, which is foreseen in 2021, the SES Group will have 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.

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. To this end the Company entered into a forward sale agreement with that entity as at 29 May 2018 whereby as the satellite construction process proceeds, and the Procurement Agents confirm that construction milestones are achieved, then the underlying asset-under-construction is transferred by the Company to that entity against an intercompany receivable.

Note 11 – Other creditors – payable after more than one year (continued)

Since the underlying Satellite Purchase and Sale Agreement is directly between the financial institution and The Boeing Company then 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 construction period and hence the SES Group is accruing for the costs of this programme.

Under the satellite Purchase and Sale agreement seven satellites were procured divided into 2 sub-blocks (Sub-Block 1 A consisting of four satellites and sub-block 1B consisting of three satellites) currently under construction.

In August 2020 the priced option under the Purchase and Sale agreement to procure 4 additional satellites divided into 2 sub-blocks (Sub-block 2A consisting of two Satellites and sub-block 2B consisting of 2 Satellites) was exercised. At the end of the satellite construction period, foreseen in 2022, the SES Group will have the right to acquire, or lease, the satellites from the financial institution or to direct their sale to a third-party.

As at 31 December 2020 the total amount of EUR 764.1 million (USD 937.7 million) [2019: EUR 478.2 million (USD 537.2 million)], (divided by Block 1A and 1B USD 743.9 million and Block 2A and 2B USD 193.8 million) was recorded under the caption ‘Other creditors – becoming due and payable after one year’, corresponding to the constructive obligation by the Company towards the financial institution procuring the satellites. Corresponding amount due to the Company from SES mPower S.à r.l. under a forward purchase agreement, was disclosed on the balance sheet under the caption ‘Amounts owed by affiliated undertakings – becoming due and payable after one year’.

Note 12 – Other operating income

Other operating income of EUR 18.5 million (2019: EUR 24.2 million) consists mainly of intra-group recharge income from advisory support services rendered to various affiliates.

Note 13 – Staff costs

As at 31 December 2020, the number of full time equivalent employees was 93 (2019: 68) and the average number of employees in the workforce for 2020 was 86 (2019: 60). Staff costs can be analysed as follows:

	2020	**2019**
	EUR million	**EUR million**
Wages and salaries	15.2	10.4
Social security costs and other staff costs	1.9	2.1
Total	**17.1**	**12.5**

Note 14 – Income from participating interests

Income from participating interests concerning affiliated undertakings consists of the following:

	2020	2019
	EUR million	**EUR million**
Dividends received from affiliated undertakings	959.0	652.7
Total	**959.0**	**652.7**

Dividends received on own shares in the amount of million EUR 2.0 million (2019: EUR 4.3 million). Dividend received from affiliated undertakings EUR 957.0 million (2019: EUR 648.4 million).

Note 15 – Income from other investments and loans

Income from other investments and loans forming part of fixed assets:

	2020	2019
	EUR million	**EUR million**
Interest income from affiliated undertakings	98.9	66.9
Total	**98.9**	**66.9**

Note 16 – Other interest receivable and similar income

Other interest receivable and similar income includes the following:

	2020	2019
	EUR million	**EUR million**
Interest income from current account	0.6	2.2
Other interest income from affiliated undertakings	32.3	55.8
Total	**32.9**	**58.0**

Note 17 – Value adjustments in respect of financial assets and investments held as current assets

The loss of EUR 22.4 million (2019: loss of EUR 22.5 million) is composed of a loss on disposal of the Company's FDRs for EUR 12.3 million (2019: loss of EUR 30.0 million) and a value adjustment on outstanding FDRs as at 31 December 2020 of EUR 10.1 million (2019: EUR 7.6 million).

A value adjustment was recorded 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 7.72 as at 31 December 2020 (2019: EUR 12.50).

As at 31 December 2020 the Company recorded a value adjustment of EUR 217.8 million in respect of the amounts owed by affiliated undertakings (2019: nil) (see also Note 4).

Note 18 – Interest payable and similar expenses

a) Concerning affiliated undertakings

	2020	2019
	EUR million	EUR million
Interest charges from current account	28.5	45.3
Total	**28.5**	**45.3**

b) Other interest and similar expenses

Other interest and similar financial expenses include the following:

	2020	2019
	EUR million	EUR million
Interest charges	216.7	227.0
Loan origination costs	15.4	8.8
Loss on disposal on own shares	2.3	0.8
Foreign exchange loss, net	40.1	0.2
Total	**274.5**	**236.8**

Note 19 – Audit fees

Art. 65 Paragraph (1) 16º 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 35,000 (2019: EUR 0.2 million) 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 2020 amounted to EUR 1.1 million (2019: EUR 1.2 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 procured additional 4 satellites. The outstanding commitments of the Company in respect of the related contracted capital expenditure as at 31 December 2020 amounting to USD 222.7 (EUR 181.5 million).

The Company is currently in the process of procuring the satellite SES-17; this satellite is expected to be launched in the second half of 2021. The Company had outstanding commitments in respect of the related contracted capital expenditure as at 31 December 2020 amounting to EUR 87.7 million.

Guarantees

On 31 December 2020 the Company had outstanding bank guarantees provided for an amount of EUR 89.1 million (2019: EUR 101.3 million) with respect to performance and warranty guarantees for services of satellite operations.

Parental guarantees

SES S.A. issued a letter of guarantee to one 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 2020 stand alone 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 other material events occurring between the reporting date and the date when the consolidated financial statements were authorised by the Board of Directors.

Assemblée Générale Ordinaire

7 Approbation du bilan au 31 décembre 2020 et du compte de profits et pertes pour l'exercice 2020

<u>Projet de résolution</u>

Le Conseil d'administration propose à l'Assemblée d'approuver les comptes annuels et les comptes consolidés comme indiqués sous le point 6 de l'ordre du jour "Présentation du rapport du réviseur d'entreprises".

8 Décision sur l'affectation du résultat net de l'exercice 2020 et transferts entre comptes de réserves

<u>Projet de résolution</u>

Le Conseil d'administration propose à l'Assemblée d'approuver l'affectation du résultat net de l'exercice 2020 conformément aux indications figurant dans les tableau ci-joint, intitulés "Affectation du résultat net de l'exercice" and "Transfert entre comptes de réserves".

SES

Annual General Meeting

7 Approval of the balance sheet as of 31 December 2020 and of the 2020 profit and loss accounts

Draft resolution

The Board of Directors proposes to the Meeting to approve the annual accounts and the consolidated annual accounts as shown under agenda item 6 “Presentation of the audit report”.

8 Decision on allocation of 2020 profits and transfer between reserve accounts

Draft resolution

The Board of Directors proposes to the Meeting to approve the allocation of the 2020 statutory net income of SES S.A. in accordance with enclosed tables entitled “Affectation du résultat net de l’exercice” and “Transfert entre comptes de réserves”.

Agenda item 8
Affectation du résultat net de l'exercice 2020 / Allocation of 2020 net income

			EUR
Statutory net income of SES S.A. (unconsolidated) available for distribution			**508,763,161.30**
Statutory release (to) / from Legal Reserve [1]			**0.00**
Available for distribution after transfer from Legal Reserve			**508,763,161.30**
Payment of a dividend under Article 31:	**Shares**	**Dividend**	
Ordinary A shares	**383,457,600**	**0.400**	**-153,383,040.00**
Ordinary B shares	**191,728,800**	**0.160**	**-30,676,608.00**
Total			**-184,059,648.00**
Transfer to "Other Reserves"			**-324,703,513.30**
Undistributed 2020 profits			**0.00**

[1] In accordance with Luxembourg legal requirements, a minimum of 5% of the yearly net profit is transferred to a Legal Reserve from which distribution is restricted. This requirement is satisfied when the reserve reaches 10% of the issued share capital.

Agenda Item 8
Transfert entre comptes de reserves / Transfer between reserve accounts

	EUR
Movement on "Other Reserves" ***('Free Reserves')***	
"Other Reserves" before proposed transfer	**2,506,205,350.12**
Transfer of undistributed statutory net income to 'Other reserves'	**324,703,513.30**
"Other Reserves" after proposed transfer	**2,830,908,863.42**

Shareholders are specifically asked to note and confirm that a cumulative amount of EUR 35.1 million has been transferred to a non-distributable reserve within "Other reserves" in connection with holdings of own shares (2019: EUR 58.9 million)

2020 Consolidated net loss available for the shareholders of SES S.A.	**-86,372,614.46**
Movement on "Legal Reserve"	
"Legal Reserves" before proposed transfer	**71,898,300.00**
Transfer to / (from) "Legal reserves"	**0.00**
"Legal Reserves" after proposed transfer - 10% of Subscribed Capital	**71,898,300.00**
Note: Subscribed Capital of SES S.A. is	718,983,000.00

Assemblée Générale Ordinaire

9 Décharge à donner aux administrateurs

<u>Projet de résolution</u>

Conformément à l'article 27 des statuts, le Conseil d'administration propose à l'Assemblée de donner décharge aux administrateurs.

Annual General Meeting

9 Discharge of the members of the Board of Directors

<u>Draft resolution</u>

According to article 27 of the Articles of Association, the Board of Directors proposes to the Meeting to give discharge to the members of the Board.

Assemblée Générale Ordinaire

10 Fixation du nombre d'administrateurs

Projet de résolution

Le Conseil d'administration propose à l'Assemblée de réduire la taille du Conseil d'administration à 11 administrateurs (7 représentants les actionnaires A et 4 représentant les actionnaires B), étant entendu qu'une assemblée générale extraordinaire appelée à tout moment avant la tenue de la prochaine assemblée générale ordinaire, pourra au besoin voter sur une augmentation de la taille du Conseil d'administration et procéder à l'élection d'un nouvel administrateur.

Annual General Meeting

10 Determination of the number of Board members

Draft resolution

The Board of Directors proposes to reduce the size of the Board to 11 directors (7 representing the shareholders of class A and 4 representing the shareholders of class B), it being understood that an extraordinary general meeting of the shareholders called, if appropriate, at any time before the next ordinary general meeting, may vote on the increase of the size of the Board and proceed with the election of a new director.

Assemblée Générale Ordinaire

11 Nomination d’un administrateur pour une durée d’un an et d’un administrateur pour une durée de trois ans

Projet de résolutions

Le Conseil d’administration propose à l’Assemblée de ré-élire Serge Allegrezza en tant qu’administrateur pour une durée d’un an.

Le Conseil d’administration propose à l’Assemblée de ré-élire Katrin Wehr-Seiter en tant qu’administrateur pour une durée de trois ans.

Basé sur la proposition du Conseil d’administration, le Conseil de SES serait composé des 11 administrateurs suivants (six hommes et cinq femmes) :

Pour les actionnaires A (tous indépendants): Béatrice de Clermont-Tonnerre, Frank Esser, Tsega Gebreyes, Ramu Potarazu, Kaj-Erik Relander, Peter van Bommel, Katrin Wehr-Seiter

Pour les actionnaires B: Serge Allegrezza, Paul Konsbruck, Anne-Catherine Ries, Françoise Thoma

Annual General Meeting

11 Election of one Director for a one-year term and one Director for a three-year term

Draft resolutions

The Board of Directors proposes to the Meeting that Serge Allegrezza be re-elected as Director for a one-year term.

The Board of Directors proposes to the Meeting that Katrin Wehr-Seiter be re-elected as Director for a three-year term.

Based on the proposal from the Board of Directors, the SES Board would be composed of the following 11 Directors (six men and five women):

For the A-shareholders (all of them independent): Béatrice de Clermont-Tonnerre, Frank Esser, Tsega Gebreyes, Ramu Potarazu, Kaj-Erik Relander, Peter van Bommel, Katrin Wehr-Seiter

For the B-shareholders: Serge Allegrezza, Paul Konsbruck, Anne-Catherine Ries, Françoise Thoma

SES

Short bios of the candidates proposed for election:

Katrin Wehr-Seiter **(A-shareholders)**

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 also worked 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 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 the Chairperson of the Audit and Risk Committee and a member of the Remuneration Committee of SES.

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

Serge Allegrezza (B-shareholders)

Mr. Allegrezza became a director on 11 February 2010. He is currently the Director General of Statec, the Luxembourg Institute for Statistics and Economic Studies, a post he has held since April 2003. He was Conseiller de Gouvernement 1ère classe at the Ministry of Economics, responsible for internal market policy, and is the Chairman of the Observatory for Competitiveness. He is also the Chairman of the Board of Directors of POST Luxembourg and of the Board of LuxTrust i.n.c and former president of the Conseil Economique et Social. Mr. Allegrezza, who was a part-time lecturer at the IAE/University of Nancy 2, has a Masters' in Economics and a PhD. in Applied Economics. Mr. Allegrezza is a member of the Audit and Risk Committee and of the Remuneration Committee of SES.

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

Assemblée Générale Ordinaire

12 Approbation de la Politique de Rémunération

<u>Projet de résolution</u>

Le Conseil d'Administration propose à l'Assemblée d'approuver la Politique de Rémunération établie et approuvée par la Conseil.

Annual General Meeting

12 Approval of Remuneration Policy

<u>Draft resolution</u>

The Board of Directors proposes to the Meeting to approve the following Remuneration Policy which has been drawn up and approved by the Board.

SES Remuneration Policy

as last amended by the Board of Directors on

24 February 2021

Table of Contents

1. Purpose and scope of the 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;

- how the pay and employment conditions of employees of the Company were considered when establishing the Policy;

- the duration of the contracts or arrangements with the Directors and SLT members, the applicable notice periods, the main characteristics of supplementary pension or early retirement schemes and the terms of, and payments linked to, termination;

- the decision-making process followed for the determination, review and implementation of the Policy, including measures to avoid or manage conflicts of interests and, where applicable, the role of the Remuneration Committee and the Board;

- 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 covers all forms of remuneration being paid either to a Director or an SLT member.

2. The 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. The Remuneration Policy therefore supports the Company's business strategy and long-term interests and sustainability.

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 personnel in other companies and be relative to the pay and employment conditions of the employees of the Company.

2.1 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.

2.1.1 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.

2.1.2. 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.

It is important to note that a Director participating in more than one committee meeting on the same day will receive the attendance fee for one meeting only. Half of the attendance fee is paid if the Director participates in the meeting via telephone or videoconference.

2.1.3. 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.

2.2 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.

2.2.1 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 SLT members.

For all new nominations as SLT member, remunerations are validated by the SES Board, upon recommendations from the Remuneration Committee which 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.

2.2.2 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 the performance of members against specific business objectives. Through this plan, the Company ensures alignment and focus on the company core objectives.

The AB of SLT members is based on the annual performance during the relevant year and is paid out in March of the following year after review by the Remuneration Committee and validation by the Board in the first quarter of the year.

AB achievements (financial results and performance against business objectives) are reported in the annual Remuneration Report after assessment by the Remuneration Committee and validation by the Board.

The AB target for SLT members ranges from 50% of the YBS to 100% of YBS for the CEO.

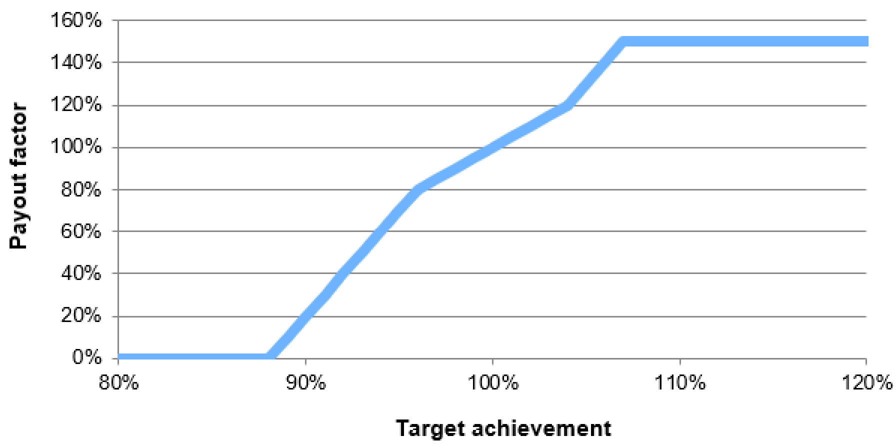
The minimum pay-out can be as low as 0% of the AB (in other words no bonus payment), with a maximum pay-out capped at 150% of the bonus target.

Starting with performance year 2021, the AB of each SLT member is composed of two parts:

a) Financial performance (accounting for 70% of the AB)

The financial performance measures the actual achievement vs. budget for the following set of metrics with their respective weights: Revenue (40% of the AB), EBITDA (40% of the AB) and net operating cash flow (20% of the AB). The budget targets for those measures are set during the annual budget process and finally approved by the Board. CEOs of the Business Units are also measured on the financial performance vs. budget of their respective business units.

The financial performance payout is capped at 150% of the bonus target (for a 107% target achievement and for each of the three metrics) and with a performance threshold, below which no compensation is paid, set at 88% achievement and as per below ratchet table:



b) Business objectives (accounting for 30% of the AB)

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.

2.2.3 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:

a) stock options, representing one third of the total LTE grant,
b) restricted shares, representing one sixth of the LTE grant and
c) performance shares, representing one half of the LTE grant and with a vesting which is subject to the Company´s financial performance.

The annual grant shall be approved by the Board based on a recommendation from the Remuneration Committee.

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

a) 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 (Aon-Hewitt in the past years). 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 four years with an annual vesting of 25% on 1 January of each year. As an example, if 100 stock options are granted in May 2020, the first 25 stock options can be exercised as of 1 January 2021, the next 25 as of 1 January 2022, the next 25 as of 1 January 2023 and the final 25 as of 1 January 2024.

b) 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. No step vesting is applied in order to enhance the retention factor.

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

c) Performance Shares

Performance shares are FDRs granted to SLT members with vesting subject to reaching a positive compounded three years adjusted Economic Value Added (adjusted EVA).
If this criterion is not fulfilled, a ratchet table will apply to determine the proportion of performance shares that will vest (minimum 50% and maximum 100% payout).

The adjusted EVA measures the value created in excess of the required rate of return the Company must provide to shareholders and debtholders. The adjusted EVA is reviewed by the Remuneration Committee and confirmed by the SES Board in the first half of each calendar year.

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

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 authorization from the Deputy Corporate Secretary and/or Chief Financial Officer, not during a closed period). As for the members of the

Board, the exercises by the SLT members are reported on the Company's website under About Us -> Corporate Governance -> Management Disclosures.

2.2.4 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 for SLT members;
- Death and disability insurances;
- Company car or car allowances.

In addition to the above, several SLT members benefit from tax support and participation in school fees.

2.2.5 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.

2.2.6 SLT members share ownership program

This program 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.

3. Shareholder Vote

The present Policy will be submitted to a shareholder's vote at the next Annual General Meeting, as will any material subsequent changes. The policy will be submitted to the shareholders at a minimum every four years.

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.

4. 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.

5. 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.

6. Glossary

Term	Description
AB	bears the definition set out under item 2.2 (*Remuneration of ExComm members*) of this Policy.
Audit and Risk Committee	the audit and risk committee of the Company, which 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.
Company	SES S.A.
Board	the board of directors of the Company (*conseil d'administration*).
Director(s)	the members of the Board.
EVA	economic value added.
EBCP	the Company's equity based compensation plan.
SLT member	the members of the SLT.
LTE	bears the definition set out under item 2.2 (*Remuneration of ExComm members*) of this Policy.
Luxembourg Company Law	the Luxembourg Law of the 10 August 1915 on commercial companies as amended by the Law of 10 August 2016.
Policy	this document, which contains the Company's policy on the remuneration of the Directors and SLT members.
Remuneration Committee	the remuneration committee of the Company, which advises the Board on remuneration and performance matters of the members of the SLT. It acts as administrator of the Company's long-term equity plans and reviews and recommends any change to the existing remuneration scheme of the members of the Board of Directors, considering best practices in this matter.
YBS	bears the definition set out under item 2.2 (*Remuneration of SLT members*) of this Policy.

7 . Applicable regulations

Term	Description
Ten Principles of the LuxSE	the X Principles of Corporate Governance of the Luxembourg Stock Exchange, 4th edition, December 2017.
Shareholders Rights Law	the Luxembourg law of 24 May 2011 on shareholders rights, as amended.

SES

Appendix
List of the Identified Directors as of 4 February 2021

Name	Job Title
Frank Esser	Director
Serge Allegrezza	Director
Peter van Bommel	Director
Béatrice de Clermont Tonnerre	Director
Tsega Gebreyes	Director
Paul Konsbruck	Director
Ramu Potarazu	Director
Kaj-Erik Relander	Director
Anne-Catherine Ries	Director
Françoise Thoma	Director
Katrin Wehr-Seiter	Director

List of the Identified SLT members as of 4 February 2021

Name	Job Title
Steve Collar	CEO
John Baughn	Chief Services Officer
Christophe De Hauwer	Chief Strategy and Development Officer
John-Paul Hemingway	CEO, SES Networks
Sandeep Jalan	CFO, Chief Financial Officer
Ruy Pinto	Chief Technology Officer
Evie Roos	Chief Human Resources Officer
Thai Rubin	Chief Legal Officer

SES

Assemblée Générale Ordinaire

13 Fixation de la rémunération des membres du Conseil d'administration

Projet de résolution

Le Conseil d'administration propose à l'Assemblée que la rémunération des membres du Conseil soit fixée comme suit :

Pour chaque assistance à une séance du Conseil d'administration ou d'un des comités que le Conseil instituera, autre que le Comité d'Audit et des Risques, les administrateurs recevront une indemnité de 1.600 EUR par séance. Cette indemnité est la même pour les Vice-Présidents et le Président.

Un administrateur qui participera par téléphone à une séance du Conseil d'administration ou d'un comité**,** que le Conseil instituera, autre que le Comité d'Audit et des Risques, touchera une indemnité de 800 EUR pour cette séance. Exceptionnellement, pendant l'application des mesures sanitaires liées à COVID-19, un administrateur qui participe à une séance du Conseil d'administration ou d'un comité par téléphone ou par vidéoconférence, autre que le Comité d'Audit et des Risques, touchera une indemnité de 1.600 EUR pour cette séance.

Un administrateur qui participera à une séance du Comité d'Audit et des Risques touchera une indemnité de 1.920 EUR par séance, respectivement de 960 EUR par séance s'il participe par téléphone à cette séance. Cette indemnité est la même pour les Vice-Présidents et le Président. Exceptionnellement, pendant l'application des mesures sanitaires liées à COVID-19, un administrateur qui participe à une séance du Comité d'Audit et des Risques par téléphone ou par vidéoconférence, touchera une indemnité de 1.920 EUR pour cette séance

Un administrateur qui participera à plus d'une séance d'un comité le même jour, ne touchera une indemnité que pour une séance.

Chaque membre du Conseil d'administration aura droit à une indemnité fixe de 40.000 EUR par an, indépendamment du nombre de présences aux séances. Cette indemnité est de 48.000 EUR par an pour les Vice-Présidents et de 100.000 EUR par an pour le Président.

Un administrateur, autre que le Président du Conseil d'administration, qui sera Président d'un comité instauré par le Conseil touchera une indemnité supplémentaire de 8.000 EUR par an. Un administrateur, autre que le Président du Conseil d'administration, qui sera Président du Comité d'Audit et des Risques, touchera une indemnité supplémentaire de 9.600 EUR

Tous les montants contenus dans la présente résolution s'entendent net de retenue à la source luxembourgeoise sur la rémunération des administrateurs.

Annual General Meeting

13 Determination of the remuneration of Board members

Draft resolution

The Board of Directors proposes to the Meeting that the remuneration of the Directors shall be determined as follows:

For the attendance at a meeting of the Board of Directors or of a committee set up by the Board, other than the Audit and Risk Committee, the Directors shall receive a remuneration of EUR 1,600 for that meeting. This remuneration is the same for the attendance by the Vice-Chairpersons and the Chairman.

A Director participating by telephone at a meeting of the Board or of a committee set up by the Board, other than the Audit and Risk Committee, shall receive a remuneration of EUR 800 for that meeting. As an exception, during the application of the sanitary and social distancing measures linked to the COVID-19 pandemic, a Director participating by telephone or videoconference at a meeting of the Board or of a committee set up by the Board other than the Audit and Risk Committee, shall receive a remuneration of EUR 1,600 for that meeting.

A Director participating at a meeting of the Audit and Risk Committee shall receive a remuneration of EUR 1,920 for that meeting, or, if the Director participates by telephone, EUR 960 for that meeting. This remuneration is the same for the attendance by the Vice-Chairpersons and the Chairman. As an exception, during the application of the sanitary and social distancing measures linked to the COVID-19 pandemic, a Director participating by telephone or videoconference at a meeting of the Audit and Risk Committee, shall receive a remuneration of EUR 1,920 for that meeting.

A Director participating in more than one committee meeting on the same day shall receive the remuneration for one meeting only.

Each Director shall receive a remuneration of EUR 40,000 each year, regardless of the number of attendances at meetings. The Vice-Chairpersons shall receive EUR 48,000 each year and the Chairman of the Board shall receive EUR 100,000 each year.

A Director, other than the Chairman of the Board of Directors, chairing one of the committees set up by the Board, shall receive an additional remuneration of EUR 8,000 each year. A Director, other than the Chairman of the Board of Directors, chairing the Audit and Risk Committee, shall receive an additional remuneration of EUR 9,600 each year.

All the amounts contained in the present resolution will be net of any Luxembourgish withholding tax on directors' fees.

Assemblée Générale Ordinaire

14 Approbation du Rapport de Rémunération

<u>Projet de résolution</u>

Le Conseil d'administration propose à l'Assemblée d'approuver le Rapport de Rémunération pour 2020.

Annual General Meeting

14 Approval of Remuneration Report

<u>Draft resolution</u>

The Board of Directors proposes to the Meeting to approve the Remuneration Report for 2020.

SES Remuneration Report

REMUNERATION REPORT

Directors Remuneration

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.

In 2020, the shareholders decided to maintain the fees paid to the directors at the previous year's level with a majority of 97.62%. The fees paid to the Board have not been increased since 2008, except for the fees paid to the members of the Audit and Risk Committee which have been increased in 2015.

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

A director who chairs one of the committees set up by the Board, if not the Chair of the Board of Directors, receives an additional remuneration of €8,000 per year. A director who chairs the Audit and Risk Committee, if not the Chair of the Board of Directors, receives an additional remuneration of €9,600 per year.

The shareholders also maintained the fees at €1,600 for each Board or Board committee meeting, except for the meetings of the Audit and Risk Committee for which directors receive €1,920 per meeting. A director participating in more than one committee meeting on the same day will receive the attendance fee for one meeting only.

Half of the attendance fee is paid if the director participates in the meeting via telephone or videoconference. All fees are net of any Luxembourg withholding taxes.

The total net remuneration fees expensed for the year 2020 to the members of the Board of Directors (net of the Luxembourg withholding tax) amounted to €794,907 of which €216,640 were variable fees, with the remaining €578,267 representing the fixed part of the Board fees. The gross overall figure (including withholding taxes) for the year 2020 was €993,633.

These amounts cover the fees paid for six Board meetings, the meetings of the Board Committees described in the table below, as well as two meetings of the Chairperson's Office. The amounts relate to the Board fees actually expensed during the year 2020.

During 2020, the Board and the Committees of the Board were composed as follows:

- Romain Bausch, Chair (until April 2020 and member until June 2020)
- Frank Esser, Chair (from April 2020)
- Tsega Gebreyes, Vice-Chair
- Anne-Catherine Ries, Vice-Chair
- Serge Allegrezza
- Peter van Bommel (from April 2020)

SES Remuneration Report

- Victor Casier (until April 2020)
- Béatrice de Clermont Tonnerre (from April 2020)
- Hadelin de Liedekerke Beaufort (until April 2020)
- Paul Konsbruck
- Ramu Potarazu
- Kaj-Erik Relander
- Marc Serres (until April 2020)
- François Tesch (until April 2020)
- Françoise Thoma
- Katrin Wehr-Seiter

The committees, chair, members, and the number of meetings held in 2020 are as follows:

Committee Membership and Meetings

Audit and Risk Committee	Nomination Committee	Remuneration Committee	Strategy [1] Committee
Chair			
Katrin Wehr-Seiter	Anne-Catherine Ries	Françoise Thoma	Frank Esser
Members			
Serge Allegrezza	Béatrice de Clermont Tonnerre (from April)	Serge Allegrezza	Peter van Bommel
Peter van Bommel (from April)	Frank Esser (from April)	Frank Esser (from April)	Béatrice de Clermont Tonnerre
Kaj-Erik Relander	Tsega Gebreyes	Peter van Bommel (from April)	Ramu Potarazu
Françoise Thoma	Kaj-Erik Relander	Ramu Potarazu (from April)	Paul Konsbruck
Victor Casier (until April)	Paul Konsbruck (from April)	Katrin Wehr-Seiter	
Ramu Potarazu (until April)	Romain Bausch (until April)	Romain Bausch (until April)	
	François Tesch (until April)	Hadelin de Liedekerke Beaufort (until April)	
	Françoise Thoma (until April)	Tsega Gebreyes (until April)	
Number of Meetings			
4	6	7	2

(1) As part of a series of cost savings measures, no fees for attendance at the Strategy Committee in 2020 will be paid

SES

SES Remuneration Report

The detailed overview of the individual remunerations expensed in 2020 and 2019 to each Director is provided as follows.

	2020 (for Meetings Q1 2020 to Q4 2020) [1]				2019 (for Meetings Q1 2019 to Q4 2019)			
in EUR	Directors Remuneration	Attendance Fees	Taxes	Total	Directors Remuneration	Attendance Fees	Taxes	Total
Serge Allegrezza	40,000	22,560	15,640	**78,200**	40,000	22,080	15,520	**77,600**
Romain Bausch	35,000	14,400	12,350	**61,750**	100,000	31,200	32,800	**164,000**
Marc Beuls	-	-	-	**-**	12,400	5,440	4,460	**22,300**
Peter van Bommel	30,000	10,880	10,220	**51,100**	-	-	-	**-**
Victor Casier	10,000	2,560	3,140	**15,700**	40,000	17,280	14,320	**71,600**
Beatrice de Clermont-Tonnerre	30,000	9,600	9,900	**49,500**	-	-	-	**-**
Frank Esser	81,667	15,200	24,217	**121,083**	-	-	-	**-**
Tsega Gebreyes	48,000	15,200	15,800	**79,000**	46,000	20,800	16,700	**83,500**
Paul Konsbruck	40,000	16,000	14,000	**70,000**	23,333	6,400	7,433	**37,167**
Conny Kullman	-	-	-	**-**	23,667	8,000	7,917	**39,583**
Hadelin de Liederkerke Beaufort	10,000	800	2,700	**13,500**	40,000	15,200	13,800	**69,000**
Ramu Potarazu	40,000	17,920	14,480	**72,400**	40,000	14,240	13,560	**67,800**
Kaj-Erik Relander	40,000	18,400	14,600	**73,000**	40,000	22,080	15,520	**77,600**
Anne-Catherine Ries	56,000	19,200	18,800	**94,000**	50,667	25,600	19,067	**95,333**
Jean-Paul Senninger	-	-	-	**-**	18,333	1,600	4,983	**24,917**
Marc Serres	10,000	4,000	3,500	**17,500**	23,333	6,400	7,433	**37,167**
François Tesch	10,000	5,600	3,900	**19,500**	42,000	21,600	15,900	**79,500**
Françoise Thoma	48,000	24,160	18,040	**90,200**	44,333	31,680	19,003	**95,017**
Katrin Wehr-Seiter	49,600	20,160	17,440	**87,200**	45,600	18,880	16,120	**80,600**
Jean-Paul Zens	-	-	-	**-**	22,333	6,400	7,183	**35,917**
Total	**578,267**	**216,640**	**198,727**	**993,633**	**652,000**	**274,880**	**231,720**	**1,158,600**

(1) Given the continuing application of the sanitary and social distancing measures linked to the COVID-19 pandemic, Board and Board Committee meetings held in Q4 2020 are considered as held physically

SES

SES Remuneration Report

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:

1. the compensation package composed of
    - the yearly base salary
    - an annual bonus and
    - long-term equity (LTE)
2. a 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 14 which remains below market benchmarks and ratios which can be observed in CAC 40 or FTSE 100 companies.

The amounts indicated in the remuneration report relate to the remuneration of the SLT members while serving in the SLT. Six members were active in the SLT for the full year 2020.

Chief Executive Officer (CEO)	Steve Collar	Full year 2020
Chief Strategy and Development Officer	Christophe De Hauwer	Full year 2020
CEO SES Networks	John-Paul Hemingway	Full year 2020
Chief Human Resources Officer	Evie Roos	Full year 2020
Chief Technology Officer	Ruy Pinto	Full year 2020
Chief Services Officer	John Baughn	Full year 2020
CEO SES Video	Ferdinand Kayser	1 January to 30 June 2020
Chief Legal Officer	John Purvis	1 January to 30 June 2020
Chief Legal Officer	Thai Rubin	1 July to 31 December 2020
Chief Finance Officer	Sandeep Jalan	6 May to 31 December 2020

Ferdinand Kayser, CEO SES Video, stepped down from the SLT in June 2020 and retired in December 2020 after serving as Strategic Advisor to the CEO.

SES Remuneration Report

Sandeep Jalan, Chief Financial Officer, joined in May 2020 while Thai Rubin was appointed Chief Legal Officer in July 2020 in succession to John Purvis who stepped down from the SLT.

The total remuneration of the CEO and other SLT members follows the principles set out in the Remuneration policy and is provided in the table below:

	2020 Remunerations						
in EUR	Annual Base Salary	Annual Bonus [1]	Long Term Equity [2]	Pension Expenses	Other Benefits and Payments [3]	Total	Average to highest compensation ratio at the level of SES
Chief Executive Officer	735,438	367,719	718,844	125,865	53,112	**2,000,977**	**14x**
Other Executive Commitee Members	2,584,984	934,957	1,407,047	376,857	737,247	**6,041,091**	**7x**
Total 2020	**3,320,421**	**1,302,675**	**2,125,891**	**502,721**	**790,359**	**8,042,068**	**-**

	2019 Remunerations [5]					
in EUR	Annual Base Salary	Annual Bonus	Long Term Equity	Pension Expenses	Benefits and Other Payments	Total
Chief Executive Officer	717,500	556,211	387,554	215,525 [6]	78,401	**1,955,191**
Other Executive Commitee Members	3,094,612	2,249,910	1,519,238	725,826	1,273,620	**8,863,205**
Total 2020	**3,812,112**	**2,806,121**	**1,906,791**	**941,351**	**1,352,021**	**10,818,396**

(1) Including 50% reduction in bonuses for SLT members, as part of a series of cost savings measures implemented to mitigate the impact of the pandemic crisis 2020 bonuses will be paid in 2021
(2) 2020 amortization of Long Term Equity grants
(3) Other benefits and payments include health care plans, death and disability insurance, company cars or car allowances and other payments
(4) Average to highest compensation ratio (comprising annual base salary, bonus and equity at target) for all employees at the level of SES S.A.
(5) 2019 remunerations were provided on a cash basis
(6) 2019 pension expenses were provided on a cash basis and include the 2019 as well as part of the 2018 contributions made to pension schemes

Compensation Package

Yearly Base Salary

The yearly **base salary** is reviewed annually by the Remuneration Committee. For the new nominations made in 2020, base salaries were 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.

Yearly base salaries in Luxembourg were impacted in January 2020 by the legally required cost of living adjustment (Luxembourg Index).

In 2020, no departure indemnities other than for retirement were paid to the departing SLT members.

SES Remuneration Report

Annual Bonus

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

The 2020 annual bonus plan of SLT members is composed of two parts, each accounting for 50% of the bonus: (i) the financial performance of the Company; and (ii) the performance against business objectives.

The financial performance measures actual achievement vs. budget for three elements, most important of which is group EBITDA (accounting for 60%), complemented by net profit (20%) and net operating cash flow (20%). The Board of Directors sets annual targets during the annual budget process and confirms annual achievement. In 2020, the Group financial performance payout was confirmed at 78% based on the weighted results for the three metrics.

The business objectives are set annually at the beginning of the year by the SES Board and relate to the strategic roadmap of the company. In 2020, the two most important business objectives were: (i) obtaining a FCC Final Order and (ii) execution of the Simplify and Amplify Project targeting €20m EBITDA improvements in 2020, ramping to €40 million in 2021 and €50m for 2022 and beyond through scope, footprint and organizational changes. The SES Board confirmed an achievement for 2020 of 122% which applies equally to each SLT member including the CEO.

Over the course of the year 2020, Management has implemented a series of cost savings measures to mitigate the impact of the pandemic crisis. These measures include a reduction of bonuses by 50% for all staff, including the CEO and other SLT members.

The 2020 annual bonus relates to the 2020 performance year and will be paid in March 2021.

The overview of the 2020 annual bonus of the CEO and other SLT members is provided in the table below:

in EUR	Bonus at target (Abs.)	Bonus at target (% of Base Salary)	Maximum award limit (150%)	Percentage achievement	Bonus Amount	Bonus Amount after 50% reduction [1]
Chief Executive Officer - Annual Bonus 2020 performance year	**735,438**	**100%**	**1,103,156**	**100%**	**735,438**	**367,719**
- Financial Performance (50%)	367,719	50%	551,578	78%	286,821	143,410
- Busines Objectives (50%)	367,719	50%	551,578	122%	448,617	224,308
Other Executive Committee Members - Annual Bonus 2020 performance year	**1,869,913**	**[50-80]%**	**2,804,870**	**100%**	**1,869,913**	**934,957**
- Financial Performance (50%)	934,957	[25-40]%	1,402,435	78%	729,266	364,633
- Busines Objectives (50%)	934,957	[25-40]%	1,402,435	122%	1,140,647	570,324

(1) Management has implemented a 50% reduction in 2020 bonuses for all staff including CEO and Executive Committee members, as part of a series of cost savings measures to mitigate the impact of the pandemic crisis

In 2020, the Board approved a change in the 2021 bonus plan design for closer alignment with market practices as follows: 70% weight to financial performance and 30% to business objectives. The metrics assessing the financial performance will include Revenue (40%), EBITDA (40%) and net operating cash flow (20%). This change in the bonus plan will apply from 2021 performance year onwards and is included in the Remuneration Policy which will be submitted to the General Assembly for consultative vote.

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 2020 total grant value was divided into one-third of stock options, one-sixth of restricted shares, and one half of performance shares.

The stock option is a standard call option with a maturity of 10 years. The final strike price is determined as the fair market value with an average of 15 days closing prices at the Paris stock exchange after the numbers of options have been determined by the Board. The vesting period is over four years with a yearly vesting of 25% on 1 January of each year following the grant.

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 with vesting subject to the outcome of the compounded three years adjusted Economic Value Added (adjusted EVA).

During 2020, the members of the SLT were awarded a combined total of 1,170,443 options to acquire company FDRs at an exercise price of €5.973 as well as 64,564 restricted shares as part of the company's long-term incentive plan and 193,692 performance shares. The CEO was awarded 302,827 stock options, 16,176 restricted shares and 48,528 performance shares.

The detailed overview of the 2020 equity grant and vesting for the CEO and other SLT members is provided as follows:

	Long Term Equity Plan - 2020 Grant				Equity Vesting in 2020	
in EUR	**Components**	**Grant Year**	**Vesting Year [1]**	**Units granted**	**Grant Year**	**Units vested**
Chief Executive Officer	Stock Options	2020	2021 to 2024	302,827	2016 to 2019	218,747
	Performance Shares	2020	2023	48,528	2017	8,719
	Restricted Shares	2020	2023	16,176	2017	2,990
Other Executive Commitee Members	Stock Options	2020	2021 to 2024	867,616	2016 to 2019	319,873
	Performance Shares	2020	2023	145,164	2017	26,247
	Restricted Shares	2020	2023	48,388	2017	9,001

(1) Stock Options: vesting period over four years with a yearly vesting of 25% on 1 January of each year following the grant
(1) Performance and Restricted Shares: vesting on 1 June of the third year following the year of the grant

SES Remuneration Report

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 authorization from the Deputy Corporate Secretary and/or Chief Financial Officer and provide selling orders outside of a closed period).

During 2020, Ferdinand Kayser and Christophe De Hauwer sold some or all of the restricted and performance shares that vested on 1 June 2020. No stock options were exercised in 2020. Steve Collar, Christophe de Hauwer, John Baughn, Evie Roos, John-Paul Hemingway, John Purvis and Ruy Pinto bought additional shares during 2020.

As for the members of the Board, all transactions are reported on the SES website:

https://www.ses.com/investors/shareholder-information/shares/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.

Assemblée Générale Ordinaire

15 Election statutaire du réviseur d'entreprises pour l'année 2021 et fixation de sa rémunération

Projet de résolution

Le Conseil d'administration propose de réélire PricewaterhouseCoopers comme réviseur d'entreprises pour l'année 2021.

Dans sa réunion du 24 février 2021, le Comité d'Audit et des Risques a approuvé un budget de 2,055,657 EUR couvrant les frais et honoraires pour le réviseur d'entreprises.

Annual General Meeting

15 Appointment of the auditor for the year 2021 and determination of its remuneration

Draft resolution

The Board proposes to re-appoint PricewaterhouseCoopers as external auditors for the year 2021.

In its meeting on 24 February 2021, the Audit and Risk Committee has approved a budget of EUR 2,055,657 for the external auditor's fees.

SES

Assemblée Générale Ordinaire

16 Résolution permettant à la société l'acquisition de ses propres FDRs et/ou actions de la catégorie A ou B

Projet de résolution

L'assemblée générale des actionnaires autorise le Conseil d'administration, avec faculté de délégation au Comité Exécutif, à acquérir un nombre maximal de 20.000.000 actions de la catégorie A, et/ou un maximum de 10.000.000 actions de la catégorie B émises par la Société en respectant les conditions fixées par la loi du 10 août 1915, telle que modifiée, concernant les sociétés commerciales ("LSC") relatives au rachat d'actions propres par une société anonyme conformément à l'article 430-15 LSC ou à en faire acquérir par d'autres sociétés du groupe telles que visées par l'article 430-23 LSC. L'autorisation de rachat d'actions de la catégorie A couvre également le rachat de FDRs émis par la BCEE sur base d'actions de la catégorie A de la Société. Les actions de la catégorie A et/ou les FDRs pourront être acquis soit par des achats en bourse, soit en bloc, soit de gré à gré au prix du marché en vigueur à ce moment-là ou à un prix inférieur. Les actions de la catégorie B pourront être acquises de gré à gré à un prix équivalent à 40% du prix du marché en vigueur des FDRs.

Les FDRs acquis par la Société pourront ou ne pourront pas être ultérieurement convertis en actions de la catégorie A et pourront être conservés ou cédés ou annulés ou utilisés à toutes autres fins utiles que le Conseil d'administration estime recommandables pour la Société. Les actions de la catégorie A acquises par la Société pourront ou ne pourront pas être ultérieurement converties en FDRs et pourront être conservées ou cédées ou annulées ou utilisées à toutes autres fins utiles que le Conseil d'administration estime recommandables pour la Société. Les actions acquises de la catégorie B pourront être annulées, conservées, cédées ou utilisées à toutes autres fins utiles que le Conseil d'administration estime recommandables pour la Société. Toute annulation d'actions est sujette à une résolution des actionnaires de la Société dans une réunion de l'Assemblée Générale Extraordinaire à convoquer par le Conseil d'administration.

L'autorisation est valable (a) pour une période de dix-huit mois à compter de la date de la présente résolution ou (b) jusqu'à la date de son renouvellement ou de son extension par l'assemblée générale des actionnaires si la date d'expiration de cette période est postérieure.

La Société respectera les restrictions prévues par la LSC concernant le rachat d'actions propres. La contre-valeur d'acquisition des actions de la catégorie A, et/ou des FDRs ne pourra pas être inférieure à 5 EUR ni supérieure à 25 EUR par action de la catégorie A, et/ou par FDR. La contre-valeur d'acquisition des actions de la catégorie B ne pourra pas être inférieure à 2 EUR ni supérieure à 10 EUR par action de la catégorie B.

La Société pourra décider d'acquérir uniquement des titres d'une ou de deux des catégories d'actions, mais devra respecter le principe de l'égalité de traitement des actionnaires à l'intérieur de chacune de ces catégories d'actions.

Tous pouvoirs sont conférés au Conseil d'administration, avec faculté de délégation au Comité Exécutif, en vue d'assurer l'exécution de la présente autorisation.

Annual General Meeting

16 Resolution on Company acquiring own FDRs and/or own A-, or B-shares

Draft resolution

The General Meeting of Shareholders authorizes the Board of Directors, with full power of delegation to the Executive Committee, to purchase a maximum of 20,000,000 A-, and/or a maximum of 10,000,000 B-shares issued by the Company in accordance with the conditions set forth by the law of 10 August 1915, as amended, on commercial companies (the "Companies' Act") regarding the repurchase of own shares by a *société anonyme*, in accordance with article 430-15 of the Companies Act, or to have them purchased by other companies of the Group according to the definition of article 430-23 of the Companies' Act. The A-shares and/or the FDRs shall be purchased either on the stock exchange, or by block trade or by mutual agreement at the then current market price or lower. The B-shares shall be purchased by mutual agreement for a price equivalent to 40% of the then current market price of FDRs. The authorization to repurchase A-shares also covers the repurchase of FDRs issued by BCEE with respect to A-shares of the Company.

The FDRs repurchased by the Company may or may not be converted into A-shares and, as the case may be, be kept or sold or cancelled or used for such legitimate purposes as the Board deems advisable. The A-shares repurchased by the Company may or may not be converted into FDRs and, as the case may be, be kept or sold or cancelled or used for such legitimate purposes as the Board deems advisable. The B-shares repurchased by the Company shall be subsequently cancelled, kept, sold or used for such legitimate purposes as the Board deems advisable. Any cancellation of shares shall be subject to approval by the shareholders of the Company taken in an Extraordinary General Meeting of Shareholders to be convened by the Board.

The authorization is valid for the longer of (a) a period of eighteen months from the date of this resolution or (b) the duration of such further period beyond those eighteen months for which it is renewed or extended by the General Meeting of Shareholders.

The Company shall respect the restrictions imposed by the Companies' Act regarding the repurchase of own shares.

The purchase price of the A-shares and/or FDRs shall not be lower than EUR 5 or higher than EUR 25 per FDR or A-share. The purchase price of the B-shares shall not be lower than EUR 2 or higher than EUR 10 per B-share.

The Company may decide to purchase only shares of one or two of the existing categories, but will need to conform to the principle of equal treatment of shareholders within each category of these shares.

All powers are granted to the Board of Directors, with full power of delegation to the Executive Committee, to execute the present authorization.