Intelsat S.A.

Société anonyme
Annual accounts

For the year ended December 31, 2020

(With the report of the Réviseur d'Entreprises agréé thereon)

Stephen Spengler
Chief Executive Officer

David Tolley
Chief Financial Officer

4, rue Albert Borschette
L-1246 Luxembourg
RCS Luxembourg B162.135

Intelsat S.A.
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To the Shareholders of
Intelsat S.A.
4, rue Albert Borschette
L-1246 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Opinion

We have audited the annual accounts of Intelsat S.A. (the "Company"), which comprise the balance sheet as at 31 December 2020, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of 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.

Basis for opinion

We conducted our audit in accordance with 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 Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the annual accounts » section of our report. We are also 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, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the annual accounts which state that the Company filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code which constituted an event of default on substantially all of the Company's debt obligations which raise substantial doubt about its ability to continue as a going concern. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

T.V.A. LU 27351518
R.C.S. Luxembourg B 149133

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 the 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.

<table>
<tr><th colspan="2">Valuation of Shares in Affiliated Undertakings</th></tr>
<tr><td colspan="2">Refer to accounting policies and valuation methods in note 2(c) and to note 3 (financial assets) to the annual accounts.</td></tr>
<tr><td>Why the matter was considered to be one of the most significant in our audit of the annual accounts of the current period</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>Since April 2020, the Company and its subsidiaries stopped paying the services attached to their unsecured debts.

In May 2020, the Intelsat group has filed for voluntary protection under the Chapter 11 in the US and the shares has been delisted form New York stock exchange.

Management considered other qualitative factors including, general macroeconomic conditions with covid-19, industry and market considerations, cost factors, overall financial performance and other relevant entity-specific events at year end and accordingly, decided to record a full value adjustment on the shares in Intelsat Investment Holding S.à r.l. as at December 31, 2020.

We identified the valuation of the shares in affiliated undertakings as a key audit matter, considering the complex management and auditor judgment was required in evaluating the Company's evaluation, which was performed using a discounted cash flow model and included assumptions regarding the amount and timing of the C-band accelerated clearing incentive payments to be received from the Federal Communications Commission (FCC), projected revenue amounts to be realized as well as the Company's qualitative evaluation of the uncertainties related to the restructuring of the Company and its subsidiaries and contingencies existing as at December 31, 2020.</td><td>Our audit procedures over the valuation of shares in affiliated undertakings included, but were not limited to:

• Evaluating the appropriateness of the accounting policies and valuation methods, our business understanding and industry practice;
• Assessing our understanding of management's processes over valuation of shares in affiliated undertakings;
• Evaluating the reasonableness of management's key judgements and estimates made in valuation of shares in affiliated undertakings, including selection of methods, models, assumptions and data sources;
• Evaluating uncertainties surrounding the exit from Chapter 11 and restructuring of the Company and other contingencies;
• Assessing the completeness, accuracy and relevance of key data used in the Company's valuation model;
• Evaluating the appropriateness and testing the mathematical accuracy of the model applied;
• Evaluating the completeness, accuracy and relevance of disclosures required by Luxembourg legal and regulatory requirements.</td></tr>
</table>

Responsibilities of the Board of Directors 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.

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 a report of the "réviseur d'entreprises agréé" 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 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 Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism 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 report of the "réviseur d'entreprises agréé" 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 report of the "réviseur d'entreprises agréé". 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 to communicate with 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 report unless law or regulation precludes public disclosure about the matter.

Other Matter

The net assets of the Company fall below half / (one-quarter) of the subscribed capital. In accordance with the modified law of 10 August 1915 concerning commercial companies, the Board of Directors shall set out the causes of this situation and shall justify its proposals in a special report which must be made available to the shareholders. The Board of Directors shall also convene a general meeting of shareholders which will have to decide whether to continue the activities of the Company.

Luxembourg, 23 April 2021

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé

Fabien Hedouin

RCSL Nr. : B162135	Matricule : 2011 2215 302
	eCDF entry date : 19/04/2021

ABRIDGED BALANCE SHEET

Financial year from 01 01/01/2020 **to** 02 31/12/2020 *(in* 03 USD *)*

Intelsat S.A.

4, rue Albert Borschette
L-1246 Luxembourg

ASSETS

		Reference(s)		Current year		Previous year
A. Subscribed capital unpaid	1101		101		102	
I. Subscribed capital not called	1103		103		104	
II. Subscribed capital called but unpaid	1105		105		106	
B. Formation expenses	1107		107		108	
C. Fixed assets	1109		109	150.000.000,00	110	1.291.674.252,78
I. Intangible assets	1111		111		112	
II. Tangible assets	1125		125		126	
III. Financial assets	1135	3	135	150.000.000,00	136	1.291.674.252,78
D. Current assets	1151		151	29.213.446,95	152	12.630.592,16
I. Stocks	1153		153		154	
II. Debtors	1163		163	27.366.898,07	164	3.998.562,45
a) becoming due and payable within one year	1203	4	203	27.366.898,07	204	3.998.562,45
b) becoming due and payable after more than one year	1205		205		206	
III. Investments	1189		189		190	
IV. Cash at bank and in hand	1197		197	1.846.548,88	198	8.632.029,71
E. Prepayments	1199	5	199	19.188.795,32	200	9.882.615,18
TOTAL (ASSETS)			201	198.402.242,27	202	1.314.187.460,12

RCSL Nr. : B162135	Matricule : 2011 2215 302

CAPITAL, RESERVES AND LIABILITIES

	Code	Reference(s)	Code	Current year	Code	Previous year
A. Capital and reserves	1301	6	301	-246.749.321,64	302	910.099.489,75
I. Subscribed capital	1303		303	1.421.450,54	304	1.411.304,31
II. Share premium account	1305		305	3.685.551.730,84	306	3.685.561.877,07
III. Revaluation reserve	1307		307		308	
IV. Reserves	1309		309		310	
V. Profit or loss brought forward	1319		319	-2.776.873.691,63	320	-2.777.061.954,23
VI. Profit or loss for the financial year	1321		321	-1.156.848.811,39	322	188.262,60
VII. Interim dividends	1323		323		324	
VIII. Capital investment subsidies	1325		325		326	
B. Provisions	1331		331		332	
C. Creditors	1435	7	435	445.151.563,91	436	404.087.970,37
a) becoming due and payable within one year	1453		453	445.151.563,91	454	1.587.970,37
b) becoming due and payable after more than one year	1455		455		456	402.500.000,00
D. Deferred income	1403		403		404	
TOTAL (CAPITAL, RESERVES AND LIABILITIES)			405	198.402.242,27	406	1.314.187.460,12

RCSL Nr. : B162135	Matricule : 2011 2215 302
	eCDF entry date : 19/04/2021

ABRIDGED PROFIT AND LOSS ACCOUNT

Financial year from 01 01/01/2020 **to** 02 31/12/2020 *(in* 03 USD)

Intelsat S.A.

4, rue Albert Borschette
L-1246 Luxembourg

		Reference(s)		Current year		Previous year
1. to 5. Gross profit or loss	1651	8	651	1.475.064,51	652	1.114.742,12
6. Staff costs	1605		605		606	
a) Wages and salaries	1607		607		608	
b) Social security costs	1609		609		610	
i) relating to pensions	1653		653		654	
ii) other social security costs	1655		655		656	
c) Other staff costs	1613		613		614	
7. Value adjustments	1657	4	657	-14.752.462,95	658	
a) in respect of formation expenses and of tangible and intangible fixed assets	1659		659		660	
b) in respect of current assets	1661		661	-14.752.462,95	662	
8. Other operating expenses	1621	9	621	-1.542.961,00	622	-715.984,80

RCSL Nr. : B162135	Matricule : 2011 2215 302

		Reference(s)		Current year		Previous year
9. Income from participating interests	1715		715		716	
a) derived from affiliated undertakings	1717		717		718	
b) other income from participating interests	1719		719		720	
10. Income from other investments and loans forming part of the fixed assets	1721	3	721	18.750.000,00	722	18.924.515,73
a) derived from affiliated undertakings	1723		723	18.750.000,00	724	18.924.515,73
b) other income not included under a)	1725		725		726	
11. Other interest receivable and similar income	1727		727	176.045,75	728	
a) derived from affiliated undertakings	1729		729		730	
b) other interest and similar income	1731		731	176.045,75	732	
12. Share of profit or loss of undertakings accounted for under the equity method	1663		663		664	
13. Value adjustments in respect of financial assets and of investments held as current assets	1665	3	665	-1.141.674.252,78	666	
14. Interest payable and similar expenses	1627		627	-19.269.236,72	628	-19.129.568,44
a) concerning affiliated undertakings	1629		629		630	
b) other interest and similar expenses	1631	7	631	-19.269.236,72	632	-19.129.568,44
15. Tax on profit or loss	1635		635		636	
16. Profit or loss after taxation	1667		667	-1.156.837.803,19	668	193.704,61
17. Other taxes not shown under items 1 to 16	1637		637	-11.008,20	638	-5.442,01
18. Profit or loss for the financial year	1669		669	-1.156.848.811,39	670	188.262,60

Note 1 Background

Intelsat S.A. (the "Company") was incorporated in Luxembourg on July 8, 2011, as a "société anonyme" under Luxembourg law for an unlimited period of time. The Company has its registered office at 4, rue Albert Borschette, L-1246 Luxembourg and is registered with the Registre de Commerce et des Sociétés of Luxembourg under number B 162.135.

Since the Company's initial public offering on April 23, 2013, the Company's common shares have been traded on the New York Stock Exchange ("NYSE") under the symbol "I". However, following the commencement of the Chapter 11 Cases (see Note 2), the NYSE filed a Form 25 with the U.S. Securities and Exchange Commission on May 20, 2020 to delist the Company's common shares from the NYSE. The delisting became effective 90 days after the Form 25 was filed. The Company's common shares began trading on the OTC Pink Marketplace on May 19, 2020 under the symbol "INTEQ".

The Company and its subsidiaries provide satellite communications services worldwide through a global communications network of satellites and ground facilities related to the satellite operations and control, and teleport services.

The Company's purpose is the holding of participations, in any form whatsoever, in Luxembourg and foreign companies, or other entities or enterprises, the acquisition by purchase, subscription, or in any other manner as well as the transfer by sale, exchange or otherwise of stock, bonds, debentures, notes and other securities or rights of any kind including interests in partnerships, and the holding, acquisition, disposal, investment in any manner (in), development, licensing or sub-licensing of, any patents or other intellectual property rights of any nature or origin as well as the ownership, administration, development and management of its portfolio. The Company may carry out its business through branches in Luxembourg or abroad.

The Company may further conduct or be involved in any way in, directly or indirectly, any satellite telecommunications related business, including without limitation the owning and/or operation of satellites, teleports, any ground assets, and any related or connected activity.

The Company may borrow in any form and proceed to the private or public issue of shares, bonds, convertible bonds and debentures or any other securities or instruments it deems fit.

The Company can perform all commercial, technical and financial operations, connected directly or indirectly in all areas as described above in order to facilitate the accomplishment of its purpose.

The financial year begins on January 1 and ends on December 31 of each year.

In accordance with article 79-2 of the Law of December 19, 2002, as subsequently amended, the profit and loss of the Company is not published.

The Company also prepares consolidated financial statements, which are published according to the provisions of applicable Luxembourg law.

Note 2 Significant accounting policies and valuation methods

(a) Basis of presentation

The annual accounts have been prepared in conformity with applicable legal and statutory requirements in Luxembourg, including the following significant accounting policies.

These annual accounts have been prepared in conformity with the going concern principle. The going concern principle assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the ordinary course of business.

On May 13, 2020, the Company and certain of its subsidiaries (each, a "Debtor" and collectively the "Debtors") commenced voluntary cases (the "Chapter 11 Cases") under title 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Eastern District of Virginia (the "Bankruptcy Court").

Note 2 Significant accounting policies and valuation methods (cont.)

Primary factors causing the filing for Chapter 11 protection included the Intelsat group's intention to participate in the accelerated clearing process of C-band spectrum set forth in the U.S. Federal Communications Commission's ("FCC") March 3, 2020 final order (the "FCC Final Order"), requiring the Intelsat group to incur significant costs related to clearing activities well in advance of receiving reimbursement for such costs and the need for additional financing to fund the C-band clearing process, service Intelsat group current debt obligations, and meet operating requirements, as well as the economic slowdown impacting the Company and several of its end markets due to the coronavirus ("COVID-19") pandemic.

On August 14, 2020, the Intelsat group filed its final C-band spectrum transition plan with the FCC. On September 17, 2020, the Intelsat group announced it finalized materially all of its required contracts with satellite manufacturers and launch-vehicle providers to move forward and meet the accelerated C-band spectrum clearing timelines established by the FCC. Under the FCC Final Order, the Intelsat group is eligible to receive acceleration payments of approximately USD 4.9 billion in total, subject to the satisfaction of certain deadlines and other conditions set forth therein.

The commencement of the Chapter 11 Cases constituted an event of default that accelerated substantially all of the Company's obligations under its prepetition existing indebtedness. As such, all debt obligations were reclassified to "non-convertible loans becoming due and payable within one year" on the balance sheet as of December 31, 2020. Any efforts to enforce payment obligations related to the acceleration of the Company's debt have been automatically stayed as a result of the filing of the Chapter 11 Cases, and the creditors' rights of enforcement are subject to the applicable provisions of the Bankruptcy Code. While the Chapter 11 Cases are pending, the Company does not anticipate making interest payments due under its unsecured debt instruments.

Pursuant to various orders from the Bankruptcy Court, the Debtors have received approval from the Bankruptcy Court to generally maintain their ordinary course operations and uphold certain commitments to their stakeholders, including employees, customers, and vendors during the restructuring process, subject to the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code. While the Company contemplates continuity of operations in the ordinary course of business in applying the going concern principle, the Chapter 11 process can be unpredictable and involves significant risks and uncertainties.

(b) Foreign currency translation

The Company maintains its accounts in U.S. Dollars ("USD"), and the balance sheet and profit and loss account are expressed in this currency. All assets and liabilities denominated in a currency other than USD are valued respectively at the lower or at the higher of their value translated into USD at their historical exchange rate or at the exchange rate applicable at the balance sheet date, except for cash items which are translated at the exchange rate applicable at the balance sheet date. Consequently, only realized exchange gains and losses and unrealized exchange losses are recognized in the profit and loss account. Income and charges expressed in currencies other than USD are translated into USD at exchange rates applicable at the transaction date.

(c) Financial assets

Shares in affiliated undertakings are valued at purchase price, loans to affiliated undertakings are valued at their nominal value. Value adjustments are recorded if, in the opinion of the board of directors of the Company (the "Board"), there is any durable decrease in value. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

(d) Debtors

Debtors are recorded at their nominal value. Debtors are written down to their recoverable amount if, in the opinion of the Board, there is a permanent decrease in value.

Note 2 Significant accounting policies and valuation methods (cont.)

(e) Cash at bank and at hand

Cash balances are valued at their nominal value.

(f) Prepayments

Prepayments include expenditures incurred during the financial year but relating to a subsequent financial year, as well as issue costs incurred in relation to the Company's 2025 Convertible Notes (see Note 7). Issue costs are amortized based on the effective interest rate method over the term of the debts.

(g) Creditors

Debts are stated at their reimbursement value.

(h) Share-based and other compensation plans

Share-based and similar compensation plans only impact the balance sheet when issued for consideration.

Note 3 Financial assets

Shares in affiliated undertakings

As at December 31, 2020, the Company was carrying an investment value as follows:

Name and registered office	Proportion of capital held	Net equity value including result for the financial year * (USD in thousands)	Loss for the financial year * (USD in thousands)
Intelsat Investment Holdings S.à r.l. Registered office: 4, rue Albert Borschette, L-1246 Luxembourg (RCS: B162.240)	100%	(58)	(1,145,833)

* figures based on final December 31, 2020 annual accounts submitted to the Intelsat Investment Holdings S.à r.l. Board of Managers for approval.

The Company assessed if there was any indication of a durable decrease in value of its shares in Intelsat Investment Holdings S.à r.l., considering its estimate of the asset value of the shares as at December 31, 2020, among other factors.

In determining the asset value, the Company considered that the current use of the assets, in the existing operations for which they were designed, is their optimal use, and that no market or other factors suggest that a different use by market participants would increase the value of the assets. The Company performed a discounted cash flow analysis using current management projections including all associated cash flows. Management's projections include a slower growth rate than had previously been expected.

As a result, the Board was of the opinion that a durable decrease in value has arisen on the participation in Intelsat Investment Holdings S.à r.l. during the year ended December 31, 2020 that requires an additional value adjustment in the total carrying amount of USD 1.1 billion (2019: nil), which has been reflected in the profit and loss account under "value adjustment in respect of financial assets and of investments held as current assets".

Note 3 Financial assets (cont.)

Loans to affiliated undertakings

As of December 31, 2020, the Company held an intercompany note receivable from Intelsat Envision Holdings LLC (“Intelsat Envision”), a Delaware limited liability company and indirect subsidiary of the Company, in an aggregate principal amount of USD 150.0 million. The note bears interest at 12.5% annually and matures on June 15, 2026. Interest income is recorded in the profit and loss account under the caption “Income from other Investments and loans forming part of the fixed assets”. No indication of impairment was identified as at year end December 31, 2020.

As of December 31, 2020, accrued interest outstanding under the note was USD 19.8 million (2019: USD 1.0 million).

Note 4 Debtors

This represents mainly intercompany receivables due and payable within one year, including interest receivables in connection with the intercompany note (see Note 3). At year end December 31, 2020, an indication of impairment was identified on the amount receivable from Intelsat Invoice Services LLC that requires a value adjustment. Therefore, a value adjustment was recognized for USD 14.8 million and recorded in the profit and loss account under the caption “value adjustments in respect of current assets”.

Note 5 Prepayments

This account historically represents issue costs incurred in relation with the Company’s 2025 Convertible Notes (see Note 7). These costs are amortized over the duration of the debt. As of December 31, 2020, the net issue cost amount was USD 7.4 million (2019: USD 8.6 million).

For the year ended December 31, 2020, this caption also included retainers paid for professional services in connection with the Chapter 11 Cases (see Note 2) for USD 11.1 million (2019: USD nil). Retainers will be applied against the final invoices at the end of the Chapter 11 proceedings.

Note 6 Capital and reserves

Changes in capital and reserves were as follows:

USD in thousands	Subscribed capital	Share premium account	Loss brought forward	Profit or loss for the financial year	Total
As at January 1, 2020	**1,411**	**3,685,562**	**(2,777,062)**	**188**	**910,099**
Allocation of prior year result	-	-	188	(188)	-
Options exercised (see Note 12)	10	(10)	-	-	-
Profit for the financial year	-	-	-	(1,156,849)	(1,156,849)
As at December 31, 2020	**1,421**	**3,685,552**	**(2,776,874)**	**(1,156,849)**	**(246,750)**

a) Subscribed capital:

As of December 31, 2020, the subscribed capital of the Company amounted to approximately USD 142.1 million (2019: USD 141.1 million), represented by approximately 142 million (2019: 141 million) outstanding common shares, each with a nominal value of USD 0.01 per share.

The authorized share capital of the Company (including the issued share capital) is USD 10.0 million, represented by 1.0 billion shares of any class, each with a nominal value of USD 0.01 per share. The authorized unissued share capital is valid for a period ending on June 17, 2025.

Note 6 Capital and reserves (cont.)

According to Luxembourg law, at least 5% of the annual income is to be appropriated to a legal reserve until such reserve reaches 10% of the subscribed share capital. The legal reserve is not available for distribution. The Company has not allocated any amount to date.

b) Share premium account:

As of December 31, 2020, the Company had a share premium account of USD 3.7 billion (2019: USD 3.7 billion).

Note 7 Creditors

In June 2018, the Company completed an offering of USD 402.5 million aggregate principal amount of its 4.5% Convertible Senior Notes due 2025 (the "2025 Convertible Notes"). As of December 31, 2020, the creditors amount becoming due and payable within one year comprised USD 18.9 million of accrued interest payable (2019: USD 0.8 million).

The 2025 Convertible Notes bear interest at 4.5% and mature on June 15, 2025 unless earlier repurchased, converted or redeemed, as set forth in the indenture governing the 2025 Convertible Notes.

This caption also includes an intercompany payable due by the Company in connection with expenses related to the Chapter 11 Cases (see Note 2) in the amount of USD 25.8 million (2019: USD nil).

Note 8 Gross profit

For the year ended December 31, 2020, the gross profit resulted partially from the recharge of invoices, pursuant to an existing intercompany agreement, for certain external services from the Company to other affiliated companies of the Intelsat group, in order to, among other things, better reflect the benefit certain affiliated companies received from these services, in an amount of USD 6.7 million (2019: USD 8.4 million).

In 2020, the Company entered into an additional intercompany agreement, pursuant to which invoices related to certain expenses incurred by the Company in connection with the Chapter 11 Cases (see Note 2) were recharged to other affiliated companies of the Intelsat group, in order to, among other things, allocate such expenses to the most appropriate entities, in an amount of USD 16.8 million (2019: nil). The gross profit attributable to the intercompany invoice recharges described above was partially offset by the fees incurred, mainly related to professional fees and insurance expenses.

Note 9 Other operating expenses

Typically, the Company provides non-executive members of the Board with compensation (including equity-based compensation) for their service on the Board and any committees thereof. Given the significant decrease in the value of the Company's common shares following the filing of the Chapter 11 Cases in 2020, the Compensation Committee of the Board replaced the equity-based portion of non-executive director compensation for 2020 with a cash retainer in an equivalent amount, and also increased the annual cash retainer amount in light of the significant increase in work anticipated during the course of the Chapter 11 Cases (see Note 2). The Company does not provide any compensation to members of the Board elected as representatives of an entity that is a sponsor shareholder. The Board has adopted a director compensation policy applicable to each director eligible for compensation. The total Board remuneration for the year ended December 31, 2020 was USD 1.3 million (2019: USD 553.6 thousand).

Note 10 Staff costs

The Company had no direct employees during 2020 and 2019.

Note 11 Taxation

The Company is subject to all taxes applicable to Luxembourg commercial companies.

Note 12 Commitment and contingencies

a) Share-based and other compensation plans:

As a result of our Chapter 11 proceedings (see Note 2), the exercise prices of our stock options are significantly in excess of the current market price of our common shares. In addition, all of our share-based compensation awards currently outstanding are expected to be canceled as part of our reorganization proceedings.

b) Subsidiaries' debts:

In May 2020, pursuant a resolution of the Board, and in accordance with the terms and provisions of certain of the Intelsat group's indenture agreements, the Company released its guarantees attached to certain indirect subsidiaries' indebtedness. As of December 31, 2020, the Company had no off-balance sheet commitments.

Note 13 Impact of COVID-19

The COVID-19 pandemic has had an adverse impact on the business of the Intelsat group, a trend that is expected to continue. Among the impacts of the COVID-19 pandemic were a reduction of revenue and a decreased likelihood of collection from certain mobility customers. We continue to closely monitor the ongoing impact on our global business.

Note 14 Subsequent event

On February 11, 2021, the Debtors entered into a plan support agreement (together with all exhibits and schedules thereto, the "PSA"), with certain of the Debtors' prepetition secured and unsecured creditors (the "Consenting Creditors" and together with the Debtors, the "PSA Parties"). The PSA contains certain covenants on the part of the PSA Parties, including but not limited to the Consenting Creditors voting in favor of the Joint Chapter 11 Plan of Reorganization of Intelsat S.A. and Its Debtor Affiliates (as proposed, the "Plan"), and provides that the Debtors shall achieve certain milestones (unless extended or waived in writing). On February 12, 2021, the Debtors filed the Plan and the Disclosure Statement for the Joint Chapter 11 Plan of Reorganization of Intelsat S.A. and Its Debtor Affiliates (the "Disclosure Statement"), which describes a variety of topics related to the Chapter 11 Cases, including (i) events leading to the Chapter 11 Cases; (ii) significant events that took place during the Chapter 11 Cases; (iii) certain terms of the Plan; and (iv) certain anticipated risk factors associated with, and anticipated consequences of the Plan. The Bankruptcy Court is currently scheduled to determine the adequacy of the Disclosure Statement and whether the Plan meets the requirements of the Bankruptcy Code in the second quarter of 2021.