

## **Yahsat announces 28% increase in Normalised Net Income in H1 2021 as contract backlog soars to over AED 7.7 billion [USD 2.1 billion]**

- *Robust financial performance, with AED 698 million [USD 190 million] in revenues in H1 2021 reflecting 10.9% quarterly growth*
- *28% year-on-year increase in Normalised Net Income<sup>1</sup>, from AED 106.6 million [USD 29 million] in H1 2020 to AED 136.3 million [USD 37.1 million] in H1 2021<sup>2</sup>*
- *Margin<sup>3</sup> up from 60.4% in H1 2020 to 60.9% in H1 2021*
- *Signing of a AED 2.5 billion [USD 700 million] 15-year T4-Next Generation Satellite Capacity Services Agreement, increasing the secured contract backlog to over AED 7.7 billion [USD 2.1 billion] at 30 June 2021, approximately 5x FY 2020 revenues*
- *AED 2.5 billion [USD 700.5 million] financing raised at highly competitive rates to optimize the Group's capital structure, resulting in a healthy leverage ratio of 0.4x Net debt to Adjusted EBITDA at 30 June 2021*

**Abu Dhabi, United Arab Emirates, 11 August 2021:** Al Yah Satellite Communications Company PJSC (“Yahsat” or “the Group”) listed on the Abu Dhabi Securities Exchange (“ADX”) under (SYMBOL: **YAHSAT**) (ISIN: **AEA007501017**), one of the world’s largest providers of multi-mission satellite communications solutions, today announced its financial results for the period ended 30 June 2021 (“**H1 2021**” or “**First Half of 2021**”).

In its first announcement after the successful completion of its initial public offering (the “**IPO**”) on 14 July 2021, Yahsat reported robust financial performance for the first half of 2021, showing strong results across all operating segments.

In June 2021, Yahsat entered into a 15-year T4-Next Generation Satellite Capacity Services Agreement with a government customer in the UAE, adding more than AED 2.5 billion [USD 700 million] to its committed contract backlog increasing it to over AED 7.7 billion [USD 2.1 billion]. The agreement strengthens Yahsat’s highly attractive financial profile, securing future cash flows and underpinning the Group’s stated progressive dividend policy. Moreover, Yahsat maintained a high cash conversion ratio at over 95% for the period ended 30 June 2021, driven by CAPEX efficiency and a well-capitalised balance sheet.

The Group recorded improvements across its business lines, in the UAE and internationally, resulting in a quarter-on-quarter revenue growth of 10.9% to AED 367.1 million [USD 100 million] in Q2 2021. This contributed to H1 2021 revenues of AED 698.4 [USD 190.2 million], which were down slightly by 3.9% compared to H1 2020 due to heightened COVID-19 challenges in global markets during the first quarter of 2021.

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<sup>1</sup> Normalised Net Income refers to the profit attributable to the shareholders, adjusted for one-off non-recurring items

<sup>2</sup> Prior year Normalised Net Income (AED 106.6m [USD 29m]) is after adjusting one-off gain on transfer of orbital rights (-AED 5.5m [-USD 1.5m]). YTD June 2021 Normalised Net Income (AED 136.3m [USD 37.1m]) is after adjusting one-off costs relating to the refinancing exercise which completed in June 2021, notably the termination of interest rate hedges (+AED 19.1m [+USD 5.2m]) and accelerated recognition of unamortised finance costs (+AED 6.6m [+USD 1.8m])

<sup>3</sup> Margin refers to Normalised Adjusted EBITDA Margin, calculated as Normalised Adjusted EBITDA divided by Revenue

Net income (profit attributable to the shareholders) for the first half of 2021 was in line with prior year. On a normalised basis, after adjusting for one-off non-recurring items<sup>4</sup>, the Group recorded Normalised Net Income of AED 136.3 million [USD 37.1 million] compared to AED 106.6 million [USD 29 million] for the same period last year, representing an increase of AED 29.7 million [USD 8.1 million] or 28%. Moreover, and in comparison to the previous quarter of this year, the Q2 2021 Normalised Net Income increased by AED 19.5 million [USD 5.3 million] or 33%.

Although Adjusted EBITDA for the first half of 2021 of AED 425.6 million [USD 115.9 million] was AED 18.9 million [USD 5.1 million] or 4.2% lower than the prior year, the Normalised Adjusted EBITDA Margin improved from 60.4% in H1 2020 to 60.9% in H1 2021. Operating Free Cash Flow for the first half of the year was AED 408 million [USD 111 million].

Ali Al Hashemi, Yahsat Chief Executive Officer said: “The solid start we had at the beginning of 2021 has gained further momentum, as demonstrated by our second quarter results. Our strong performance is a resounding testament to the resilience of our businesses, reaching 80% of the global population across five continents with critical connectivity solutions. In parallel, we have balanced service quality and effectiveness with operational excellence and stringent financial management.”

“As a leading Abu Dhabi based satellite-communication pioneer, we continue to leverage our competitive fixed and mobile satellite connectivity solutions to accelerate our growth plans globally, expanding our national and international operations and partnerships to reach all corners of the world. Moreover, we are reinforcing these plans by pursuing multiple significant opportunities to create further value for our shareholders.” Al Hashemi added.

## Revenue

Revenue for H1 2021 at AED 698.4 million [USD 190.2 million] is marginally lower (3.9%) compared to the prior year, but on a quarterly basis, revenues grew strongly in Q2 2021 across the business, illustrating the Group’s resilience and growth potential despite challenging COVID-19 business conditions. Q2 2021 revenues increased by AED 35.8 million [USD 9.8 million] compared to Q1 2021, with the majority of the year-on-year revenue variance relating to Q1 2021 performance.

Revenues from the largest segment, Infrastructure, remained solid on a quarterly basis, with an increase of AED 4.8 million [USD 1.3 million] year-on-year to AED 440.3 million [USD 119.9 million].

Managed Solutions has started to recover in Q2 2021, recording a AED 18.0 million [USD 4.9 million] revenue increase compared to Q1 2021. H1 2021 revenues of AED 106.9 million [USD 29.1 million] were AED 12.5 million [USD 3.4 million] below H1 2020 largely reflecting temporary COVID-19 related delays to certain projects.

Despite the challenging trading conditions in its primary markets, the Data Solutions business remains underpinned by strong fundamentals. During H1 2021, YahClick grew its subscriber base by 8%, with further subscriber and business growth expected in the near term after securing three significant new enterprise and telecom customers in Africa during the first half of the year, and continuing with strong momentum as further expansion in Africa is planned for in H2 of this year.

Mobility Solutions has also performed strongly in Q2 2021, achieving revenue growth of AED 14.7 million [USD 4 million], 31.5% higher than Q1 2021, as COVID-19 travel restrictions were gradually lifted leading to significant improvement in key segments including Maritime in high growth markets such as Asia.

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<sup>4</sup> Prior year Normalised Net Income (AED 106.6m [USD 29m]) is after adjusting one-off gain on transfer of orbital rights (-AED 5.5m [-USD 1.5m]). YTD June 2021 Normalised Net Income (AED 136.3m [USD 37.1m]) is after adjusting one-off costs relating to the refinancing exercise which completed in June 2021, notably the termination of interest rate hedges (+AED 19.1m [+USD 5.2m]) and accelerated recognition of unamortised finance costs (+AED 6.6m [+USD 1.8m])

## Alternative Performance Measures

Yahsat regularly uses alternative performance measures which are relevant to enhance the understanding of the financial performance and financial position of the Group. These measures may not be comparable to similar measures used by other companies; they are neither measurements under IFRS nor any other body of generally accepted accounting principles and thus should not be considered as substitutes for the information contained in the Group's financial statements.

| Alternative Performance Measure   | Definition   |
|-----------------------------------|--|
| Adjusted EBITDA                   | Earnings from continuing operations before interest, tax, depreciation, amortisation, impairment, fair value adjustments on investment property and share of results of equity-accounted investments.  |
| Normalised Adjusted EBITDA        | Adjusted EBITDA excluding material exceptional items. In 2020, exceptional item impacting Adjusted EBITDA was one-off gain on transfer of orbital rights (-AED 5.5m [-USD 1.5m]).  |
| Normalised Adjusted EBITDA Margin | Normalised Adjusted EBITDA Margin is Normalised Adjusted EBITDA divided by Revenue   |
| Operating Free Cash Flow          | Normalised Adjusted EBITDA minus PPE-related capital expenditure, excluding capital work-in-progress   |
| Cash Conversion Ratio             | Operating Free Cash Flow divided by Normalised Adjusted EBITDA   |
| Normalised Net Income             | Profit attributable to the shareholders excluding material exceptional items. Prior year net income (AED 112.1m [USD 30.5m]) adjusted for one-off gain on transfer of orbital rights (-AED 5.5m [-USD 1.5m]). YTD June 2021 net income (AED 110.5m [USD 30.1m]) adjusted for one-off costs relating to the refinancing exercise which completed in June 2021, notably the termination of interest rate hedges (+AED 19.1m [+USD 5.2m]) and accelerated recognition of unamortised finance costs (+AED 6.6m [+USD 1.8m]). |

The numbers in UAE Dirhams (AED) have been derived by converting the US Dollars (USD) values using a standard exchange rate of 1 USD = AED 3.6725.

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### About Yahsat

Al Yah Satellite Communications Company P.J.S.C. (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 services 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 be in service during 2024.

For more information, visit: [www.yahsat.com](http://www.yahsat.com); Follow us on Twitter: [@YahsatOfficial](https://twitter.com/YahsatOfficial)

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**Cautionary statements relevant to forward-looking information**

This announcement contains forward-looking statements relating to Al Yah Satellite Communications Company PJSC (“**Yahsat**” or “**the Group**”) operations that are based on management’s current expectations, estimates and projections about the integrated satellite communication solutions and other related industries. Words or phrases such as “anticipated,” “expected,” “securing,” “underpinning,” “future,” “temporary,” “continuing,” “plans,” “planned,” “opportunities,” and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, many of which are beyond the company’s control and are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. The reader should not place undue reliance on these forward-looking statements, which speak only as of the date of this news release. Unless legally required, Yahsat undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Neither this announcement nor anything contained herein constitutes a financial promotion of securities for sale in any jurisdiction.

The payment of dividends by the Group is subject to consideration by the Board of Directors of the cash management requirements of the Group for operating expenses, interest expense, and anticipated capital expenditures, and market conditions, the then current operating environment in its markets, and the Board of Directors’ outlook for the business of the Company. In addition, any level or payment of dividends will depend on, among other things, future profits and the business plan of the Company, at the discretion of the Board of Directors.