

Strategic Report

With great purpose, pride and precision, Yahsat remained focussed on driving forward its strategy, achieving several important milestones across our businesses. Using our unique satellite technology, we delivered critical communications that drive human progress and fulfil our vision of becoming 'The global partner of choice for reliable, innovative and affordable satellite solutions'.



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Yahsat at a glance

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Chairman's Statement

At a glance

Satellite Technology. Critical Communications. Human Progress.

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



Satellite Technology

As a trailblazer for our region and a flag carrier for our nation's accelerating ambitions in space, we bring together the best talent and technologies to push the boundaries of what is possible, delivering on the dream of the transformational power that satellite technology brings and working with purpose and passion to make it a reality.

Read our case study on pages **42 and 43**.



Critical Communications

By enabling solutions for governments seeking to protect and promote progress, companies driving change in remote areas, and the millions of people that depend on our secure and reliable technologies for their livelihoods everyday, we go where others can't to provide critical communications that make all the difference.

Read our case study on pages **44 and 45**.



Human Progress

In countless communities across our ever-expanding footprint, we provide access, we spark knowledge, we drive innovation, communication and collaboration, putting the power of connectivity in the hands of partners, communities and people to accelerate rapid progress.

Read our case study on pages **46 and 47**.

Who We Are

Based in Abu Dhabi, UAE, and a subsidiary of Mubadala Investment Company, Yahsat offers multi-mission satellite services through our integrated business units – Yahsat Government Solutions, Thuraya, YahClick (powered by Hughes), YahLink and Yahlive.

What We Offer

Yahsat provides a wide range of fixed and mobile satellite solutions for land, maritime and aero platforms to governments, enterprises, communities and individuals in over 150 countries across Europe, the Middle East, Africa, South America, Asia and Australasia. In 2020, Yahsat commenced construction of Thuraya-4 NGS, the next generation telecommunications system, which is due to enter service in 2024.

Our Business Lines

- Infrastructure
- Managed Solutions
- Data Solutions
- Mobility Solutions
- Broadcast Solutions

These go to market under the following brands:

Yahsat Government Solutions

Managed end-to-end secure communication solutions and government capacity

Thuraya

Mobile Satellite Services for reliable direct-to-device voice and data solutions

YahClick

High-speed satellite broadband for consumer, enterprise and government users

YahLink

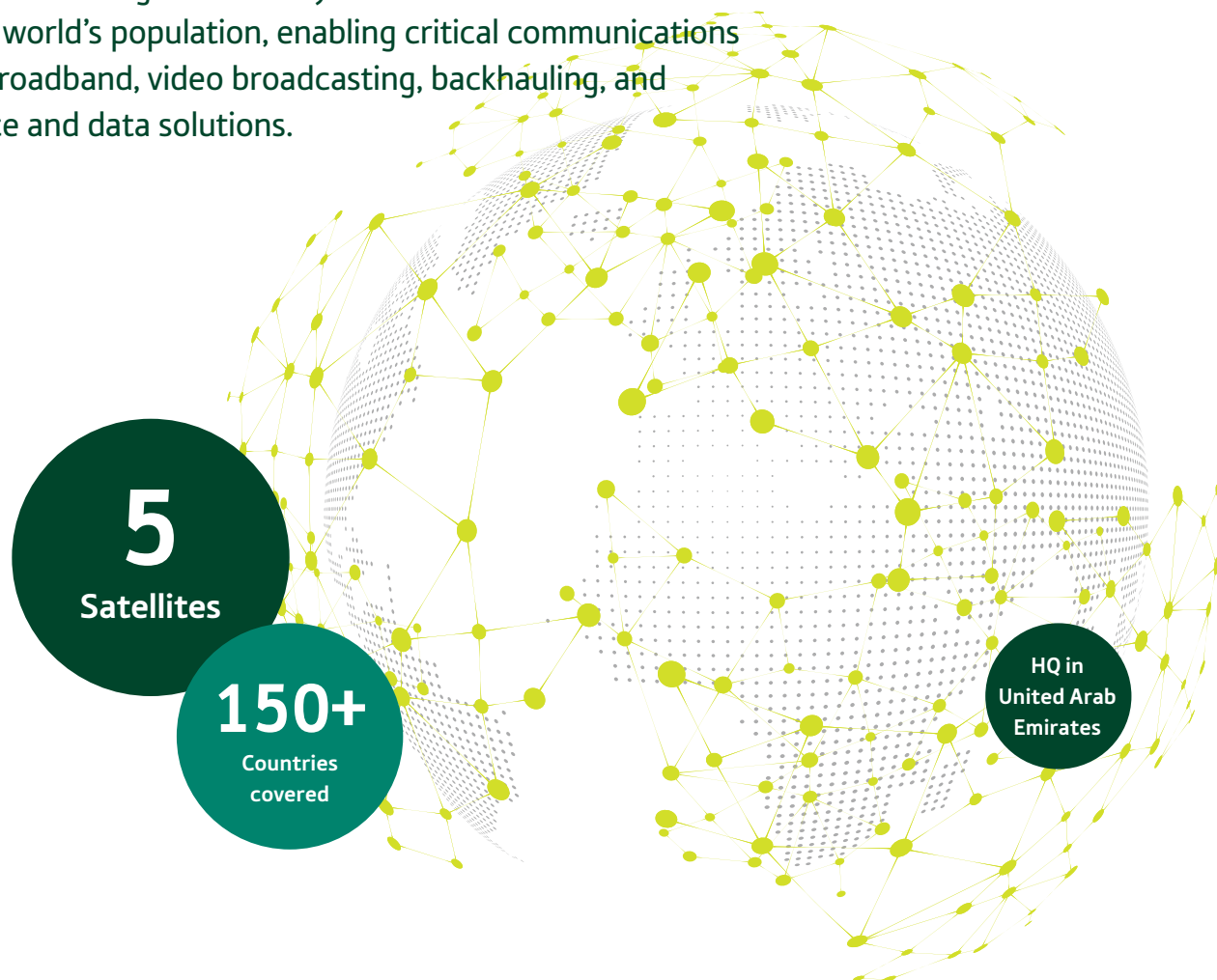
IP trunking solutions, corporate networking and backhauling capacity

Yahlive

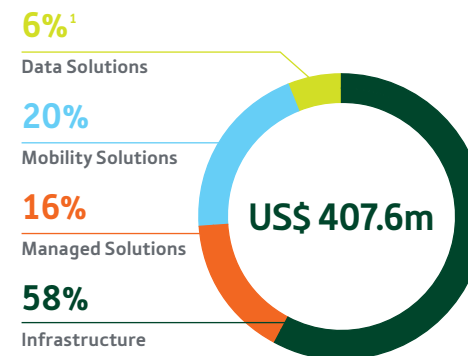
Premium services for broadcasters and a select choice of TV channels

Our Global Footprint

Yahsat's fleet of five geostationary satellites reaches more than 80% of the world's population, enabling critical communications including broadband, video broadcasting, backhauling, and mobile voice and data solutions.



Revenue Breakdown



¹ 12% of 2021 consolidated revenues when incorporating Yahsat's 20% share of Hughes do Brasil (HdB)

Our journey and year in review

Strong foundation for future growth and diversification



2011-2012

Yahsat's first and second satellites AI Yah 1 and AI Yah 2 launched

YahClick launched for broadband across Africa, the Middle East and Asia

2007

Yahsat established



2008

UAE Government signed as Yahsat's anchor customer

2009

Established broadcast JV with Yahlive (SES)

2015

Space Systems and Technology Programme – Cubesat (Khalifa University, UAE Space Agency, Northrop Grumman)



Thuraya-4 NGS

to commence commercial
operations in 2024

2019

Established JV with
Hughes (HdB) for Brazil

2021

Initial Public Offering on ADX

Appointed by UAE Government to assess fleet expansion

Launched Star Technologies JV

Contracted SpaceX to launch Thuraya-4 NGS

Partnered with Cobham SATCOM for Thuraya-4 NGS
platform and products

Launched nextgen mobility platforms

Raised over US\$ 700 million Term loan and ECA financing

Signed several multi-year commercial contracts for both
fixed and mobile solutions

2020

Thuraya-4 NGS ordered, with 15-year
UAE Government contract

2018

Al Yah 3 launched, expanding YahClick further
(Africa and Brazil)

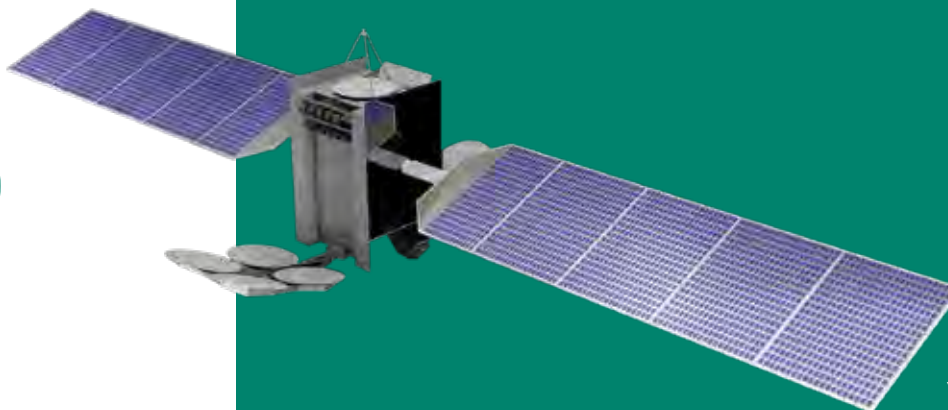
Majority acquisition of Thuraya, adding mobile
satellite solutions to Yahsat portfolio

Established JV with Hughes (BCS) for Africa
and West Asia using Al Yah 2 / Al Yah 3

Al Yah

3

launched





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



CEO's Message

Yahsat delivered a strong financial performance in 2021, laying solid foundations for growth in 2022 as we continue to expand both our government and commercial businesses, and strengthen our leadership in the global satellite industry.

Yahsat delivered strong financial results in 2021, supported by an exceptional Q4 performance with full year revenues increasing compared with 2020. These full year results show encouraging momentum as the economic recovery gathers pace. Our successful IPO in 2021, led by our founding shareholder, Mubadala, has provided an opportunity to share Yahsat's success with national, regional and global investors, and to take part in our exciting journey as we reaffirm our position as a top-ten leading player in a growing global satellite industry.

In contrast to many of our peers, Yahsat's revenues and cash flows remained largely secure in 2021, reflecting the stability that the provision of critical satellite connectivity solutions to the UAE Government brings to the business, complemented by strengthening commercial businesses across the EMEA and APAC regions.

In total, the Group generated revenues of US\$ 407.6 million in 2021 compared with US\$ 407.5 million in 2020. While recognising that Q4 is typically the strongest quarter for our business, Q4 2021 performance was particularly impressive with revenues growing 7.9% relative

to Q4 2020 and 31% relative to Q3 2021, demonstrating the strength of the underlying business and the sustained momentum that has been evident since Q1 2021. This positions us well for growth in 2022 and to meet our financial guidance.

Adjusted EBITDA of US\$ 240.5 million was US\$ 6.4 million lower than 2020, although the margin remained healthy at 59%. Net Income of US\$ 69.8 million, the highest ever in Yahsat's history, was US\$ 0.9 million higher than 2020 generating a margin of 17.1% (compared with 16.9% in 2020). After taking into account the impact of one-off items in both periods, normalised EBITDA of US\$ 244.6 million exceeded the prior year by US\$ 11.7 million (or 5%), achieving a margin of 60% compared with 57.2% in 2020. Normalised Net Income of US\$ 80.9 million exceeded the prior year by US\$ 26 million (or 47.4%) and generated a margin of 19.9% compared with 13.5% in prior year.

Meanwhile the Group's balance sheet has remained healthy with low levels of debt and a strong cash position. At 31 December 2021, the Group's Net debt to EBITDA ratio stood at 0.6 times, with cash and short-term deposits of over US\$ 400 million, up 78% compared with 2020. This strong cash position not only supports our targeted dividend payments of 15.96 Fils (US Cents 4.34) per share during 2022, but also contributes towards current and upcoming capital expenditure requirements.

Expanding our Core Business Lines

I am pleased to report that we maintained strong momentum during 2021 across all our businesses.

Leveraging the resurgence in government projects supported by the economic recovery

and a raft of new partnerships with key national stakeholders, our Managed Solutions business performed strongly in Q4 with full year revenues of US\$ 64.2 million, 1.6% higher than the prior year (US\$ 63.2 million) and contributing 16% to overall Group revenue.

Several important new opportunities were advanced throughout the year not only to support revenue growth in our current businesses, but also to create new platforms and drive additional revenues streams in the future.

Supporting the diversification of our customer base and offerings, we established new customer relationships in several sectors where satellite connectivity solutions add significant value. Examples include NIMR, the UAE's military automotive specialist, the UAE Red Crescent, Mubadala Petroleum and ADNOC, where Yahsat is now positioned as the preferred satellite solutions provider for this strategic partner.

Our Mobility Solutions business, Thuraya, accounted for 20% of Group revenue in 2021, with a notable increase in EBITDA compared with the prior year to reach US\$ 27.5 million and a gross revenue of over US\$ 80.3 million. The business continued to diversify its product portfolio and maintained a healthy subscriber base across the land voice, land data and maritime sectors in 2021. Furthermore, it signed a long-term distribution agreement worth more than US\$ 86 million in revenue over three years with a long-standing service partner. Overall, the Mobility Services business signed eight new services and distribution partnership agreements, which we see as an excellent indicator of the overall strength of that business.

The construction of our Thuraya-4 Next Generation Satellite (NGS) remains on track to

Revenue

US\$ 407.6m

Net Income

US\$ 69.8m

Adjusted EBITDA

US\$ 240.5m

Net debt to EBITDA ratio

0.6 times

commence commercial operations in 2024 and will be enabled by the market-leading platform from Cobham and other key complementary technology partners, such as Ericsson. This advanced space and ground segment combination will support both the long-term agreement with the UAE Government and a next generation of Mobility Solutions services, with a strong focus on the fast growing mobile data, maritime and IoT segments.

Our Data Solutions business, YahClick, recorded a strong set of results despite COVID-19 related challenges in several of its core markets, with a year-on-year increase in consumer broadband subscribers of 20%, primarily driven by the direct-to-market (D2M) model introduced in South Africa the previous year. This growth is set to accelerate in 2022 following the introduction of a new D2M partnership in Nigeria in Q4 2021.

YahClick has over 20 multi-year wholesale and virtual network operator (VNO) capacity contracts in place, including the provision of cellular backhaul services to mobile network operators across Africa. During the course of the year, the contracted future revenues more than doubled to over US\$ 22 million. This is set to grow further with an extensive pipeline of new capacity contracts currently under negotiation.

We must also pay tribute to our equity partnerships, which continue to perform well. Our Broadcast Solutions venture with SES, Yahlive, delivered a strong performance in 2021, characterised by a return to profitability following three years of losses, countering headwinds experienced by the broadcast sector during the year. By 31 December 2021, active consumer broadband subscribers at our Brazilian venture with Hughes, Hughes do Brasil, exceeded 220,000 whilst its Enterprise business continued to enjoy a strong pipeline of new orders and contract renewals.

Accelerating Growth in 2022 and Beyond

The satellite industry is set for significant growth both nationally and internationally and we are well positioned to capitalise on this growth. According to industry analysts, data carried over satellite is expected to increase 14 times over the next ten years, with Fixed Satellite Services (FSS) service revenues growing from US\$ 19.1 billion in 2020 to US\$ 30.8 billion in 2029. Over the same period, Mobile Satellite Services (MSS) service revenues are also expected to grow from US\$ 4.4 billion in 2020 to US\$ 5.7 billion in 2029. Overall this translates to an average growth of 5.7% per year across the FSS and MSS sectors we serve. In particular, government investment into the space sector is at a record high having grown 8% last year globally.

At Yahsat, we are a strong believer in strategy in motion. Our business is diverse with opportunities presenting themselves regularly, where we must remain agile enough to explore and capture the opportunities presented to us. Our industry, technology and customer needs will continue to change, and we will continue to adapt our business model, portfolio and market focus to convert such progress to opportunity and value for Yahsat and our shareholders. New opportunities will come, some requiring new investments, and we are well positioned financially to pursue those, given our healthy balance sheet. However, at a fundamental level, our strategy remains a hybrid one, centred around a solid and expanding UAE Government business and complemented by a highly synergistic commercial business spanning multiple technologies, geographies, customer segments and business models. We maintain our strong culture of partnership that has proven so successful over the years and, together with existing and new partners, we are perfectly poised to capitalise on new opportunities as satellite connectivity plays an ever-increasing role in society.

Our infrastructure business is already set to grow as the Thuraya-4 NGS capacity comes on line and is leased to the UAE Government, contributing an additional US\$ 47 million in revenues per year from mid-2024. Additionally, we have been appointed by the UAE Government to commence a detailed assessment for two new satellites, Al Yah 4 and Al Yah 5, ensuring the continuity of current capacity services under a 15-year extension to Yahsat's contract with our anchor customer. These new satellites, to be delivered by 2026, will address the future capacity, coverage and capability needs of the UAE Government and will add to our exceptionally strong contracted future revenues which exceeded US\$ 2 billion at 31 December 2021.

Most recently, in February 2022, Yahsat was awarded a US\$ 247.5 million five-year mandate to provide enhanced managed services to the UAE Government for its satellite communications capabilities, further increasing our contracted future revenues.

Complementing the services we provide to our anchor government customers in the UAE, we have driven partnerships with key UAE entities to create new opportunities for diversification across the value chain. To highlight just a couple of these:

- A new joint venture was established to create a UAE-based company, Star Technologies, with the capability to design, develop and manufacture advanced satcom equipment to better serve the needs of our UAE Government customers, as well as the potential to expand these offerings to international markets; and
- We are exploring a new collaboration with Group 42 to develop advanced remote sensing and AI geospatial capabilities in the country. This collaboration brings together a unique and powerful combination of advanced space technology and satellite communications expertise with AI and Big Data to develop and deploy best-in-class solutions.

With a solid and unwavering leadership position in voice solutions in the Middle East and Africa, Thuraya is well positioned to seize substantial new growth opportunities in many data-centric applications, including maritime, IoT and government solutions, which will be further enhanced by the advanced capabilities that the Thuraya-4 NGS system is set to deliver as it comes online. In particular, the Asian market offers significant upside in years to come, with strong projections for growth in the MSS space.

YahClick continues to target aggressive subscriber growth in its consumer broadband offering, aided by the expansion of the D2M model in Nigeria and the continued rollout of the model in South Africa, where it has already been successfully proven. The Enterprise business is also projected to grow as an increasing number of projects already contracted during 2021 begin to generate revenue, to be further bolstered by new contracts expected from a strengthening pipeline of new customers and projects.

We expect the momentum seen in the second half of 2021 to continue in 2022, with full year revenues expected to be in the range of US\$ 415 to US\$ 440 million, underpinning our commitment to an attractive and progressive dividend.

Acknowledgements

In what has been a landmark year for Yahsat, I would like to thank our Board for their exceptional oversight and stewardship throughout 2021, as well as the Senior Management team for their astute management as we position the Group for further growth and success in 2022. I also wish to thank our dedicated employees and our partners across Yahsat's footprint for their commitment to our strategic goals in what has been another challenging year. Their efforts are the key to our success and provide an inspiring backdrop for our combined success as a Group going forward.

Ali Al Hashemi
Chief Executive Officer

Leadership

Board of Directors

Full biographies can be found in the Corporate Governance section on pages 83 and 84.



Musabbeh Al Kaabi
Chairman

Musabbeh Al Kaabi is the Chief Executive Officer of Mubadala's UAE Investments platform. He is also a member of Mubadala's Investment Committee, playing a strategic role advising on all major investment decisions related to the full range of the Company's sectors and businesses.



HE Tareq Al Hosani
Vice Chairman

HE Tareq Abdulraheem Al Hosani is the Chief Executive Officer of Tawazun Economic Council. He is responsible for managing the procurement of UAE Armed Forces and Abu Dhabi Police while driving the strategic plans for the development of the UAE defence & security sector.



HE Maryam AlMheiri
Director

HE Maryam AlMheiri is a member of the Abu Dhabi Executive Committee, Director General of the Abu Dhabi Government Media Office (ADGMO), Vice Chairwoman of both the UAE Special Olympics and Abu Dhabi School of Government's Board of Trustees.



Peng Xiao
Director

Peng Xiao is the Chief Executive Officer of Group 42 Ltd. (G42), where his responsibilities include shaping G42's business and product strategies, and overseeing G42's operating companies across numerous industry verticals, including smart city, healthcare, energy, finance and education.



HE Rashed Al Ghafri
Director

HE Rashed Al Ghafri is a representative on the UAE's Supreme Council of National Security and previously was the President of Strategic Projects at EDGE Group, with more than 30 years' experience in the electrical engineering field.



Badr Al Olama
Director

Badr Al Olama is the Executive Director of the UAE Clusters unit within Mubadala's UAE Investments platform. He is the Chairman of Strata Manufacturing PrJSC and Sanad Service Group LLC. Badr is also a board member of Mubadala Health, Oumolat Security Printing and TASIAP GmbH.



HE Masood M. Sharif Mahmood
Director

HE Masood Mahmood is the CEO of Etisalat UAE. He was previously Director General at the Department of Finance of the Government of Abu Dhabi and was CEO of Yahsat for nearly nine years. He has over 20 years of experience in investment management, telecommunications and the space sector.



Adrian Steckel
Director

Adrian Steckel has been focussed on technology and connectivity for the last 20 years. He was the CEO of OneWeb from September 2018 until November 2020, upon its emergence from Chapter 11, with investment from the UK government and Bharti Global.



Gaston Urda
Director

Gaston Urda is the Head of Investments and M&A of the UAE investment platform at Mubadala. Since joining Mubadala in 2008, Gaston's primary responsibilities have been to oversee and manage investments across different geographies and sectors.

Senior Management

Full biographies can be found in the Corporate Governance section on pages 91 to 93.



Ali Al Hashemi

Chief Executive Officer,
Yahsat Group

Ali Al Hashemi was appointed as Chief Executive Officer of the Yahsat Group in April 2021, having previously served in concurrent roles as the General Manager of Yahsat Government Solutions (YGS) and Chief Executive Officer of Thuraya.



Andrew Cole

Chief Financial Officer

Andrew Cole is Chief Financial Officer of the Yahsat Group. In this role, he is responsible for the financial management of Yahsat, working with all stakeholders, including Mubadala and key partners. Andrew has 25 years of cross-sector experience in senior finance, operational and advisory roles.



Adnan Al Muhairi

Chief Technology Officer

In his role as Chief Technology Officer, Adnan Al Muhairi is committed to designing and developing technological solutions to better serve Yahsat and Thuraya customers. This includes addressing parts of the world that do not have access to communications and enabling robust, secure, government communication systems.



Muna Almheiri

Chief Human Capital and
Administration Officer

Muna Almheiri is the Chief Human Capital and Administration Officer, responsible for talent acquisition, learning and development, leadership, Emiratisation, organisational development, compensation and benefits, and employee relations and administration.



Amit Somani

Chief Strategy Officer

Amit Somani is the Chief Strategy Officer of Yahsat, responsible for guiding the Group's strategy and leading its key corporate and business development opportunities, while overseeing the Regulatory and Spectrum Management and Corporate Communications functions.



Khalid Al Kaf

Chief Operations Officer

Khalid Al Kaf is Yahsat's Chief Operations Officer. His focus is on addressing the strategic operational issues that influence business performance and efficiencies of cost. Khalid is committed to effecting major changes in the performance and efficiency of Yahsat's business as a whole.



Eisa Al Shamsi

General Manager, Yahsat Government
Solutions (YGS)

Eisa Al Shamsi is responsible for Yahsat's government business involving the engineering and delivery of state-of-the-art turnkey solutions to meet the strategic and tactical needs of various UAE and regional government entities.



Sulaiman Al Ali

Chief Executive Officer, Thuraya

Sulaiman Al Ali is the Chief Executive Officer of Thuraya, the Mobile Satellite Services subsidiary of Yahsat. As CEO, Sulaiman is focussed on improving operations and revenue growth through enhanced communication services for Thuraya and Yahsat customers.



Farhad Khan

Chief Commercial Officer and
Chief Executive Officer of YahClick

Farhad Khan is the Chief Commercial Officer of Yahsat. In this role, he is responsible for Yahsat's overall Business, Customer and Administrative Operations as well as Marketing and Sales Management activities.

Key differentiators

Our competitive advantage

● Global connectivity enabler providing critical solutions

Covering >150 countries and potential to reach >2/3 of world's population¹
Differentiated mobile and fixed satellite services in emerging and high-growth markets
Deep, long-standing relationships with UAE Government and key partners across GCC, Africa, Asia and Brazil

● High-quality, well-invested asset base

Fleet of 5 active geostationary satellites with valuable orbital rights
Incorporating a wide range of technologies, including valuable Ka and L-band frequency bands
Best-in-class ground infrastructure based in the UAE and internationally

● Significant growth potential

Innovation and diversification engrained across multiple lines of business
Deepening participation across value chain to deliver integrated services and provide competitive advantage
New partnerships, channels and products under development ahead of Thuraya-4 NGS' launch

● Industry pioneer in fast-growing emerging markets

Benefiting from first-mover advantage in high-growth, underserved markets
Well-established distribution networks, with hundreds of channel partners and agreements with maximum reach
Delivering pioneering technology with differentiated go-to-market model in the Middle East, Africa, Asia and Australasia

A highly attractive investment proposition with strong cash flow, a progressive dividend policy and significant growth potential.

Be part of the strategic growth and diversification journey of Yahsat, the region's leading satellite connectivity and solutions provider.

The UAE Government's preferred partner

Provider of secure, mission critical connectivity services and solutions to the UAE Government
 Strong relationship dating back more than a decade and underpinned by significant long-term contracts that provide visibility and security of future cash flows
 Uniquely positioned to capitalise on upcoming growth opportunities

Highly attractive financial profile

~72%²

of revenue driven by highly-rated UAE Government contracts under long-term commitments, underpinning contracted future revenues of more than US\$ 2 billion, approximately five times 2021 revenues

High-margin business, strong cash flow, well-funded balance sheet and low net debt/ EBITDA leverage

Robust, growing dividend capacity and financial flexibility

Proven senior leadership and supportive shareholder

Highly experienced management team with proven track record

Board of Directors with diverse industry and functional expertise

Mubadala retains a c.60% shareholding, supporting Yahsat as it looks to grow further

¹ For mobility solutions (MSS)

² For year 2021, from UAE Government and Government-related entities

Market overview

A year of accelerating transformation

2021 was another year of accelerating transformation for the global, regional and national satcom sector, with increasing investment, the emergence of new business models, and growing need for connectivity across all segments and geographies.

Large and Growing Market Opportunity

- The **global space economy totalled US\$ 370 billion** over 2021 (up 6% vs. 2020), including both private and public expenditure in the industry. The space economy is expected to grow by 74% by 2030 to reach US\$ 642 billion (6.3% CAGR)¹
- Space sector has received **record government investment, totalling more than US\$ 92 billion** in 2021, an 8% increase compared to 2020¹
- **Space data traffic is expected to increase 14x** over the next ten years²
- **Fixed Satellite Services (FSS) revenues are forecast to grow** from US\$ 19.1 billion in 2020 to US\$ 30.8 billion in 2029 (5.5% CAGR)²
- **Mobile Satellite Services (MSS) revenues are forecast to grow** from an estimated US\$ 4.4 billion in 2020 to US\$ 5.7 billion in 2029 (2.9% CAGR)²



¹ Euroconsult – Annual Space Economy Report
² NSR (Northern Sky Research)

Key Satellite Industry Trends

Universalisation of data

Global connectivity needs accentuated during pandemic

Increase of mobility use cases (~185k vessels and airplanes requiring satellite connectivity)²

IoT (Internet of Things) revolution gaining traction – need for ubiquitous coverage

Decline in broadcast – shifting the industry's focus from linear to

Over-the-Top (OTT)

Technological acceleration

Technology evolution improving satellite economics, reducing overall CAPEX requirements

Low Earth Orbit (LEO) constellations gaining traction

Next generation satellites with more flexibility and reconfigurability

Space back on national agendas

Governments increasing defence budgets and satcom expenditure

Universal coverage ambitions and fight against digital divide

Increased government collaboration with private sector

Shifting business landscape

New applications and use-cases enabled: enterprise, tele-medicine, virtual education, etc.

Consolidation and collaboration between industry players, both horizontally and vertically

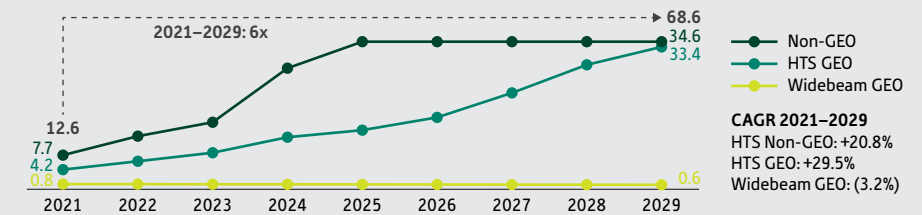
New business models emerging

Growing interest and capital directed towards space sector (record +US\$ 10 billion investment over 2021)

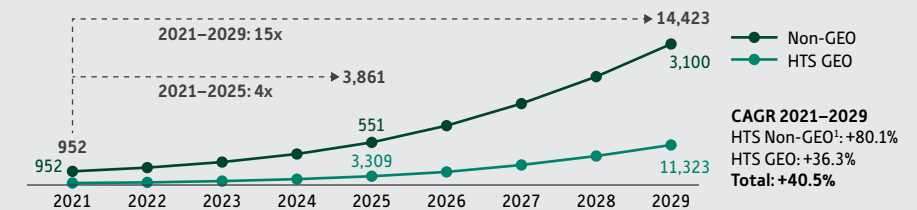
Industry outlook

FSS capacity supply and demand expected to greatly increase in the coming years

FSS Capacity Supply (Gbps '000s)



FSS Capacity Demand (Gbps)



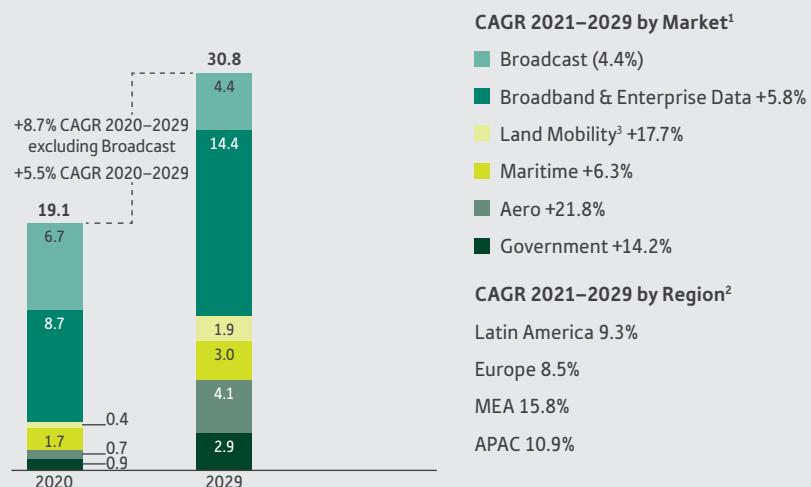
- Significant growth in new high-throughput capacity via GEO and non-GEO infrastructure
- Improved HTS economics stimulating uptake
- GEO HTS remains the dominant technology for the foreseeable future
- Government increasing the use of commercial satellite operator capacity given better economics
- Applications supported by FSS capacity diversifying from traditional uses

Source: NSR Industry Report
 1 CAGR based on '22-'29
 HTS = High-throughput satellite
 Gbps = Gigabits per second
 Widebeam is traditional capacity, typically over C- and Ku-bands

More information on the satellite industry is available on page 26.

FSS market expected to grow strongly over the coming years

FSS Service Capacity Revenue by Market (US\$b)



- New connections and increased usage translating into strong growth of data service revenue, expected to grow at around 9% CAGR excluding broadcast (i.e. more than double) over 2020-2029
- Government revenues set to increase around three times over 2020-2029 driven by the fast development of data intensive applications
- Strong and sustained growth across B2C and B2B data verticals
- Particularly strong growth in emerging markets as HTS economics enable new verticals, in particular consumer broadband and hotspots
- Broadcast Service revenue expected to continue to decline around 4% per year due to continued shift towards IPTV and OTT

Note: Data not available for 2021.

Source: NSR Industry Report

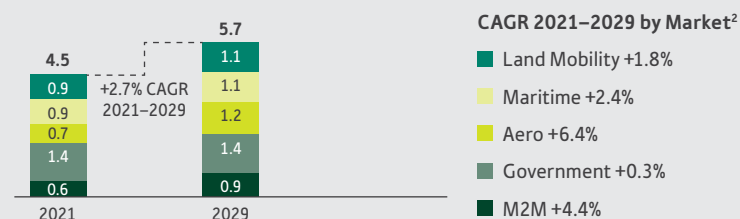
1 CAGR based on FSS service capacity revenue

2 CAGR based on FSS service capacity revenue excluding Broadcast

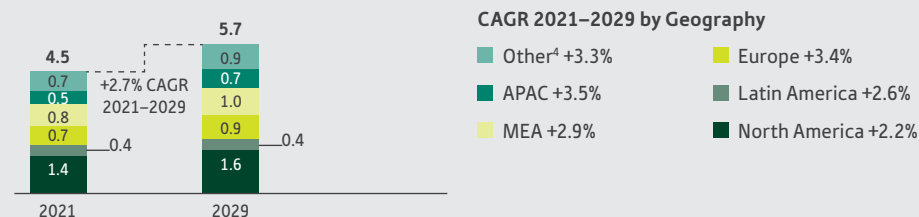
3 Land mobility includes connected vehicles and temporary land-based locations (e.g. mining)

MSS markets continuing to grow healthily on the back of increasing mobility uses across markets

MSS Revenue by Market¹ (US\$b)



MSS Revenue by Geography (US\$b)



- Government and Military, despite growing slower, remain the cornerstone end market for MSS operators
- Maritime growth spurred by offshore and smaller vessels (shipping, fishing, yachting)
- Regulations requiring usage of GMDSS³ and cockpit safety services for more vessels and aircraft
- Continued strong growth of IoT and M2M (machine-to-machine) connected devices and revenue
- APAC and MEA, Yahsat's key regions of MSS operation, showing a stronger growth path

Source: NSR Industry Report

1 Including both MSS service and equipment revenue

2 CAGR based on MSS service capacity revenue

3 Global Maritime Distress and Safety System

4 Includes Arctic, Pacific Ocean Region, Indian Ocean Region, Atlantic Ocean Region

Our business model

Our strengths enable...



Finance

Sizeable contracted future revenues providing visibility and security on top line revenue and dividends

Lean cost structure with strong cost discipline across business

Stringent capital allocation with robust governance

High cash conversion ratio

Robust capital structure – strong balance sheet, low net debt and low leverage



Spectrum

~200 active ITU filings to support future missions and strategy

Good access to markets across footprint

Unique spectrum rights including valuable L-band



Human Capital

Experienced, long-serving team with proven track record of growth

Internationally diverse and highly-specialised workforce

Long track record of developing and attracting local talent

UAE-based team with security clearance necessary to support government needs



Technology and Assets

Well-invested infrastructure assets across space and ground

Fleet of five satellites spanning five continents, with one more under construction

Modern infrastructure spanning both FSS and MSS



Business and Relationships

UAE's flagship satellite operator

Recognised industry leader, nationally and internationally

Strong distribution presence and partnerships

Strong relationship as a trusted partner with the UAE Government

Deep partnerships with global industry leaders

sustainable value creation...

Our Vision

To be the global partner of choice for reliable, innovative and affordable satellite solutions.

Our Mission

To deliver exceptional value to our customers, shareholders and partners by focussing on the following:



Quality

Being an industry centre of excellence for our customers and partners by offering innovative, reliable and affordable satellite solutions.



Human Capital

Empowering our employees to succeed and become proud role models in their communities.



Growth

Anticipating and fulfilling the satellite communications needs of governments, enterprises, communities and individuals across our footprint.

Our values underpin everything we do:

Our Value Proposition

A leading fixed and mobile satellite services operator offering integrated satellite communications solutions to over 150 countries.

Enabling critical communications including broadband, broadcasting, backhauling, and mobile voice and data solutions.

Wide range of C, Ku, Ka, and L-band solutions for land, maritime and aero platforms to governments, enterprises, communities and individuals.

A fleet of five satellites reaching more than two-thirds of the world's population, with a sixth under construction.



AI Yah 1



AI Yah 2



AI Yah 3



Thuraya-2



Thuraya-3



Thuraya-4 NGS
(under construction)

Fixed Satellite Services

Mobile Satellite Services

Infrastructure (secured capacity) and Managed Solutions

Land mobile voice and data, IoT and M2M solutions, maritime and aero connectivity

Consumer broadband, enterprise connectivity, WiFi hotspot, backhaul solutions

IP trunking solutions, Corporate VSAT, carrier solutions using C-band

Broadcasting solutions

for our stakeholders

Our Customers

(governments, enterprises, communities and individuals)

Secured, reliable and multi-purpose connectivity solutions

Affordable satellite solutions to connect the unconnected across more than 150 countries

Strategic and sovereign advanced satellite solutions for the UAE Government

Enriched and value-added solutions

Countries covered

150+

Our Employees

Exciting technical and business work environment to develop and maximise potential

Progression, learning, diversity and inclusion

Strong leadership, experience and opportunity for growth

Number of nationalities

42

Our Shareholders

Attractive and progressive dividends

High-growth and value creation opportunities

Solid investment opportunity reinforced with long-term AA+ customer contracts

Adjusted EBITDA

US\$ 240.5m

Our Nation

Supporting the development of UAE Nationals and a powerful UAE space sector

Contributing to the Abu Dhabi 2030 Vision

Enhancing the national economy by partnering and creating new opportunities

Emiratization¹

52%

¹ Emiratization excluding third party contractors.

● Respect

Reliability

Agility

Customer Focus

Creativity

Our strategy

Strategic Pillars

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

Strategic Objectives

- Solidify our core business to deliver more missions, more solutions and more value
- Enrich and expand our portfolio of government products, solutions and services
- Diversify our government business to more entities in the UAE, including civil, and penetrate more strategic international markets

- Differentiate through unique products and solutions, deeper distribution relationships and higher value add
- Accelerate commercial business across Yahsat Government Solutions, Thuraya and YahClick
- Expand market share in growing Fixed Satellite Services (FSS) and Mobile Satellite Services (MSS) markets and regions, by capitalising on unique relationships, technologies and business models

- Capitalise on the increasingly critical role played by satellite in the global connectivity and applications ecosystem, including IoT
- Drive strategic partnerships to invest and diversify into adjacent service areas to better serve customers

- Create long-term value collaboration with other key players in the broad UAE space and technology ecosystem
- Support UAE 2030 agenda by spurring new in-country development in space, technology and industrialisation

2021 Highlights

- Entered into 15-year agreement with the UAE Government for services on upcoming satellite Thuraya-4 NGS
- Entered into strategic partnerships to deploy mission-ready defence vehicular systems
- Appointment by the UAE Government to assess fleet expansion for future defence capacity needs

Managed Solutions

- Accelerated commercial business lines and signed new customers for both FSS and MSS solutions
- Signed MoU with Mubadala Petroleum to explore advanced satellite technologies

Mobility Solutions

- Secured long-term distribution agreement worth US\$ 86 million with an existing global service partner
- Evolved GTM with eight new distribution agreements and business models, including establishment of new partnerships to address multiple verticals including government, maritime and aero
- Launched new products (e.g. maritime tracking and monitoring) and strengthened foundation for future strategic growth portfolio (maritime, IoT, government, enterprise)

Data Solutions

- More than doubled direct-to-market subscriber base in South Africa, while the overall YahClick subscriber base grew by 20% to over 18,000
- Signed pan-African agreement with iSat Africa for connectivity services
- Signed multiple enterprise and wholesale deals, including for cellular backhaul, dramatically increasing the Data Solutions contracted future revenues to over US\$ 22 million by 31 December 2021

- Broadened participation in value chain with formation of JV to develop and manufacture satellite communications technology
- Thuraya-4 NGS progressing and on track to commence commercial operations in 2024
- Selected Cobham as broadband platform provider on Thuraya-4 NGS to bring next generation and best-in-class product portfolio to both government and commercial customers

- Laid foundations for new strategic platforms to serve UAE and international governments and enterprises, including Group 42 for Situational Awareness, including remote sensing and AI-enabled geospatial analytics
- Khalifa University's second CubeSat 'DhabiSat' launched to International Space Station (ISS)
- Solidified position as a satellite centre of excellence through talent attraction and retention as well as development of national expertise

Future Focus

- Sustain core business by securing new long-term FSS capacity agreement with the UAE Government (on two potential new satellites, Al Yah 4 and Al Yah 5)
- Secure multi-year O&M extension with extended scope with the UAE Government
- Capture more value by deepening participation both up and down the value chain
- Become sole provider for all UAE satcom by expanding government offerings, and expand commercial base and reach to other regional governments

Managed Solutions

- Complete transition from previous project delivery function into higher value-add system integrator
- Continue expansion into adjacent government entities and international government customers

Mobility Solutions

- Enhance products and services portfolio, and expand solution and applications offering
- Accelerate strategic M2M/IoT, regional maritime and government business
- Push into major strategic markets within coverage area and continue seeking partnerships to drive and unlock value

Data Solutions

- Accelerate uptake in all segments and regions through targeted and customised GTM models, from D2M to VNO/Wholesale
- Push for selective geographic expansion, leveraging interim third party capacity in case current fleet does not have coverage
- Drive new segments and increase market share of cellular backhaul solutions for mobile network operators

- Seek new investment opportunities to build further across all platforms
- Embrace complementarity of newspace on Yahsat business to capture value and broaden scope
- Continue current trajectory of organic growth combined with strategic UAE partnerships, and consider potential horizontal or vertical M&A to build scale if value proposition is strong

- Deliver first phase of solutions from Star Technologies JV to UAE Government and expand scope to drive more products to more customers, including international
- Strengthen collaboration with G42 to create a UAE remote sensing industrial champion
- Continue focussing on national talent development and further nurture solid UAE G2G relationships

Corresponding Risks To Successful Execution

1 2 3 4 5 6 8
9 10 13 14 15

1 2 3 4 5 7 8 9
10 11 13 14 15

1 3 5 7 8 9 10
12 13 14 15

1 3 8 12 13 15

Find a summary of our principal risks on pages 48 and 49.

Key Performance Indicators

Revenue

US\$ 407.6m

Adjusted EBITDA

US\$ 240.5m

DFCF

US\$ 179.5m

Net income

US\$ 69.8m

Contracted future revenues

+US\$ 2.0b

Commercial broadband users

18,300

Commercial narrowband users

231,000

Read our key performance indicators on pages 53 to 57.



Chief Financial Officer's review

Despite the global economic headwinds in the first half of the year, the business rebounded strongly with an exceptional performance in Q4 2021.

Andrew Cole
Chief Financial Officer

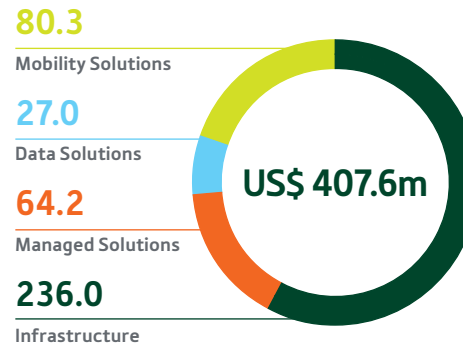
A Pivotal Year

In US\$ million	2021	2020
Revenue	407.6	407.5
Adjusted EBITDA	240.5	246.9
Normalised EBITDA	244.6	232.9
Net Income	69.8	68.9
Normalised Net Income	80.9	54.9
Discretionary Free Cash Flow (DFCF) ¹	179.5	186.3

2021 was a significant year for Yahsat. Not only did we successfully list on the ADX stock exchange but, in parallel, we delivered a robust operational performance amidst challenging trading conditions. Despite the global economic headwinds in the first half of the year, the business rebounded strongly with an exceptional performance in Q4 2021, traditionally our strongest quarter, with revenues out-performing Q4 2020 and Q3 2021 by 7.9% and 31.0%, respectively. As a result, the 2021 full year revenues of US\$ 407.6 million increased compared with the prior year (US\$ 407.5 million), recovering from a Q1 2021 shortfall of -7.3% versus the prior year with a clear growth trajectory as we enter 2022.

¹ Discretionary Free Cash Flow (DFCF) is defined as cash flow from operations less maintenance and development capital expenditure, investments, taxes and net finance costs.

Revenue (US\$m)



The Group's largest segment remained **Infrastructure** which generated revenues of US\$ 236.0 million, broadly in line with 2020 (US\$ 238.5 million) and accounting for approximately 58% of the Group's consolidated revenues. This mainly comprised the provision of satellite capacity to the UAE Government under an ongoing 15-year Capacity Services Agreement (CSA) in relation to services on our

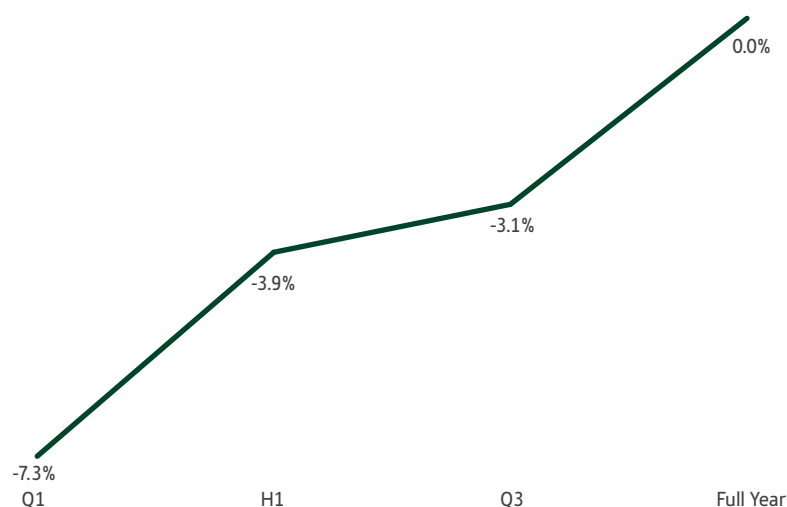
Al Yah 1 and Al Yah 2 satellites. These revenues are set to increase significantly following the launch of the Thuraya-4 NGS satellite, currently under construction, and the commencement of a further 15-year agreement with the UAE Government which will contribute additional annual revenues of US\$ 47 million from mid-2024.

Managed Solutions also delivered a solid performance, contributing 16% to Group revenues with full year revenues of US\$ 64.2 million, marginally above 2020 (US\$ 63.2 million), a noteworthy performance after a challenging start to the year in which Q1 2021 revenues lagged prior year by 23.4%. Revenues from oil and gas customers were particularly strong, more than doubling year-on-year.

Mobility Solutions, which recorded Q1 2021 revenues 18.3% behind 2020, recovered strongly to close at US\$ 80.3 million for the full year, up by 1.6%. This business, accounting for circa 20% of the Group's revenues, delivered growth in several key areas including Voice, Maritime and Equipment, the latter underpinned by a three-year deal commencing in Q4 2021 with a major distributor worth more than US\$ 86 million.

Despite COVID-19 related challenges in several of its core markets, in particular South Africa, **Data Solutions** delivered revenues of US\$ 27.0 million, broadly in line with 2020 (US\$ 26.8 million), contributing approximately 6% to overall Group revenues. In 2021, it continued to grow its consumer subscriber base (by 20%) and notably more than doubled its contracted future revenues (amounting to more than US\$ 22 million as at 31 December 2021). Given its extensive pipeline of Enterprise opportunities and the recent introduction of its direct-to-market consumer broadband model in Nigeria, the business is well positioned for continued growth in 2022 in both the Consumer and Enterprise segments.

Yahsat Group Gross Revenue – 2021 Cumulative Variance vs. 2020



Revenue

US\$ 407.6m

Adjusted EBITDA

US\$ 240.5m

Net Income

US\$ 69.8m

Adjusted EBITDA reached US\$ 240.5 million, generating a margin of 59%, slightly down by US\$ 6.4 million on 2020 as a direct result of the effect of material one-off items that had a US\$ 14 million positive impact in 2020 (relating to the transfer of orbital rights) and US\$ 4.2 million of IPO-related costs in 2021. Staff costs and other operating expenses, in aggregate, fell by 9%, in part reflecting the release of provisions following the collection of certain long overdue receivables.

After taking into account the impact of these one-off items, normalised EBITDA of US\$ 244.6 million exceeded prior year by US\$ 11.7 million, or 5%, achieving a healthy margin of 60.0%.

Net Income increased by approximately 1.2% to US\$ 69.8 million, the highest ever reported in Yahsat history, underpinned by a stronger performance of the Group's equity partnerships.

This includes one-off costs of US\$ 7 million related to the refinancing of existing debt and entering into a new term loan and export credit facility (ECA facility) totalling US\$ 700.5 million. This refinancing has significantly reduced the Group's overall cost of finance going forward.

Adjusting for one-off items in both periods, Normalised Net Income of US\$ 80.9 million exceeded the prior year by US\$ 26 million or 47.4%, generating a margin of 19.9%.

Cash Flow and Balance Sheet

The Group's balance sheet remains strong. At the end of 2021, gross debt (including lease liabilities) stood at US\$ 549.4 million, reflecting the completion of the refinancing exercise. Cash on balance sheet and short-term deposits exceeded US\$ 400 million, resulting in a net debt of US\$ 149.1 million. Our net leverage (net debt to adjusted EBITDA) stood at 0.6 times. Together with Discretionary Free Cash Flow for the year of approximately US\$ 180 million and a cash conversion ratio of 97%, the Group is well positioned to meet its future dividend and capital expenditure commitments.

Capital Expenditure

Consolidated capital expenditure in 2021 was US\$ 153.4 million, of which US\$ 141.6 million related to the ongoing Thuraya-4 NGS programme, which is progressing according to schedule. Maintenance and Development capital expenditure of US\$ 11.8 million accounted for the remainder.

Net Finance Costs

Net finance costs of US\$ 17.3 million were broadly in line with prior year, notwithstanding the one-off costs totalling US\$ 7 million relating to the refinancing exercise. Excluding these one-off costs, net finance costs were approximately 41% lower with the Group's 'all-in' cost of finance expected to reduce from 2022 onwards from around 6% in 2020 to below 2.5%.

Equity-accounted Investments

The Group's two equity partnerships, Yahlive and Hughes do Brasil (HdB), performed well in 2021. Yahlive returned to profitability after three consecutive years of losses. By 31 December 2021, HdB's active consumer broadband subscribers exceeded 220,000 whilst its Enterprise business continued to enjoy a strong pipeline of new orders and contract renewals.

Financial Outlook

Given the outstanding Q4 performance and the strong momentum since Q1 2021, we are well positioned to grow in 2022. Our 2022 guidance for the Group is for total revenues of US\$ 415 million to US\$ 440 million and stable Adjusted EBITDA. We expect our cash flow to remain healthy with Discretionary Free Cash Flow of US\$ 210 million to US\$ 240 million. Total capital expenditure is expected to be in the range of US\$ 210 million and US\$ 230 million, mainly relating to the ongoing Thuraya-4 NGS programme.

We remain confident in the underlying health and resilience of the business, underpinned by our contracted future revenues in excess of US\$ 2 billion as at 31 December 2021, which is more than 35% higher than at the end of 2020. Accordingly, we remain strongly committed to our progressive dividend policy of a total dividend of US\$ 105 million for the 2021 financial year, growing by at least 2% per year in subsequent years, with the intention to pay dividends on a semi-annual basis subject to approval of this express change to the dividend policy at the Company's AGM in 2022.

At a Glance

Industry overview

Satellites

Satellites	LEO (Low Earth Orbit) Satellites	MEO (Medium Earth Orbit) Satellites	GEO (Geostationary Orbit) Satellites
Coverage	Global, including polar	Global, including polar	Regional (fixed), no polar
Latency (time delay from signal broadcast to destination)	25-75 milliseconds	100-150 milliseconds	250 milliseconds
Typical lifespan	Around 5 years	5-10 years	15+ years
Typical applications	<ul style="list-style-type: none"> Commercial broadband Time-sensitive apps Low-latency backhaul 	<ul style="list-style-type: none"> Navigation Communications Lower-latency broadband and backhaul 	<ul style="list-style-type: none"> Communications Military and Government Broadband Mobility Broadcasting Trunking
Competitive positioning	<p>Fibre-like latency</p> <p>More onerous economics and technology challenges as of today</p>	<p>Compromise between latency and economics</p>	<p>High availability and reliability, but high latency</p> <p>Highly competitive economics</p>

Frequencies

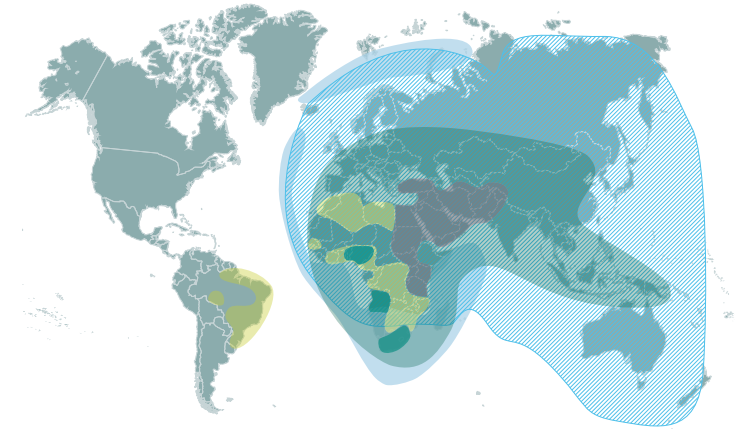
L-band: (1-2 GHz) L-band offers very high reliability thanks to longer wavelengths. They deliver less bandwidth and are critical for mobility services.

C-band: (4-8 GHz) C-band has been mainly used by FSS operators for TV distribution, data and voice communications. Currently being repurposed in most countries to support 5G rollout

Ku band: (12-18 GHz) Ku-band is primarily used for satellite communications, most notably the downlink used by direct broadcast satellites to broadcast satellite television

Ka-band: (27-40 GHz) Ka-band has the greatest bandwidth of satellite frequencies currently in usage and are typically used for broadband communications as well as for VSAT services

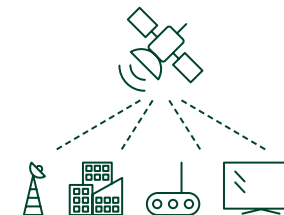
Our Coverage



- AI Yah 1 & AI Yah 2 Government Coverage
- AI Yah 2 Ka-Band Coverage
- AI Yah 3 Ka-Band Coverage
- AI Yah 2 & AI Yah 3 Coverage
- ▨ Thuraya L-Band Coverage
- Thuraya-4 NGS Extended Coverage

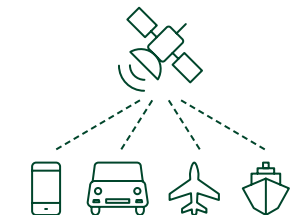
Fixed Satellite Services (FSS)

FSS operators rely on higher frequencies (C, Ku, Ka-bands) to connect to directional fixed antennas.



Mobile Satellite Services (MSS)

MSS operators use lower frequencies (L-band) to connect to mobile and non-directional Earth station antennas.



Our businesses

Yahsat Government Solutions



What we do

Secured end-to-end managed solutions and government capacity

Bespoke turnkey satcom platforms, defence, government and mission critical applications for land, sea and air

Thuraya



Integrated portfolio of high-speed data, voice, maritime and aeronautical solutions for energy sector, government, broadcast media, maritime, military and aerospace

YahClick



High-speed broadband solutions, community hotspots, e-learning and telemedicine

YahLink



Corporate VSAT

Enterprise data including backhaul, IP trunking and banking

Yahlive (JV with SES)



Direct-to-home television broadcast in Middle East and North Africa

Our fleet

The Group's current satellite fleet comprises five GEO satellites and one under construction.

Al Yah 1

Launch date 2011

Al Yah 2

Launch date 2012

Al Yah 3

Launch date 2018

Thuraya-2

Launch date 2003

Thuraya-3

Launch date 2008

Thuraya-4 NGS

Launch date 2024

Service

Fixed Satellite Services

Fixed Satellite Services

Fixed Satellite Services

Mobile Satellite Services

Mobile Satellite Services

Mobile Satellite Services

What they do

Data, broadcast and secure government

Commercial broadband and secure government

Commercial broadband

Mobile voice and data

Mobile voice and data

Mobile voice and data

Businesses served

Yahsat Government Solutions
YahClick
Yahlive
Yahlink

Yahsat Government Solutions
YahClick

YahClick
Hughes do Brasil (HdB)¹

Thuraya

Thuraya

Thuraya
Yahsat Government Solutions

Frequency used

C-band, Ku band and Ka-band

Ka-band

Ka-band

L-band

L-band

L-band

¹ Payload on Al Yah 3 over Brazil owned by HdB

Business review continued

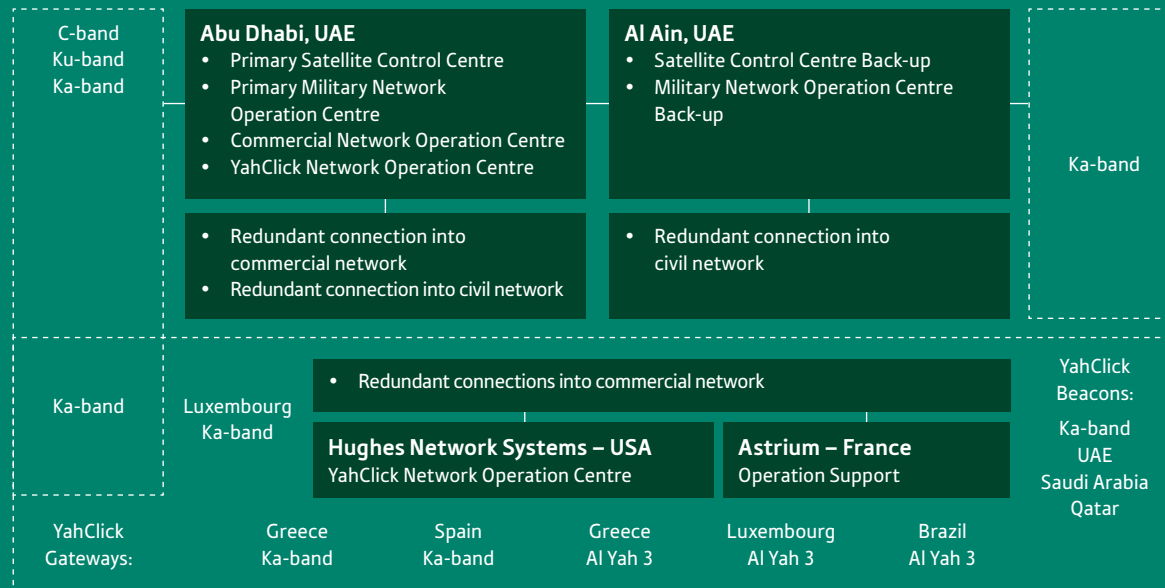
Operations

In another successful year for Yahsat Operations, we ensured a sustained system and service availability in excess of 99.7%, whilst delivering cost efficiencies and significantly increasing productivity through major synergies in our internal and external service delivery.

- Primary satellite operations centre in Abu Dhabi city with backup centre in Al Ain which is linked to the primary centre by fibre optic cable and is capable of assuming control instantaneously should the need arise (alternative backup solution is also available in the form of an arrangement with Inmarsat to use its network)
- There have not been any disruptions to the Group's primary satellite operations centre requiring transition to the backup since the inception of the Group's satellite services
- Broadband services utilise gateways and beacon stations located in UAE, Qatar, Luxembourg, Spain, Greece, Brazil and Saudi Arabia, which allow Al Yah 2 satellite broadband antennas to maintain their orientation with a very high degree of accuracy
- Gateway in Brazil for Al Yah 3, owned and operated by HPE, is used to perform telemetry, tracking and control along with UAE operations

Yahsat FSS Infrastructure

Monitored 24/7 by dedicated specialists to ensure highest signal quality.



Leveraging our leading position in terms of technology in the market, Yahsat Operations supported the development plans of our three core Yahsat business lines, building capacity to meet the strategic goals of the Group for 2024 and beyond.

This reflects our ongoing focus since 2020 on building a synergised system in terms of costs, productivity, throughput and after-sales support, and investing in the right technologies to drive both core and non-core growth in the next 15 years—which represents a major strategic pillar for the Group and a source of considerable competitive advantage.

To this end, we work with best-in-class partners and suppliers in the market including Airbus, Thales, Hughes, Ericsson, Microsoft, Oracle, Nutanix, DellEMC and Fortinet to deliver major projects. In 2021, these included initiatives to achieve synergies across: data protection and recovery capabilities, based on DellEMC and completed in Q4 2021; infrastructure and IOs, based on Nutanix and completed in Q1 2021; and our Revenue Management System for Yahsat Mobility arm, based on Ericsson's Billing 2021 (EB21) and Ericsson Charging (CS21). Alongside investments in our cyber security

capabilities in 2021, we also continued to implement IT automation for processes, procedures and systems as part of our digital transformation programme, and to achieve further cloud implementation (non-confidential/non-core data) for finance and other corporate functions.

Reflecting the success of these and other initiatives, Yahsat received the Best IT Award in Mubadala's Medium Assets category for our performance in the sector in 2020. We also won the Best Crisis Communication Management Award and Women Leader of the Year award at the GCC GOV HR Awards 2021. World Satellite Business Week awarded us best Regional Space Business 2021 and we received best Satellite Operator of the Year by SatellitePRO Middle East.

In 2022, Yahsat Operations will continue to deliver on the Group's strategy by ensuring governance in a robust but agile manner throughout our ongoing digital transformation journey, whilst facilitating the delivery of world-class availability to support our businesses lines and customers.



Business review continued

Yahsat Government Solutions



Managed satellite-based solutions for land, sea and air

- Secure end-to-end managed solutions and government capacity
- Bespoke turnkey satcom platforms
- Defence, government and mission critical applications for land, sea and air

Satellite Coverage



2021 Revenues

US\$ 64.2m

% of Total Yahsat Revenues

16%

Military

Consultancy, design, procurement and implementation services, including operations and maintenance to support contracted infrastructure capacity



Government

National and international consultancy and delivery of managed private satellite network solutions for government entities



Enterprise

Connectivity and managed private satellite network solutions for enterprises across various sectors (e.g. oil and gas, utilities)



Throughout 2021, Yahsat Government Solutions (YGS) continued to create value for our core customers, including the UAE Government, whilst significantly expanding into new segments to cover an increasing portion of the managed solutions value chain.

Capitalising upon a fresh resurgence in government and defence-related projects, and the establishment of new partnerships with key national stakeholders, YGS delivered a resilient performance in 2021. For the full year, its revenues of US\$ 64.2 million, comprising 16% of overall Group revenues, were marginally up vs. prior year, recovering from a Q1 2021 deficit of more than -23% when delays to certain projects continued on account of the COVID-19 pandemic. For the full year it recorded EBITDA of US\$ 33.2 million, delivering a healthy margin of over 50%.

Despite the various residual effects of the pandemic on logistics, supply networks and travel, project delivery remained largely on schedule with several of the delays experienced in the first half of 2021 resolved by the end of the year, supported by cooperative agreements with clients to implement solutions to minimise the impact on customer operations.

Consequently, YGS advanced all of its strategic objectives for the year, reached key milestones in major projects, successfully expanded its managed services offering through partnerships, and locked in a robust project pipeline which positions the business well for growth in 2022.

Infrastructure

2021 Revenue

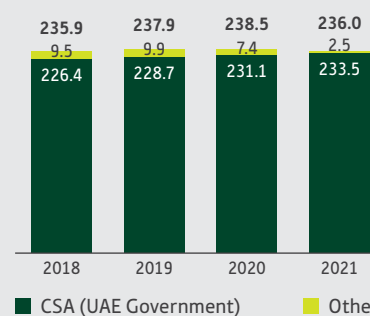
Leases critical satellite capacity to the UAE Armed Forces



Key Revenue Drivers

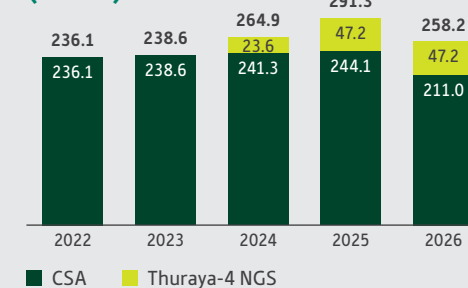
- High-margin business, underpinned by long-term, highly visible, secure contracts
- Key ongoing contract: 15-year Capacity Service Agreement (CSA) with the UAE Government (remaining contracted future revenues of US\$ 1.2bn¹)
- Key future contract: US\$ 708m contract will start in H2 2024, when Thuraya-4 NGS commences commercial operations
- Contracts structured as fixed charge paid every year, with a portion of the capacity charge under the CSA contract growing at 3% p.a.²

Revenue Evolution (US\$m)



98% of revenues over the historical period related to UAE GREs

Contracted Future Revenues (US\$m)¹



Key Contracts

Agreement	Counterparty rating	Tenor (years)	Contracted future revenues 31 December 2021 (US\$m)	End year
Capacity Services Agreement (CSA)	AA (S&P) Aa2 (Moody's)	15	1,171.1	2026 (Al Yah 1) 2027 (Al Yah 2)
Thuraya-4 NGS	AA- (Fitch ³)		708.4	2039
			1,879.5	

- ¹ As of 31 December 2021.
- ² 30% of the total capacity charge at inception of the contract (in 2011) was indexed to a contracted inflation of 3% p.a reflective of increase in value of services; currently represents c.35% of the total capacity charge.
- ³ Based on Abu Dhabi 2049 Government bond rating.

Business review continued

Yahsat Government Solutions

Key partnerships secured during the course of the year have expanded our offering across the value chain and allowed Yahsat to enter adjacent markets and better serve our growing customer network. These significant new ventures with national partners have been complemented by major internal optimisation efforts, resulting in cost savings, higher margins and increased profitability across our Managed Solutions business.



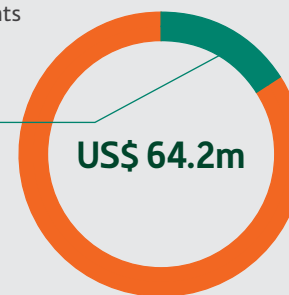
Managed Solutions

2021 Revenue

Through YGS, sells value added O&M and consultancy and managed satellite connectivity solutions to UAE Government and other commercial clients

16%

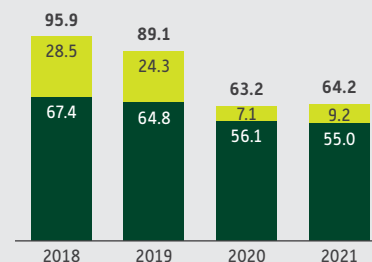
of 2021 Revenue



Key Revenue Drivers

- Short to medium-term contracts
- Service projects revenue (recurring contracts) recognised as straight-line, while other projects' revenue (turnkey contracts) recognition based on milestones
- Pricing primarily on a cost-plus margin basis with back-to-back arrangement with suppliers
- Most service-based projects (O&M, consultancy) leverage specialised internal resources, resulting in higher gross margins

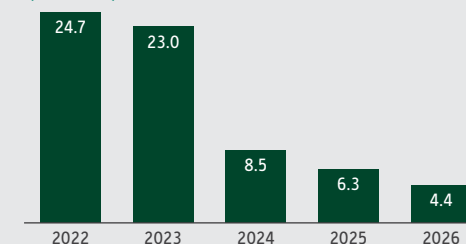
Revenue Evolution (US\$m)



■ Recurring Contracts ■ Turnkey Contracts

87.9% of revenues over the historical period related to UAE GREs

Contracted Future Revenues (US\$m)¹



■ Managed Solutions

Key Contracts

Agreement	Counterparty rating	Tenor (years)	Contracted future revenues 31 December 2021 (\$m)	End year
Managed Solutions	AA (S&P) Aa2 (Moody's) AA- (Fitch ²)	Various Contracts	68.4	Up to 2027
			68.4	

¹ As of 31 December 2021

² Based on Abu Dhabi 2049 Government bond rating.

Note: In February 2022, Yahsat was awarded a US\$ 247.5 million mandate to provide enhanced managed services to the UAE Government, which runs from January 2022 until the end of 2026.

Partnerships announced in 2021 include Memoranda of Understanding ('MoUs') signed with the UAE military automotive specialist, NIMR, to provide in-vehicle satcom solutions; and with L3Harris Technologies, the global aerospace and defence technology innovator, to integrate mobile communication (COTM, i.e. "comms on the move") solutions into vehicular mounted combat systems. By pre-qualifying its COTM solutions to work efficiently on NIMR's armoured personnel carriers and L3Harris' systems, these partnerships will reduce integration and timeline risks, and optimise system integration costs.

Mirsal, YGS's new deployable communication office launched at the Dubai Air Show in 2021, is a fully home-grown solution, designed and manufactured by Yahsat in the UAE. Entering full production in 2021, Mirsal fulfils the specific needs of our anchor customers, providing a military-grade SATCOM-ready remote office tailored to meet our clients' operational needs.



In October 2021, Yahsat was formally appointed to conduct a detailed analysis, assessment and recommendation for two new satellites (Al Yah 4 and Al Yah 5), targeted for launch in 2026. These anticipated new missions for the UAE Government would add capacity, coverage and capabilities to enable next generation applications. The launch of these satellites presents a significant growth opportunity for Yahsat. By ensuring the continuity of the current Government Capacity services under a 15-year extension to Yahsat's existing CSA contract with the UAE Armed Forces, our contracted future revenues would be further bolstered, securing our longer-term financial outlook.

Accessing an Expanding Value Chain

Throughout 2021, YGS continued to bring our unique solutions to a variety of new industries and segments, unlocking new revenue streams by increasing our reach and diversification, and capturing more value as a one-stop-shop for integrated solutions.

A new joint venture, Star Technologies, will address a clear opportunity to expand up the value chain by addressing increasing demand for end user satcom equipment and capabilities. Meanwhile, a framework agreement with ADNOC signed in 2021 has positioned Yahsat as the preferred very small aperture terminal (VSAT) service provider for all of the company's offshore and drilling rig requirements. By offering value-added applications and solutions in conjunction with core satellite connectivity, this landmark agreement represents a leap forward in realising Yahsat's strategic goal to provide enriched end-to-end solutions and capture an expanding portion of the value chain.

A 2021 MoU with Mubadala Petroleum will also see YGS develop the provision of satellite services to the company's South East Asia assets in Thailand, Malaysia and Indonesia – for VSAT critical operations as well as welfare internet and phone services – whilst also providing a platform to extend our VSAT capabilities to meet the needs of oil and gas operators across Qatar, Egypt, Israel and Russia.

YGS also commenced discussions with platform manufacturers, such as Al Seer Marine, for marine vessels and Unmanned Surface Vehicles (USV), as well as with ADASI (Unmanned Aerial Vehicle manufacturer) for potential collaboration for a line-fit programme to minimise the risk of integration and facilitate the satcom service acquisition to the end user.

Further expanding our services across the value chain, YGS entered into a MoU with Group 42 to collaborate on remote sensing and AI-enabled geospatial analytics by jointly securing contracts in this innovative market segment through a new partnership to be advanced in 2022. The partnership aims to bring together Yahsat's advanced upstream satellite capabilities and G42's downstream AI and cloud computing expertise to offer from-Earth observation consultancy and asset management.

Under an agreement with Ericsson established in November 2021, Yahsat will integrate advanced telecommunication services and solutions with Ericsson's private network solutions and devices across the oil and gas, mining and ports industries, expanding sales in both new and existing locations across the MENA and Asia regions. The cooperation agreement will see the expansion and co-marketing of solutions in the areas of remote sensing, video surveillance, UAVs and drones,

geo-positioning, offshore oil rig support and general data connectivity.

2021 also saw the entry of YGS into the ICT market through the provision of managed solutions, such as video compression, opening up a new revenue stream that is gaining increasing momentum with existing and new customers.

YGS in 2022

Complementing our services for anchor government and military customers in Abu Dhabi and across the UAE, as well as the GCC, defence community, YGS' deepening value chain, our increasing diversification and expanding customer base has reinforced our position as a leading solutions provider, offering secure revenue with strong growth potential underpinned by an increasing range of market-leading platforms and services.

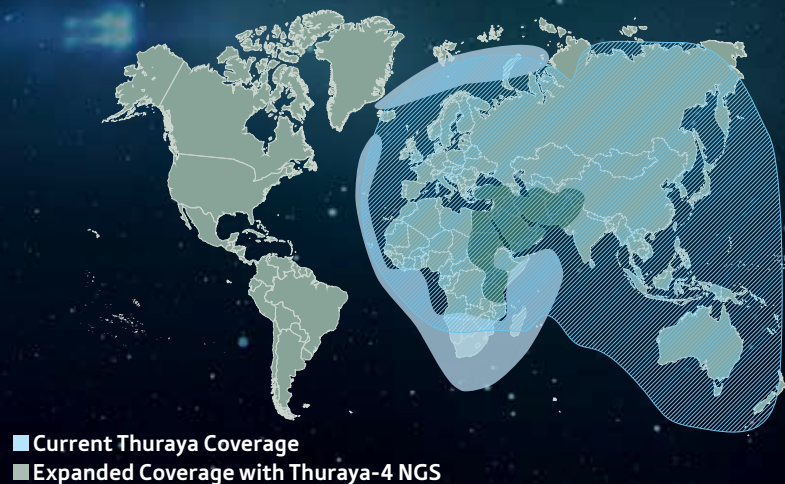
This evolution in the scope and variety of YGS services will continue in 2022, deepening our participation in the value chain to increase our revenues from existing as well as emerging sectors, such as energy, maritime and ICT markets.

In February 2022, Yahsat was awarded a US\$ 247.5 million mandate to provide enhanced managed services to the UAE Government, which runs from January 2022 until the end of 2026.

Mobile satellite operator for L-band voice and data solutions

- Coverage in 150+ countries, reaching over 2/3 of world's population across EMEA, Asia and Australasia
- Serving a variety of sectors including government, consumer, enterprise and NGO, on land, at sea and in the air
- 230,000+ subscribers and 390+ roaming agreements globally
- Addressing the high-growth direct-to-user mobile satellite solutions sector
- Broad portfolio of solutions with next generation platforms being rolled out to accelerate growth, including in attractive IoT & maritime sectors

Satellite Coverage



2021 Revenues






US\$ 80.3m

% of Total Yahsat Revenues

20%

Thuraya, Yahsat's mobility business, has proven extremely resilient in 2021 in the face of significant headwinds, including the worldwide electronics component shortage and severe travel restrictions.

Portfolio

Land Voice Compact handheld terminals (including smartphone)	Land Data Mobile data connectivity (~1Mbps)	Maritime Connectivity for vessels and onshore users	Aero Connectivity for fixed and rotary wing aircraft	IoT * M2M Ubiquitous connected smart applications
				

Despite these headwinds, Thuraya still managed to record revenues of US\$ 80.3 million, up 1.6% vs. prior year. Over the same period its Adjusted EBITDA increased by 15% to reach US\$ 27.5 million.

In US\$	2021	2020
Revenue	80.3m	79.0m
Service	49.5m	52.1m
Equipment	30.8m	26.9m
Adjusted EBITDA	27.5m	23.9m
Contribution to Group Revenue	20%	19%
Contribution to Group Adjusted EBITDA	11%	10%

With Thuraya in its portfolio, Yahsat stands apart from the competition, as one of the few operators offering both fixed and mobile satellite services. The business remains well-positioned for both revenue and subscriber growth especially in government, maritime and IoT segments. We are leveraging our extensive

investments in innovative new products and services supported by the launch of Thuraya-4 NGS consisting of new satellite technology with more capacity, coupled with a latest-generation platform to deliver a unique and transformative product portfolio. In addition, we are continually expanding our distribution network with new service partners to enhance our reach to end customers across the entire footprint.

Thuraya in 2021

Our strategy remains one of increasing growth and diversification across the land, sea and air segments, underpinned by investment in disruptive new services and products, and complemented by a continuous process of modernisation of our technology infrastructure and business models.

Thuraya continued to actively diversify its product portfolio by developing specific products to meet the needs of end customers, regularly engaging with vendors to enhance product features and capabilities whilst building

new relationships with key partners to develop a rich portfolio for government, enterprise and individual customers.

In 2021, the Company maintained a healthy subscriber base across the land voice, land data and maritime sectors, and signed a long-term distribution agreement with an existing service partner that will generate land voice revenue of more than US\$ 86 million over the next three years.

Despite challenges related to shortages of electronic components and COVID-19 related restrictions, the total number of hardware units delivered in 2021 surpassed 50,000.

Thuraya also engaged in a programme of network enhancements to provide increased service reliability and availability, and completed its programme of post-acquisition synergies in all support areas and internal processes to achieve alignment and deliver further efficiency, performance and cost optimisation.

Growth Through Partnerships in 2021

It has been a successful year of collaboration for Thuraya, having signed agreements for multiple key partnerships.

The US\$ 86 million distribution agreement for land voice adds significantly to Yahsat's contracted future revenues of over US\$ 2 billion, reinforcing our position as a global leader across government, consumer, enterprise (e.g. energy, utilities & transportation) and NGO market segments.

In November 2021, we also entered into a long-term agreement with Cobham SATCOM for the distribution of next generation broadband products (NGBPs) for land, aeronautical and

maritime users that will provide faster hardware access on a wider scale backed by comprehensive support, leveraging Cobham's technical knowledge and after-sales capabilities and expertise. Cobham will be appointed as the main distributor, on a non-exclusive basis, for Thuraya NGBPs for five years, following commencement of commercial operations of Thuraya-4 NGS in 2024.

Thuraya in 2022 and Beyond

Thuraya will continue to increase its scale in the EMEA and APAC regions by focussing on developing opportunities through the forging of new partnerships and alliances.

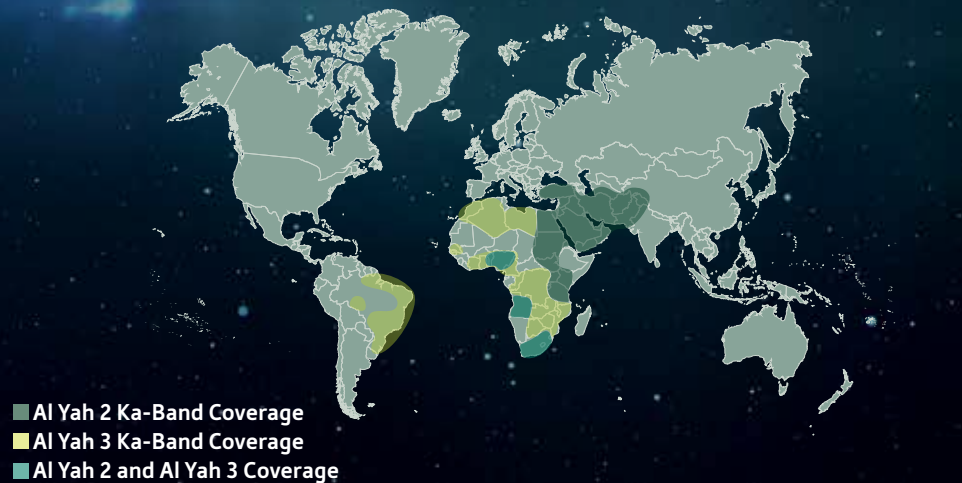
Our portfolio vision for the future will see the phased delivery of products and services ranging from our next generation broadband portfolio to Thuraya's specialised solutions including IoT, push-to-talk (PTT), and location tracking systems (LTS), as well as enhancements to our MarineStar product and to legacy systems. In particular, for the existing land voice and M2M products, efforts are underway to augment the offering with native end user applications to increase the value proposition.

Furthermore, we will leverage these new products and solutions to access new market segments and create additional revenue streams whilst expanding on today's network of service partners. Changes in our business models and the shift from product to solutions will also drive a higher market share for Thuraya in these segments.

High-speed satellite broadband for consumers, enterprises, MNOs and governments

- Leading satellite internet broadband provider across Brazil, Africa, Middle East and South West Asia enabled through its Ka-band high-throughput satellites
- Covering over 1 billion people in high-growth, emerging markets throughout our footprint
- Affordable broadband solutions to consumers, enterprises, MNOs¹ and governments
- Flexible go-to-market model through a comprehensive network of in-market service providers

Satellite Coverage



2021 Revenues

US\$ 27.0m

¹ Mobile Network Operators

% of Total Yahsat Revenues

6%²

² 12% of 2021 consolidated revenues when incorporating Yahsat's 20% share of Hughes do Brasil (HdB)

Our Value Proposition

YahClick, Yahsat's Data Solutions arm, serves 45 countries in Africa, the Middle East and South West Asia. Leveraging Yahsat's leadership in broadband solutions across emerging markets, together with Hughes Network Systems' expertise as global leader in broadband technology, its primary mission is to provide broadband connectivity to unserved and underserved regions around the world.

YahClick provides a high-quality, high-speed broadband solution (offering typical speeds of 5–25 Mbps) at a price that is competitive with that offered by traditional terrestrial providers. Today, YahClick serves around 90 service providers across its footprint and provides one of the widest ranges of offerings in the market. Either directly or via one of our partners, YahClick issues Customer Premise Equipment (CPE) – consisting of a modem, a satellite dish and an external receiver attached to the dish, and customers pay installation charges and a monthly subscription. YahClick therefore represents an extremely compelling value proposition, given that the only alternative in our key markets are 3G/4G, ADSL and microwave services, all of which have limitations.

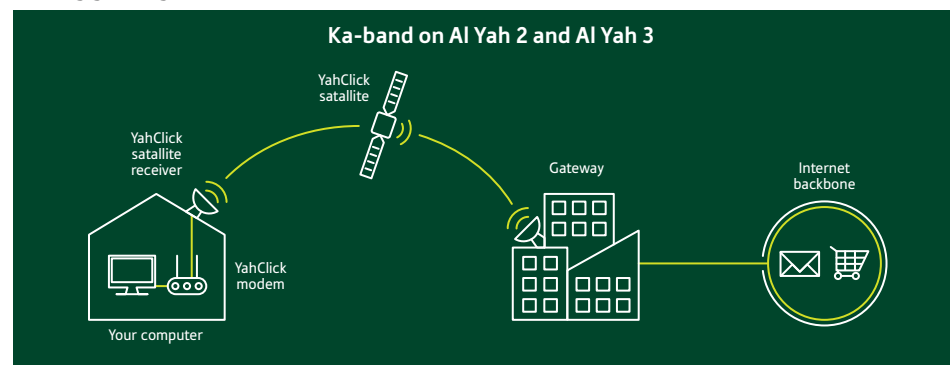
2021 Performance

In line with our mission to provide critical communications to unserved or underserved areas, YahClick saw impressive consumer subscriber growth in 2021. During the year, total subscribers increased by 20% reaching over 18,000, assisted by a doubling of subscribers signed up via our direct-to-market (D2M) model which was launched in South Africa in 2020. This complements the 220,000+ active subscribers in Brazil via our equity partnership, Hughes do Brasil (HdB), where Yahsat has a 20% stake.

YahClick's pipeline and revenue growth in both the Enterprise and Consumer segments in 2021 successfully offset the winding down of the Eutelsat (Konnect Africa) raw capacity contract that ended in July. Going forward, our substantial pipeline of Enterprise connectivity and mobile cellular backhaul (CBH) deals will play a key role in our growth agenda from in 2022 and beyond.

Enabling Essential Broadband Access

Serving growing markets across Africa, West Asia and Brazil



- Ka-band enables more affordable and reliable satellite broadband (vs. traditional C-band and Ku-band), as well as providing cellular backhaul solutions to mobile network operators, allowing to expand their reach beyond areas connected via fibre
- Al Yah 2 and Al Yah 3 use Ka-band to offer high throughput satellite services and expanded bandwidth by virtue of frequency re-use allowing the spectrum to be re-utilised several times and resulting in multiplication of capacity



Consumers



Enterprises



Community WiFi



Governments



Mobile Network Operators

CBH contracts have so far been signed with four key rural operators, with almost 100 sites already activated in 2021. In addition, ten new large managed services contracts are expected to account for almost 25% of total Enterprise revenue in 2022, targeting over 500 active sites.

We also maintain a pipeline of over 25 multi-year capacity contracts through our managed services and virtual network (VNO) partnerships, which are currently either in the execution or conclusion phases.

In Nigeria, we introduced the D2M model in Q4 2021 with a long-standing partner to replicate our recent success in South Africa, and an additional new partner with scale and breadth is currently being on-boarded and trained to accelerate this key market where subscriber growth is expected to be one of the highest in our footprint.

Business review continued

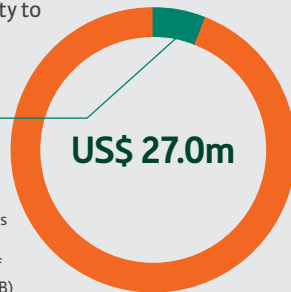
YahClick

Data Solutions

2021 Revenue

Through YahClick, the Group provides broadband plans to internet service providers who in turn offer these services to their customers and sells direct capacity to Enterprise clients

6%¹
of 2021 Revenue

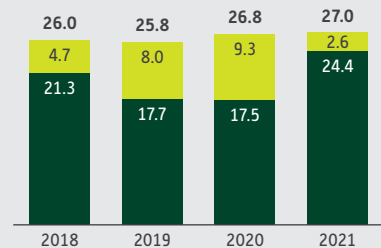


¹ 12% of 2021 consolidated revenues when incorporating Yahsat's 20% share of Hughes do Brasil (HdB)

Key Revenue Drivers

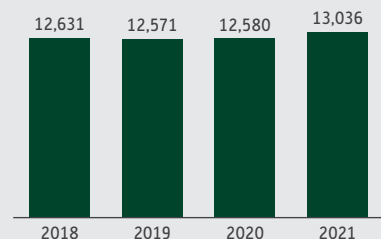
- Revenue generated through fixed subscription fees billed to customers and capacity offered to Enterprise clients through Managed Satellite Services
- Acceleration of D2M model in South Africa, Nigeria and new markets
- Increased footprint including key markets (i.e. Saudi Arabia, Algeria, etc.)
- Securing major Enterprise deals (i.e. ADNOC)

Revenue Evolution (US\$m)



■ Broadband, VNO, Equipment
■ Raw Capacity (Eutelsat)

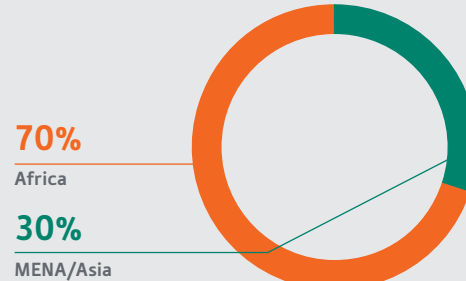
Number of Indirect¹ Subscribers (End of Period)



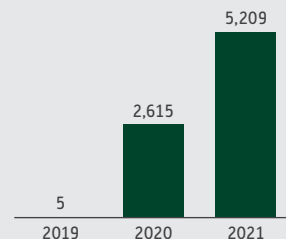
Note: Revenues presented include only consolidated figures for YahClick (BCS) and exclude revenues from HPE (Hughes Equity Partnership).

¹ Subscribers that are not directly acquired by Yahsat

% 2021 Revenue By Geography



Number of D2M Subscribers (End of Period)



YahClick D2M Strategy

Yahsat Data Solutions historically used Service Partners (SPs) as the primary go-to-market channel. Most of these SPs, being internet service providers (ISPs) or systems integrators (SIs), simply added the YahClick data solutions product to their existing core business offerings alongside other connectivity or data solutions, resulting in a limited market share and annual growth rate.

By adopting the D2M model, Yahsat created a channel that was exclusive, where the end user retail price could be managed and where the services could be targeted to the specific regions with unserved or underserved populations.

The D2M model was launched in South Africa in 2020, but faced significant headwinds due to COVID-19 lockdowns, which constrained sales and installation efforts. When the restrictions finally eased in Q1 2021, subscriber growth saw a marked jump of 20% by the end of the year.

YahClick Community Projects

Country	Services
United Arab Emirates	<ul style="list-style-type: none"> • Households connected with broadband to support connectivity for 300 students (distance learning) during the pandemic.
South Africa	<ul style="list-style-type: none"> • 340 Covid clinics connected with the Department of Communications during the pandemic peak, with a further 460 sites in progress for the Ministry of Health. • 3,000 sites in progress for the Ministry of Education in KZN. • Served on Ministerial Commission for essential services in SA along with DCDT.
Nigeria	<ul style="list-style-type: none"> • 400 school sites awarded to our in-country partner. • Multiple rural sites awarded to various in-country partners as part of the USPF (Universal Service Provision Fund).
Ghana	<ul style="list-style-type: none"> • 700 school projects awarded to the in-country partner. • 1,500 sites in progress for 2nd phase of schools project in 2022.
Kenya	<ul style="list-style-type: none"> • 270 schools connected through our in-country partner. • 291 schools project awarded via UNICEF in Kenya for implementation in Q1 2022. • 1,750 sites, engaging directly with CAK (Department of Education) for next phase of the schools project.
Zimbabwe	<ul style="list-style-type: none"> • 4,500 schools contract awarded to our in-country partner. 3-year rollout plan @ 1,500 schools per year.

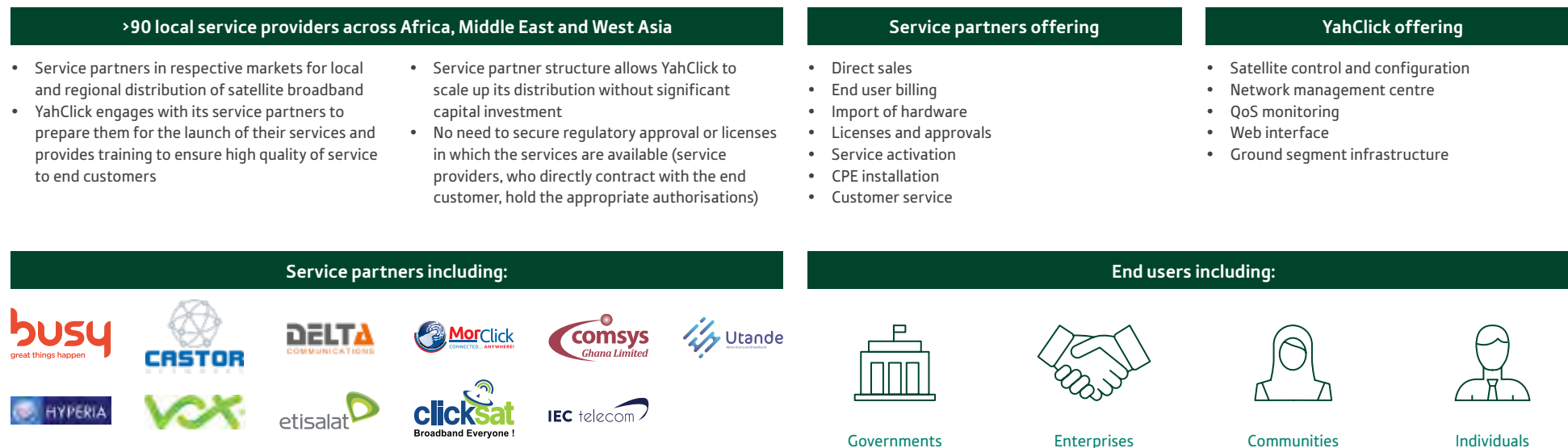
Our business faced significant disruption in 2021, owing to the restrictions related to the COVID-19 pandemic. Direct interactions with customers were limited by movement restrictions and lockdowns, which undermined the consultative selling process through which VSAT services are typically purchased. Furthermore, installations were severely hampered as lockdowns resulted in restricted travel and mobility for installers. Delivery of specialised equipment was delayed due to supply chain disruptions, particularly in remote sites.

YahClick in 2022

Since the beginning of 2021 the business has doubled its contracted future revenues. Together with a healthy pipeline spanning Enterprise and CBH opportunities and an upward trajectory in the subscriber base, underpinned by the recent introduction of the D2M model in Nigeria, the business is well positioned to grow in 2022.

YahClick Cellular Backhaul (CBH)

Mobile Network Operators (MNOs) across Africa have rural service obligations, but it is often not financially viable for terrestrial solutions to cover many rural settlements due to the logistical challenges or high cost of connecting the cell towers to the physical fibre network. In some countries (e.g., South Africa, Nigeria, Cameroon, Zambia, South Sudan, Ivory Coast and DRC), MNOs have appointed local specialist rural operators to cover rural communities using scaled-down infrastructure and technologies, engaging on a revenue share basis. However, many rural operators do not have the financial means to roll out the required infrastructure and look for alternative partnership models, including for backhaul. Yahsat Data Solutions works with these operators to identify bespoke and tailored models to ensure that the roll-out obligations are met using Ka VSAT solutions.



Direct-to-home TV broadcasting of leading content to over 110 million viewers

- Provision of television broadcast capacity and services through an equity partnership between Yahsat and SES
- 180+ television and 25 radio channels carried on Yahlive capacity
- 20+ markets the Middle East, North Africa, South West Asia and Europe
- 110+ million viewers

Satellite Coverage



2021 Revenues

US\$ 10.9m

Content partners



Yahlive offers digital-to-home (DTH) television broadcast capacity and services across the MENA region and South West Asia, and is the brand of Al Maisan – an equity partnership formed in 2009 by our subsidiary Star and SES Finance, in which the Yahsat Group holds a 65% stake.

Yahlive uses three inter-connected beams with 23 Ku-band transponders on Yahsat's Al Yah 1 satellite to provide DTH satellite services primarily to free-to-air (FTA) broadcasters, while SES Finance contributed cash and the construction of a 20-channel playout centre and teleport facility for the Yahlive service.

According to the current contractual agreement, the Group does not control the day-to-day financial and/or operating policies of the equity partnership; therefore, Al Maisan's revenue is not consolidated and the Group recognises its share of the profit or loss recorded as a share of results of an associate.

2021: A Profitability Milestone

2021 has been a strong year for Yahlive, characterised by a return to profitability following three years of losses. This profitability is a result of a combination of an adjustment to lease rates to attract more customers and cost-reduction measures.

Healthy performance achieved by Yahlive in 2021 saw revenues reach US\$ 10.9 million, (up 31% vs. 2020), an OPEX of US\$ 5.5 million (down 38% vs. 2020) following the implementation of a recent optimisation programme and EBITDA of US\$ 5.5 million (vs. US\$ -0.6 million in 2020).

This was a particularly strong performance given the headwinds experienced by the broadcast sector generally and demonstrating Yahlive's ability to generate revenue whilst maintaining tight control of its underlying cost base.

Furthermore, Yahlive continued to expand its reach by acquiring several important new customers in 2021, including a major international TV operator. In order to maximise usage and revenue, spare capacity on Yahlive's leased transponders is also being used to serve data customers.

Through Yahlive's strong programming base of more than 180 broadcast and 25 radio channels (more than 115 of which are exclusive to Yahlive), in 2021, channels broadcast using Yahlive recorded 110+ million viewers and held leading positions in terms of viewer numbers in Afghanistan, Tajikistan and across Farsi- and Kurdish-speaking communities throughout the region.

Whilst Yahlive is not core to Yahsat's overall growth strategy, it does represent an important element of diversification with an important industry-leading partner, SES, the world's largest global satellite operator.

Yahlive in 2022

In 2022 Yahlive will continue to build on its strong 2021 performance, guided by its strategy to increase the attractiveness to advertisers of the broadcast channels that it carries – particularly across the Middle East and important communities in Pakistan, Afghanistan, Tajikistan and Farsi-speaking regions.

Given the limited capacity available and the increasing demand, leasing prices are expected to increase. The Group believes that this strategy, when combined with the recent cost-base optimisation undertaken in 2019-2020 and the development of complementary data services, will ensure Yahlive's profitability going forward.



Case studies

The Thuraya-4 Next Generation Satellite will deliver higher capabilities and flexibility while increasing capacity and coverage across Europe, Africa, Central Asia and the Middle East, enabling next generation mobility solutions for all customer segments, including defence, government and enterprise.

Pioneering

next generation mobile
telecommunications system



GEO satellite based on the high power, all electric Airbus Eurostar Neo platform that offers an optimal combination of flexibility, efficiency and capability

Incorporates a large 12-metre L-band unfurlable reflector and latest-generation of digital signal processor developed by Airbus

Capable of full payload flexibility, including coverage, frequency and power allocation

Payload capacity supports ~3x the number of users compared to previous generation Thuraya satellites

Launch mass

~5 tonnes

Spacecraft power

>12kW

Data rate capability

>1Mbps



Satellite Technology. Critical Communications. Human Progress.

In 2020, the decision was made to procure a new satellite system – the Thuraya-4 Next Generation Satellite (NGS) – to further develop and enhance our services as part of a programme to modernise and upgrade our Mobile Satellite Services (MSS) space and ground assets as well as our mobile product and solution portfolios.

Delivered through partnerships with companies such as Airbus, SpaceX and Cobham, Thuraya-4 NGS will allow Yahsat to grow across new and existing product lines to deliver higher capabilities and flexibility while increasing capacity and coverage across Europe, Africa, Central Asia and the Middle East to serve all customer segments, including governments, enterprises and consumers.

The new capabilities will drive leadership across many strategic product lines, such as maritime, IoT and data solutions, offering a wide range of throughput capabilities and the highest speeds available in the market, while reinforcing Thuraya's strengths in the MSS voice market.

Despite the continued disruption experienced throughout the year, during 2021 we continued to commit significant investments to the programme, particularly in terms of the satellite itself, its related ground segment and other elements, including the launcher.

The programme remains on track, with the commencement of operations in 2024. This represents a major opportunity for our business, impacting all segments – from space and ground to user terminals and solutions. It is also underpinned by a 15-year UAE Government contract worth more than US\$ 700 million, commencing in 2024.

Building on our two existing MSS satellites – Thuraya-2 and Thuraya-3, Thuraya-4 NGS represents a crucial addition to the fleet that will allow us to continue to support our existing customer base with critical communications and applications, whilst also paving the way for the introduction of new offerings for our customers and distribution network.

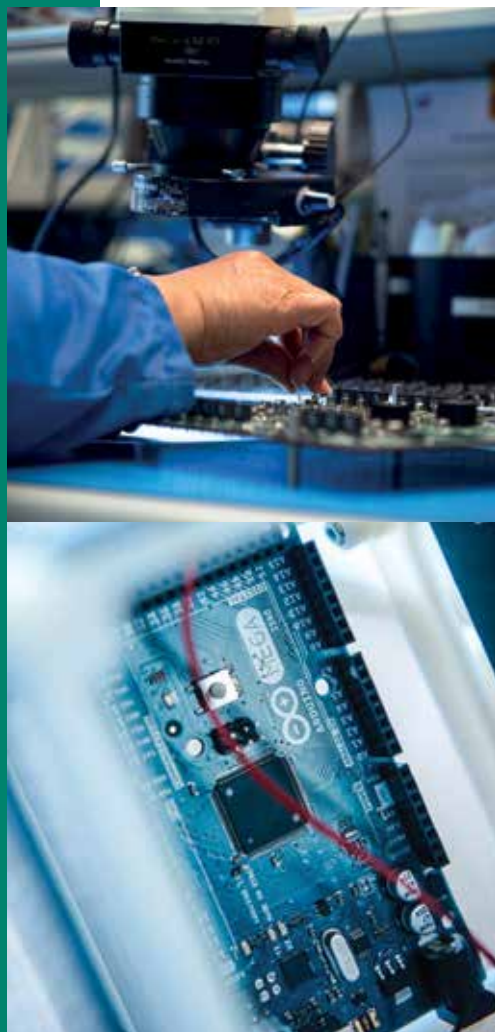
Case studies continued

Star Technologies launched to develop and manufacture satellite communications technology.

Delivering

a self-sustaining satcom industry in the UAE





Satellite Technology. Critical Communications. Human Progress.

Star Technologies, a new joint venture has been established to create value for end users by leveraging R&D and acquisitions to spur the generation of new intellectual property, forming the bedrock of a self-sustaining satcom industry in the UAE.



Star Technologies will specialise in the engineering, design and in-country manufacturing of customised hardware and software, including advanced satellite modems, small form factor antennas and tracking solutions. Its mandate is fully aligned with the UAE Government's economic diversification programme, with the goal of creating UAE-made intellectual property while inspiring future generations to enter the space technology industry.

To support the new JV, Yahsat Government Solutions began focussing its R&D efforts in 2021 toward the development of L- and Ka-band terminals. The first product will be a Star Technologies-branded IP satellite modem system that will complement Yahsat's existing satcom capabilities to enable differentiated high-performance solutions and establish an integrated end-to-end commercial offering for multiple end user segments.

Case studies continued

High-speed internet connectivity via satellite to support smart learning for 300 students in remote areas of the UAE.

Enabling

remote education during the pandemic



Students reached

300

Overall investment

AED 1.1m



Satellite Technology. Critical Communications. Human Progress.

In order to solve issues stemming from the lack of internet connectivity in certain rural communities within the UAE, which were limiting access to e-learning materials during the pandemic, the Ministry of Education sought the support of Yahsat to provide connectivity for students continuing their distance e-learning in the 2021–2022 school year.

Yahsat therefore sought to provide students in remote areas underserved by connectivity options with fast and easy access to the smart learning platforms provided by the Emirates Schools Establishment (ESE).

Having performed onsite accessibility surveys with families to determine number of students and locations that required assistance in Ras Al Khaimah, Fujairah and Sharjah, the Yahsat team provided a solution based on leveraging its YahClick Internet Package and related equipment (satellite dishes and Wi-Fi modems), backed by ongoing technical support for families, at a total overall investment of around AED 1.1 million in 2021–2022.

The solution connected 74 villas to high-speed data services to support e-learning, and more than 300 students served by ESE in remote locations across the Emirates.

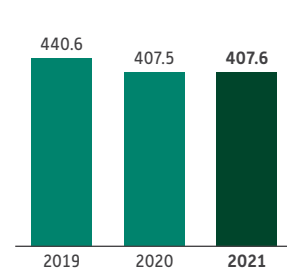
Coupled with Yahsat's high-speed satellite broadband, ESE's Smart Learning programme has been one of the primary drivers of e-learning and inclusion among young children in the UAE since the onset of the pandemic.

Key Performance Indicators

Revenue (US\$m)

US\$ 407.6m

+0.0% YOY



Total income generated by the Company based on nature of services rendered.

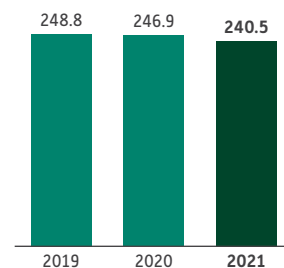
2021 Performance Comment

- 2021 full year revenues of US\$ 407.6 million closed in line with prior year, recovering from a Q1 2021 shortfall of -7.3% vs. the prior year with a clear growth trajectory as we enter 2022
- The business rebounded strongly with an exceptional performance in Q4 2021, traditionally our strongest quarter, with revenues out-performing Q4 2020 and Q3 2021 by 7.9% and 31.0%, respectively

Adjusted EBITDA (US\$m)

US\$ 240.5m

-2.6% YOY



Comprises the Group's amortisation, impairment, fair value adjustments on investment property and share of results of equity-accounted investments.

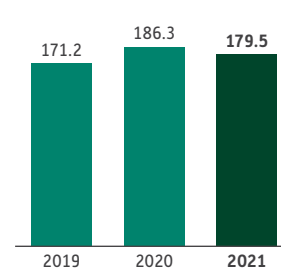
2021 Performance Comment

- EBITDA reached US\$ 240.5 million, generating a margin of 59%, slightly down by US\$ 6.4 million on 2020 as a direct result of the effect of material one-off items that had a US\$ 14 million positive impact on Adjusted EBITDA in 2020 (relating to the transfer of orbital rights) and US\$ 4.2 million of IPO-related costs in 2021
- Staff costs and other operating expenses, in aggregate, fell by 9%, in part reflecting the release of provisions following the collection of certain long-overdue receivables

Discretionary Free Cash Flow (US\$m)

US\$ 179.5m

-3.7% YOY



Cash flow from operations less maintenance and development capital expenditure, investments, taxes and net finance costs.

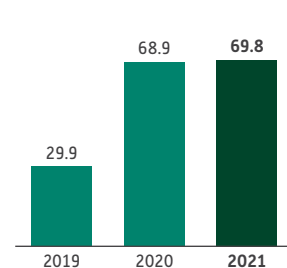
2021 Performance Comment

- Discretionary Free Cash Flow (DFCF) is defined as cash flow from operations less Maintenance and Development CapEx, Investments, taxes and net finance costs.
- 'Investments' refer to investments in associates, net of any dividends received and capital returned
- DFCF in 2021 covers the dividend in respect of the 2021 financial year by 1.7x

Net Income (US\$m)

US\$ 69.8m

+1.2 YOY



**Profit attributable to the shareholders.
Includes Yabsat's equity partnerships.**

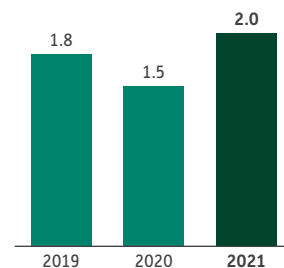
2021 Performance Comment

- Net Income increased by approximately 1.2% to US\$ 69.8 million, underpinned by a stronger performance of the Group's equity partnerships. This includes one-off costs of US\$ 7 million related to the refinancing programme of US\$ 700.5 million, significantly reducing the overall cost of finance going forward

Contracted future revenues (US\$b)

US\$ 2.0b

+36% YOY



Total committed contracted future revenues.

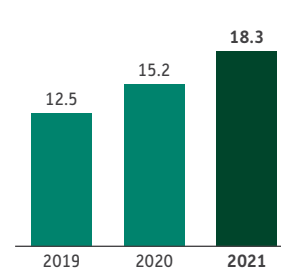
2021 Performance Comment

- Contracted future revenues in excess of US\$ 2 billion as at 31 December 2021, which is 36% higher than at the end of 2020 due to the award of a 15-year Thuraya-4 NGS managed capacity services contract with the UAE Government

Commercial broadband users ('000s)

18.3

+20% YOY



Number of YahClick subscribers (direct and indirect) excluding Brazil figures.

2021 Performance Comment

- Consumer subscriber base grew 20% to over 18,000
- Highest level in six years following the launch of the D2M (direct-to-market) model in South Africa which doubled its subscriber base to over 5,000

Risk management

This section provides an overview of Yahsat's approach to risk management and internal control, the principal risks facing the organisation, as well as processes and actions to identify, assess and mitigate these risks.

The deployment of effective risk management and internal control is a key success factor for realising Yahsat's objectives. Therefore, Yahsat has implemented a **Risk Management & Internal Control framework**. The underlying methodology is based on relevant principles as set forth by the Internal Standards Organisation (ISO) and the Committee of Sponsoring Organisations of the Treadway Commission (COSO).

Responsibility

Ultimate accountability for risk management, internal control, governance and compliance lies with the Yahsat Board of Directors (governing body), which delegates the oversight of implementation and effectiveness to the Audit, Risk and Compliance Committee (ARCC), including policy-setting and application of the framework.

Yahsat's Risk Management & Internal Control (RMIC) function is responsible for implementation of the Group's integrated approach to risk management and internal control. This approach is in accordance with the Three Lines Model of the Institute for Internal Auditors (IIA). It is objective-centric and aims to ensure the effective management of risks that have the potential to obstruct Yahsat from achieving its strategic objectives.

The internal risk and control framework is embedded into the Group at three levels:

First line

It is business management's duty to effectively identify, assess and manage the main risks of the Group. Each functional area has its own characteristics and requires tailored risk assessment approaches.

Second line

The Risk Management and Compliance departments support the business functions to assess their risks by the development, communication, training and monitoring of governance, risk and compliance-related policies, processes and frameworks.

Third line

Yahsat's Internal Audit function provides independent objective assurance over Yahsat's Risk Management and Internal Control system.

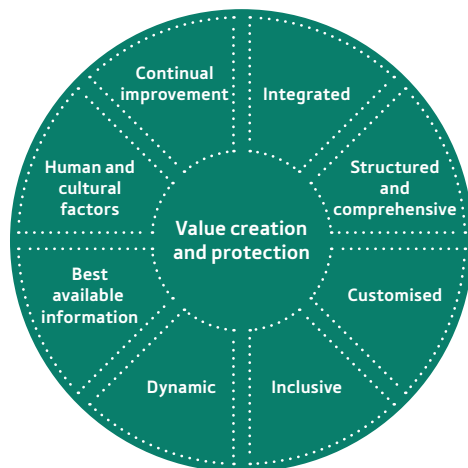
The EVP Internal Audit & Risk Management heads the RMIC function and reports functionally to the ARCC and administratively to the Yahsat CEO.

Risk Management & Internal Control Framework

The purpose of the RMIC framework is to assist the organisation in integrating risk management and internal control into all of its day-to-day activities and functions. The framework is comprehensive and comprises a broad range of elements to support and sustain risk management and internal control throughout the organisation, including vision, mission, principles, guidelines and policies, objectives, mandate and commitment, plans, relationships, accountabilities, resources, processes and activities.

RMIC Vision, Mission and Key Beliefs

Risk Management Principles



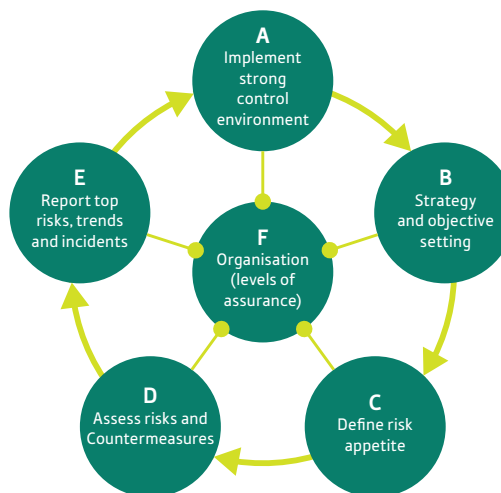
Source: ISO 31000:2018

Internal Control Principles

Control Environment	Risk Assessment	Control Activities	Information & Communication	Monitoring
<ol style="list-style-type: none"> 1 Demonstrates commitment to integrity and ethical values 2 Exercises oversight responsibility 3 Establishes structure, authority, and responsibility 4 Demonstrates commitment to competence 5 Enforces accountability 	<ol style="list-style-type: none"> 6 Specifies suitable objectives 7 Identifies and analyses risk 8 Assesses fraud risk 9 Identifies and analyses significant change 	<ol style="list-style-type: none"> 10 Selects and develops control activities 11 Selects and develops general controls over technology 12 Deploys through policies and procedures 	<ol style="list-style-type: none"> 13 Uses relevant information 14 Communicates internally 15 Communicates externally 	<ol style="list-style-type: none"> 16 Conducts ongoing and/or separate evaluations 17 Evaluates and communicates deficiencies

Source: COSO Internal Control – Integrated Framework: 2013

Risk Management Implementation



RMIC Roles & Responsibilities

RMIC Activities & Reporting

RMIC Roadmap

Risk management continued

Accomplishments and Enhancements

Yahsat continuously strives to strengthen and enhance its risk management, internal control and compliance practices. In 2021, the following activities were performed and enhancements made:

- Introduced regular, periodic reporting to the ARCC on the key uncertainties and threats to Yahsat's strategic priorities
- Effectiveness of the Internal Control Over Financial Reporting (ICOFR) framework tested
- Several risk assessments performed to support management decision-making
- Compliance with the SCA Corporate Governance Guide assessed and relevant corporate policies updated or drafted and implemented (as appropriate)
- Yahsat Fraud Risk Management framework (including the corresponding fraud risk management policy) formalised
- Yahsat Risk Appetite Statement and Risk Dashboard developed
- Yahsat Policy Framework created to ensure streamlined policies
- Training and awareness of Yahsat Group employees on several risk and compliance topics, including but not limited to fraud, information security, code of ethics, trading Yahsat shares and disclosure requirements
- Continuous and ongoing monitoring of the external compliance requirements conducted and non-compliances proactively highlighted through various compliance activities
- Yahsat's own Code of Ethics introduced and standalone Ethics and Compliance function created
- Company-wide compliance trainings conducted to build upon the Group's 'ethics and compliance oriented' culture

Principal Risks and Risk Appetite

Yahsat's principal risks have the potential to prevent Yahsat from meeting its strategic and operational objectives and financial targets. If these risks would partially or fully materialise they may also damage Yahsat's reputation, result in regulatory fines or pose a threat to security and/or safety of employees, customers or (data) assets.

In the pursuit of Yahsat's strategic objectives, the Board is willing to accept measured risks in a responsible way, taking into account our stakeholders' interests. The Board annually reviews and sets Yahsat's strategic objectives,

while considering opportunities and threats. All major investment decisions (strategic projects, mergers and acquisitions) require Board endorsement. Yahsat has a *flexible* risk approach to technological innovation, whereas the approach of the Company towards other risk categories could be qualified as cautious, and for regulatory and compliance risks, there is a *zero tolerance* approach.

Yahsat's overall risk profile has been impacted by COVID-19, which has ramifications for the principal risks. Nevertheless, there have been no major changes in risk ratings, but shifts in focus in existing risks did occur, mainly due to increase in impact and/or probability.

The following list of principal risks is not an exhaustive description of all possible risks. There may be risks not known or risks not fully assessed yet. Existing risks, which are not significant could evolve into a material exposure in the future. Yahsat's internal risk and control systems have been designed to identify, mitigate, and respond to risks in a timely manner. However, full assurance over all risks cannot be guaranteed.

Mapping our principal risks to our Strategic Pillars

Principal Risks	Strategic Objectives			
	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
1 Deteriorating economic and market conditions	✓	✓	✓	✓
2 Increasing business competition	✓	✓		
3 Sustainability challenges	✓	✓	✓	✓
4 Service disruptions	✓	✓		
5 Supplier and supply chain dependency	✓	✓	✓	
6 Customer dependency	✓			
7 Satellite development project risk		✓	✓	
8 Inability to attract and retain qualified people	✓	✓	✓	✓
9 Liquidity risk	✓	✓	✓	
10 Interest rate risk	✓	✓	✓	
11 Currency risk		✓		
12 Credit risk			✓	✓
13 Changes in tax regulation	✓	✓	✓	✓
14 Legal and regulatory challenges	✓	✓	✓	
15 Orbital slots and spectrum risks	✓	✓	✓	✓

Principal Risk	Description	Mitigation	Responsible Manager
Strategic Challenges			
1 Deteriorating economic and market conditions	A deterioration in global and regional (MENA) economic conditions may have an adverse effect on the Group's revenue. The impact of these conditions on the overall revenue will depend on the severity of the economic issue, the countries or regions affected and potential government responses.	<ul style="list-style-type: none"> Economic and market conditions in the Group's key markets are considered during the annual budget and business planning processes. The most significant risks are subject to a sensitivity analysis and related mitigating measures are identified and, if required, implemented. 	Chief Financial Officer
2 Increasing business competition	<p>The satellite communications market is highly competitive. Increased competition may arise from current competitors and/or new market entrants. Also, new technologies introduced by competitors may reduce demand for Yahsat's services or may render Yahsat's technologies obsolete.</p> <p>These challenges could hinder or prevent the Group from implementing its business strategy and expanding its operations as planned.</p>	<ul style="list-style-type: none"> The business case for new satellite programmes is typically underpinned by long-term capacity agreements to justify the cost and ensure long-term utilisation. For example: <ul style="list-style-type: none"> A long-term services agreement with UAE Government for managed capacity services over a 15-year period supported the build costs and projected utilisation rate of Thuraya-4 NGS. This contract added more than US\$ 700 million to contracted future revenues and provides security of future cash flows. The Company's appointment to assess two potential new satellites (Al Yah 4 and Al Yah 5) for the UAE Government are to be supported by a new long term-capacity agreement. New partnerships have been established in both our Mobility and Managed Solutions businesses for vertical integration and innovation. Launched attractive and differentiated new mobility products for maritime and increased focus on new IoT and data products to align to customer focus and demand. Ongoing expansion of Data Solutions consumer subscriber base and investing in the Enterprise segment. Established a joint venture, Star Technologies, to increase value chain control by developing and manufacturing critical satellite communication equipment in the UAE. Signed a Memorandum of Understanding (MoU) with G42 to collaborate on the remote sensing and situational awareness markets, potentially diversifying the Company's business and capabilities. 	Heads of business lines
3 Sustainability challenges	Yahsat may fail to meet stakeholder expectations relating to environmental, social and governance (ESG) or fail to comply with the growing portfolio of ESG legislation and government regulations. This could lead to customer loss, lower profits in the future and brand and reputational damage.	<ul style="list-style-type: none"> The implementation of a Yahsat sustainability framework, including strategy and performance indicators, has been started in 2021 and is being pursued as both a discrete area of focus and a principal consideration when forming other aspects of the Group's strategy. 	Chief Executive Officer

Risk management continued

Principal Risk	Description	Mitigation	Responsible Manager
Operational Threats			
4 Service disruptions	<p>Yahsat's ability to deliver services to its customers depends heavily on its critical network assets, including satellites and ground and IT systems.</p> <p>Yahsat could face service disruption due to technical malfunctions or physical damage caused by either natural uncontrollable events or by manmade events like terrorism and cyber attacks.</p>	<ul style="list-style-type: none"> The Group has effective business continuity and crisis management protocols established, which are regularly reviewed and tested. Continued implementation of regularly updated information security activities and protocols. Various back-up and redundancy measures are in place for the satellite, ground and IT infrastructure, with certain systems being air-gapped to dramatically reduce the likelihood of external interference. Robust satellite operations and oversight processes have been implemented. The health of the satellite fleet is continuously monitored and assessed. Proactive monitoring of IT and network by Enterprise Security team to identify and mitigate security threats. The Group's cyber security capability is continuously being strengthened to improve security visibility and risk intelligence. Regular communications to educate and increase awareness of personnel regarding security and privacy. In-orbit insurance policies are in place to provide for satellite failure or loss (subject to customary exclusions). 	<p>Chief Technology Officer</p> <p>Chief Operations Officer</p>
5 Supplier and supply chain dependency	<p>The Group relies on a limited number of third parties for key equipment, technology and services, as well on the supply chain to receive and deliver goods. Our operational results may be materially adversely affected if any of these third party providers fails to perform as contracted. Also, any breach by these suppliers of relevant legislation such as data protection, security, export controls, sanction compliance, privacy, human rights and/or environmental laws, could negatively impact Yahsat's reputation.</p>	<ul style="list-style-type: none"> Central procurement processes have been established including due diligence screening of potential suppliers. Each supplier is required to confirm compliance with our Business Partner Code of Conduct, with supporting evidence as appropriate. Agreements with suppliers include requirements for compliance with Yahsat's corporate policies (e.g. data protection, trade controls, human rights and environmental laws) and, if applicable, termination, exit and right to audit clauses. For key suppliers, service level agreements are defined, which are closely monitored by the responsible business owners. See also Risk 7 below (Satellite development project risk). 	<p>Chief Financial Officer (Procurement)</p> <p>Heads of department (Supplier management)</p>

Principal Risk	Description	Mitigation	Responsible Manager
Operational Threats			
6 Customer dependency	The Group is reliant on a single large customer for more than half of its revenue and the loss of, or any significant reduction in expenditure by, this customer could materially adversely affect the Group's business.	<ul style="list-style-type: none"> Strong relationships with the UAE Government, underpinned by the Al Yah 1 & 2 CSA and the recent 15-year Thuraya-4 NGS Managed Capacity Services Agreement, commencing in 2024, as well as the recently announced a five-year mandate to provide enhanced managed services for ground satellite communications services and solutions. New satellite programmes and associated long-term capacity agreements with UAE Government are under discussion. Close relationship management activities are undertaken to ensure that the UAE Government's communications needs are understood, anticipated and addressed with industry-leading, cost-effective solutions. Diversification initiatives in place with focus on other regional government, large enterprises and establishing partnerships in the value chain. 	General Manager – Yahsat Government Solutions
7 Satellite development project risk	Yahsat is managing high-value, long-term satellite development projects. These projects contribute significantly to sustain and grow our business. In addition to the regular project risks like delays, cost overruns and quality issues, these projects are also subject to construction and launch risks. If any of these issues or risks occur, it could have a material and adverse effect on the Group's operations and financial results.	<ul style="list-style-type: none"> Robust and stringent management has been established for the Thuraya-4 NGS programme, with frequent direct interaction with the constructor and regular in-country reviews of project progress. Yahsat is further strengthening its PMO processes in light of expected new satellite programmes. Additional time buffer is built into satellite development programmes to provide a limited amount of protection against delay and schedule risk. Furthermore, certain technical solutions may also be factored into the satellite design or launcher specification to reduce orbit-raising times. For key suppliers, service level agreements are defined, which are closely monitored by review of deliverables (preliminary design reviews, critical design reviews, etc.). Comprehensive launch and in-orbit insurance policies are in place to provide for satellite failure or loss. 	Chief Technology Officer
8 Inability to attract and retain qualified people	Failure to effectively attract, develop and retain talent with the skills and experience to deliver on current and future requirements, could impact our ability to achieve growth ambitions and operate effectively.	<ul style="list-style-type: none"> Reward and recognition programmes have been implemented, including a LTIP for key management positions, with such total reward approach being periodically benchmarked and reviewed. Succession planning is periodically updated. Working with best recruitment agencies to fill vacancies. Focus on visibility of organisation, being an employer of choice and employees being Yahsat ambassadors. 	Chief Human Capital and Administration Officer

Risk management continued

Principal Risk	Description	Mitigation	Responsible Manager
Financial Threats			
9 Liquidity risk	Risk that the Group will not be able to meet its financial obligations as they fall due.	<ul style="list-style-type: none"> The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group ensures that it has sufficient cash and liquid assets on demand to meet its expected operational expenses; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The Group has a robust planning and reporting process to manage its short- and longer-term cash position and requirements. Active working capital management, business planning, rolling short- and longer-term cash flow forecasts are regularly prepared and reviewed by the Group's CFO. The Group has historically maintained a strong cash balance, which as of December 2021 stands at over US\$ 400 million and low leverage. The Group also maintains long-standing relationships with lenders and banks. Certain liabilities are covered by insurance policies. 	Chief Financial Officer
10 Interest rate risk	Changes in market interest rates may have an adverse effect on the Group's borrowings, bank deposits and net finance.	<ul style="list-style-type: none"> The Group's interest-rate risk arises mainly in connection with its borrowings which typically bear variable interest rates (e.g. at LIBOR plus a margin). To mitigate the uncertainties associated with variable interest rates, the Group enters into interest swap agreements to fix the interest rates. For example, the Group entered into a cash flow hedge, by acquiring an interest rate swaps (IRS), to hedge the variability in interest rates with respect to Term Loan and ECA facility entered into in June 2021. Under the IRS agreements, the Group received a variable rate of interest equal to LIBOR and pays fixed rate on notional amounts that mirror the drawdown and repayment schedule of the loan. The Group invests surplus cash in short-term bank deposits on a fixed interest rate basis. 	Chief Financial Officer
11 Currency risk	Fluctuations in exchange rates of assets and liabilities held in foreign currency or changes to the USD/AED peg can adversely affect Yahsat's results.	<ul style="list-style-type: none"> The Group's revenues as well as spend are predominantly priced in USD (which is also the Group's functional currency) and in AED which is pegged to USD. The Group is exposed to currency risk in respect of its investment in its Brazilian associate, and regularly monitors the movement in exchange rates to assess the sensitivity and impact to its long-term business plan. 	Chief Financial Officer
12 Credit risk	The Group may face financial losses if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This risk arise principally in relation to the Group's receivables and cash held at bank.	<ul style="list-style-type: none"> The Group considers the risk of concentration as low, with respect to trade receivables and contract assets, since credit risk is mitigated by the financial stability of its customers, with nearly half of the receivables due from related parties and government-related entities. Under certain circumstances the Group also seeks performance bonds and payments guarantees from counterparties to support the due performance of their obligations. With respect to cash and short-term deposits, the Group minimises its exposure to credit risks by entering into agreements with reputable financial institutions and banks. 	Chief Financial Officer
13 Changes in tax regulation	Introduction of corporate income tax in the UAE and any subsequent amendment, could adversely affect the Company's financial results.	<ul style="list-style-type: none"> The UAE corporate tax will apply to the Group from 1 January 2024. As part of the implementation, the Group has started reviewing the available guidance issued by the UAE Tax Authority and will perform a thorough assessment to put in place an optimum and compliant tax structure based on the detailed regulations, expected to be released in mid-2022. The Group's corporate income tax exposure in respect of its foreign operations is not material. The Group has historically been tax compliant and regularly reviews changes in local tax legislations to ensure continued compliance. 	Chief Financial Officer

Principal Risk	Description	Mitigation	Responsible Manager
Compliance Challenges			
14 Legal and regulatory challenges	<p>The Group can be exposed to non-compliance with laws and regulations across different jurisdictions, or a breach of internal policies, including but not limited to, those related to bribery and corruption, fraud, insider trading, data privacy, trade sanctions and competition law. As our business spreads geographically, covering some markets with a higher exposure from a compliance point of view, the Group may face legal and regulatory risks or challenges due to changing local, regional or global policies.</p> <p>Non-compliance could result in fines, restrictions on business, third party claims, and reputational and brand damage.</p>	<ul style="list-style-type: none"> The Group's Code of Ethics sets out the principles, standards and behaviours necessary to achieve our objectives and uphold our values. It makes clear that we not only follow the law, but strive to operate with the highest levels of ethics and integrity. The Code of Ethics is supplemented and supported by a number of policies, including policies relating to anti-bribery and corruption, working with governments, insider trading, securities trading, fair competition, export control and sanctions compliance and confidentiality and data privacy. A comprehensive Ethics and Compliance programme is in place addressing compliance monitoring, reporting, risk assessments, training and investigations. Key Ethics & Compliance controls are tested for design and effectiveness annually as part of the Group's ICOFR framework. Security screening of all new employees and contractors. Each supplier is required to confirm compliance with our Business Partner Code of Conduct, with supporting evidence as appropriate. The Group maintains relationships with key legal and other advisors in relevant jurisdictions to seek to remain abreast of legal and regulatory developments. 	General Counsel
15 Orbital slots and spectrum risks	<p>Yahsat is subject to orbital slot and spectrum access requirements of the ITU and regulatory and licensing requirements in each of the countries in which the Group provides services.</p> <p>Yahsat could lose access to certain frequency bands or fail to maintain or obtain required orbital slots due to non-adherence with ITU operating procedures, space debris requirements, international satellite regulations, conflicting/overlapping frequency bands or slots becoming unavailable for acquisition. This may result in inability to perform government and commercial business plans, loss of business partners and have a significant adverse revenue impact.</p>	<ul style="list-style-type: none"> Yahsat proactively participates in advocacy with the ITU and continuously looks for opportune orbital position filings to make. The Group currently has more than 200 active ITU filings. The spectrum team has developed a three-year roadmap for filing maintenance, to identify filings in which Yahsat is looking to maintain priority for future use. Orbital slots for future satellites have been secured. Yahsat complies with stringent space debris requirements as per ITU and IADC (Inter-Agency Space Debris Coordination Committee). 	Chief Strategy Officer

Our people

The Yahsat team

Our people are the driving force behind our success and a key asset for the UAE's strategic space industry. Yahsat's comprehensive human capital policies and initiatives ensure a healthy, diverse and inclusive workforce, whilst our training programmes provide opportunities for continuous professional development and personal growth for all, in a safe and inspiring working environment.



Yahsat continues to build the competency of our workforce, whilst maintaining an innovative, sustainable and creative culture across the Group, through our comprehensive employee engagement and development initiatives.



Yahsat's workforce comprises highly-skilled employees representing multiple nationalities, skillsets and backgrounds.

As at the end of 2021, we had 477 employees across Yahsat in the UAE and across our international operations, including contractors.

Through our comprehensive employee engagement and development initiatives – aligned with our core values of Respect, Creativity, Agility, Reliability and Customer Focus – Yahsat continues to build the competency of our workforce, whilst maintaining an innovative, sustainable and creative culture across the Group.

We value diversity in all respects, recognising the benefits that an inclusive and diverse organisation can offer to our employees, customers, investors and other stakeholders, and how this contributes to our successful strategy and operations and drives value creation for the Group.



Investing in future talents

477
Total workforce²

42
nationalities

40
years average age

16%
female employees

43%
of employees with 5+ years of experience

52%
Emiratisation¹

1 Emiratisation excluding third party contractors
2 Including 23 additional contractors

Our people continued

Yahsat Learning in 2021

1,377

eLearning courses completed

110

employees following individual development plans

330

number of mapped tailored courses L&D team assigned to employees (external, in house and virtual training)

2

employees selected and successfully graduated from the prestigious UAE Government Leaders' programme

13

employees planned to receive in-depth training to support the Thuraya-4 NGS programme, including 2.5-month training programme

19

employees sponsored for higher education, both financially and non-financially

Recognising Employee Innovation

Yahsat hosts an annual innovation award programme, Fekrati, which was launched to promote and embed a culture that values creativity and inspires excellence in individuals and teams throughout the Group.

The programme encourages employees to propose innovative ideas to improve our business in the following three categories: Technical, Business Processes and Human Development.

The Fekrati committee, which is composed of individuals drawn from across the Company, rates the proposals and selects winners in each category who are recognised and rewarded during the annual staff retreat before being provided with the time, resources and support to implement their innovative ideas. The innovation awards will place increasing emphasis on sustainability as a key theme in future editions.

Talent Development

Yahsat is proud of its status as a hub for development and innovation, and a prominent talent incubator for the space, satellite communication and engineering industries.

Emiratisation

Yahsat is committed to Emiratisation and is a pioneer in our country when it comes to the hiring and training of UAE nationals. At year-end 2021, had 175 Emirati employees, accounting for 52% of our workforce and exceeding our current target of 50%. The target is to retain and develop the current proportion of Emirati talent under a progressive policy as Yahsat grows.

We place a strong emphasis on building internal technical and leadership capabilities in order to develop a strong internal talent pipeline and gain competitive advantage in today's global market. One way this is done is through focussing on training a layer of UAE nationals in line as successors for C-level appointments through strategic development, equipping them with the skills and knowledge required to compete and excel. Key strategic programmes are designed and executed with the intent of vital knowledge transfer and development in building the next line of frontiers in the space industry.





GROW programme

As part of the Talent Management strategy, the GROW programme is designed to identify critical human resources to assume roles of increasing responsibility across the organisation at the C-suite level, of which technical scope Chiefs have been developed and promoted from within the organisation.

Employees are identified as early as five years before possible advancement, and provided with the requisite leadership capabilities and technical knowledge through a combination of personalised education, coaching, mentoring and project placement.

In 2021, five deputy senior executives were promoted to senior leadership roles as chief officers and general managers as a result of their progression through the GROW programme. These five unique personal development journeys mirror and complement Ychsat's own extraordinary story of growth that commenced just over a decade ago with the launch of its first satellite.



LinkedIn Learning theme: Empowering female employees

Ychsat is a progressive company that actively supports the advancement of women in the workforce and seeks to embed gender equality and equity in our industry. In order to empower our female leaders to fulfil critical roles, the Ychsat Learning & Development team has released its first month-long Company-wide Learning Theme, featuring 'Women Empowerment in Leadership & Tech'.

The accompanying, curated learning collection features materials outlining the importance of recognising gender bias and advocating inclusion, promoting an exploration of the soft skills needed to cultivate and develop personal and professional growth while navigating and managing a healthy work-life balance.

Training and Professional Development

We have set out an integrated Talent Management process that aims to provide a systematic and strategic approach to achieve our ambition of nurturing and developing our employees and appointing them to suitable opportunities as their careers evolve with us. Our talent management approach provides the necessary set of principles and processes to achieve this for the mutual benefit of our staff, the organisation and our customers.

Our talent management goals seek to:

1. Ensure a diverse, capable and evolving local leadership population across critical levels and professions.
2. Establish succession pipelines, supported through robust planning approaches.
3. Ensure the organisation maintains an excellent reputation for career development.
4. Create and promote an attractive brand to attract external talent through recruitment processes.

A key outcome of the Integrated Talent Management strategy is a formal succession plan to effectively establish, nurture and maintain our Group-wide talent pool, ensure efficient talent mobility and assure business continuity in the years ahead.

We continue to enhance and expand our professional development offering, through specific C-suite initiatives, providing personalised leadership and on-the-job training programmes, delivered in conjunction with leading international business schools. Ychsat intends to expand their training to include an increasing focus on sustainability in the future.

Owing to the various restrictions associated with the COVID-19 pandemic, and the need to preserve the safety and health of our people, Ychsat has accelerated the use and impact of our eLearning, in collaboration with leading learning platforms, Coursera and LinkedIn Learning.



Our people continued

Women at Yahsat

16%

of total workforce is female

24%

female UAE nationals within the total UAE national employee population

19

different nationalities

14

hold positions of VP or above



Gender Diversity

Yahsat prides itself on its success in fostering inclusivity and harnessing the energy and creativity that comes from maintaining a diverse, engaged workforce.

We seek to embed gender equality and diversification in our workforce by hiring female staff, predominantly in the technical/space field, as well as in leadership roles, reflecting the national goals embodied in Abu Dhabi's Economic Vision 2030.

Yahsat is also developing a policy to commit to advancing gender diversity through active support in the form of increased benefits to support female employee wellbeing, promote better work-life balance, establish enhanced maternity leave policies and upskill female employees in their respective fields. Meanwhile, our stringent Human Capital Policies ensure that remuneration remains fair, equal across genders and aligned with international best practices.

In order to support our female employees to balance their professional and personal lives and ease the transition back to work, Yahsat implemented a new initiative this year to provide new mothers the choice of working from home for two additional months after completing their maternity leave.



Safety and Wellbeing

An Incentivised and Engaged Workforce

We continue to promote a healthy work-life balance, a policy allowing employees the flexibility to work from home has been implemented in 2021. Seeking to ensure our people have a proper work-life balance, are fully engaged and invested in our strategic development goals.

Yahsat operates focussed retention schemes for critical positions across the Group, and we are currently in the process of approving our new Long-Term Incentive (LTI) framework – a post-IPO retention and incentive plan that aims to increase retention rates among critical executives on a rolling, annual basis.

Yahsat People Survey

The results from our most recent employee engagement survey – the Yahsat People Survey – are highly encouraging, showing an overall improvement over the previous year, and indicating areas for further improvement in 2022 and beyond.

This annual tool is used to measure employee engagement and commitment levels across the Company, and we place significant importance on honest feedback upon which to create subsequent initiatives.

The results of the Survey show improvement across all areas, with a 2-point rise in our overall engagement score from 80 to 82, out-performing regional benchmarks, and a rise in emotional engagement from 52% to 57%, respectively, between 2020 and 2021.

The 2021 response rate was 89% – a 2% improvement on the previous year – which is also highly encouraging given the prevailing circumstances in 2021 stemming from the

pandemic. The results show substantial increases in the breakdown of both transactional and emotional engagement. The overall trend showed a continued improvement in all 12 engagement question areas a result of significant focussed efforts to increase employee engagement across the board.

The categories in which improvements were most notable include Safety & Security, Communication, Vision & Values and Organisational Values, which are all key areas for emotional engagement. We are now moving forward by creating action plans to address further opportunities for engagement growth.

Awards and Recognition

In recognition of Yahsat's dedication to enhancing and supporting our talent, we received a number of awards during the course of 2021.

Reflecting the depth of female expertise in Yahsat, Layla Al Hayyas – our Executive Vice President of Human Capital and Head of

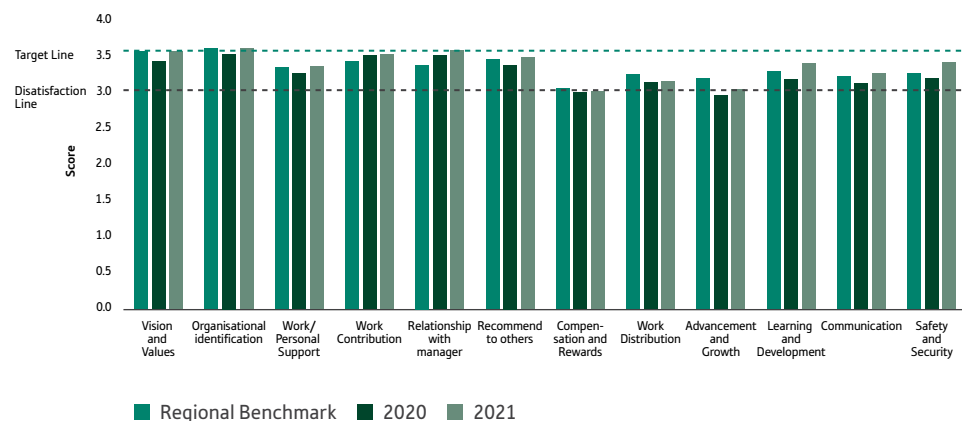
Investor Relations – received the Women Leader of the Year award at the GCC Human Capital Summit in 2021.

At the 9th Annual GOV HR Summit, which celebrates excellence in people performance across the Abu Dhabi private and public sectors, Yahsat was honoured with the 'Crisis Communication Management Award'. This prestigious award recognised Yahsat's effective management of COVID-19, as the company that most effectively strategised and communicated its plans to mitigate the impact of the pandemic on the organisation, its employees and its stakeholders.

Social Responsibility

Yahsat operates a successful internship scheme to support young people in gaining experience prior to their graduation from high school, the majority of which was delivered online in 2021 given COVID-19 requirements. In 2021, we provided on-the-job training to 16 interns across the Group, achieving an average feedback rating of 3.7 out of 4.

Yahsat People Survey Results



The Khalifa University Space Technology & Innovation Center

Yahsat has collaborated with the UAE Space Agency and Khalifa University to support the development of homegrown Emirati talent to lead its National Space Programme.

The primary mission of DhabiSat – the second CubeSat built by Khalifa University students – is to enable students to design, implement and test software modules for attitude determination and control subsystems (ADCS).

To support Khalifa University and the students, Yahsat established the "Yahsat Space Lab". Yahsat provided full support in terms of funding and expertise to ensure that the lab is within specifications and all equipment are supplied. Our ongoing Space Programme has proven to be an excellent platform for grooming Emirati talent in the space and system engineering fields, and DhabiSat is yet another example of its success, having been successfully deployed into orbit in 2021.



Stakeholder engagement

Delivering value to shareholders and the world

We have identified five main stakeholder groups who are vitally important to the success of the Group – we ensure we are continuously aligned through regular and ongoing communication throughout the year.



Our Employees

How we engage

- Through line managers, Group-wide and team-wide internal communications, online hub, campus activity at meetings and key events or celebrations during the year
- Open-door policy

How often we engage

As and when required

Key issues/items discussed

- Key achievements
- Business development
- Quarterly updates
- Individual performance

Any actions from these discussions that Yhsat is/will implement

Follow-up with changes if necessary, on any areas discussed with employees

How we create value for the stakeholder group

- Enabling more CEO and Senior Management engagement through live and remote internal comms
- Focusing on putting employees at the heart of the organisation



Our Customers

How we engage

- Primarily through account managers at YahClick, Thuraya and YGS
- At events throughout the year

How often we engage

As and when required

Key issues/items discussed

- Performance
- Opportunities
- Business status
- Relationship building
- New offers, retention offers, bill status for customers of Yahsat products

Any actions from these discussions that Yabsat is/will implement

Operational and strategic action taken depending on the discussion

How we create value for the stakeholder group

- Providing an understanding of our key business imperatives
- Ensuring customers are getting the best value



Our Suppliers & Partners

How we engage

- Through account managers at YahClick and Thuraya, Senior Management interactions when required, industry shows and events

How often we engage

As and when required

Key issues/items discussed

- Performance
- Opportunities
- Business status
- Relationship building

Any actions from these discussions that Yabsat is/will implement

Operational and strategic action taken depending on the discussion

How we create value for the stakeholder group

- Providing an understanding of our business priorities and how they are best suited to deliver against our business needs



Our Community

How we engage

- Through events and initiatives during the year, partnerships with entities including the Ministry of Education

How often we engage

As and when required

Key issues/items discussed

- Fulfilling a need or support for a given initiative
- Partnership opportunities

Any actions from these discussions that Yabsat is/will implement

Provision of support or services when required

How we create value for the stakeholder group

- Assisting communities in times of need, where and when collaboration and support is most needed



Our Shareholders

How we engage

- Through IR, Senior Management and Board of Directors on calls, issuing press releases and earnings presentations, and other communication and at scheduled meetings, including the AGM

How often we engage

As and when required

Key issues/items discussed

- Financial and operational performance
- Opportunities
- Business status
- Future outlook
- Upcoming events and activities
- Ad hoc events or activities

Any actions from these discussions that Yabsat is/will implement

Operational and strategic action taken depending on the discussion

How we create value for the stakeholder group

- Keeping shareholders well informed of our business performance and future plans and outlook
- Fostering transparency and openness in all communications

Sustainability at Yahsat

Sustainable development has become a topic of critical importance to corporations, governments, communities and stakeholders throughout the world. At the recent United Nations 26th annual Climate Change Conference (COP26) in Scotland, over 150 countries submitted updated climate change plans to reduce their emissions by 2030.

Throughout the Middle East, multiple stock exchanges continue to introduce or mandate Environmental, Social and Governance (ESG) reporting requirements for all listed companies. In the United Arab Emirates, multiple national ambitions contain sustainability-related objectives, including the UAE Energy Strategy and the UAE National Space Strategy 2030.

To ensure we are in the best possible position to effectively continue and improve our contributions towards promoting sustainable development, we set out to meet three key objectives as a Company in 2021 and 2022. The first objective was to identify and understand the sustainability-related areas of most importance to the Group as a whole. The second was to develop an appropriate approach to report on and manage these areas. The third objective was to develop a sustainability strategy to improve the Group's overall ESG/sustainability performance.

Material Sustainable Areas

Materiality assessments are a valuable tool to identify and prioritise the relative importance of sustainability-related areas to a business. As an initial step in conducting such an assessment, we strove to understand the sustainability-related areas where our business has the greatest impact, or the greatest potential to be impacted – which are most likely to influence the evaluations and decisions of our key stakeholders. To accurately identify all such areas, we reviewed: reputable sustainability standards; international and national ambitions; the Abu Dhabi Securities Exchange ESG reporting requirements; sector-specific areas assessed by ESG rating agencies; the sustainability-related areas reported on by Yahsat's peers; and the interests of key stakeholders.

Sustainability Standards



International & National Ambitions

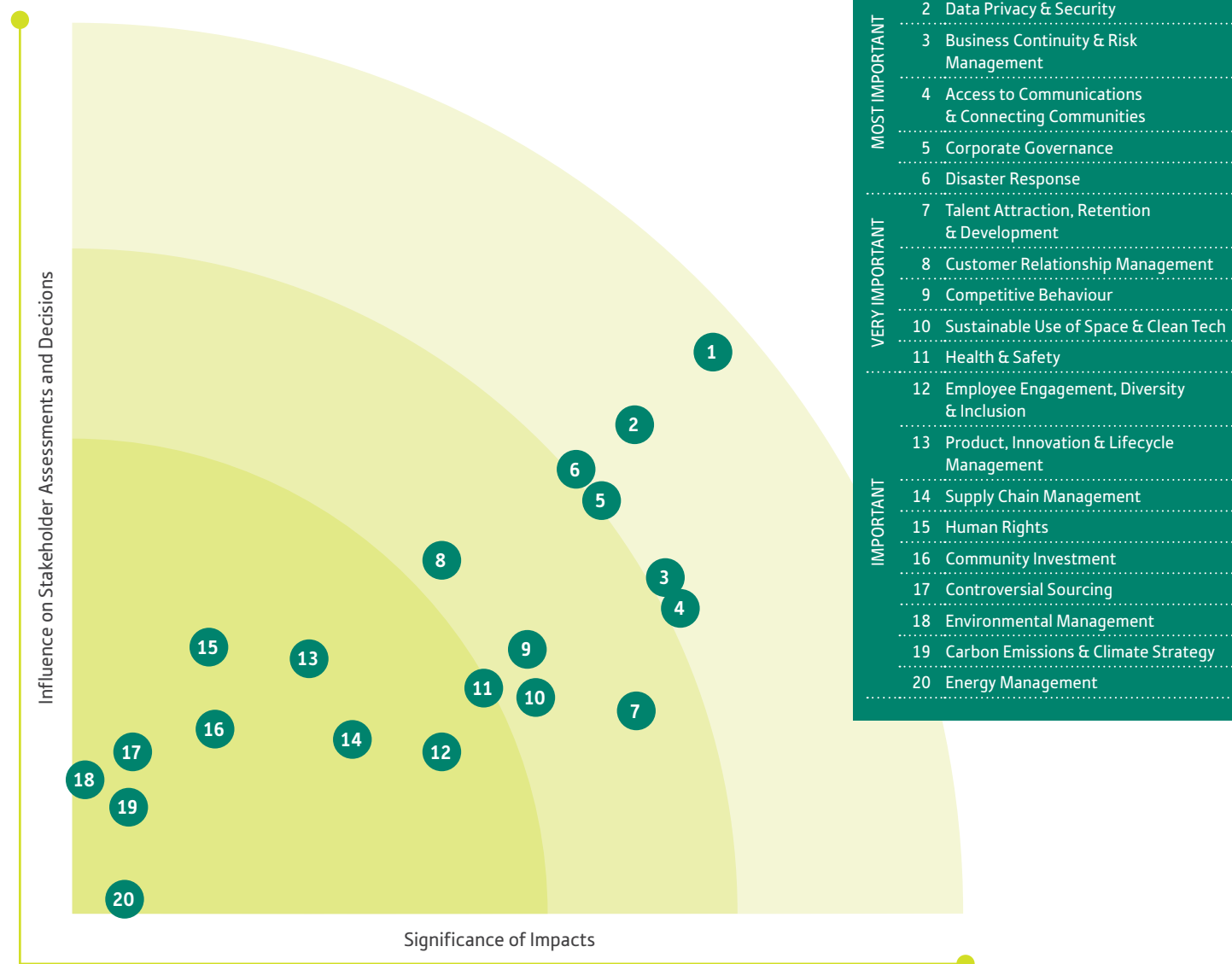


Yahsat's key stakeholders are depicted below. Across our business, we continually seek to understand the expectations and interests of our stakeholders through several modes of engagement, including the Investor Relations Department, internal communications, periodic meetings and Annual General Meetings (AGMs).



Once the relevant sustainability-related areas had been identified and assessed, the priority of each area was decided by our Senior Management. The resulting materiality matrix below highlights the 20 sustainability-related areas identified as being pivotal to the business, categorised from 'Important' to 'Most Important'.

Sustainable Areas Materiality Matrix



ESG continued

Sustainability Framework

Upon completing the materiality assessment, we then created a robust sustainability framework to formalise and focus the Group's approach to promoting sustainable development, especially in terms of: managing relevant sustainability-related areas; monitoring and reporting on progress; and strategy development. The framework comprises five pillars, with each pillar addressing specific sustainability-related areas. Through this structured, strategic approach, we aim to cumulatively create value for ourselves and our key stakeholders.

The Future of Sustainability at Yahsat

We are currently involved in numerous sustainability-related activities (discussed in more detail in Yahsat's inaugural 2021 ESG Report¹) and we actively seek ways to improve our overall sustainability performance. To ensure that we continue to positively contribute towards sustainable development, a Group-wide sustainability strategy spanning the next three years will be developed during the first quarter of 2022. We will provide updates on this strategy and the progress that has been achieved in subsequent ESG and annual reports.

¹ Please refer to the Investor Relations section of Yahsat's website to view the Standalone 2021 ESG Report: <https://www.yahsat.com/en/investor-relations>

Five pillars of sustainability



1

Reliable Corporate Governance

We are committed to operating with integrity and maintaining the highest professional and ethical standards in every aspect of our business. Through our established and evolving governance structures, we aim to ensure all of our operational activities are performing as intended, including complying with local and international regulations, improving business performance and ensuring stakeholder interests continue to be met.

Material Issues Covered	Business Ethics Business Continuity & Risk Management Competitive Behaviour Corporate Governance Data Privacy & Security
UAE National Space Strategy 2030	Ensure a supporting legislative framework and infrastructure to match the future developments in the sector
Abu Dhabi Economic Vision 2030	Develop a sufficient and resilient infrastructure capable of supporting the anticipated economic growth
Sustainable Development Goals	  

Corporate Governance

The majority of Ychsat's Board of Directors ("Board") is independent. Together, the Directors draw on a wealth of relevant and varied experiences and skills to successfully guide Ychsat in the direction of its vision. Each Board member has held, or continues to hold, leadership positions in reputable organisations, across a range of industries spanning telecommunications, space, defence, security, military, manufacturing, artificial intelligence, media, finance and government. The Board's overall performance is evaluated annually. In 2021, members received training in several topics, including: Directors' duties; corporate governance; disclosure obligations; insider trading; and related-party transactions.

To ensure Ychsat was successfully prepared for an initial public offering (IPO) on the Abu Dhabi Securities Exchange (ADX), an IPO readiness workstream was created. This involved a comprehensive review of Ychsat's policies, processes and governance, from the perspective of separating from Mubadala, the majority shareholder of Ychsat, and meeting all relevant regulatory requirements. A number of important governance structures and policies have been updated and created as a result, including: an independent Ethics and Compliance function; a Code of Ethics; a Nomination and Remuneration Board Committee; a Competition Law policy; and a whistle-blowing mechanism.

Business Ethics

Ychsat's Ethics and Compliance (E&C) function is independent and directly reports to the Audit, Risk and Compliance Committee of the Board. The E&C function developed Ychsat's Code of Ethics, with the aim of enabling the Group to achieve its commercial objectives while operating at the highest levels of integrity, and an E&C charter, which facilitated the development of a framework and necessary policies and processes to effectively execute the function's defined roles and responsibilities.

Ethics and compliance training is conducted on an annual basis, educating employees on key areas such as: conflicts of interest; gifts; entertainment; anti-bribery; corruption; export control and sanctions compliance; fraud awareness; and business partner due diligence. Trainings were conducted virtually during 2021 and included e-learning quizzes and a mandatory acknowledgement of the Code of Ethics' principles from all employees.

Any violations of Ychsat's Code of Ethics and other established codes of conduct can be reported through several channels, including two dedicated email addresses for employees and non-employees, and a helpline. All matters reported to the E&C function are individually reviewed, investigated and adjudicated. During 2021, no instances of ethical-related violations were reported.

Competitive Behaviour

Ychsat's Competition Law Policy provides guidance for employees on how to ensure they do not engage in anti-competitive behaviour. Specifically, guidance is provided for:

- Participation in trade associations
- Business with competitors
- Obtaining competitive information
- Business in a dominant market position
- Mergers, acquisitions or joint ventures
- Procurement practices

Any violations of the Competition Law Policy can be reported to Ychsat's General Counsel and/or the E&C function. During 2021, no anti-competitive violations were reported.

Data Privacy & Security

At Ychsat, we take the secure protection of information extremely seriously. To ensure our information security (IS) activities are appropriately managed, comprehensive governance structures have been established and include, among other policies and procedures, an IS Committee, charter and policy.

The IS Committee comprises our Chief Executive Officer, Chief Operating Officer, Enterprise Security Manager, the IS Manager and additional members if necessary. Its main responsibilities include: overseeing the enterprise-wide security programme; the approval of IS policies; evaluating and proposing IS-related investments; monitoring IS initiatives; and periodically reporting to the Board's Audit, Risk and Compliance Committee. The IS policy applies to all information assets and systems, and was created to ensure the confidentiality, integrity and availability of information through a uniform approach and defined responsibilities.

Other policies that have been established to: support data privacy and security related to IS awareness; IS training; IS risk management and incident management; data classification and protection; asset management; data centre code of conduct; access control; third party security; removable media; secure systems development; and change control. During 2021, there were no identified leaks, thefts or losses of customer data.

ESG continued

Business Continuity & Risk Management

Business continuity management (BCM) continues to be a fundamental practice at Yahsat. Periodically tested and audited BCM plans and practices ensure our business functions and services operate uninterrupted, and that we are able to effectively and efficiently respond to any risks that may materialise. Key risks include: fires; spacecraft anomalies; power outages; unavailability of critical applications; unavailability of personnel; and cyber security.

All relevant risks are identified through a threat risk assessment procedure that also monitors the current status of the established controls designed to mitigate each risk. During 2020 and 2021, the COVID-19 pandemic required the activation of a crisis management plan to ensure the ongoing operation of critical operations, and reduce the risk of mass infection and unavailability of personnel. Moreover, two major spacecraft anomalies were experienced in 2021, which led to the activation of existing, pre-defined crisis management, communication and BCM plans; the proper implementation of these plans ensured that we reacted in an appropriate, measured and effective manner and, thankfully, neither anomaly resulted in any enduring impact on our operations.

Serving Customers & Communities

Through our technological excellence and customer-centric approach, we strive to provide innovative, reliable and affordable satellite solutions to Yahsat's customers. Such solutions enable communities around the world to connect with each other, and provide Yahsat with multiple opportunities to create positive community impacts.

Material Issues Covered Access to Communications & Connecting Communities
Community Investment
Customer Relationship Management
Disaster Response

UAE National Space Strategy 2030 Provision of Competitive and Leading Space Services
Development of advanced local capacities in Space technology manufacturing and R&D

Abu Dhabi Economic Vision 2030 Develop a sufficient and resilient infrastructure capable of supporting the anticipated economic growth

Sustainable Development Goals



Access to Communications, Connecting Communities & Community Investment

Working in partnership with international and regional service providers, we have helped to expand and enable internet and information access for underserved communities throughout the world. These communities often have limited or no telecommunications-related infrastructure, or operate in areas where reliable and secure infrastructure is difficult to establish.

Examples of how the Group has helped communities through satellite communications solutions include:

- The transmission of Iraqi election results
- Fishing vessel monitoring capabilities for the Department of Fishery in Vietnam
- Supporting telemedicine solutions for medical concerns in remote areas of Australia

Other instances include the UAE, South Africa, Kenya and Pakistan. We installed and set up satellite equipment and internet services for rural communities in the UAE with limited connectivity, enabling 74 villas to gain internet access and over 300 students to gain access to e-learning platforms. In the Eastern Cape, South Africa, we replaced costly and unstable dial-up services with satellite broadband internet services across 207 public libraries in typically remote populations. In Kiambu County, Kenya, where 40% of the population reside in rural areas, our new and updated software solutions enabled 108 healthcare facilities to improve communications and share critical information related to patient inquiries, human resource requirements and medicine inventories.

In the Gilgit Baltistan province of Pakistan – a province known to have limited internet and information access and ongoing security issues – we provided satellite broadband internet services to eight learning centres, enabling over 3,000 beneficiaries to receive training in information and communication technology.

Disaster Response

When humanitarian crises arise from natural disasters around the world, such as floods and earthquakes, satellite operators find themselves in a position to provide immediate and unaffected communications solutions to help the people affected by them. We have become a signatory of the United Nations Crisis Connectivity Charter, to support governments, international organisations, non-governmental organisations and others to resolve humanitarian crises where possible. Most recently, during December 2021, Yahsat supported multiple organisations in the Philippines to help over three million people affected by the category five Typhoon Rai. We have also previously supported organisations to address humanitarian crises in other parts of the world, including typhoons in Japan and migrant boats stranded at sea.

Customer Relationship Management

We strive to continually improve customer satisfaction and service excellence at Yahsat by driving a customer-centric focus throughout all aspects of our operational services and support activities. In 2020, a centralised Customer Care Unit was established to oversee customer care operations and support services, and operational quality assurance activities. The main customer-centric programmes being implemented through the unit are:

- **Quality assurance of service delivery** – including an independent quality assurance function, incident management, change management and operational level agreements.
- **'Voice of Customer' programmes** – including customer satisfaction surveys, periodical reviews of operational support activities provided by service partners and priority escalation programmes.
- **Quality assessment programmes** – including programmes to monitor, measure and analyse customer interactions and support processes.

We monitor several customer service metrics across the business, and have plans to monitor more of these in the future. For example, our First Call Resolution (FCR) metric measures the ability of the Group to resolve a customer's question or problem during their first call or contact with us. During 2021, monthly FCR averaged 82%. From 2022 onwards, through the implementation of planned customer-centric programmes, we aim to improve our ability to comprehensively monitor and report on our customer satisfaction and service levels, respectively.



ESG continued



Investing in People

We know that our achievements at Ychsat are fundamentally built upon the cumulative abilities and attitudes of our workforce. We are committed to empowering our employees to succeed and to become role models in their communities. A key objective is to attract and retain highly-talented employees while simultaneously promoting Emiratisation. By building a diverse, egalitarian and safe working environment, we strive to maximise employee wellbeing.

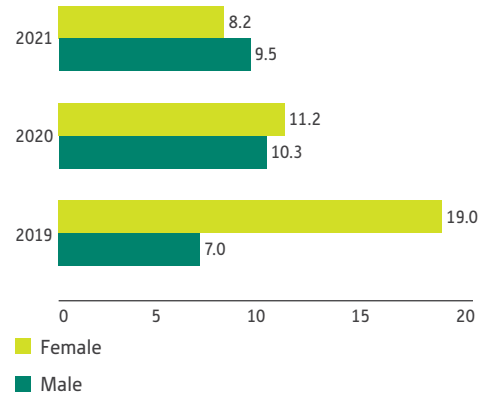
Material Issues Covered	Employee Engagement, Diversity & Inclusion Health & Safety Human Rights Talent Attraction, Retention & Development
UAE National Space Strategy 2030	Creating Space Culture and Expertise
Abu Dhabi Economic Vision 2030	Drive Significant Improvement in the Efficiency of the Labour Market Develop a Highly Skilled, Highly Productive Workforce
Sustainable Development Goals	    



Talent Attraction, Retention & Development

Optimising our workforce and creating synergies helps the Group to gain operational efficiencies and to become more effective in the pursuit of its strategic objectives. We value diversity and strive to attract and retain highly-talented and qualified employees while helping each of them to develop their professional and personal competencies. Each year, performance appraisals and learning needs analysis inform the development of an annual training calendar for all employees. The training options available include in-house training, external training providers and e-learning platforms (such as Coursera and LinkedIn). Due to the social distancing precautions taken in response to the COVID-19 pandemic, the amount of training received by each employee has decreased compared to 2019 levels.

Average Training Hours per Employee



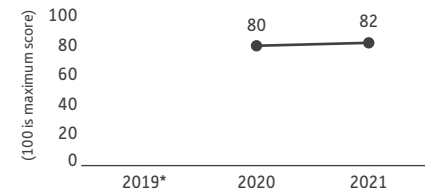
Emiratisation programmes are used to develop local talent in accordance with Ychsat's needs, Abu Dhabi's Economic Vision 2030 and the UAE's 2030 National Space Strategy. Ychsat's GROW programme, which aims to develop a pool of world-class Emirati executives, has

successfully helped four Deputy C-Level Officers at Ychsat to become promoted to senior leadership (C-suite) roles. We have invested over AED 5.5 million over a period of three years into our Space programme, which strives to develop future Emirati space and satellite engineers. UAE nationals continue to account for over 50% of our workforce and represented 52% of the total workforce in 2021.

Employee Engagement, Diversity & Inclusion

Engaging with employees helps us to monitor employee satisfaction levels and to identify, understand and respond to employee needs. Overall employee satisfaction continues to be monitored on an annual basis, for example, through third party employee satisfaction surveys and annual staff retreats. The information gleaned from these activities is discussed with all levels of management, and action plans are developed to increase engagement. An absolute employee satisfaction score of 82 was recorded for 2021, indicating average levels of both emotional and transactional (e.g., meeting minimal expectations of employer) engagement.

Employee Satisfaction Score



*Different scoring mechanism used in 2019

We understand that our strength lies in the talent and diversity of our people and that everyone must be treated fairly, as stipulated in our Code of Ethics. Our workforce is comprised of 42 nationalities and various programmes are available to support employees with parental responsibilities, including flexible work-from-

home arrangements for new mothers. From 2019 to 2021, full-time female employee representation has averaged 16%. In 2021, Yahsat received the 'Women Leader of the Year' award from the GCC GOV HR Summit, a key human resource event in the Gulf Cooperation Council (GCC) region.

Health & Safety

Together, the Health, Safety and Environment (HSE) Committee, policy, associated manual and supporting standard operating procedures help the Group to effectively govern and monitor all HSE activities. To gauge the level of employee familiarity with HSE policies and procedures, we periodically circulate employee surveys; in 2021, 98.19% of employees indicated they are familiar with the HSE policy and its procedures. Encouragingly, since the beginning of 2019, there have been no fatalities and a total of four recordable injuries.

As the COVID-19 pandemic continues to impact all aspects of everyday life, we continue to address its challenges. A COVID-19 Committee was established and meets twice a week to oversee all related HSE matters. We also created a Back-to-Office Guide, detailing a phased approach to helping employees safely and gradually return to our offices. This covers such topics as: employee rotations; COVID-19 testing; mask requirements; conducting virtual meetings; and stopping business travel.

Human Rights

Our Code of Ethics clearly states that the Group must abide by applicable international human rights principles. We also insist that all of our business partners abide by applicable national and international human rights principles, as set out in our Business Partner Code of Conduct. Any violations of these principles can easily be reported using our Ethics and Compliance helplines and email addresses. Since 2019, there have been no such violations.






ESG continued

4

Promoting Environmental Protection

We are committed to reducing adverse environmental impacts stemming from Yahsat's operational activities. Through reductions in our energy consumption and the exploration of incorporating renewable energy sources where possible, we are working hard to reduce our total carbon emissions. We are also seeking to reduce our resource consumption and increase material resource lifespans wherever possible.

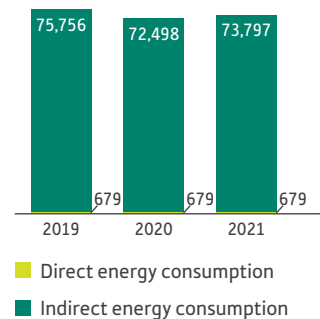
Material Issues Covered	Carbon Emissions & Climate Strategy Energy Management Environmental Management Product, Innovation & Lifecycle Management Sustainable Use of Space
UAE National Space Strategy 2030	–
Abu Dhabi Economic Vision 2030	Develop a Sufficient and Resilient Infrastructure Capable of Supporting the Anticipated Economic Growth
Sustainable Development Goals	  

Energy Management

To monitor and manage the energy consumption of the Group's operational activities, we have introduced a building management system (BMS) and several energy reducing initiatives. The BMS monitors: seasonal energy usage; reduces energy consumption based on hours of operation; and uses occupancy sensors to efficiently provide a building's lighting needs. Heating, ventilation and air-conditioning systems are carefully managed to ensure the required operating conditions of equipment are sufficiently met. A number of lighting fixtures have also been replaced with LED lights to increase our energy efficiency. From 2019 to 2021, total indirect energy consumption (electricity) has averaged 20,560,284 kilowatt hours, or 74,017 gigajoules, per year. The majority

of this consumption is accounted for by critical equipment rooms, data centres, network operations centres, antennas and various information technology infrastructure.

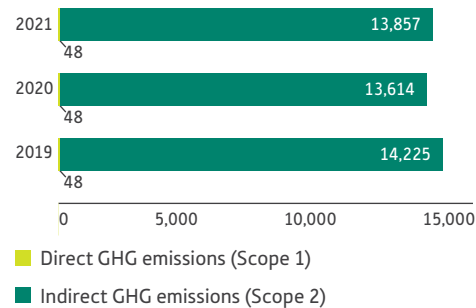
Energy Consumption (Gigajoules)



Carbon Emissions & Climate Strategy

The UAE's national climate ambition is to achieve net-zero emissions by 2050, and Yahsat intends to contribute towards this ambition. We are currently in the process of developing and setting our climate change strategy and ambitions. One initiative currently being explored is the use of renewable solar energy for non-critical systems from a utility-scale renewable energy developer and operator, to reduce emissions and the energy consumed from the national electricity grid. Total greenhouse gas (GHG) emission levels (Scope 1 and 2) over the past three years have averaged 13,946 tonnes of carbon dioxide (CO₂) equivalent. Almost all of Yahsat's GHG emissions are accounted for by indirect energy consumption (Scope 2). All Scope 1 emissions are generated from planned load generator tests that ensure a reliable emergency power source is available in the event of an emergency situation.

GHG Emissions (CO₂ Equivalent)



Environmental Management

Across the business, we strive to efficiently consume material resources and to reduce the environmental impacts originating from our operational activities. To increase the recycling rates of material resources, we segregate waste and it is collected by an approved recycling agent of Tadweer, Abu Dhabi's waste management centre. The majority of waste

paper and cardboard generated from our internal departmental activities is recycled (amounting to 4,030 kilogrammes recycled in 2021). During the past three years, annual water consumption for Yahsat and Thuraya operations has averaged 105,157 cubic metres, and total wastewater has averaged 3,167 cubic metres (Yahsat only).

Product, Innovation & Lifecycle Management

As an integrated satellite communications solutions provider, we have the potential to create positive social and environmental impacts through our service offerings. As previously highlighted, our services have enabled communities to gain improved internet access, improve the management of healthcare data and effectively respond to natural disasters. Additional innovative applications for our services include:

- **Land, marine & aeronautical applications** – including the Internet of Things, tracking, monitoring, telemetry, machine-to-machine communications, remote connectivity and encryption.
- **Other applications** – including government and enterprise-managed solutions, high-speed broadband, Wi-Fi hotspots and free-to-air broadcasting.

How end users dispose of the hardware (products) used to avail Yahsat's satellite-related services is also an area we strive to influence. These products include satellite dishes, transceivers, modems and phones, and are typically manufactured with varying quantities of recyclable materials (metals, plastics and paper). Industry-defined product lifecycles are usually followed, and the average lifespan is approximately five years. Once obsolete, we promote the recycling of certain products by including appropriate recycling and disposal instructions on relevant product packaging.

5

Developing The Right Business Partnerships

Business partnerships continue to be a crucial component of Ychsat's success. By prudently forming mutually beneficial partnerships, we strive to ensure all stakeholder concerns and associated risks are sufficiently addressed and monitored, as well as contributing towards national space ambitions.

Sustainable Use of Space

Ychsat is committed to promoting the sustainable use of space. Being governed by the UAE Space Agency, Ychsat continues to support the UAE's sustainable space agenda and strives to ensure our satellite operations are managed appropriately. The space sector in the UAE is governed by the UAE Space Law and is regulated by the UAE Space Agency. In 2020, the UAE Space Agency ratified the Artemis Accords, a set of principles, guidelines and best practices for conducting activities in space, which are intended to increase the safety of operations, reduce uncertainty, and promote the sustainable and beneficial use of space for all humankind.

Space debris is a growing problem for satellite operators and the sustainable use of space. It is estimated close to one million objects larger than one centimetre currently travel at 27,000 kilometres per hour in Earth's orbit². These objects pose a significant threat to satellites and other spacecraft. To help address this problem, Ychsat is committed to following the Inter-Agency Space Debris Coordination Committee (IADC) space debris mitigation guidelines. We also procure reliable satellites build using the best available methods, and continuously track and monitor our satellites, ensuring they are in the correct position and avoid any passing debris. For our satellites reaching the end of their lifespans, such as Thuraya-2, they are deorbited and permanently powered down. To further promote the sustainable use of space, Ychsat participates in domestic and international forums addressing the rules for the sustainable use of space. We intend to explore other related opportunities too, such as joining and contributing towards the 'Net Zero Space'³ initiative.

2 Space Industry Debris Statement. World Economic Forum. https://www3.weforum.org/docs/WEF_Space_Industry_Debris_Statement_2021.pdf

3 Net Zero Space. Paris Peace Forum. <https://parispeaceforum.org/en/initiatives/net-zero-space/>

Material Issues Covered	Controversial Sourcing & Partnerships Supply Chain Management
UAE National Space Strategy 2030	Effective Local and International Partnerships and Investments in the Space Industry
Abu Dhabi Economic Vision 2030	Develop a Sufficient and Resilient Infrastructure Capable of Supporting the Anticipated Economic Growth
Sustainable Development Goals	 

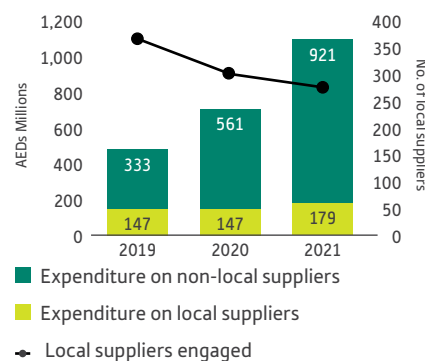
Supply Chain Management

Ychsat's expenditure on goods, services and capital projects is significant, and all procurement activities are managed to a minimum set of consistent standards. In recent years, the Group's procurement function has become centralised, a new procurement system (Oracle Fusion) has been implemented and the procurement policy and associated procedures have been reviewed and updated. Additional policies which support Ychsat's procurement management activities include our delegation of authority matrices and our Business Partner Code of Conduct.

Annual procurement expenditure averaged AED 763 million from 2019 to 2021 and local suppliers accounted for 16.27% of total procurement expenditure in 2021. Increases in expenditure are mostly accounted for by our Thuraya-4 Next Generation Satellite project,

which will enable a wider range of fixed and mobile satellite services applications, and ground and network services.

Procurement Expenditure



Controversial Sourcing & Partnerships

We are committed to conducting all of our business activities in an ethical manner and with integrity, ensuring the Group complies with all applicable laws and regulations. To ensure we continue to fulfil this commitment, all of Ychsat's business partners must comply with our Business Partner Code of Conduct and are screened through a due diligence process. The Business Partner Code of Conduct comprises five key components, with defined expectations for specific areas.

Component	Areas With Defined Expectations
Respect	Human rights, employment practices, fair treatment, child and forced labour, and health and safety in the workplace.
Confidentiality	Confidential information and competitive information.
Integrity	Anti-bribery, corruption, improper payments, gifts, entertainment, supply chain factors and competition.
Transparency	Conflicts of interest, book keeping, records, audits and assessments.
Sustainability	Compliance with environmental laws and regulations, environmental performance and best practices.

The business partner due diligence process involves conducting a risk assessment based on numerous factors, including contract value, location, type of services and/or goods and screening criteria. The types of screening criteria incorporate: politically exposed persons; sanction lists; watch lists; enforcement lists; court actions; and adverse media monitors.