SES, Société Anonyme

Interim results for the six-month period ended

30 June 2021

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Operational and financial review

Key business and financial highlights

SES regularly uses Alternative Performance Measures (APM) to present the performance of the Group and believes that these APMs are relevant to enhance understanding of the financial performance and financial position.

€million	H1 2021	H1 2020	∆ as Reported	∆ at constant FX
Average €/$ FX rate	***1.21***	*1.10*		
Revenue	**875**	948	-7.7%	-3.3%
Adjusted EBITDA	**544**	582	-6.5%	-2.5%
Adjusted Net Profit	**152**	113	34.5%	n/a
Adjusted Net Debt / Adjusted EBITDA	**3.28 times**	3.31 times	n/a	n/a

- Underlying revenue (excluding periodic and other) was lower by 2.5% year-on-year (at constant FX) at €875 million. There was no periodic revenue in H1 2021 (H1 2020: EUR 8 million in Networks).

- Video underlying revenue of €526 million represents a reduction of 3.9% year-on-year (at constant FX), compared with -8.0% year-on-year in FY 2020, where lower revenue from mature markets was partially offset by higher revenues generated across International markets, growth in the number of paying consumers subscribing to HD+ in Germany, and a recovery in Sports & Events. Q2 2021 underlying revenue of €263 million was 3.2% lower year-on-year (at constant FX) and flat compared with Q1 2021.

- Networks underlying revenue of €349 million was flat compared with H1 2020 (-0.2% at constant FX) with strong ongoing growth in Government (+11.3%) offsetting COVID-related impacts on Mobility (-10.7%) and near-term declines in Fixed Data (-3.9%). Q2 2021 underlying revenue of €176 million was consistent with the prior period (-0.5% YOY at constant FX) and 1.1% higher than Q1 2021.

- Adjusted EBITDA of €544 million represented a higher Adjusted EBITDA margin of 62.2% (H1 2020: 61.4%) and benefitted from a 4.6% year-on-year reduction (at constant FX) in operating expenses.

- Adjusted EBITDA excludes restructuring expenses of €6 million in H1 2021 (H1 2020: €22 million) and net operating expenses associated with the accelerated repurposing of US C-band spectrum which totalled €12 million in H1 2021 (H1 2020: €13 million).

- Adjusted Net Profit improved by 34.5% year-on-year to €152 million including the positive combination of the lower recurring operating expenses highlighted above, lower depreciation and amortisation expenses (down 8.5% year-on-year), and an 18.5% reduction in net interest expense. Adjusted Net Profit also included a net foreign exchange gain of €20 million (H1 2020: loss of €12 million).

- At 30 June 2021, Adjusted Net Debt (including 50% of the now €1.175 billion of hybrid bonds as debt, per the rating agency methodology) of €3,656 million was €391 million (or 9.7%) lower than H1 2020 and represented an Adjusted Net Debt to Adjusted EBITDA ratio of 3.28 times (30 June 2020: 3.31 times).

- The contract backlog at 30 June 2021 was €5.3 billion (gross backlog of €5.9 billion including backlog with contractual break clauses).

- The 2020 dividend of €0.40 per A-share and €0.16 per B-share was paid to shareholders on 22 April 2021, consistent with the prior year and the Board's commitment to maintain a base dividend of €0.40 per A-share and €0.16 per B-share.

- In July 2021, SES completed a share buyback programme (announced in May 2021) totalling €94 million. 12 million A-shares were purchased at a weighted average price of EUR 6.56 and 6 million B-shares at a weighted average price of EUR 2.62, maintaining the ratio of two A-shares to one B-share, as required by the Articles of Association. The shares acquired under the programme are intended to be cancelled, reducing the total number of voting and economic shares.

- FY 2021 revenue outlook (assuming a €/$ FX rate of €1 = $1.20, nominal satellite health and launch schedule) is unchanged and expected to be between €1,760-1,820 million (including €1,000-1,030 million for Video and €750-780 million for Networks) while the FY 2021 Adjusted EBITDA outlook (excluding restructuring and US C-band expenses) is improved to between €1,080-1,100 million (from €1,060-1,100 million).

- Capital expenditure (representing net cash absorbed by investing activities excluding acquisitions, financial investments, and US C-band repurposing) is unchanged and expected to be €660 million in 2021 and €880 million in 2022 reflecting the growth investment in SES-17 and O3b mPOWER. Thereafter, capital expenditure is expected to reduce significantly to €220 million in 2023, €570 million in 2024, and €340 million in 2025, representing an average annual capital expenditure of €375 million (2023-2025).

Operational performance and commentary

REVENUE BY BUSINESS UNIT

	Revenue (€ million) as reported			Change (YOY) at constant FX		
	Q1 2021	Q2 2021	H1 2021	Q1 2021	Q2 2021	H1 2021
Average €/$ FX rate	*1.22*	*1.20*	*1.21*			
Video (total)	**263**	**263**	**526**	**-4.6%**	**-3.2%**	**-3.9%**
- Video underlying	**263**	**263**	**526**	**-4.6%**	**-3.2%**	**-3.9%**
Government (underlying)	71	76	147	+8.5%	+14.0%	+11.3%
Fixed Data (underlying)	55	53	108	-1.0%	-6.7%	-3.9%
Mobility (underlying)	47	47	94	-9.1%	-12.3%	-10.7%
Periodic	-	-	-	n/m	n/m	n/m
Networks (total)(1)	**173**	**176**	**349**	**-3.8%**	**-0.7%**	**-2.3%**
- Networks underlying	**173**	**176**	**349**	**+0.1%**	**-0.5%**	**-0.2%**
Sub-total	**436**	**439**	**875**	**-4.3%**	**-2.2%**	**-3.3%**
- Underlying	**436**	**439**	**875**	**-2.8%**	**-2.2%**	**-2.5%**
- Periodic	**-**	**-**	**-**	**n/m**	**n/m**	**n/m**
Other revenue	-	-	-	n/m	n/m	n/m
Group Total(1)	**436**	**439**	**875**	**-4.3%**	**-2.3%**	**-3.3%**

"At constant FX" refers to comparative figures restated at the current period FX to neutralise currency variations. "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. "Periodic" revenue separates revenues that are not directly related to or would distort the underlying business trends on a quarterly basis. Periodic revenue includes: the outright sale of transponders or transponder equivalents; accelerated revenue from hosted payloads during construction; termination fees; insurance proceeds; certain interim satellite missions and other such items when material. "Other" includes revenue not directly applicable to Video or Networks
1) H1 2021 periodic revenue nil (H1 2020: EUR 8 million)

Video: 60% of group revenue

At 30 June 2021, SES delivers over 8,650 total TV channels to 361 million TV homes around the world. This includes more than 3,120 TV channels in High Definition which has grown by 8% compared with 30 June 2020. At 30 June 2021, 69% of total TV channels are broadcast in MPEG-4 with an additional 4% broadcast in HEVC.

The impact from customers 'right-sizing' volumes in mature markets (Western Europe and the US), lower US wholesale revenue, and the decision to reduce exposure to low margin services activities led to an overall year-on-year revenue reduction, albeit at a much slower pace of decline as compared with the trend in 2020.

International market revenue was higher year-on-year, while continued growth in the number of paying subscribers led to year-on-year growth in HD+ where the combination of an increase in the cost to renew a 12-month subscription from March 2021 and introduction of new Internet Protocol-based solutions into the market are expected to support the future development of the business.

In addition, revenue from Sports & Events is continuing to recover with improved performance compared with H1 2020 which was significantly impacted by cancellations and delays caused by the COVID pandemic.

Networks: 40% of group revenue

Government

Strong contribution from new MEO- and GEO-enabled network solutions for the US Government led to overall strong year-on-year growth in revenue compared with H1 2020 with additional new business wins secured at the end of the quarter expected to contribute to future revenue development. This was complemented by strong year-on-year revenue growth in Global Government from new capacity contracts and institutional wins.

Fixed Data

Underlying revenue decreased compared with the prior period as lower year-on-year revenue in the Pacific region was not yet being balanced with the ongoing growth in new business from tier one mobile network operators, notably in the Americas, and the additional revenue ramp up in the global cloud segment which is expected in the second half of 2021.

Mobility

The effects of the COVID pandemic on customers in the commercial aviation and cruise segments resulted in lower revenue compared with H1 2020 which had yet to see a material impact from the pandemic at that point in time. This was partly offset by a positive year-on-year performance in commercial shipping revenues. While the vast majority of commercial contracts across the entire SES business, including in Mobility, are fixed, it is expected that the impact of the COVID environment will continue to present a short-term headwind to the development of Mobility revenue. However, the long-term growth fundamentals remain in place to drive the pace of new business as demand recovers.

Future satellite launches

Satellite	Region	Application	Launch Date
SES-17	Americas	Fixed Data, Mobility, Government	Q4 2021
O3b mPOWER (satellites 1-3)	Global	Fixed Data, Mobility, Government	Q4 2021
O3b mPOWER (satellites 4-6)	Global	Fixed Data, Mobility, Government	Q1 2022
O3b mPOWER (satellites 7-9)	Global	Fixed Data, Mobility, Government	H2 2022
SES-18 & SES-19	North America	Video (US C-band accelerated clearing)	H2 2022
SES-20 & SES-21	North America	Video (US C-band accelerated clearing)	H2 2022
O3b mPOWER (satellites 10-11)	Global	Fixed Data, Mobility, Government	H2 2024

Business risks and their mitigation

For the remaining six months of the financial year, SES does not envisage any additional risks compared to the risk assessment performed for the year-end 31 December 2020, which are disclosed in full in the Annual Report 2020.

Related party transactions

Refer to note 12 - Related party transactions.

Responsibility statement

The Board of Directors and the executive management 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 ensuring that an appropriate system of internal controls is in place to ensure that the group's business operations are carried on efficiently and transparently.

In accordance with Article 4 of the law of 11 January 2008 on the harmonisation of transparency requirements in relation to information about an issuer whose securities are admitted to trading on a regulated market, we declare that, to the best of our knowledge, the interim condensed consolidated financial statements for the half year ended 30 June 2021, prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted for use by the European Union give a true and fair view of the assets, liabilities, financial position and profit of the year of SES and its subsidiaries included in the consolidation taken as a whole.

In addition, the management's report includes a fair view of the development and performance of the business and the position of SES and its subsidiaries included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Frank Esser
Chairman of the Board of Directors

Steve Collar
President and Chief Executive Officer

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Report on Review of Interim Condensed Consolidated Financial Statements

To the Shareholders of
SES S.A.

We have reviewed the accompanying interim condensed consolidated financial statements of SES S.A. and its subsidiaries (the "Group"), which comprise the interim condensed consolidated statement of financial position as at 30 June 2021 and the related interim condensed consolidated income statement, statement of comprehensive income, statement of cash flows and statement of changes in shareholders' equity for the six-month period then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the interim condensed consolidated financial statements

The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of interim condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE 2410 "Review of interim financial information performed by the independent auditor of the entity") as adopted for Luxembourg by the "Institut des Réviseurs d'Entreprises". This standard requires us to comply with relevant ethical requirements and conclude whether anything has come to our attention that causes us to believe that the interim condensed consolidated financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework.

A review of interim condensed consolidated financial statements in accordance with ISRE 2410 is a limited assurance engagement. The "Réviseur d'entreprises agréé" performs procedures, primarily consisting of making inquiries of management and others within the Group, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 3 August 2021

François Mousel

Interim condensed consolidated income statement

For the six-month period ended 30 June 2021

In millions of euros		**2021**	2020
Revenue		**875**	948
C-band repurposing income		**47**	-
Operating expenses		**(396)**	(401)
EBITDA		**526**	547
Depreciation expense		**(283)**	(319)
Amortisation expense		**(48)**	(44)
Operating profit		**195**	184
Net financing costs		**(44)**	(91)
Profit before tax		**151**	93
Income tax expense	Note 7	**(16)**	(11)
Profit for the period		**135**	82
Attributable to owners of the parent		**137**	86
Attributable to non-controlling interests		**(2)**	(4)
Basic and diluted earnings per share (in euro)	Note 8	**2021**	2020
Class A shares		**0.25**	0.14
Class B shares		**0.10**	0.05

Adjusted EBITDA		**544**	582
C-band repurposing income		**47**	-
C-band operating expenses	Note 12	**(59)**	(13)
Restructuring expenses	Note 11	**(6)**	(22)
EBITDA		**526**	547

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

Interim condensed consolidated statement of comprehensive income

For the six-month period ended 30 June 2021

In millions of euros	**2021**	2020
Profit for the period	**135**	82
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 reversal or charge	**2**	8
Total items that will not be reclassified to profit or loss	**-**	7
Items that may be reclassified subsequently to profit or loss		
Impact of currency translation	**186**	23
Income tax effect	**(14)**	(1)
Total impact of currency translation, net of tax	**172**	22
Net investment hedge	**(40)**	(4)
Income tax effect	**10**	1
Total net investment hedge, net of tax	**(30)**	(3)
Total items that may be reclassified subsequently to profit or loss	**142**	19
Total other comprehensive income for the period, net of tax	**142**	26
Total comprehensive income for the period, net of tax	**277**	108
Attributable to:		
Owners of the parent	**280**	112
Non-controlling interests	**(3)**	(4)

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

Interim condensed consolidated statement of financial position

As at 30 June 2021

In millions of euros	**30 June 2021**	31 December 2020
Non-current assets		
Property, plant and equipment	**4,008**	4,170
Assets in the course of construction	**2,035**	1,651
Total property, plant and equipment	**6,043**	5,821
Intangible assets	**4,286**	4,192
Other financial assets	**13**	14
Trade and other receivables	**261**	268
Deferred customer contract costs	**8**	9
Deferred tax assets	**323**	313
Total non-current assets	**10,934**	10,617
Current assets		
Inventories	**27**	27
Trade and other receivables	**523**	488
Deferred customer contract costs	**7**	10
Prepayments	**55**	72
Income tax receivable	**12**	11
Cash and cash equivalents	**604**	1,162
Total current assets	**1,228**	1,770
Total assets	**12,162**	12,387
Equity		
Attributable to the owners of the parent	**5,135**	5,366
Non-controlling interests	**69**	72
Total equity	**5,204**	5,438
Non-current liabilities		
Borrowings	**3,490**	3,317
Provisions	**9**	12
Deferred income	**275**	296
Deferred tax liabilities	**347**	333
Other long-term liabilities	**95**	127
Lease liabilities	**26**	25
Fixed assets suppliers	**1,560**	1,310
Total non-current liabilities	**5,802**	5,420
Current liabilities		
Borrowings	**182**	613
Provisions	**56**	60
Deferred income	**382**	454
Trade and other payables	**314**	300
Lease liabilities	**11**	12
Fixed assets suppliers	**188**	67
Income tax liabilities	**23**	23
Total current liabilities	**1,156**	1,529
Total liabilities	**6,958**	6,949
Total equity and liabilities	**12,162**	12,387

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

Interim condensed consolidated statement of cash flows

For the six-month period ended 30 June 2021

In millions of euros	**2021**	2020
Profit before tax	**151**	**93**
Taxes paid during the period	**(14)**	**(13)**
Adjustment for non-cash items	**356**	**448**
Consolidated operating profit adjusted for non-cash items and tax payments and before working capital changes	**493**	**528**
Changes in working capital	**(95)**	**(116)**
Net cash generated by operating activities	**398**	**412**
Cash flow from investing activities		
Payments for purchases of intangible assets	**(10)**	**(22)**
Payments for purchases of tangible assets	**(83)**	**(130)**
Other investing activities	**(2)**	**(1)**
Net cash absorbed by investing activities	**(95)**	**(153)**
Free cash flow before financing activities	**303**	**259**
Cash flow from financing activities		
Proceeds from borrowings	**285**	-
Repayment of borrowings	**(585)**	**(671)**
Proceeds from Perpetual bond, net of transaction costs	**619**	**-**
Redemption of Perpetual bond, including transaction costs	**(768)**	**-**
Coupon paid on perpetual bond	**(80)**	**(65)**
Dividends paid on ordinary shares[1]	**(181)**	**(182)**
Interest paid on borrowings	**(71)**	**(109)**
Payments for acquisition of treasury shares	**(76)**	**(9)**
Proceeds from treasury shares sold and exercise of stock options	**-**	**5**
Lease payments	**(7)**	**(6)**
Payments related to changes in ownership interest in subsidiaries	**-**	**(7)**
Net cash absorbed by financing activities	**(864)**	**(1,044)**
Net foreign exchange movements	**3**	**(3)**
Net increase / (decrease) in cash	**(558)**	**(788)**
Cash and cash equivalents at beginning of the period	**1,162**	**1,155**
Cash and cash equivalents at end of the period	**604**	**367**

1 Dividends are presented net of dividends received on treasury shares of EUR 3 million (30 June 2020: EUR 2 million)

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

Interim condensed consolidated statement of changes in shareholders' equity

For the six-month period ended 30 June 2021

In millions of euros	Issued capital	Share premium	Treasury shares	Perpetual bond	Other reserves	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
	Attributable to owners of the parent									
At 1 January 2021	**719**	**1,636**	**(76)**	**1,300**	**2,583**	**(86)**	**(710)**	**5,366**	**72**	**5,438**
Result of the period	-	-	-	-	-	**137**	-	**137**	**(2)**	**135**
Other comprehensive income	-	-	-	-	-	-	**143**	**143**	**(1)**	**142**
Total comprehensive income (loss)	-	-	-	-	-	**137**	**143**	**280**	**(3)**	**277**
Allocation of 2020 result	-	-	-	-	**(86)**	**86**	-	-	-	-
Issue of new Perpetual bond, net of transaction costs	-	-	-	**625**	**(6)**	-	-	**619**	-	**619**
Redemption of Perpetual bond, net of transaction costs	-	-	-	**(750)**	**(18)**	-	-	**(768)**	-	**(768)**
Coupon on perpetual bond	-	-	-	-	**(80)**	-	-	**(80)**	-	**(80)**
Tax on perpetual bond coupon	-	-	-	-	**14**	-	-	**14**	-	**14**
Dividends provided for or paid[1]	-	-	-	-	**(181)**	-	-	**(181)**	-	**(181)**
Acquisition of treasury shares	-	-	**(78)**[2]	-	**(41)**[3]	-	-	**(119)**	-	**(119)**
Share-based compensation expense	-	-	-	-	**3**	-	-	**3**	-	**3**
Exercise of share-based compensation	-	-	-	-	**(5)**	-	-	**(5)**	-	**(5)**
Sale of treasury shares	-	-	**5**	-	-	-	-	**5**	-	**5**
Other movements	-	-	-	-	**1**	-	-	**1**	-	**1**
At 30 June 2021	**719**	**1,636**	**(149)**	**1,175**	**2,184**	**137**	**(567)**	**5,135**	**69**	**5,204**

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

[2] EUR 53 million for purchases of treasury shares in the framework of the share buyback programme announced in May 2021 (see note 10) and EUR 25 million of purchases of treasury shares in connection with the Group's stock option plans;

[3] Remaining purchase commitment related to the share buyback programme announced in May 2021 for Class A and Class B shares as at the reporting date

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

Interim condensed consolidated statement of changes in shareholders' equity

For the six-month period ended 30 June 2020

	Attributable to owners of the parent									
In millions of euros	Issued capital	Share premium	Treasury shares	Perpetual bond	Other reserves	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
At 1 January 2020	**719**	**1,636**	**(90)**	**1,300**	**2,519**	**296**	**(207)**	**6,173**	**83**	**6,256**
Result of the period	-	-	-	-	-	86	-	**86**	(4)	82
Other comprehensive income	-	-	-	-	7	-	19	**26**	-	26
Total comprehensive income (loss)	**-**	**-**	**-**	**-**	**7**	**86**	**19**	**112**	**(4)**	**108**
Allocation of 2019 result	-	-	-	-	296	(296)	-	**-**	-	-
Coupon on perpetual bond	-	-	-	-	(66)	-	-	**(66)**	-	**(66)**
Tax on perpetual bond coupon	-	-	-	-	9	-	-	**9**	-	**9**
Dividends provided for or paid[1]	-	-	-	-	(182)	-	-	**(182)**	-	**(182)**
Acquisition of treasury shares	-	-	(9)	-	-	-	-	**(9)**	-	**(9)**
Share-based compensation expense	-	-	-	-	4	-	-	**4**	-	**4**
Exercise of share-based compensation	-	-	6	-	(9)	-	-	**(3)**	-	**(3)**
Sale of treasury shares	-	-	10	-	-	-	-	**10**	-	**10**
Other movements	-	-	-	-	(1)	-	-	**(1)**	-	**(1)**
At 30 June 2020	**719**	**1,636**	**(83)**	**1,300**	**2,577**	**86**	**(188)**	**6,047**	**79**	**6,126**

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

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

Notes to the interim condensed consolidated financial statements

As at 30 June 2021

(In millions of euros, unless indicated otherwise)

Note 1 - Corporate information

SES S.A. ("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 both the Luxembourg and Euronext Paris stock exchanges.

The Group's interim condensed consolidated financial statements as at, and for the six-month period ended, 30 June 2021 ('the Interim Financial Statements') were authorised for issue in accordance with a resolution of the directors on 3 August 2021 and have been reviewed but not audited.

Note 2 - Basis of preparation and accounting policies

Basis of preparation

The Interim Financial Statements have been prepared in accordance with IAS 34 ('Interim Financial Reporting') as adopted by the European Union and hence do not include all the information and disclosures required in the Group's annual consolidated financial statements. They should therefore be read in conjunction with the Group's annual consolidated financial statements as at, and for the year ended, 31 December 2020.

Significant accounting policies

The accounting policies adopted in the preparation of the Interim Financial Statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements as at, and for the year ended, 31 December 2020.

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 the Interim Financial Statements:

- **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.

- **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.

- **Amendments to IAS 1 and 8**

  On 12 February 2021, IASB issued amendments to IAS 1 “Presentation of Financial Statements” regarding the disclosure of accounting policies and as well amendments to IAS 8 “Accounting policies, changes in accounting estimates and errors” on the definition of accounting estimates. Both amendments aim to improve accounting policy disclosure and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. The amendments were not endorsed by the EU and are effective for annual periods beginning on or after 1 January 2023. The Group does not expect any significant impact of these amendments on its consolidated financial statements.

- **Amendments to IAS 12 related to assets and liabilities arising from a single transaction**

  On 6 May 2021, IASB published the amendments to IAS 12 “Income taxes” regarding the deferred tax related to assets and liabilities arising from a single transaction, that clarifies how companies account for deferred tax on transactions such as leases and decommissioning obligations.

  The amendments were not endorsed by the EU and are effective for annual periods beginning on or after 1 January 2023. The Group does not expect any significant impact of these amendments on its consolidated financial statements.

There are no other IFRSs or IFRIC interpretations except the ones disclosed in the annual consolidated financial statements as at and for the year ended 31 December 2020 or disclosed herewith, that are not yet effective that would be expected to have a material impact on the Group.

Note 3 - Significant accounting judgements and estimates

The preparation of the Interim Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the Interim Financial Statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020 other than in the area of the definition of cash-generating units applied for the testing of intangible assets for impairment as described more fully under note 16.

Note 4 - Segmental information

The Group continues to report its activities as a single reportable operating segment in 2021. When analysing the performance of the operating segment, the comparative prior year figures are analysed 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 the six-month period ended 30 June 2021 and the comparative prior period figures as reported and at ‘constant FX’, are set out below:

In millions of euros (2020 comparatives as reported)	**2021**	2020	Change Favourable / (Adverse)
Revenue	**875**	948	(73)
C-band repurposing income	**47**	-	47
Operating expenses	**(396)**	(401)	5
EBITDA	**526**	547	(21)
EBITDA margin (%)	57.0%	57.7%	-0.7 points

Depreciation	**(283)**	(319)	36
Amortisation	**(48)**	(44)	(4)
Operating profit	**195**	184	11
Adjusted EBITDA	**544**	582	(38)
Adjusted EBITDA margin (%)	62.2%	61.4%	+0.8 points
C-band repurposing income	**47**	-	47
C-band operating expenses	**(59)**	(13)	(46)
Restructuring expenses	**(6)**	(22)	16
EBITDA	**526**	547	(21)

In millions of euros (2020 comparatives restated to constant FX)	**2021**	2020	Change Favourable / (Adverse)
Revenue	**875**	905	(30)
C-band repurposing income	**47**	-	47
Operating expenses	**(396)**	(380)	(16)
EBITDA	**526**	525	1
EBITDA margin (%)	57.0%	58.1%	-1.1 points
Depreciation	**(283)**	(301)	18
Amortisation	**(48)**	(42)	(6)
Operating profit	**195**	182	13
Adjusted EBITDA	**544**	558	(14)
Adjusted EBITDA margin (%)	62.2%	61.7%	0.5 points
C-band repurposing income	**47**	-	47
C-band operating expenses	**(59)**	(13)	(46)
Restructuring expenses	**(6)**	(20)	14
EBITDA	**526**	525	1

Note 5 - Fair value management of financial instruments

The Interim Financial Statements do not include all fair value management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 31 December 2020.

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'slength market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models. The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

The Group has a number of financial instruments which are not measured at fair value in the Statement of Financial Position. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature.

Differences were identified in the following category of financial instruments at 30 June 2021:

Borrowings: *In millions of euros*	Fair value hierarchy	Carrying amount	Fair value
Eurobond 2026 (EUR 650 million)	2	656	696
Eurobond 2027 (EUR 500 million)	2	497	516
Eurobond 2028 (EUR 400 million)	2	395	436
US Bond 2023 (USD 750 million)	2	630	661
US Bond 2043 (USD 250 million)	2	204	251
US Bond 2044 (USD 500 million)	2	409	497
Euro Private Placement 2027 (EUR 140 million) issued under EMTN	2	140	166
German Bond 2032 (EUR 50 million)	2	50	65
German Bond 2024 (EUR 150 million)	2	150	152
German Bond 2025 (EUR 250 million)	2	249	270
Coface	2	60	60
Fixed Term Loan Facility (LuxGovSat)	2	107	107
Commercial paper 2021 (EUR 125 million)	2	125	125
Total borrowings		**3,672**	**4,002**

In March 2021 the Group repaid the outstanding amount of EUR 556 million from the EUR 650 million Eurobond 2021. The first payment of EUR 94 million was done on 30 June 2020.

Note 6 - Dividends declared and paid during the period

	Six-month period ended 30 June	
In millions of euros	**2021[1]**	2020[2]
Class A dividend (2020: EUR 0.40, 2019: EUR 0.40)	134	134
Class B dividend (2020: EUR 0.16, 2019: EUR 0.16)	31	30
Total dividends declared and paid during the period	165	164

[1] Net of withholding tax of EUR 20 million

[2] Net of withholding tax of EUR 20 million

Note 7 - Income tax

The income tax expense of EUR 16 million recognised for the period ended 30 June 2021 is due to the current income tax expense for the period of EUR 20 million partially offset by a deferred tax income of EUR 4 million resulting from the recognition of deferred tax assets for investment tax credits and net operating losses (EUR 36 million) and the recognition of deferred tax liabilities for temporary differences (EUR 32 million). The current income tax expense includes an expense of EUR 3 million due to withholding tax charges in various jurisdictions.

Note that taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss on a full-year basis.

Luxembourg fiscal unity

The investments made by the Group in the period, mainly in the framework of the procurement programmes for SES-17 and the mPOWER constellation, gave rise to investment tax credits of EUR 30 million. Given the availability of tax losses to be carried forward in Luxembourg, these investment tax credits are not being utilised against Luxembourg current income tax during the period but have been recognised as a deferred tax asset which is available for offset against future corporate income taxes in Luxembourg. 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.

In addition, the Company is liable to pay the Luxembourg Net Wealth Tax for an amount of EUR 3 million (2020: EUR 8 million) which is included within the operating expenses.

Note 8 - Earnings per share

Earnings per share and diluted earnings per share have been computed consistently with the prior period.

For the period ended 30 June 2021, basic earnings per share of EUR 0.25 per Class A share (2020: EUR 0.14), and EUR 0.10 per Class B share (2020: EUR 0.05) have been calculated on the following basis:

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

In millions of euros	Six-month period ended 30 June	
	2021	2020
Profit attributable to owners of the parent	137	86
Assumed coupon on perpetual bond (net of tax)	(23)	(24)
Total	114	62

Assumed coupon accruals of EUR 23 million (net of tax) for the period ended 30 June 2021 (2020: EUR 24 million) related to the perpetual securities in issue have been considered for the calculation of the basic and diluted earnings available for distribution.

Weighted average number of shares, net of own shares held, for calculating basic earnings per share:

	Six-month period ended 30 June	
	2021	2020
Class A shares (in million)	376.1	378.3
Class B shares (in million)	191.7	191.7
Total	567.8	570.0

For the period ended 30 June 2021, diluted earnings per share of EUR 0.25 per Class A share (2020: EUR 0.14), and EUR 0.10 per Class B share (2020: EUR 0.05) have been calculated on the following basis:

Profit attributable to the owners of the parent for calculating diluted earnings per share is consistent with the one above for calculating basic earnings per share. Weighted average number of shares, net of own shares held, for calculating diluted earnings per share:

	Six-month period ended 30 June	
	2021	2020
Class A shares (in million)	378.0	379.6
Class B shares (in million)	191.7	191.7
Total	569.7	571.3

Note 9 - Issuance of new perpetual bond and capped tender to repurchase existing bond

On 18 May 2021, SES announced a capped tender offer for its outstanding EUR 750 million 4.625% perpetual bond at a fixed purchase yield of -0.10% to refinance the existing perpetual bond callable in January 2022 in advance of the first call date. The tender offer was accepted by the required number of bondholders such that the Company was able to repurchase 84.5% of the existing bonds on 28th May at a price representing 102.838% of nominal value, and the remaining 15.5% at par, with a settlement date of 30 June 2021.

On 20 May 2021 the Company announced the successful launch and pricing of new Deeply Subordinated Fixed Rate Resettable Securities for a total amount of EUR 625 million, with a first reset date on 27 August 2026. The securities bear a coupon of 2.875% per annum and were priced at 99.409% of their nominal value. The proceeds of the new issuance were received on 27 May 2021.

Tender premium and transaction costs for these transactions amounted to EUR 24 million and have been deducted from “Other reserves”

Note 10 - Share buyback programme

On 6 May 2021 the Company announced a share buyback programme to be executed by 31 December 2021 under the authorisation given by the Annual General Meeting of shareholders held on 1 April 2021.

The programme foresaw the purchase of up to 12 million A-shares and up to 6 million B-shares in equal proportion to maintain the ratio of two A-shares to one B-share required by the Articles of Association. The aggregate value of the programme was not to exceed EUR 100 million and the shares acquired under the programme were intended to be cancelled to reduce the total number of voting and economic shares in issue on completion of the programme.

As of 30 June 2021 the Group had acquired 8,129,919 Class-A shares for an amount of EUR 53 million. For the remaining shares to be acquired, both Class-A and Class-B shares, a liability of EUR 41 million was recorded as of the reporting date with a corresponding reduction in equity.

In July 2021 the purchase of the 12 million Class-A shares was completed at a weighted average price of EUR 6.56 per A-share and accordingly, six million Class-B shares were purchased at a price of EUR 2.62 per B-share, resulting in a total cost of the programme of EUR 94 million. As noted above, these shares will be cancelled subject to the receipt of the relevant shareholder approval.

Note 11 - Issuance of new tranche of existing bond maturing in March 2026

On 22 June 2021 the Company announced the successful launch and pricing of a new tranche of its 1.625% Notes due 22 March 2026 in which it agreed to sell notes for a total amount of EUR 150 million, increasing the total amount outstanding for this bond from EUR 500 million to EUR 650 million. The new notes were priced at 106.665% of their nominal value representing a credit spread of 47bps and a yield-to-maturity of 0.207%. The proceeds of the new notes were received on 29 June 2021.

Note 12 - Related party transactions

No related party transactions have occurred during the six-month period ended 30 June 2021 which have a significant impact on the financial position or results of the Group.

Note 13 - Impact of COVID-19

The COVID-19 pandemic continues to impact our commercial environment in line with the disclosures to our full-year consolidated financial statements at the end of 2020 and hence we set out only a brief update to those matters below.

Operational impact

- Video

  For Video, the main impact continues to be in the area of 'Sports & Events' due to the cancellation or postponement of major tournaments and events. However, revenues in this area have been slightly higher in the first half of 2021 than in the corresponding period of the prior year reflecting the severe impact on the second quarter of 2020, and the return of certain tournaments in the first half of 2021.

- Networks

  In Networks, Management estimates the year-on-year impact of COVID-19 on top-line revenue as being in the order of EUR 15 million – primarily reflecting the lower volumes in aero and cruise. However, there a positive trending in these areas was visible between the first and second quarters as some restrictions were loosened and travel volumes began to increase.

Impact on collections and cash flow

Management has seen stable-to-improving cash flows in the period compared to prior from those customers most impacted by the pandemic. No significant adjustments needed to be made to the carrying value of receivables in connection with COVID-19-related developments in the first half of 2021.

Liquidity risk

As noted above the Company has been very active in the financial markets in the first half of 2021 in refinancing existing obligations at favourable interest rates and gaining access to fresh funding as required. In conjunction with the business's continuing strong operating cash flow, the closing cash position of EUR 604 million, and the (fully undrawn) revolving credit facility for EUR 1,200 million, Management sees no liquidity risk to the business at this time in connection with the COVID-19 pandemic.

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 any material uncertainty in this regard.

Note 14 - Restructuring charges

Expenses of the period include an amount of EUR 6 million (2020: EUR 22 million) of charges associated with the reorganisation of the Group's operations, mainly in the framework of the Group's 'Simplify & Amplify' programme. Reflecting these activities, the interim condensed consolidated statement of financial position includes a provision of EUR 18 million (2020: EUR 21 million).

Note 15 - C-Band repurposing

The Company continues to execute on its plan to clear the 300 MHz band of C-band downlink spectrum between 3,700 and 4,000 MHz by December 2025 to comply fully with the Report and Order and Order of Proposed Modification issued by the U.S. Federal Communications Commission ("the FCC") in the first quarter of 2020. The Company has met all required submission milestones with respect to updating transition plans, and has also provided periodic updates to the FCC indicating progress made and internal objectives being completed.

Note 16 - Testing procedures for impairment

Revision to definition of cash-generating units for intangible assets

With effect from 1 January 2021 the Company has revised the identification of the cash-generating units which are applied in the impairment testing of both goodwill and orbital slot rights. These changes, and the rationale for each are as set out below:

- **Discontinuation of 'MX1' as a separate cash-generating unit for goodwill impairment testing**

  As noted in the Group's 2020 consolidated financial statements, the goodwill for this cash-generating unit has been fully written off and hence no further impairment exposure remains. With effect from January 2021 the tangible fixed assets and working capital of MX1 have been integrated into the Group's wider Video business.

- **Disaggregation of current 'SES GEO operations' group of cash-generating units**

  The goodwill as at 30 June 2021 of EUR 2,092 million derives primarily from the acquisition of two significant GEO businesses: GE Americom in 2001 and New Skies Satellites in 2006.

  Since 2012, and following on from the integration of these businesses into a single operational unit alongside the more Europe-centric SES ASTRA operations, the Group's approach to segmental reporting moved away from the former presentation of two GEO-related segments 'ASTRA' and 'World Skies' (being broadly the legacy GE Americom and New Skies Satellites business combined) to a single operating segment defined as 'the provision of satellite-based data transmission capacity, and ancillary services to customers around the world'.

  From 2013 this integrated model was also adopted in the identification of cash-generating units for the purpose of goodwill impairment testing for GEO operations, with the more regionally-derived components of goodwill arising in the purchase price allocation exercises for those two GEO acquisitions being grouped and monitored at the level of a single group of cash-generating units; an approach which was maintained for the eight years between 2013 and 2020.

  Beginning in 2021, management has disaggregated this single cash-generating unit to revert to a regionally-based reporting and monitoring of goodwill, realigning it with the approach taken for the impairment testing of orbital slot rights. This reflects the developments in the business environment of the Group, triggered by the increasing demand from market participants in various business areas (primarily telecommunications companies) for bandwidth to support the provision of data connectivity services.

  These developments mean that there are increasingly two economic paths available to the Group in commercialising the valuable portfolio of orbital slot rights it has generated over many years, including through the two GEO business acquisitions noted above:

  - utilising these rights in the provision of services on its own satellite fleet; and
  - generating economic value through entering into transactions with third parties to make these rights available to them in return for an appropriate financial compensation.

  A specific example is the ongoing C-band repurposing project in the U.S. following the adoption by the Federal Communications Commission of its Report and Order and Order of Proposed Modification to clear a 300 MHz band of C-band downlink spectrum between 3,700 and 4,000 MHz by December 2025 (see note 15).

Since the opportunities, and hence potential cash flows, arising from this expanding area of commercialisation of orbital slot rights other than through conventional on-fleet operations, are by their nature arrangements with regional regulatory authorities and market participants, and since the linkage to the orbital slot rights is so strong, it seems appropriate to management to re-align the approach to impairment testing by looking at both areas using on a regional basis and disaggregating the cash-generating units again for the purpose of goodwill testing.

The goodwill has been allocated between the three cash-generating units (as defined below) based on the assets acquired in the above acquisitions, with materially all the assets acquired in the GE Americom acquisition being allocated to 'North America' and materially all the assets acquired in the New Skies Satellites acquisition being allocated to 'International'. As of 30 June 2021, the goodwill attributable to North America is EUR 1,716 million and to International EUR 214 million.

- **Reduction in regional cash-generating units from six to three**

  Three regions ('Europe', 'North America' and 'International') have been defined for impairment testing procedures for both goodwill and orbital slot rights, compared to the six regions ('Europe', 'US', 'Canada', 'Mexico', 'Brazil' and 'International') used between 2012 and 2020 for procedures on orbital slot rights. Whilst there is no change to the 'Europe' region, the cash-generating units 'US', 'Canada' and 'Mexico' have been grouped into a new 'North America' unit, and 'Brazil' has been grouped with 'International'.

  In the case of 'North America' this aggregation reflects the current inter-operability of spacecraft and orbital locations which can be used to serve customers in the U.S., Canada and Mexico, as well as the increasing interdependency of the contractual arrangements for significant customers in those markets which mean that the associated cash flows can no longer be seen as largely independent of each other.

  Concerning 'International' then this aggregation again reflects the increasing interdependency of cash flows between regions with an increasing use of Brazilian spectrum by assets, such as SES-10 and the soon-to-be-launched SES-17 satellite, which are also serving 'International' customers, and the fact that the Group is now also serving the Brazilian market from orbital slots other than those allocated to the unit.

Note 17 - Analysis of impairment indicators

In reviewing the valuations of assets in the framework of its analysis of impairment indicators as of 30 June 2021, management reviewed the results of operations, specific transactions and events of the period and more general changes in conditions in the Group's markets. Management also considered the impact of internal and external factors on the discount rates used to discount the Group's future cash flows.

The conclusion of this analysis was that there were no triggering events requiring a formal impairment test, and thus no impairment tests were performed in the first half of 2021. Accordingly, there was no impairment recorded during the six-month period ended 30 June 2021 on space segment assets, or on indefinite-life intangible assets.

Additionally, there were no additional impairment indicators for those assets which were subject to impairment charges as at 31 December 2020, namely on goodwill, orbital slot rights and satellites in geostationary orbit.

Note 18 - Post balance sheet events

There were no material events occurring between the reporting date and the date when the Interim Financial Statements were authorised by the Board of Directors.

Note 19 - 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.

i. Net debt

The following table reconciles net debt to the relevant balance sheet line items:

In millions of euros	**30 June 2021**	30 June 2020
Borrowings - non-current	**3,490**	3,065
Borrowings - current	**182**	699
Borrowings, *less*	**3,672**	3,764
Cash and equivalents	**(604)**	(367)
Net debt	**3,068**	3,397

ii. EBITDA and EBITDA Margin

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

In millions of euros	**30 June 2021**	30 June 2020
Profit before tax	**151**	93
Add: Depreciation expense	**283**	319
Add: Amortisation expense	**48**	44
Add: Net financing costs	**44**	91
EBITDA	**526**	547

The following table provides a reconciliation of EBITDA Margin:

In millions of euros	**30 June 2021**	30 June 2020
Revenue	**875**	948
C-band repurposing income	**47**	-
EBITDA	**526**	547
EBITDA Margin (%)	**57.0%**	57.7%

iii. Adjusted EBITDA and Adjusted EBITDA Margin

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

In millions of euros	**30 June 2021**	30 June 2020
EBITDA	**526**	547
Deduct: C-band repurposing income (Note 15)	**47**	-
Add: C-Band repurposing expenses (Note 15)	**59**	13
Add: Restructuring expenses (Note 14)	**6**	22
Adjusted EBITDA	**544**	582

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	**30 June 2021**	30 June 2020
Revenue	**875**	948
Adjusted EBITDA	**544**	582
Adjusted EBITDA Margin (%)	**62.2%**	61.4%

iv. *Operating Profit and Operating Profit Margin*

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

In millions of euros	**30 June 2021**	30 June 2020
Profit before tax	**151**	93
Add back: Net financing costs	**44**	91
Operating Profit	**195**	184

The following table provides a reconciliation of Operating Profit Margin:

In millions of euros	**30 June 2021**	30 June 2020
Revenue	**875**	948
Operating Profit	**195**	184
Operating Profit Margin (%)	**22.3%**	19.4%

v. *Adjusted Net Debt*

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	**30 June 2021**	30 June 2020
Borrowings – non-current	**3,490**	3,065
Borrowings – current	**182**	699
Total borrowings	**3,672**	3,764
50% of the Group's EUR 1.175 billion of perpetual bonds (2020: 1.3 billion)	**588**	650
Less: Cash and cash equivalents	**(604)**	(367)
Adjusted Net Debt	**3,656**	4,047

vi. *Adjusted Net Debt to EBITDA ratio*

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

In millions of euros	**30 June 2021**	30 June 2020
Adjusted Net Debt	**3,656**	4,047
Twelve-month rolling EBITDA*	**1,058**	1,179
Adjusted Net Debt to EBITDA ratio	**3.45 times**	3.43 times

* 2021 twelve-month rolling EBITDA was calculated as follows:

In millions of euros	**30 June 2021**	30 June 2020
EBITDA as at 30 June 2021/2020	**526**	547
Add: EBITDA as at 31 December 2020	**1,079**	1,217
Less: EBITDA as at 30 June 2020/2019	**(547)**	(585)
Twelve-month rolling EBITDA	**1,058**	1,179

vii. *Adjusted Net Debt to Adjusted EBITDA ratio*

In millions of euros	**30 June 2021**	30 June 2020
Adjusted Net Debt	**3,656**	4,047
Twelve-month rolling Adjusted EBITDA*	**1,114**	1,224
Adjusted Net debt to Adjusted EBITDA ratio	**3.28 times**	3.31 times

* 2021 rolling Adjusted EBITDA was calculated as follows:

In millions of euros	**30 June 2021**	30 June 2020
Adjusted EBITDA as at 30 June 2021/2020	**544**	582
Add: Adjusted EBITDA as at 31 December 2020	**1,152**	1,238
Less: Adjusted EBITDA as at 30 June 2020/2019	**(582)**	(596)
Twelve-month rolling Adjusted EBITDA	**1,114**	1,224

viii. *Adjusted Net Profit and Adjusted Earnings per Share*

In millions of euros	**30 June 2021**	30 June 2020
Profit of the group attributable to shareholders of the parent	**137**	86
C-band operating expenses (net of income)	**12**	13
Restructuring expenses	**6**	22
Add: Total material exceptional items	**18**	35
Tax on C-band operating expenses (net of income), at 21%	**(2)**	(3)
Tax on restructuring expenses, at 22%	**(1)**	(5)
Less: Tax on material exceptional items	**(3)**	(8)
Adjusted Net Profit	**152**	113

For the first half of 2021, Adjusted Earnings per Share of EUR 0.28 per Class A share (2020: EUR 0.20), and EUR 0.11 per Class B share (2020: EUR 0.08) have been calculated on the following basis:

In millions of euros	**30 June 2021**	30 June 2020
Adjusted Net Profit	**152**	113
Assumed coupon on perpetual bond (net of tax)	**(23)**	(24)
Total	**129**	89

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 (Note 8):

Adjusted Earnings per Share	**30 June 2021**	30 June 2020
Class A shares	**0.28**	0.20
Class B shares	**0.11**	0.08

ix. Free cash flow before equity distributions and treasury activities

In millions of euros	**30 June 2021**	30 June 2020
Net cash generated by operating activities	**398**	412
Net cash absorbed by investing activities	**(95)**	(153)
Free cash flow before financing activities	**303**	259
Interest paid on borrowings	**(71)**	(109)
Lease payments	**(7)**	(6)
Free cash flow before equity distributions and treasury activities	**225**	144