

Eutelsat Communications

A public limited company (French “*société anonyme*”) with a capital of 475,178,378 euros

Registered office: 32, boulevard Gallieni, 92130 Issy-les-Moulineaux

481,043,040 R.C.S. Paris

ANNUAL FINANCIAL STATEMENTS AS OF 30 JUNE 2025

INCOME STATEMENT

<i>(in millions of euros)</i>	Note	30 June 2024	30 June 2025
Revenue		3.6	5.7
Other operating income, expense transfers		8.0	(0.8)
Total operating income	3.1.	11.6	4.9
Staff costs		(2.7)	(2.4)
Other operating expenses		(16.3)	(9.8)
Total operating expenses	3.2.	(19.1)	(12.2)
Operating result		(7.5)	(7.3)
Financial income		0.1	0.2
Financial expenses		(1,387.5)	(467.2)
Financial result	3.3.	(1,387.4)	(467.0)
Current result before taxes		(1,394.9)	(474.3)
Exceptional result	3.4.	(9.1)	(15.9)
Company tax	3.5.	0.3	(0.2)
RESULT FOR THE YEAR	3.5.2.	(1,403.7)	(490.5)

BALANCE SHEET

(in millions of euros)	Note	30 June 2024	30 June 2025
Assets			
Financial fixed assets	4.1.	4,146.1	3 706.1
Equity investments		4,143.3	3 704.0
Other financial assets		2.8	2.1
Current assets		5.9	7.4
Other receivables	4.2.	5.5	3.9
Group current accounts	4.2.	0.0	0.0
Marketable securities	4.3.	0.1	0.1
Cash	4.3.	0.1	0.0
Prepaid expenses		0.1	3.3
Other assets		1.3	0.9
Debt issuance costs	4.4.	1.3	0.9
Translation adjustment - Assets		0.0	0.0
TOTAL ASSETS		4,153.2	3 714.4

(in millions of euros)	Note	30 June 2024	30 June 2025
Liabilities			
Share capital		475.2	475.2
Issue, merger and acquisition premiums		3,588.8	3,588.8
Other reserves		0.2	0.2
Statutory reserves		47.5	47.5
Retained earnings		880.5	(523.2)
Result for the year		(1,403.7)	(490.5)
Tax related provisions		8.5	19.1
Equity Capital	4.5.	3,597.1	3 117.1
Provisions		0.5	0.2
Financial debts	4.6.	401.2	400.8
Other liabilities	4.7.	154.4	196.3
Financial, operating and other liabilities		555.6	597.1
TOTAL LIABILITIES		4,153.2	3 714.4

NOTES TO THE FINANCIAL STATEMENTS

The information contained in these notes is an integral part of the annual financial statements. It is expressed in millions of euros, unless otherwise stated.

The Company's fiscal year runs for twelve months from 1 July to 30 June.

NOTE 1. COMPANY'S ACTIVITY AND KEY EVENTS OF THE FISCAL YEAR

1.1. COMPANY'S ACTIVITY

Eutelsat Communications S.A. ("the Company" or "Eutelsat") is the parent company of the Eutelsat Communications Group ("the Group"). Its purpose is to hold shares and provide services for its equity interests.

The Company, whose registered office is located at 32 boulevard Gallieni 92130 Issy-les-Moulineaux, is registered with the Register of Trade and Companies under number 481,043,040.

1.2. KEY EVENTS OF THE FISCAL YEAR

Eutelsat Communications (the "Company") announced that, as recommended by the Nomination and Governance Committee, the Board of Directors had appointed Mr. Jean-François Fallacher as the new Chief Executive Officer, replacing Ms. Eva Berneke, effective as of 1 June 2025.

NOTE 2. ACCOUNTING PRINCIPLES

2.1. BASIS OF PRESENTATION OF FINANCIAL INFORMATION

The annual financial statements are prepared in accordance with the provisions of Regulation 2018-01 of the French Accounting Standards Authority (ANC) as well as any subsequent opinions and recommendations of the French Accounting Standards Authority. The Company's reporting currency is the euro.

The following conventions have been applied in compliance with the principle of prudence and in accordance with the following basic rules:

- going concern,
- separation of financial periods,
- consistent accounting methods from one fiscal year to the next,

and in accordance with the general guidelines for preparing and presenting the annual financial statements.

The basic method used for evaluating the items recorded in the accounts is the historical cost method.

No changes were made to the accounting methods during the financial period.

2.2. SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of the annual financial statements requires the use of judgements and estimates likely to affect some of the items in the income statement, the balance sheet and the accompanying notes. The Management constantly updates these estimates and assessments by using past experience and other relevant factors related to the economic environment. The outcome of the transactions underlying these estimates and assumptions could result in significant adjustments to the amounts that are recognised in a subsequent financial period because of the uncertainty that surrounds them.

In preparing the financial statements as of 30 June 2025, the Management has made judgements, particularly with regard to the value of equity investments and share-based compensation.

2.3. FINANCIAL ASSETS

Financial assets consist of equity securities and other financial assets including treasury shares acquired under a liquidity contract.

Equity investments are recorded in the balance sheet at their acquisition cost, including acquisition expenses. They are subject to impairment when their net book value is higher than their value in use, assessed on the basis of various criteria such as market value, the development and profitability prospects (notably via a discounted cash flow valuation) and shareholders' equity.

Other long-term investments are recorded in the balance sheet at their acquisition cost, excluding acquisition expenses. They are impaired when their acquisition cost exceeds their net asset value.

2.4. RECEIVABLES AND PAYABLES

Receivables and payables are evaluated at their face value.

2.5. CASH AND MARKETABLE SECURITIES

This item consists of treasury shares acquired under share buyback programmes, mutual fund investments, cash at bank and deposit warrants with original maturities of three months or less.

Treasury shares repurchased not allocated to share plans are impaired when the share price is lower than the purchase price.

Treasury shares repurchased for the purpose of serving free share incentive plans are recorded at their initial cost until they are allocated to their beneficiaries or reclassified if not attributed. They are not subject to any impairment.

2.6. DEBT ISSUANCE COSTS

Debt issuance costs are amortised over the duration of the loan.

2.7. SHAREHOLDERS' EQUITY

External costs directly related to capital increases or reductions are charged against the issue and acquisition premium, net of tax when tax savings are generated.

2.8. PROVISIONS

A provision is recorded when there is a company obligation towards an unrelated party that is probable or certain to lead to an outflow of resources to the benefit of such party, with nothing at least equivalent expected of the unrelated party in return and for which the term or the amount is not precisely determined.

NOTE 3. NOTE ON THE INCOME STATEMENT

3.1. OPERATING INCOME

3.1.1 Revenue

The Company's revenue includes the re-invoicing of services provided, for its holdings, particularly in respect of strategy development, implementation of the industrial and commercial policy, and financial and corporate communications.

Revenue, which is generated mainly in France, amounted to 5.7 million euros as of 30 June 2025 versus 3.6 million euros as of 30 June 2024.

3.1.2. Other income

Expense transfers amounted to (1.3) million euros and were mainly composed of reversals of OneWeb acquisition costs in the amount of (0.9) million euros and AGA plans for (0.4) euros.

3.2. OPERATING EXPENSES

Operating expenses break down as follows:

<i>(in millions of euros)</i>	30 June 2024	30 June 2025
Staff costs	(2.7)	(2.4)
Other purchases and external expenses	(13.9)	(7.4)
Other operating expenses	(2.4)	(2.4)
Total	(19.1)	(12.2)

3.2.1. Staff costs

The Company has no employees.

Staff costs correspond to compensation for company officers, including share-based compensation, and amounted to 2.4 million euros.

Compensation and benefits granted to members of the administrative and management bodies are presented in Note 5.1. "Executive management compensation".

3.2.2. Other purchases and external expenses

As of 30 June 2025, other purchases and external expenses consist mainly of 3.2 million euros of professional fees, together with sub-contracting and consultancy fees amounting to 2.8 million euros.

3.2.3. Other operating expenses

Other operating expenses are mainly composed of attendance fees amounting to 1.9 million euros and amortised loan costs of 0.9 million euros.

3.3. FINANCIAL RESULT

The financial result breaks down as follows:

<i>(in millions of euros)</i>	30 June 2024	30 June 2025
Income from holdings	0.0	0.0
Interest expenses	(26.8)	(28.8)
Depreciation, amortisation and provisions	(1,360.8)	(438.4)
Other	0.1	0.2
Total	(1,387.4)	(467.0)

Interest expenses correspond to 18 million euros of interest on loans and 10 million euros of interest on the current account with Eutelsat S.A.

3.4. EXCEPTIONAL RESULT

The exceptional result breaks down as follows:

<i>(in millions of euros)</i>	30 June 2024	30 June 2025
Accelerated depreciation of share acquisition costs	(8.1)	(10.5)
Other	(1.0)	(5.4)
Total	(9.1)	(15.9)

The "Others" item mainly consists of the provision for the former Chief Executive Officer's severance pay, and of bonuses and penalties on share buybacks realised under the liquidity contract.

3.5. COMPANY TAX

3.5.1. Tax consolidation

The scope of the tax consolidation group includes the entities Eutelsat S.A., Eutelsat Konnect Services, Fransat S.A and Konnect Africa France.

The tax consolidation agreement provides that the subsidiaries bear a tax burden equal to the amount that they would have borne in the absence of the Group consolidation regime. Additional tax charges or savings resulting from the Group regime are borne by or granted to the Group's parent company in full.

As of 30 June 2025, the tax consolidation group reported a provisional tax loss of 230.9 million euros, which can be carried forward to offset future taxable income of the tax consolidation group.

As of 30 June 2024, the tax consolidation group reported a tax loss of 66.8 million euros, which can be carried forwards to offset future taxable income of the tax consolidation group.

Eutelsat Communications' losses prior to tax consolidation amounted to 43.3 million euros.

3.5.2. Common law provisions

As of 30 June 2025, the Company's tax liability breaks down between the current result and the exceptional result as follows:

<i>(In millions of euros)</i>	Result before tax	Tax due	Net result
Current	(474.3)	0.2	(474.5)
Exceptional	(15.9)		(15.9)
Total	(490.2)	0.2	(490.5)

The Company's tax is calculated based on the corporate income tax rate of 25.83%, in accordance with the provisions of the French general tax law.

As of 30 June 2025, Pillar Two taxation amounted to 0.2 million euros for the jurisdiction of Cyprus.

3.5.3. Increases and reductions in future tax liability

<i>(in millions of euros)</i>	30 June 2024	30 June 2025
Reductions in future tax liability:	0	0
Losses carried forward	22.0	22.9
Total	22.0	22.9

NOTE 4. NOTES ON THE BALANCE SHEET

4.1. FINANCIAL ASSETS

The changes to financial assets over the fiscal year are as follows:

<i>(in millions of euros)</i>	30 June 2024	Acquisition / subscription	Assignment/ reduction	Transfer	30 June 2025
Equity investments (including merger losses)	5,504.1	(0.9)		0.0	5,503.2
Other financial assets	2.9	(0.8)		(0.0)	2.1
Total of the gross values	5,507.0	(1.7)			5,505.3
Provision for depreciation	(1,360.9)	(438.3)			(1 799.2)
Total net values	4,146.1	(439.9)			3 706.1

Equity investments consist of:

- 976,497,711 shares in Eutelsat S.A. for an amount of 2,558.5 million euros as of 30 June 2025.
- a merger loss allocated to Eutelsat S.A. shares in the amount of 384.9 million euros,
- 2,186,644 shares in OneWeb Holdings Ltd. for an amount of 2,559.7 million euros, including 53.8 million euros of acquisition expenses.

The values in use of the Eutelsat S.A. and OneWeb Holdings Limited shares as of 30 June 2025 have been determined on the basis of future cash flows, these flows having been updated as of 30 June 2025 to take into account the recently-available information.

The value in use thus determined is lower than the gross value of 5,503.2 million euros. As a result, as of 30 June 2025, impairment losses have been recognised on OneWeb shares for 411.3 million euros and on Eutelsat S.A. shares for 27.1 million euros.

The other financial assets consist of items relating to the liquidity contract, including:

- treasury shares for 1.2 million euros corresponding to 373,992 shares as of 30 June 2025 and for 2 million euros corresponding to 497,082 shares as of 30 June 2024.
- SICAV money market funds for an amount of 1 million euros as of 30 June 2025 and for an amount of 0.9 million euros as of 30 June 2024.

4.2. RECEIVABLES

As of 30 June 2025, receivables amounted to 3.9 million euros. They are mainly composed of "Other receivables", including notably 1.1 million euros of corporate tax receivables.

As of 30 June 2024, receivables amounted to 5.5 million euros (including a corporate income tax receivable of 3 million euros).

All the receivables are due within one year.

4.3. CASH AND MARKETABLE SECURITIES

Cash and marketable securities break down as follows:

<i>(in millions of euros)</i>	30 June 2024	30 June 2025
Treasury shares	0.1	0.1
Cash	0.1	0.0
Total	0.3	0.2

4.4. DEBT ISSUANCE COSTS

Debt issuance costs for an amount of 2.2 million euros relating to the loan initially taken out in March 2015 and renegotiated in June 2021 are spread over a period of five years in the amount of 0.4 million euros per year. Debt issuance costs still to be depreciated amounted to 0.9 million euros as of 30 June 2025 (1.3 million euros as of 30 June 2024).

4.5. SHAREHOLDERS' EQUITY

As of 30 June 2025, the share capital is composed of 475,178,378 ordinary shares with a par value of 1 euro per share.

On 21 November 2024, the Combined Ordinary and Extraordinary Annual General Meeting of Shareholders convened to approve the annual financial statements for the period ended 30 June 2024, recognised a loss of 1,403.7 million euros and decided to allocate the result in full to retained earnings.

<i>(in millions of euros)</i>	30 June 2024	Result allocation	Distribution of dividends	Other movements	30 June 2025
Share capital	475.2				475.2
Issue, merger and acquisition premiums	3,588.8				3,588.8
Legal reserve	47.5				47.5
Statutory reserve	0.2				0.2
Retained earnings	880.5	(1,403.7)			(523.2)
Result as of 30/06/2024	(1,403.7)	1,403.7			(490.5)
Regulated provisions ⁽¹⁾	8.5	-		10.6	19.1
Total	3,597.0			10.6	3 117.1
		Shareholders' equity before result			3,607.6
		Result for the year			(490.5)
		Total shareholders' equity			3 117.1

(1) Regulated provisions correspond to the accelerated amortisation of share acquisition costs.

4.6. FINANCIAL DEBT

Bank loans, denominated in euros, were contracted in June 2021 with a five-year maturity and two one-year extension options, subject to lenders' approval. The first one-year extension was obtained during the 2021-22 fiscal year. The second extension has not been requested. As a result, the financing facilities obtained by Eutelsat Communications from its lenders will expire in June 2027.

The bank loans break down as follows:

<i>(in millions of euros)</i>	30 June 2024	30 June 2025
Bank borrowings	400.0	400.0
Accrued interest	1.2	0.8
Total	401.2	400.8

Eutelsat Communications also has a revolving credit facility, entered into in June 2021 for an initial term of five years and subsequently extended to June 2027.

This revolving credit facility was reduced from 200 million euros to 100 million euros as part of the Group's refinancing operations in April 2024 (undrawn as of 30 June 2025).

The credit agreements do not carry any guarantees from the Group or pledging of assets in favour of the lenders but do contain restrictive clauses (subject to the usual exceptions provided for in this type of loan agreement) limiting the ability of Eutelsat Communications and its subsidiaries, in particular to grant security interests, incur additional indebtedness, dispose of assets, engage in mergers and acquisitions, sales of assets and leasing operations (with the exception of those carried out within the Group and expressly provided for in the loan agreement) and change the nature of the activity of the Company and its subsidiaries.

The credit agreements allow each lender to request early repayment of all sums due if there is a change of control of the Company and of its subsidiary Eutelsat S.A. or in the event of concerted action. Furthermore, the Company must hold, directly or indirectly, 95% of the capital and voting rights of Eutelsat S.A. for the entire duration of the loan.

The credit agreements provide for a commitment to maintain "Launch-plus-one-year" insurance policies for any satellite located at 13° East and, for any other satellite, a commitment not to have more than one satellite not covered by a launch insurance policy.

In addition, these credit agreements include a financial covenant, tested every six months, which initially provided for a total net debt to annualised EBITDA ratio of less than or equal to 4.0 to 1, determined on the basis of the Group's consolidated financial statements. In view of the acquisition by Eutelsat Communications of the OneWeb Group, the ratio was increased to 4.75 to 1 as of the 30 June 2023 test. As of 30 June 2025 and 31 December 2025, the level of the ratio to be respected is 4.50. It will then be reduced to 4.00 for the tests from 30 June 2026.

As of 30 June 2025, the Company is in compliance with this banking covenant.

4.7. OTHER DEBTS

The other debts break down as follows:

<i>(in thousands of euros)</i>	30 June 2024	30 June 2025
Accounts payable	8.1	9.1
State liabilities	0.1	0.2
Staff liabilities	1.8	7.0
Tax consolidation current accounts	3.3	1.3
Current accounts	141.0	178.8
Total	154.4	196.3

All debts are due within one year.

As of 30 June 2025, the current account with Eutelsat S.A. amounts to 179 million euros.

NOTE 5. OTHER INFORMATION

5.1. RELATED-PARTY TRANSACTIONS

5.1.1. Executive Management compensation

Gross compensation (including employer's contributions) paid by the Company to members of the administrative and management bodies is as follows.

(in millions of euros)	30 June 2024	30 June 2025
Short-term benefits	2.7	2.4
Attendance fees paid	1.5	1.9

Seventy-one per cent of these costs are charged back to Eutelsat S.A. and OneWeb Holdings Ltd. in respect of the activities outlined in Note 1.1 "Company's activity".

Share-based compensation

During the fiscal year ended 30 June 2025, the maturing of phantom share allocation plans resulted in a total grant of 0.7 million euros.

Following the departure of the Chief Executive Officer on 2 June 2025, three non-matured plans were cancelled, leading to a corresponding reversal of expenses.

The social security contributions relating to the two remaining plans, still in force at the end of the year, are shown below:

Features of the plans	November 2022 plan	November 2023 plan (exceptional)
Vesting period	November 2022 – November 2025	November 2024 – November 2025
Maximum number of shares attributable to directors and corporate officers at inception	98,010	77,657
Number of beneficiaries	1	1
Number of shares and performance requirements for free share plans		
Number of outstanding shares	81,675	74,421
Performance targets	Revenue	Connectivity verticals revenues FY25
	Discretionary Free-Cash-Flow	EBITDA FY25
	Relative TSR	Capex FY25
	CSR	Relative TSR
		CSR
(Expense)/income for the fiscal year		
(in millions of euros)	0.1	(0.2)

The relative TSR (total shareholder return) measures the shareholder return for Eutelsat shares compared to that of other benchmarks or indices.

Their vesting is contingent on an attendance requirement and the achievement of performance conditions.

Non-compete clauses

In the event of termination of office for the Chief Executive Officer or a Deputy-CEO, a non-compete clause provides for payment of 50% of their fixed compensation over an 18-month period. Under this clause, the Chief Executive Officer and the Deputy-CEO are required to refrain from working directly or indirectly for other satellite operators. In this regard, no sums were disbursed during the fiscal year ended 30 June 2025.

5.1.2. Related parties other than executive managers

Related parties are those direct or indirect shareholders who exercise significant influence, which is presumed when the investor holds more than 20% or when the investor holds a position on the Board of Directors of a subsidiary of the Company, or of companies other than subsidiaries in which Eutelsat has an interest and "key managers".

During the 2025 fiscal year, Eutelsat Communications S.A. and its related parties did not enter into any material transactions under unusual market conditions.

5.2. CONTINGENT LIABILITIES

Eutelsat Communications underwent several accounting audits covering the period from 1 July 2012 to 30 June 2020.

As of 30 June 2025, these proceedings initiated by the tax authorities were closed.

However, Eutelsat filed a preliminary claim with the Administrative Court for a tax reassessment maintained for the financial year ended 30 June 2014. The proceedings are ongoing and the amounts in question have been paid in full to the French Treasury.

Similarly, in January 2025, the Group filed a claim with the tax authorities for a tax reassessment maintained in respect of the financial year ended 30 June 2018. The amounts payable in respect of this reassessment have been paid in full to the tax authorities. Consequently, there is no related tax risk, as the claims relate to amounts that have already been settled.

5.3. OFF-BALANCE SHEET COMMITMENTS

The Company's off-balance sheet purchase commitments amounted to 6.2 million euros as of 30 June 2025.

5.4. INFORMATION ABOUT SUBSIDIARIES AND EQUITY INTERESTS

The table below contains the list of investments held by Eutelsat Communications in subsidiaries and other companies as of 30 June 2025:

(in millions of euros)	Capital	Shareholders' equity other than capital as of 30 June (local accounts)	Share of capital held (in %)	Last fiscal year		Gross book value of investments held	Provision for impairment of investments	Loans and advances granted	Pledges and guarantees granted	Dividends received
				Revenue (local accounts)	Net result (local accounts)					
Eutelsat S.A. RCS No.422551176 Nanterre Registered office located in Issy-les-Moulineaux (fiscal year ended 30/06/2025)	658.6	1,965.4	96%	956.8	(261.9)	2,558.5	411.30			
OneWeb Holdings Ltd. Registered office located in London (fiscal year ended 30/06/2025)	0.03	2,580.0	77%	176.00	(525.5)	2,559.7	27.1			

5.5. SUBSEQUENT EVENTS

On 10 July 2025, the United Kingdom announced its commitment to investing a total of 163.3 million euros within the framework of the Reserved Capital Increase and the Rights Issue with Preferential Subscription Rights pro-rata its shareholding post the realisation of the Reserved Capital Increase. It joins the French State via the APE (Agence des Participations de l'Etat), Bharti Space Limited, CMA CGM and FSP (together the "Reserved Capital Increase Investors") who had already committed to subscribing to the contemplated capital raise as anchor shareholders, as announced on 19 June 2025. This additional participation on the part of another key reference shareholder will increase the total amount to be raised to 1.5 billion euros, further underpinning the execution of Eutelsat's long-term strategic vision.

The Reserved Capital Increase would thus amount to 828 million euros and the subsequent Rights Issue with Preferential Subscription Rights to 672 million euros.

Following these two aforementioned transactions and subject to the participation of other investors, the French State would hold around 29.65% of the capital and voting rights, while Bharti Space Limited, His Majesty's Government, CMA CGM and FSP would respectively hold 17.88%, 10.89%, 7.46% and 4.99% of the share capital and voting rights.

These agreements should be realised before the end of the 2025 calendar year but remain *inter alia* subject to shareholder approval at an Extraordinary General Meeting of Shareholders planned for the end of the 2025 third quarter, and to the customary approvals and conditions.