

Bayanat and Yahsat shareholders to vote on recommended merger to create SPACE42 on 25 April

- *A circular was issued today setting both entities' General Assembly Meetings for shareholders to vote on the recommended merger.*
- *The scale of SPACE42, with combined revenues of AED 2.8 billion in FY2023, will provide vertical integration potential and enhanced product offerings to capture regional and international opportunities for revenue growth and sustainable profitability.*
- *The merger is expected to yield considerable cost and revenue synergies, positioning the enlarged entity for enhanced shareholder value creation.*

Abu Dhabi, 21 March 2024: Bayanat AI PLC (“Bayanat”), a leading AI-powered geospatial solutions provider, and Al Yah Satellite Communications Company P.J.S.C. (“Yahsat”), the UAE’s flagship satellite solutions provider, each issued a circular today calling for their General Assembly Meetings (GAMs) to be held simultaneously on 25 April 2024. During the GAMs, respective shareholders of each entity will vote on the proposed merger of the two Abu Dhabi-headquartered and ADX-listed entities. This circular follows the announcement on 19th of December 2023 that their respective Boards of Directors had unanimously voted to recommend to shareholders the merger of the two companies.

The proposed merger of Bayanat and Yahsat will create SPACE42, an AI-powered space technology champion in the MENA region. The merger would create one of the most valuable publicly listed space companies in the world with additional potential for significant global growth and synergies.

With a combined revenue of AED 2.8 billion and net income of AED 637 million based on Bayanat and Yahsat’s released results for the Financial Year 2023, SPACE42 is well positioned to bring significant value to all stakeholders across upstream, midstream and downstream solutions. The greater scale of the combined group will provide an expanded scope of service offerings and vertical integration opportunities, enabling it to offer a differentiated value proposition, utilize economies of scale and improve profitability across the value chain. Through this transformative combination, the merged entity will benefit from rapidly evolving market dynamics in order to capture regional and international opportunities in geospatial and mobility solutions, satellite communications, sustainability initiatives and business intelligence.

SPACE42 is expected to benefit from significant cost and revenue synergies through up-selling and cross-selling of existing solutions, leveraging customer relationships with a broader distribution network and the access to an enhanced technology platform empowered with new products and solutions. It will best position the organization for continuous growth, reinforcing its role as a key strategic solutions provider to the UAE government and its agencies, while expanding its reach to global customers.

The enlarged entity will also benefit from high visibility on revenue and cash flow generation through a high proportion of government-related contracts. This predictable, secure and long-term cash flow profile, along with a strengthened financial position, will be underwritten by a financial framework that balances investment for strong profitable growth and return of capital to shareholders.

The merger is subject to a number of conditions, including regulatory approvals from governmental authorities including the Securities and Commodities Authority, the ADGM Registration Authority and various international regulatory authorities, and the approval of shareholders representing 75% of the voting rights present at a quorate General Assembly Meeting of each of Bayanat and Yahsat. Both companies will continue to operate independently until the merger is effective.

The Shareholder Circular, and other materials related to the General Assembly Meetings, are available via the dedicated transaction microsite: www.asharedambition.com.

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ABOUT BAYANAT

Bayanat, an ADX-listed public company with majority shareholding by G42, provides comprehensive world-class AI-powered geospatial solutions to a growing number of sectors such as Government Services, Environment, Energy & Resources, Smart Cities and Transportation. Its offering includes topographic, hydrographic and aeronautical products and charts, as well as spatial data surveying, analysis, management, modeling, visualization and cartography services. Bayanat's solutions harness vast amounts of premium and unique data from a range of sources including various types of satellites such as Synthetic Aperture Radar (SAR) satellite, Optic Satellite, as well as High Altitude Pseudo Satellites (HAPS) and conventional mapping and surveying powered by AI to drive geospatial intelligence (gIQ).

For more information, visit: www.bayanat.ai; follow us on X (formerly Twitter): @Bayanatg42

ABOUT YAHSAT

Al Yah Satellite Communications Company PJSC (Yahsat) is a public company listed on the Abu Dhabi Securities Exchange (ADX) and a subsidiary of Mubadala Investment Company PJSC, offering multi-mission satellite solutions in more than 150 countries across Europe, the Middle East, Africa, South America, Asia and Australasia.

Yahsat's fleet of 5 satellites reaches more than 80% of the world's population, enabling critical communications including broadband, broadcasting, backhauling and mobility solutions. Based out of Abu Dhabi in the UAE, Yahsat provides C, Ku, Ka and L-band satellite communications solutions for land, maritime and aero platforms to consumers, governments and enterprises. Its businesses consist of Yahsat Government Solutions, Thuraya, YahClick (powered by Hughes) and YahLink. Yahsat also participates in Hughes do Brasil, an equity partnership with Hughes, and Yahlive, an equity partnership with SES. In 2020, Yahsat commenced construction of Thuraya 4, the next generation telecommunications system for Thuraya, which is due to enter service in 2025. In 2023, Yahsat commenced construction of two new software-defined telecommunication satellites, Al Yah 4 and Al Yah 5, which are expected to be launched in 2027 and 2028, respectively.

For more information, visit: www.yahsat.com; follow us on X (formerly Twitter): @YahsatOfficial

Note

On the 18th of December 2023, the Board of Directors of each of Bayanat AI PLC (Bayanat) and Yahsat recommended a merger of the two entities to its shareholders. The proposed merger aims to create an AI-powered space technology champion in the MENA region with global reach. Bayanat and Yahsat will continue to operate independently until regulatory approval is received and the merger is effective, which is expected to take place in mid-2024. Visit the merger microsite for more information: www.asharedambition.com

For more information, visit: www.yahsat.com; follow us on X (formerly Twitter): @YahsatOfficial

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IMPORTANT NOTICES

Shareholders of Bayanat and Yahsat should not exercise voting rights at the general assembly meeting of Bayanat or the general assembly meeting of Yahsat respectively, except on the basis of information in the shareholder circular to be published in connection with the transaction (the **Shareholder Circular**). The Shareholder Circular includes a discussion of certain risk factors which should be taken into account when considering whether to vote in favour of the resolutions to be considered at the Bayanat and Yahsat general assembly meetings to be convened to approve the transaction and certain related matters.

Instructions to shareholders of Bayanat and Yahsat as to how to attend and vote in respect of the transaction at the general assembly meetings are contained in the Shareholder Circular. The Shareholder Circular, and other materials related to the General Assembly Meetings, are available via the dedicated transaction microsite: www.asharedambition.com or, alternatively, hard copies of the Shareholder Circular will be available (without charge) from the offices of each of Bayanat (in the case of Bayanat shareholders) and Yahsat (in the case of Yahsat shareholders).

The following documents have been sent to shareholders of Bayanat and Yahsat: the Chairmen's Letter (which will include the notice of the general assembly meeting of Bayanat to be convened for the purpose of, amongst other things, approving the transaction (the Bayanat GAM) and the notice of the general assembly meeting of Yahsat to be convened for the purpose of, amongst other things, approving the transaction (the Yahsat GAM)) and a form of proxy in respect of the Bayanat GAM (in the case of Bayanat shareholders) or the Yahsat GAM (in the case of Yahsat shareholders).

This announcement is not intended to and does not constitute, or form part of, an offer to acquire, issue or sell or an invitation to acquire, subscribe for or sell any securities or the solicitation of any vote or approval in any jurisdiction in connection with or pursuant to the transaction or otherwise, nor will there be any acquisition, issue, sale, subscription or transfer of the securities referred to in this announcement in any jurisdiction, in contravention of applicable law or regulation. The Shareholder Circular contains the full terms and conditions of the transaction, including details of how to vote at the Bayanat GAM and the Yahsat GAM. Any vote or other response to the transaction should be made only on the basis of such document.

The publication or distribution of this announcement in jurisdictions other than the UAE may be restricted by law and/or regulation and therefore any persons who are subject to the laws and regulations of any jurisdiction other than the UAE should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction.

Nothing contained in this announcement is intended to be or shall be deemed to be a forecast, projection or estimate of the future financial performance of Bayanat or Yahsat and no statement in this announcement should be interpreted to mean that earnings per share for current or future financial periods of Bayanat or Yahsat will necessarily match or exceed historical published earnings per share.

Neither the content relating to the merger on Bayanat's website or Yahsat's website or any other website, nor the content of any website accessible from hyperlinks on any of such websites is incorporated into, or forms part of, this announcement.

Hoolihan Lokey is acting exclusively as financial adviser to Bayanat and for no one else in connection with the merger and will not be responsible to anyone other than Bayanat for providing the protections afforded to clients of Hoolihan Lokey or for providing advice in relation to the merger, the content of this announcement or any other matter referred to in this announcement.

FTI Consulting is acting exclusively as financial adviser to Yahsat and for no one else in connection with the merger and will not be responsible to anyone other than Yahsat for providing the protections afforded to clients of FTI Consulting or for providing advice in relation to the merger, the content of this announcement or matters referred to in this announcement.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This announcement contains certain forward-looking statements with respect to Bayanat and Yahsat. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts.

Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "will", "goal", "believe", "aim", "may", "would", "could" or "should" or other words of similar meaning or the negative thereof. Forward-looking statements in this announcement include, without limitation, statements relating to the following: (i) preliminary synergy estimates, expenses, financial conditions and future prospects; (ii) business and management strategies and the expansion and growth of the operations of the company (Bayanat); and (iii) the transaction, the issue of the new Bayanat shares, related matters and the dates on which events are expected to occur.

These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, industry results, strategies or events, to be materially different from any results, performance, achievements or other events or factors expressed or implied by such forward-looking statements. Many of the risks and uncertainties relating to forward-looking statements are beyond Bayanat or Yahsat's ability to control or estimate precisely, such as future market conditions and the behaviours of other market participants, and therefore undue reliance should not be placed on such statements.

Forward-looking statements are not guarantees of future performance. They have not, unless otherwise indicated, been reviewed by the auditors of Bayanat or Yahsat. Forward-looking statements are based on numerous assumptions, including assumptions regarding the present and future business strategies of Bayanat and Yahsat and the environment in which each will operate in the future. All subsequent oral or written forward-looking statements made by or attributable to Bayanat or Yahsat or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above.

More information about such risks and uncertainties are included in the Shareholder Circular.

None of Bayanat or Yahsat assume any obligation to, and do not intend to, update any forward-looking statements, except as required pursuant to applicable law and regulation.