



Chairman's Statement

Contracted future revenues

+US\$ 2b

Thuraya-4 NGS UAE Government contract

+US\$ 700m

Thuraya 3-year distribution agreement

+US\$ 86m

YahClick's Enterprise contracted future revenues

+US\$ 20m

In 2021, Ychsat demonstrated sustained strength and resilience amidst continued economic disruption, laying strong foundations for growth in 2022 and beyond, as it continues to provide critical connectivity to government and commercial customers in the UAE and beyond.

It is my great pleasure, as the Ychsat Chairman, to be able to share my thoughts with you in our first Annual Report following the listing of our shares on the Abu Dhabi Securities Exchange (ADX) in July 2021.

I am truly privileged to be involved in a business that plays such a critical role in connecting governments, enterprises, communities and individuals here in the UAE and across the globe. Connectivity is taken for granted by most of us – but for many, these needs cannot be served without the support of satellite-based

connectivity and solutions. With one of the most technologically and geographically diverse portfolios, Ychsat is a leader in the satellite industry and is well positioned to capitalise on the domestic and international growth anticipated in years to come as satellite technology is embraced even more as a critical component in the global connectivity conundrum.

While the global economy continued to face several headwinds in 2021, the business performed well, increasing revenue and net income compared with the prior year and strengthening our balance sheet. Whilst this strong performance was made possible due to the overall operational strength of the Company and the team, it is also a result of the strategically blended and diversified portfolio and adaptive business model that Ychsat has firmly in place, spanning several continents, multiple technologies, serving both government and commercial needs, nationally and internationally. This unique overall proposition not only allowed Ychsat to weather the storm much better than many industry peers, but also positions Ychsat extremely well for an acceleration in performance and growth in 2022 and beyond.

As at 31 December 2021 the Group's contracted future revenues exceed US\$ 2 billion – roughly five times its consolidated 2021 revenues, having increased by more than 35% during the year. This not only provides visibility and security of future cash flows but also provides the platform to continue to strengthen and grow our Company. A testament to this is the 15-year capacity services contract secured with the UAE Government in June 2021, worth more than US\$ 700 million for services to be provided on our forthcoming Thuraya 4 Next Generation Satellite (Thuraya-4 NGS), expected to launch in late 2023 and to drive revenues based on a start of commercial operations in 2024. Other significant new contracts have been signed during the year across all of our business segments, including Data Solutions and Mobility Solutions.

We continue to see a strong sales pipeline in place across all of our businesses and regions and expect to conclude many more agreements in the coming year which will add to our contracted future revenues.

A Strategy Fit for the Future

Yahsat's strategic trajectory remains firmly in place.

Having provided critical infrastructure and solutions for around a decade to the UAE Government, we continue to build on this unique relationship. Subsequent to entering into the 15-year Thuraya-4 NGS capacity services contract with the UAE Government in June 2021, Yahsat has also been appointed to assess the expansion of our existing fleet with two further next generation satellites, to be leased by the UAE Government for their lifetime, with an intention to launch in 2026. While clearly a significant growth opportunity to further bolster our contracted future revenues and secure the longer-term financial outlook, it underscores our position as one of the world's leading providers of secure communications to Government and defence customers. This proven track record has allowed us to enter into several strategic partnerships to expand our scope and overall value proposition to the UAE Government.

In parallel to our focus on government solutions, we continue to diversify and expand our commercial business lines. Thuraya, our mobility services arm, delivered a resilient performance with full year revenues increasing year-on-year, including the securing of a three-year distribution agreement worth more than US\$ 86 million. This business is set to accelerate further as it continues to implement next generation platforms to drive strategic segments such as maritime, IoT and mobile data. Our satellite broadband business, YahClick, continued to expand its customer base in Africa and the Middle East. During the period the contracted future revenues across its Enterprise business dramatically increased to over US\$ 22 million whilst its consumer subscriber base, driven by direct-to-market rollouts, grew by 20%.

We continue to build on our position as the UAE's flagship satellite operator, as we lead the evolution of the national space industry.

Robust Governance and Risk Management

Significant changes were made to our Board preceding Yahsat's IPO in 2021, adopting a more commercial composition and focus to reflect our strategy, with new appointments bringing strength and depth through the addition of extensive industry expertise.

Corporate Governance has long been a core strength of Yahsat, and we continued to develop this year, in alignment with leading practices and standards. Our risk mitigation continues to be guided by robust Enterprise Risk Management (ERM), driven by our strong expertise, agility and forward-looking mindset, and our sustained focus on business diversification.

Supporting our Communities

Yahsat recognises its role and responsibilities towards contributing to the sustainable development goals defined in international, national and local ambitions. The United Nation's Sustainable Development Goals continue to drive the development of a better future for current and future generations, and both Abu Dhabi and the UAE are playing their part too. The National Space Strategy 2030, which was developed in coordination with Yahsat, other local entities and reputable experts in the space domain, has strategic goals with multiple sustainable development-related elements. Locally, Yahsat is pleased to continue promoting and contributing towards the Abu Dhabi Economic Vision 2030, which is fundamentally supported by several sustainable development-related pillars.

As an integrated satellite communications solutions provider, the opportunities for Yahsat to facilitate sustainable development activities are numerous. For example, we continue to help organisations and communities around the world in gaining internet access, remote

Our strategy

Expand core government business in infrastructure and managed solutions

Diversify and expand commercial business

Invest and partner to diversify and grow

Build on position as the UAE's flagship satellite operator

communication capabilities and the ability to effectively coordinate humanitarian crisis activities. Additional Environmental, Social and Governance (ESG) areas that Yahsat focusses its efforts towards include establishing reliable corporate governance, serving our customers and communities, investing in our people, the promotion of environmental protection and appropriately developing our business partnerships. Detailed information on our activities in each of these ESG areas can be found beyond this report in Yahsat's inaugural 2021 ESG Report.

Delivering on our Promises

In summary, 2021 has been an important year for Yahsat. We will enter 2022 with strong momentum across the business and solid foundations to drive growth. Our cash flow and balance sheet remain robust. This allows us to fulfil our commitment to delivering highly attractive and growing dividends well into the future, while in parallel pursuing significant new avenues for growth across our businesses, capturing promising new opportunities on both the government and commercial fronts.

Acknowledgements

On behalf of the Board, I would like to express my thanks to the UAE and Abu Dhabi Governments for their continued support and enduring partnerships with Yahsat and to all our global customers and partners who have put their trust in us, not only in 2021 but for many years past.

I would also like to take this opportunity to acknowledge the great work of our experienced and highly capable management team and dedicated employees, who have overcome significant challenges to deliver a transformative and highly memorable year for Yahsat.

Musabbeh Al Kaabi
Chairman