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Bayanat and Yahsat boards recommend merger to create an AI-powered space technology champion with global reach

- *The combination will bring together complementary capabilities to create a UAE-based space technology champion with an implied market capitalization of over AED 15 billion (over USD 4 billion), based on both entities' closing share prices as at 18 December 2023, and a free float of 21%, with further significant upside potential for revenue growth and synergies*
- *The combined entity will create a vertically integrated leading provider of AI-powered geospatial and mobility solutions, satellite communications and business intelligence*
- *The merger will establish a platform for transformative technologies to enable space-based services with significant impact on societies and economies*
- *The combined entity will yield considerable revenue synergies and economies of scale, and will best position the organisation for innovation and profitable growth*
- *Bayanat and Yahsat shareholders will own 54% and 46% respectively of the new combined entity, with strong institutional backing from G42, Mubadala and IHC, which will own approximately 42%, 29% and 8% respectively*

Abu Dhabi, 19 December 2023: Bayanat AI PLC (“Bayanat”), a leading AI-powered geospatial solutions provider, and AI Yah Satellite Communications Company P.J.S.C. (“Yahsat”), a leading global satellite operator, announced today that their respective Boards of Directors have unanimously voted to recommend to shareholders a merger of the two Abu Dhabi-headquartered and ADX-listed entities.

The proposed merger will create an AI-powered space technology champion in the MENA region with an implied market capitalization of over AED 15 billion (over USD 4 billion), based on both entities' closing share prices as at 18 December 2023, the last day of trading prior to announcement of the merger. This would make it one of the most valuable publicly listed space companies in the world by market capitalization, with additional potential for significant global growth and synergies. The combined entity will be vertically integrated and optimally positioned to capture regional and international opportunities in geospatial and mobility solutions, satellite communications and business intelligence. With a strengthened financial position, enhanced AI-powered technological capabilities and a diversified product portfolio, the combination will also establish a platform for transformative technologies to enable space-based services with significant impact on societies and economies. It is moreover expected to benefit

from considerable revenue synergies and economies of scale that will best position the organization for innovation and profitable growth.

The proposed transaction will be executed through a share swap with Bayanat as the remaining legal entity. Bayanat shareholders will own approximately 54% and Yahsat shareholders approximately 46% of the combined entity. Bayanat and Yahsat have each, in line with international best practice, obtained independent fairness opinions from Houlihan Lokey and FTI Capital Advisors (respectively). Group 42 (G42), Mubadala Investment Company (Mubadala) and International Holding Company (IHC) will own approximately 42%, 29% and 8% of the combined entity respectively.

H.E. Tareq Al Hosani, Chairman of Bayanat, said: “This merger will unite two leading home-grown companies to create the MENA region’s first AI-powered space technology company. Leveraging our complementary assets, capabilities and ambitions will allow us to expand across the space value chain and offer an unparalleled service to our combined customer base. Together, we will leverage our key synergies to reinforce our position as a key engine of growth and strategic solutions provider to the UAE government and its agencies, while expanding our reach to global customers.”

Musabbeh Al Kaabi, Chairman of Yahsat, said: "The merger is a compelling opportunity to amplify value creation for shareholders, utilizing synergies and strategic consolidation to create a technologically advanced champion, further reinforcing the UAE’s position as a leader in the AI and space sectors. The enlarged entity will benefit from accelerated growth potential as a player of scale with enhanced competitive advantage. This growth will be driven by our access to high-growth markets via cutting-edge technologies and an increased base of local and global customers, in addition to strong financials that allow us to pursue more ambitious growth opportunities. We look forward to working together for the realisation of our shared ambition.”

The merger is subject to a number of conditions, including regulatory approvals from governmental authorities including the Securities and Commodities Authority and the ADGM Registration Authority and the approval of shareholders representing 75% of the voting rights present and voting at a quorate general assembly meeting of each of Bayanat and Yahsat.

Bayanat and Yahsat will continue to operate independently until the merger is effective, which is expected to take place in the second half of 2024.

-Ends-

OTHER INFORMATION

A dedicated transaction microsite is available at: www.asharedambition.com

Further information on the Bayanat and Yahsat General Assembly Meetings will be sent to the Bayanat and Yahsat shareholders in due course and contained in the shareholder circular to be issued in connection with the transaction.

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-NGS, 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

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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 due course in connection with the transaction (the **Shareholder Circular**). The Shareholder Circular will include 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 will be contained in the Shareholder Circular to be posted to shareholders in due course. The Shareholder Circular will be available to view in due course at each of Bayanat's and Yahsat's websites, bayanat.ai and yahsat.com respectively 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 will be 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 will contain 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.

Houlihan Lokey is acting exclusively as an independent financial advisor to the Board of Directors of Bayanat in connection with the delivery of a written opinion as to the fairness, from a financial point of view, of the exchange ratio to Bayanat and for no one else in connection with the merger and will not be responsible to anyone other than the Board of Directors of Bayanat for providing the protections afforded to clients of Houlihan 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 Capital Advisors (DIFC) Limited (“FTI Capital Advisors”) is acting exclusively as an independent expert to the Board of Directors of Yahsat for the provision of an opinion in relation to the fairness, from a financial point of view, of the exchange ratio to the Yahsat Shareholders. The opinion of FTI Capital Advisors was provided to the Board of Directors of Yahsat in connection with and for the purposes of its evaluation of the merger. The opinion does not constitute a recommendation to any Yahsat Shareholder as to how such shareholder should vote with respect to the merger or any other matter. FTI Capital Advisors will not be responsible to anyone other than the Board of Directors of Yahsat for providing the protections afforded to clients of FTI Capital Advisors or for providing advice in relation to the merger, the content of this announcement or matters referred to in this announcement. FTI Capital Advisors is regulated by the Dubai Financial Services Authority, and authorised to provide services to Professional Clients only.

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 will be 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.