

**SPACE42 PLC (formerly BAYANAT AI PLC)**

**Reports and Separate Financial Statements**

31 December 2024 and 2023

**SPACE42 PLC (formerly BAYANAT AI PLC)****Reports and Separate Financial Statements**

31 December 2024 and 2023

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**SPACE42 PLC (formerly BAYANAT AI PLC)****Board of Directors' Report**

31 December 2024 and 2023

The Directors have pleasure in presenting their report, together with the audited separate financial statements of Space42 PLC (formerly Bayanat AI PLC) (the "Company") for the year ended 31 December 2024 and for the period from 28 September 2022 ("inception") to 31 December 2023.

**Principal activities**

The Company holds investments in subsidiaries, owns two communication satellites and related ground segments which it leases to its subsidiaries. The Company has organized its subsidiaries into two business units as follows:

- 1) Yahsat Space Services (YSS): YSS provides robust, secure satellite communication solutions for government and mission-critical applications; reliable mobility and communication solutions; and high-speed data connectivity solutions
- 2) Bayanat Smart Solutions (BSS): BSS provides earth observation and geospatial solutions using a multi-sensor system, advanced data analytics using GIQ platform, and industry-specific solutions using advanced Artificial Intelligence (AI).

**Results for the year/period**

For the year ended 31 December 2024, the Company reported revenue of \$26,475 thousand (period from inception to 31 December 2023: \$Nil) and profit for the year of \$4,761 thousand (period from inception to 31 December 2023: \$6,409 thousand).

**Transactions with subsidiaries and other related parties**

Transactions with subsidiaries and other related parties are carried out as part of our normal course of business and in compliance with applicable laws and regulations. Related party transactions are disclosed in note 13 of the separate financial statements.

**Directors****Current Board members:**

|                                   |  |
|-----------------------------------|--|
| H.E. Mansoor Al Mansoori          | Chairman (effective since 1 October 2024)          |
| Dr. Bakheet Al Katheeri           | Vice Chairman (effective since 1 October 2024)     |
| H.E. Tareq Abdul Raheem Al Hosani | Member   |
| H.E. Maryam Eid Khamis AIMheiri   | Member (effective since 1 October 2024)            |
| Karim Michel Sabbagh              | Managing Director (effective since 1 October 2024) |
| Ismail Abdulla                    | Member (effective since 1 October 2024)            |
| Kiril Evtomov                     | Member (effective since 1 October 2024)            |

**Past Board members who served during the year:**

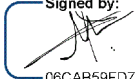
|                                   |  |
|-----------------------------------|--|
| H.E. Tareq Abdul Raheem Al Hosani | Chairman (effective till 30 September 2024)      |
| Xiaoping Zhang                    | Vice Chairman (effective till 30 September 2024) |
| H.E. Ahmed Tamim Hisham Al Kuttab | Member (effective till 30 September 2024)        |
| Elham Abdulghafoor Alqasim        | Member (effective till 30 September 2024)        |
| Hasan Ahmed Al Hosani             | Member (effective till 30 September 2024)        |

So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware and they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor are aware of that information.

**Independent Auditors**

Deloitte & Touche (M.E.) LLP, were appointed as the external auditors ("auditors") for the financial year 2024, by the shareholders in the General Assembly on 25 April 2024.

**On behalf of the Board of Directors**

Signed by:  
  
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**Chairman of the Board**  
**H.E. Mansoor Al Mansoori**



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## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SPACE42 PLC (FORMERLY BAYANAT AI PLC)**

### **REPORT ON THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS**

#### **Opinion**

We have audited the separate financial statements of Space42 PLC (formerly Bayanat AI PLC) (the "Company") which comprise the separate statements of financial position as at 31 December 2024 and 2023, and the separate statements of profit or loss, separate statements of other comprehensive income, separate statements of changes in equity and separate statements of cash flows for the year ended 31 December 2024 and the period from 28 September 2022 ("inception") until 31 December 2023, and notes to the separate financial statements, including material accounting policy information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Company as at 31 December 2024 and 2023, and its separate financial performance and its separate cash flows for the year ended 31 December 2024 and the period from inception until 31 December 2023 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Company's separate financial statements in the Abu Dhabi Global Market (ADGM), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate financial statements of the current year and prior period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**INDEPENDENT AUDITOR’S REPORT TO THE SHAREHOLDERS OF  
SPACE42 PLC (FORMERLY BAYANAT AI PLC) (continued)**

**Key Audit Matter (continued)**

| Key audit matter   | How our audit addressed the key audit matter  |
|--|---|
| <p><b>Acquisition of assets and liabilities of Yahsat</b></p> <p>On 1 October 2024, the Company acquired the assets and liabilities of Al Yah Satellite Communications Company PJSC (“Yahsat”) for a total consideration of USD 1.42 billion. The consideration was settled by issuing equity shares to the previous shareholders of Yahsat.</p> <p>This acquisition is considered to be a business combination as defined by IFRS Accounting Standards and required management to identify all assets and liabilities of Yahsat at the acquisition date (“the purchase price allocation”) and measure these assets and liabilities at fair value.</p> <p>An independent external valuation specialist (“valuer”) was engaged by the Company to perform the purchase price allocation.</p> <p>Based on the purchase price allocation for the acquisition, the Company measured investments in Yahsat’s subsidiaries at USD 1.38 billion. The fair value of investments in subsidiaries was determined with reference to the net assets of Yahsat’s subsidiaries estimated during the purchase price allocation in the consolidated financial statements of the Company. Goodwill was not recognised in the separate statement of financial position and was embedded in the cost of the investments in subsidiaries.</p> <p>We have identified the acquisition of Yahsat as a key audit matter due to the quantitative significance of the transaction relative to the separate financial statements, the level of audit effort required and the existence of the following significant judgements applied and estimates made by management in the following areas:</p> <ul style="list-style-type: none"> <li>• the allocation of purchase price to the assets acquired and liabilities assumed; and</li> <li>• the measurement of the fair value of the assets acquired, including investments in subsidiaries, and the liabilities assumed.</li> </ul> <p>Refer to note 21 for the accounting policy and disclosure related to this matter.</p> | <p>We performed the following procedures, inter alia, in relation to the key audit matter:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the process adopted by management to determine the fair value of assets acquired and liabilities assumed of Yahsat and the related accounting for the initial recognition of the acquisition, including the key controls in this process;</li> <li>• We assessed the abovementioned key controls to determine if they had been appropriately designed and implemented;</li> <li>• We reviewed the merger agreement to assess if the recording of the acquisition was in accordance with the requirements of IFRS Accounting Standards and that the effective date of the acquisition had been correctly identified.</li> <li>• We determined if management’s assumptions in relation to the initial recognition of the acquisition were in accordance with the requirements of IFRS Accounting Standards;</li> <li>• We assessed the skills, competence, objectivity and independence of the valuers engaged by the Company to perform the purchase price allocation exercise and reviewed the terms of their engagement with the Company to determine if the scope of their work was sufficient for audit purposes;</li> <li>• We performed the following procedures, with the assistance of our internal experts, over the purchase price allocation: <ul style="list-style-type: none"> <li>○ determined, if all assets acquired and liabilities assumed had been identified;</li> <li>○ evaluated the valuation methodologies and significant inputs used by the Company including the allocation of purchase consideration to investments in subsidiaries;</li> <li>○ assessed if the inputs into the valuation of the assets and liabilities were reasonable;</li> <li>○ analysed the fair value adjustments recognized by management and evaluated whether the adjustments made were in accordance with the requirements of IFRS Accounting Standards; and</li> <li>○ reperformed the mathematical accuracy of the purchase price allocation</li> </ul> </li> <li>• We agreed the results of the purchase price allocation to the amounts reported in the separate financial statements; and</li> <li>• We assessed the disclosures in the separate financial statements relating to this matter against the requirements of IFRS Accounting Standards.</li> </ul> |



## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SPACE42 PLC (FORMERLY BAYANAT AI PLC) (continued)**

### **Other Information**

Management is responsible for the other information. The other information comprises the Board of Directors' report which we obtained prior to the date of this auditor's report. The other information does not include the separate financial statements and our auditor's report thereon.

Our opinion on the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements**

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRS Accounting Standards as issued by the IASB and the applicable provisions of the Articles of Association of the Company and ADGM Companies Regulations 2020 and Companies Regulations (International Accounting Standards) Rules 2015, and ADGM Financial Services Regulatory Authority Market Rules, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Separate Financial Statements**

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or taken together, they could reasonably be expected to influence the economic decisions of users taken based on these separate financial statements.



## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SPACE42 PLC (FORMERLY BAYANAT AI PLC) (continued)**

### **Auditor's Responsibilities for the Audit of the Separate Financial Statements (continued)**

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
SPACE42 PLC (FORMERLY BAYANAT AI PLC) (continued)**

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by the provisions of the ADGM Companies Regulations 2020, Companies Regulations (International Accounting Standards) Rules 2015 and ADGM Financial Services Regulatory Authority Market Rules ("Rules and Regulations"), we report that:

- the separate financial statements of the Company have been prepared, in all material respects, in accordance with the requirements of the said Rules and Regulations;
- the information given in the Board of Directors' report is consistent with the Company's separate financial statements for the year ended 31 December 2024 and for the period from inception ended 31 December 2023;
- adequate accounting records have been kept by the Company; and
- the Company's separate financial statements are in agreement with the accounting records of the Company.

Deloitte & Touche (M.E.) LLP

A handwritten signature in blue ink, appearing to read "Monah", followed by a horizontal line and a period.

Monah Adnan Abou-Zaki  
Partner  
13 April 2025  
Abu Dhabi  
United Arab Emirates





## SPACE42 PLC (formerly BAYANAT AI PLC)

### Separate statement of profit or loss

for the year ended 31 December 2024 and period from 28 September 2022 (inception) to 31 December 2023

|                                       |       | Year ended<br>31 December<br>2024<br>\$ 000 | Period from<br>28 September 2022<br>(inception) to<br>31 December<br>2023<br>\$ 000 |
|---------------------------------------|-------|---|---|
|                                       | Notes |   |   |
| <b>Revenue</b>                        | 4     | 26,475                                      | -   |
| Operating expenses                    | 5     | (8,286)                                     | (1,626)   |
| Other income                          | 6     | 3,873                                       | -   |
| <b>Adjusted EBITDA <sup>(1)</sup></b> |       | <b>22,062</b>                               | <b>(1,626)</b>  |
| Depreciation and amortisation         | 7     | (22,886)                                    | -   |
| <b>Operating profit</b>               |       | <b>(824)</b>                                | <b>(1,626)</b>  |
| Finance income                        | 8     | 6,047                                       | 8,038   |
| Finance costs                         | 8     | (1)   | (3)   |
| <b>Net finance income</b>             |       | <b>6,046</b>                                | <b>8,035</b>  |
| <b>Profit before income tax</b>       |       | <b>5,222</b>                                | <b>6,409</b>  |
| Income tax expense                    | 9     | (461)                                       | -   |
| <b>Profit for the year/period</b>     |       | <b>4,761</b>                                | <b>6,409</b>  |

<sup>(1)</sup> Adjusted EBITDA is a non-GAAP measure and refers to earnings before interest, tax, depreciation and amortisation

### Separate statement of comprehensive income

for the year ended 31 December 2024 and period from 28 September 2022 (inception) to 31 December 2023

|   |       | Year ended<br>31 December<br>2024<br>\$ 000 | Period from<br>28 September 2022<br>(inception) to<br>31 December<br>2023<br>\$ 000 |
|---|-------|---|---|
|   | Notes |   |   |
| <b>Profit for the year/period</b>                     |       | <b>4,761</b>                                | <b>6,409</b>  |
| <b>Other comprehensive income for the year/period</b> |       | <b>-</b>                                    | <b>-</b>  |
| <b>Total comprehensive income for the year/period</b> |       | <b>4,761</b>                                | <b>6,409</b>  |

The accompanying notes form an integral part of these separate financial statements.

The auditor's report is set out on pages ii to vi.



## SPACE42 PLC (formerly BAYANAT AI PLC)

### Separate statement of financial position

at 31 December 2024 and 2023

|                                      | Notes | 2024<br>\$ 000   | 2023<br>\$ 000 |
|--------------------------------------|-------|------------------|----------------|
| <b>Assets</b>                        |       |                  |                |
| Property, plant and equipment        | 10    | 385,841          | -              |
| Intangible assets                    | 11    | 916              | -              |
| Investments in subsidiaries          | 12    | 1,452,827        | 64,461         |
| <b>Total non-current assets</b>      |       | <b>1,839,584</b> | <b>64,461</b>  |
| Inventories                          |       | 25               | -              |
| Trade and other receivables          | 14    | 114,475          | 28,698         |
| Cash and short-term deposits         | 15    | 108,554          | 138,478        |
| <b>Total current assets</b>          |       | <b>223,054</b>   | <b>167,176</b> |
| <b>Total assets</b>                  |       | <b>2,062,638</b> | <b>231,637</b> |
| <b>Liabilities</b>                   |       |                  |                |
| Trade and other payables             | 16    | 9,033            | 871            |
| Deferred revenue                     | 13    | 97,546           | -              |
| Income tax liabilities               |       | 18,667           | -              |
| <b>Total current liabilities</b>     |       | <b>125,246</b>   | <b>871</b>     |
| Deferred revenue                     | 13    | 282,298          | -              |
| Defined benefit obligations          |       | 7                | -              |
| <b>Total non-current liabilities</b> |       | <b>282,305</b>   | <b>-</b>       |
| <b>Total liabilities</b>             |       | <b>407,551</b>   | <b>871</b>     |
| <b>Net assets</b>                    |       | <b>1,655,087</b> | <b>230,766</b> |
| <b>Equity</b>                        |       |                  |                |
| Share capital                        | 18    | 129,664          | 70,018         |
| Share premium                        | 18    | 1,514,253        | 154,339        |
| Retained earnings                    |       | 11,170           | 6,409          |
| <b>Total equity</b>                  |       | <b>1,655,087</b> | <b>230,766</b> |

These financial statements were authorized for issue by the Board of Directors on 10 April 2025 and approved on their behalf by:

Signed by:  
  
 06CAB59FD7D8442...  
**H.E. Mansoor Al Mansoori**  
 Chairman of the Board

Signed by:  
  
 A3B87D46144843A...  
**Karim Michael Sabbagh**  
 Managing Director

Signed by:  
  
 AB968BCF46384E8...  
**Andrew Francis Cole**  
 Chief Financial Officer

The accompanying notes form an integral part of these separate financial statements.  
 The auditor's report is set out on pages ii to vi.



## SPACE42 PLC (formerly BAYANAT AI PLC)

### Separate statement of changes in equity

for the year ended 31 December 2024 and period from 28 September 2022 (inception) to 31 December 2023

|   | Share<br>capital<br>\$ 000 | Share<br>premium<br>\$ 000 | Retained<br>earnings<br>\$ 000 | Total<br>equity<br>\$ 000 |
|---|----------------------------|----------------------------|--------------------------------|---------------------------|
|   | (Note 18)                  | (Note 18)                  |                                |                           |
| <b>At 28 September 2022 ("inception")</b> | -                          | -                          | -                              | -                         |
| Issuance of share capital (note 18)       | 70,018                     | 154,339                    | -                              | 224,357                   |
| Total comprehensive income for the period | -                          | -                          | 6,409                          | 6,409                     |
| <b>At 31 December 2023</b>                | <b>70,018</b>              | <b>154,339</b>             | <b>6,409</b>                   | <b>230,766</b>            |
| <b>At 1 January 2024</b>                  | 70,018                     | 154,339                    | 6,409                          | 230,766                   |
| Total comprehensive income for the year   | -                          | -                          | 4,761                          | 4,761                     |
| Issuance of new shares (note 18)          | 59,646                     | 1,359,914                  | -                              | 1,419,560                 |
| <b>At 31 December 2024</b>                | <b>129,664</b>             | <b>1,514,253</b>           | <b>11,170</b>                  | <b>1,655,087</b>          |

The accompanying notes form an integral part of these separate financial statements.

The auditor's report is set out on pages ii to vi.



## SPACE42 PLC (formerly BAYANAT AI PLC)

### Separate statement of cash flows

for the year ended 31 December 2024 and period from 28 September 2022 (inception) to 31 December 2023

|   |       | Year ended<br>31 December<br>2024<br>\$ 000 | Period from<br>28 September 2022<br>(inception) to<br>31 December<br>2023<br>\$ 000 |
|---|-------|---|---|
|   | Notes |   |   |
| <b>Operating activities</b>   |       |   |   |
| Profit before income tax  |       | 5,222                                       | 6,409   |
| Adjustments for:  |       |   |   |
| Depreciation and amortisation   | 7     | 22,886                                      | -   |
| Finance income  | 8     | (6,047)                                     | (8,038)   |
| Finance costs   | 8     | 1   | 3   |
| Employee end of service benefit provision                                 |       | 7   | -   |
| <b>Operating profit before working capital changes</b>                    |       | <b>22,069</b>                               | <b>(1,626)</b>  |
| Working capital changes:  |       |   |   |
| Trade and other receivables   |       | (50,340)                                    | (28,698)  |
| Trade and other payables  |       | (7,883)                                     | 871   |
| Deferred revenue  |       | (23,697)                                    | -   |
| <b>Net cash used in operating activities</b>                              |       | <b>(59,851)</b>                             | <b>(29,453)</b>   |
| <b>Investing activities</b>   |       |   |   |
| Additions to property, plant and equipment                                | 10    | (555)                                       | -   |
| Additions to intangible assets  | 11    | (95)  | -   |
| Investments in subsidiaries   |       | -   | (54,461)  |
| Contributions to subsidiaries, net  |       | (4,349)                                     | (10,000)  |
| Acquisition of assets and liabilities, cash acquired                      | 21    | 28,880                                      | -   |
| Term deposits placed with original maturities more than three months      |       | -   | (136,147)   |
| Proceeds of term deposits with original maturities more than three months |       | -   | 136,147   |
| Interest received   |       | 6,047                                       | 8,038   |
| <b>Net cash generated from (used in) investing activities</b>             |       | <b>29,928</b>                               | <b>(56,423)</b>   |
| <b>Financing activities</b>   |       |   |   |
| Issuance of share capital   | 18    | -   | 224,357   |
| Finance costs paid  |       | (1)   | (3)   |
| <b>Net cash (used in) generated from financing activities</b>             |       | <b>(1)</b>                                  | <b>224,354</b>  |
| <b>Net (decrease) increase in cash and cash equivalents</b>               |       | <b>(29,924)</b>                             | <b>138,478</b>  |
| Cash and cash equivalents at the beginning of the year/period             |       | 138,478                                     | -   |
| <b>Cash and cash equivalents as at 31 December</b>                        | 15    | <b>108,554</b>                              | <b>138,478</b>  |

#### Non-cash transaction:

The summary of non-cash transactions (other than the acquisition referred to in Note 21) are provided below:

|   |   |        |   |
|---|---|--------|---|
| Income tax liabilities recognised in behalf of subsidiaries | 9 | 16,998 | - |
|---|---|--------|---|

The accompanying notes form an integral part of these separate financial statements. The auditor's report is set out on pages ii to vi.



## SPACE42 PLC (formerly BAYANAT AI PLC)

### Notes to the separate financial statements

for the year ended 31 December 2024 and period from 28 September 2022 (inception) to 31 December 2023

#### 1 Corporate information

Space42 PLC (formerly, Bayanat AI PLC) (the "Company") is registered in Abu Dhabi Global Market (ADGM) under license number 000008474 as a Public Company Limited by Shares. The Company was incorporated on 28 September 2022 (the "inception"). The registered address of the Company is Al Sarab Tower, ADGM Square, Al Maryah Island, Abu Dhabi, United Arab Emirates. The Company's ordinary shares are listed on the Abu Dhabi Stock Exchange (ADX).

The Company's parent company and controlling party is Group 42 Holding Ltd (the "Parent Company"), a private company registered in Abu Dhabi Global Market.

On 1 October 2024, the Company and Al Yah Satellite Communications Company PJSC (Yahsat), a global satellite operator, merged to create Space42, a UAE-based AI-powered SpaceTech company with a global reach, integrating satellite communications, geospatial analytics, and artificial intelligence capabilities. On this date, Yahsat was dissolved and its shares delisted from Abu Dhabi Securities Exchange (ADX). Its assets and liabilities were transferred to the Company in exchange for newly issued shares. Following the merger, the legal name of the Company was changed from Bayanat AI PLC to Space42 PLC (notes 18 and 21).

Prior to the merger, the Company's principal activity was to hold its investments in its subsidiaries. Subsequent to the merger, the Company's activities also include the provision of satellite capacity services to other group entities.

Details of the Company's subsidiaries are set out in Note 12.

The Company had one employee during the year ended 31 December 2024 (period from inception to 31 December 2023: Nil).

#### 2 Material accounting policy information

##### 2.1 Basis of preparation

###### Statement of compliance

These separate financial statements have been prepared in accordance with IFRS Standards as issued by the International Accounting Standards Board (IASB) and comply where appropriate, with the Articles of Association and applicable requirements of Abu Dhabi Global Market ("ADGM") Companies Regulations 2020 (as amended), and Companies Regulations (International Accounting Standards) Rules 2015. These financial statements represent the separate financial statements of the Company prepared in accordance with International Accounting Standard ("IAS") 27 Separate Financial Statements in which investments in subsidiaries are accounted for at cost. The Company has issued consolidated financial statements for the year ended 31 December 2024 on 26 February 2025.

###### Basis of measurement

These separate financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

###### Functional and presentation currency

These separate financial statements are presented in United States Dollars ("USD" or "\$"), the functional and presentation currency of the Company. All financial information presented in USD has been rounded to the nearest thousand ("\$ 000"), unless stated otherwise.

##### 2.2 Summary of material accounting policy information

The Company has applied these accounting policies consistently to all periods presented in these separate financial statements.

###### A) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

###### (i) Non-derivative financial assets

The Company's non-derivative financial assets comprise receivables and cash and short-term deposits.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income (FVOCI), it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. However, the Company may make an irrevocable election at initial recognition to classify its equity instruments which are not held for trading as measured at FVOCI. All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at fair value through profit or loss (FVTPL).



## **SPACE42 PLC (formerly BAYANAT AI PLC)**

### **Notes to the separate financial statements**

for the year ended 31 December 2024 and period from 28 September 2022 (inception) to 31 December 2023

## **2 Material accounting policy information (continued)**

### **2.2 Summary of material accounting policy information (continued)**

#### **A) Financial instruments (continued)**

##### **(i) Non-derivative financial assets (continued)**

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost includes trade receivables, amounts due from related parties and other receivables.

The Company does not have financial assets carried at FVOCI.

The Company derecognises a financial asset only when the contractual rights to the cash flows of the asset expire, or it transfers the rights to receive the contractual cash flows of the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Cash and cash equivalents comprise cash balances and short-term deposits with original maturities of three months or less.

##### **(ii) Non-derivative financial liabilities**

The Company's non-derivative financial liabilities comprise trade payables, amounts due to related parties, other payables and accruals.

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL or at amortized cost (loans and borrowings or payables), or as derivatives designated as hedging instruments, as appropriate.

Non-derivative financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

A financial liability is derecognised when, and only when, the obligation under the liability is discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

##### **(iii) Offsetting of financial instruments**

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **B) Revenue from contract with customers**

Refer Note 4.

#### **C) Finance costs and finance income**

Refer Note 8.

#### **D) Property, plant and equipment**

Refer Note 10.

#### **E) Intangible assets**

Refer Note 11.

**SPACE42 PLC (formerly BAYANAT AI PLC)****Notes to the separate financial statements**

for the year ended 31 December 2024 and period from 28 September 2022 (inception) to 31 December 2023

**2 Material accounting policy information (continued)****2.2 Summary of material accounting policy information (continued)****F) Impairment****Financial assets**

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments not carried at FVTPL. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information including actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counter party's ability to meet its obligations.

**Financial assets carried at amortised cost**

The Company recognizes lifetime expected credit loss (ECL) for trade receivables, using the simplified approach. The expected credit losses on these financial assets are estimated using loss rates applied against each customer segment for each revenue type to measure expected credit losses. The Company determines the loss rates based on historical credit loss experience, analysis of the debtor's current financial position adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of current and forecast direction of conditions at the reporting date, including, where appropriate, time value of money.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited in the separate statement of profit or loss. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

**Non-financial assets**

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

In order to estimate recoverable amount, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised on non-financial assets excluding goodwill in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

**G) Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

**H) Income tax**

Refer Note 9.

**I) Government Grants**Non-monetary government grants

The Company receives certain assets, primarily in the form of land, from entities related to the Government of the Emirate of Abu Dhabi, as grants to carry out its operations. When it is probable that future economic benefits will flow to the Company, such land received is recognised in the separate financial statements at nominal value.

Monetary government grants

Monetary grants that compensate the Company for expenses to be incurred are initially recognised in the separate statement of financial position as a deferred liability. Subsequent to initial recognition, such grants are released to profit or loss on a systematic basis over the periods in which the related expenses are recognised.

Where monetary government grants compensate for the cost of assets, such assets are carried at cost, less the value of the monetary government grants received. Asset values so derived are depreciated over the useful life of the relevant asset.



## SPACE42 PLC (formerly BAYANAT AI PLC)

### Notes to the separate financial statements

for the year ended 31 December 2024 and period from 28 September 2022 (inception) to 31 December 2023

## 2 Material accounting policy information (continued)

### 2.2 Summary of material accounting policy information (continued)

#### J) Current vs non-current classification

The Company presents assets and liabilities in the separate statement of financial position based on current/non-current classification.

An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realised within twelve months after the reporting period

Or

- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- expected to be settled in the normal operating cycle
- held primarily for the purpose of trading
- due to be settled within twelve months after the reporting period

Or

- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### 2.3 Changes in material accounting policies and disclosures

#### New and amended standards and interpretations

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed. The Company applied these amendments for the first time in the current year which did not have a material impact on the Company's separate financial statements.

**Amendments to IAS 1: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants**  
In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Company applied these amendments for the first time in the current year which did not have a material impact on the Company's separate financial statements.

#### Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed. The Company applied these amendments for the first time in the current year which did not have a material impact on the Company's separate financial statements.





## SPACE42 PLC (formerly BAYANAT AI PLC)

### Notes to the separate financial statements

for the year ended 31 December 2024 and period from 28 September 2022 (inception) to 31 December 2023

## 2 Material accounting policy information (continued)

### 2.2 Summary of material accounting policy information (continued)

#### 2.4 Standards issued but not yet effective and not early adopted

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's separate financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

| New and amended standards issued but not effective and not yet adopted by the Company  | Effective date        |
|--|-----------------------|
| <i>IFRS 18 Presentation and Disclosure in Financial Statements</i>   | 1 January 2027        |
| <i>IFRS 19 Subsidiaries without Public Accountability: Disclosures</i>   | 1 January 2027        |
| <i>Amendments to IFRS 9 and IFRS 7: Power Purchase Agreements</i>  | 1 January 2026        |
| <i>Annual Improvements to IFRS Accounting Standards—Volume 11</i>  | 1 January 2026        |
| <i>Amendment to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments</i>   | 1 January 2026        |
| <i>Amendments to IAS 21: Lack of exchangeability</i>   | 1 January 2025        |
| <i>Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures': Sale or contribution of assets between investor and its associate or joint venture</i> | Deferred indefinitely |

The above stated new standards and amendments are not expected to have any significant impact on separate financial statements of the Company.

There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the separate financial statements of the Company.

## 3 Significant accounting judgements, estimates and assumptions

The preparation of the Company's separate financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Significant accounting judgements

#### Impairment of non-financial assets

At the end of each reporting period, management applies the guidance in IAS 36 Impairment of Assets to identify whether there is any objective evidence of impairment of its non-financial assets. In such instances, the assets are subject to an impairment test by comparing their carrying amounts at the balance sheet date to their recoverable amounts. The recoverable amount for an individual asset is estimated and is the higher of its fair value less costs of disposal and its value in use. If the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, the recoverable amount of the cash-generating unit (CGU) to which the asset belongs is determined. An estimate of fair value less cost of disposal or the value in use of the CGU (or asset) is made, using estimated future cash flows discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (asset). The assumptions and judgements made in assessing the recoverable value include expectations of contract renewals, price increases on existing contracts and inflation rates.

### Significant accounting estimates

#### Useful lives of property, plant and equipment and intangible assets

Management assigns useful lives to property, plant, equipment, and intangible assets based on the intended use of assets and the economic lives of those assets. Subsequent change in circumstances such as technological advances or prospective utilisation of the assets concerned could result in the actual useful lives differing from initial estimates. For satellite systems, management reviews the satellite health reports including estimates of the fuel life of the satellites, in determining if any adjustments are required to the useful life. Management also considers other factors including inputs from the satellite insurance markets on total insurable life and availability of underwriters for insurance of the satellite payloads.

Management has reviewed the useful lives of major items of property, plant and equipment and intangible assets and determined that current year estimates do not differ from previous estimates.



## SPACE42 PLC (formerly BAYANAT AI PLC)

### Notes to the separate financial statements

for the year ended 31 December 2024 and period from 28 September 2022 (inception) to 31 December 2023

#### 4 Revenue

##### Material accounting policy information

The Company is in the business of leasing of satellite communication capacity and providing telecommunication services via satellite to customers. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., discount). In determining the transaction price for the sale of goods or rendering of services, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract-based asset on the amount of consideration earned by the performance. Payment for installation of software services is not due from the customer until the installation services are complete and therefore a contract asset is recognised over the period in which the installation services are performed representing the entity's right to consideration for the services performed to date.

Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability. The Company classifies its contract assets and liabilities as current and non-current based on the timing and pattern of flow of economic benefits.

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

| Revenue  | Notes | Year ended  | Period from  |
|--|-------|-------------|--------------|
|  |       | 31 December | inception to |
|  |       | 2024        | 2023         |
|  |       | \$ 000      | \$ 000       |
| Revenue from services rendered to related parties - recognised over time | 13    | 26,475      | -            |
| <b>Contract balances:</b>  |       |             |              |
| Contract liabilities (Deferred revenue)                                  | 13    | 379,844     | -            |

##### Segment information:

The Company's revenue is generated entirely from its Yahsat Space Services segment. The Yahsat Space Services segment provides operating and capacity leasing services in relation to satellites to other group entities. Below is the segment information for the year/period:

| Year ended 31 December 2024                      | Yahsat   | Bayanat   | Total   |
|--|----------|-----------|---------|
|  | Space    | Smart     |         |
|  | Services | Solutions |         |
|  | \$ 000   | \$ 000    | \$ 000  |
| Revenue  | 26,475   | -         | 26,475  |
| Adjusted EBITDA                                  | 24,219   | (2,157)   | 22,062  |
| Profit for the year                              | 1,440    | 3,321     | 4,761   |
| <b>Period from inception to 31 December 2023</b> |          |           |         |
| Revenue  | -        | -         | -       |
| Adjusted EBITDA                                  | -        | (1,626)   | (1,626) |
| Profit for the period                            | -        | 6,409     | 6,409   |

All of the Company's revenue was generated in the United Arab Emirates.



## SPACE42 PLC (formerly BAYANAT AI PLC)

### Notes to the separate financial statements

for the year ended 31 December 2024 and period from 28 September 2022 (inception) to 31 December 2023

#### 5 Operating expenses

|  |       | Year ended<br>31 December<br>2024<br>\$ 000 | Period from<br>inception to<br>31 December<br>2023<br>\$ 000 |
|--|-------|---|--|
|  | Notes |   |  |
| Consultancy, legal and advisory expenses |       | 2,791                                       | 1,146  |
| Insurance expenses                       |       | 1,037                                       | -  |
| IT support costs                         |       | 969   | -  |
| Board and committee fees                 | 13    | 938   | -  |
| Facilities and asset maintenance costs   |       | 711   | 7  |
| Staff costs                              |       | 395   | -  |
| Marketing expenses                       |       | 269   | 133  |
| Registration and filing expenses         |       | 259   | -  |
| Other expenses                           |       | 917   | 340  |
|  |       | <b>8,286</b>                                | <b>1,626</b>   |

The Company did not make any material social contributions during the current year and prior year.

#### 6 Other income

|  |       | Year ended<br>31 December<br>2024<br>\$ 000 | Period from<br>inception to<br>31 December<br>2023<br>\$ 000 |
|--|-------|---|--|
|  | Notes |   |  |
| Management fee charged to the subsidiaries | 13    | 1,247                                       | -  |
| Others                                     |       | 2,626                                       | -  |
|  |       | <b>3,873</b>                                | <b>-</b>   |

#### 7 Depreciation and amortisation

|   |       | Year ended<br>31 December<br>2024<br>\$ 000 | Period from<br>inception to<br>31 December<br>2023<br>\$ 000 |
|---|-------|---|--|
|   | Notes |   |  |
| Depreciation of property, plant and equipment | 10    | 22,807                                      | -  |
| Amortisation of intangible assets             | 11    | 79  | -  |
|   |       | <b>22,886</b>                               | <b>-</b>   |



## SPACE42 PLC (formerly BAYANAT AI PLC)

### Notes to the separate financial statements

for the year ended 31 December 2024 and period from 28 September 2022 (inception) to 31 December 2023

#### 8 Finance costs and Finance income

The Company's finance costs include bank charges. Finance income comprises interest income on funds invested with banks. Finance cost or finance income is recognised as it accrues in consolidated profit or loss using the effective interest method.

|   |              | Year ended<br>31 December<br>2024<br>\$ 000 | Period from<br>inception to<br>31 December<br>2023<br>\$ 000 |
|---|--------------|---|--|
| <b>Finance costs and Finance income</b>           | <b>Notes</b> |   |  |
| <b>Finance income</b>                             |              |   |  |
| Interest on deposits with banks - related parties | 13           | 6,047                                       | 8,038  |
| <b>Finance costs</b>                              |              |   |  |
| Bank and other charges                            |              | (1)   | (3)  |
| <b>Net finance income</b>                         |              | <b>6,046</b>                                | <b>8,035</b>   |

#### 9 Income tax

##### Material accounting policy information

The tax expense for the year comprise current tax.

The current income tax charge is calculated on the basis of the tax laws enacted at the end of the reporting period in the UAE.

##### UAE Corporate Tax

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ("UAE Corporate Tax Law" or "Law"). The Law became effective on 25 October 2022, and applies to taxable persons for financial years commencing on or after 1 June 2023. The UAE Cabinet of Ministers Decision No. 116/2022, which came into effect in January 2023, confirmed that AED 375,000 is the threshold of income over which the 9% tax rate would apply. Accordingly, the Company's first tax year commenced on 1 January 2024 and the standard corporate tax rate of 9% is applicable.

The income tax expense for the year/period ended 31 December 2024 and 2023 is as follows:

|   | Year ended<br>31 December<br>2024<br>\$ 000 | Period from<br>inception to<br>31 December<br>2023<br>\$ 000 |
|---|---|--|
| Current income tax reported in the separate statement of profit or loss | 461   | -  |

The total income tax recognised in profit or loss for the year/period can be reconciled to the profit as follows:

|  | Year ended<br>31 December<br>2024<br>\$ 000 | Period from<br>inception to<br>31 December<br>2023<br>\$ 000 |
|--|---|--|
| Accounting profit before income tax for the year/period                        | 5,222                                       | 6,409  |
| UAE Corporate Income tax at 9% (2023: nil)                                     | 461   | -  |
| <b>Income tax expense reported in the separate statement of profit or loss</b> | <b>461</b>                                  | <b>-</b>   |



## **SPACE42 PLC (formerly BAYANAT AI PLC)**

### **Notes to the separate financial statements**

for the year ended 31 December 2024 and period from 28 September 2022 (inception) to 31 December 2023

#### **9 Income tax (continued)**

##### **UAE Corporate Tax (continued)**

As of 31 December 2024, the Company is part of a tax group under the UAE Corporate Tax Law. This tax group is collectively represented by the Company, who is responsible for filing and settling the corporate tax liabilities in behalf of all member companies within the tax group.

The Company is tasked with filing the corporate tax return for the tax group, paying the corporate taxes due for the tax group, and ensuring compliance with all provisions of the UAE Corporate Tax Law applicable to the tax group.

The income tax liabilities of \$16,998 thousand were recognised from the subsidiaries in the tax group as at 31 December 2024 (2023: \$Nil), out of which \$10,472 thousand was recorded against receivables (note 14) and \$6,526 thousand against contribution to subsidiaries (note 12) .

##### **Global Minimum Tax**

In an effort to end tax avoidance and to address concerns regarding the erosion of the global corporate tax base, a global framework for corporate taxation has been formed by the OECD/G20 Inclusive Framework and is supported by over 135 jurisdictions. The goal of the framework is to reduce the shifting of profit from one jurisdiction to another, in order to reduce global tax obligations in corporate structures and introduce a minimum 15% tax rate by jurisdiction ("Pillar Two").

On 9 December 2024, the UAE Ministry of Finance has announced a 15% Domestic Minimum Top-up Tax (DMTT) for multinational enterprises (MNE) with global revenues of Euro 750 million at the ultimate parent level, aligning with the OECD Pillar Two framework. Subsequent to the reporting period, the UAE Cabinet resolution no. 142 of 2024 (the "resolution") concerning 'Imposition of UAE Qualified Domestic Minimum Top-up Taxes ("QDMTT") on Multinational Enterprises (MNE)' was issued which is effective from 1 January 2025. The resolution accompanies detailed provisions, rules and procedures on the QDMTT.

The Company will be subject to QDMTT since the global revenues of the Company's ultimate parent entity cross the minimum threshold of EUR 750 million and therefore meet the definition of constituent entities that are member of an MNE Group defined under the resolution. The Company is in the process of assessing the impact of the imposition of QDMTT on its future earnings.

The Company applies mandatory exception to recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes in accordance with amendments to IAS 12 (International Tax Reform – Pillar Two Model Rules). The amendments require, for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclosure of known or reasonably estimable information about the Company's exposure arising from Pillar Two income taxes. The legislation of QDMTT is substantively enacted in January 2025 and the Company will provide this disclosure in the separate financial statements in 2025.

**SPACE42 PLC (formerly BAYANAT AI PLC)****Notes to the separate financial statements**

for the year ended 31 December 2024 and period from 28 September 2022 (inception) to 31 December 2023

**10 Property, plant and equipment****Material accounting policy information****Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition or construction of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. The Company capitalises all costs relating to assets as capital work in progress, until the date of completion and commissioning of these assets. These costs are transferred from capital work in progress to the appropriate asset category upon completion and commissioning and depreciated over their useful economic lives from the date of such completion and commissioning.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gains or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income / other expenses in profit or loss.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day to day servicing of property, plant and equipment are recognised in profit or loss as incurred.

**Depreciation**

Depreciation is calculated over the depreciable amount, which is the cost of an asset, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Land is not depreciated. Depreciation methods, useful lives and residual values are reviewed at the financial year-end and adjusted if appropriate.

The estimated useful lives used in both the current and comparative periods are as follows:

| <b>Asset category</b>            | <b>Years</b> |  |
|----------------------------------|--------------|--|
| Buildings                        | 15-40        |  |
| Satellite systems                | 5-18         |  |
| Plant and machinery              | 10-20        |  |
| Equipment, vehicles and fixtures |              |  |
| Furniture and fixtures           | 3-4          |  |
| Leasehold improvements           | 5-10         |  |
| Office equipment and vehicles    | 3-5          |  |
| Computers and software           | 3            |  |

|   | <b>Land and building</b> | <b>Satellite systems</b> | <b>Plant and machinery</b> | <b>Equipment, vehicles and fixtures</b> | <b>Capital work in progress</b> | <b>Total</b>     |
|---|--------------------------|--------------------------|----------------------------|---|---------------------------------|------------------|
|   | <b>\$ 000</b>            | <b>\$ 000</b>            | <b>\$ 000</b>              | <b>\$ 000</b>                           | <b>\$ 000</b>                   | <b>\$ 000</b>    |
| <b>Net book value at 31 December 2023</b> | -                        | -                        | -                          | -                                       | -                               | -                |
| <b>Cost</b>                               |                          |                          |                            |   |                                 |                  |
| At 1 January 2024                         | -                        | -                        | -                          | -                                       | -                               | -                |
| Acquisition (note 21)                     | 57,686                   | 1,458,003                | 17,502                     | 24,018                                  | 1,032                           | 1,558,241        |
| Additions                                 | -                        | -                        | -                          | -                                       | 555                             | 555              |
| Transfers                                 | -                        | -                        | 98                         | 198                                     | (296)                           | -                |
| Retirement                                | -                        | -                        | -                          | (1)                                     | -                               | (1)              |
| <b>At 31 December 2024</b>                | <b>57,686</b>            | <b>1,458,003</b>         | <b>17,600</b>              | <b>24,215</b>                           | <b>1,291</b>                    | <b>1,558,795</b> |
| <b>Depreciation</b>                       |                          |                          |                            |   |                                 |                  |
| At 1 January 2024                         | -                        | -                        | -                          | -                                       | -                               | -                |
| Acquisition (note 21)                     | 28,291                   | 1,088,954                | 11,865                     | 21,038                                  | -                               | 1,150,148        |
| Charge for the year                       | 195                      | 21,947                   | 330                        | 335                                     | -                               | 22,807           |
| Retirement                                | -                        | -                        | -                          | (1)                                     | -                               | (1)              |
| <b>At 31 December 2024</b>                | <b>28,486</b>            | <b>1,110,901</b>         | <b>12,195</b>              | <b>21,372</b>                           | <b>-</b>                        | <b>1,172,954</b> |
| <b>Net book value</b>                     | <b>29,200</b>            | <b>347,102</b>           | <b>5,405</b>               | <b>2,843</b>                            | <b>1,291</b>                    | <b>385,841</b>   |

Equipment, vehicles and fixtures include office equipment, computers, vehicles, furniture and fixtures and leasehold improvements.



## SPACE42 PLC (formerly BAYANAT AI PLC)

### Notes to the separate financial statements

for the year ended 31 December 2024 and period from 28 September 2022 (inception) to 31 December 2023

#### 11 Intangible assets

##### Material accounting policy information

Software and other intangible assets that are acquired by the Company and which have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised. Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for current and comparative periods are as follows:

| Asset category   | Years |
|--|-------|
| Software (including operation and billing support systems) | 2-10  |

|   | Software<br>\$ 000 | Total<br>\$ 000 |
|---|--------------------|-----------------|
| <b>Net book value at 31 December 2023</b> | -                  | -               |
| <b>Cost</b>                               |                    |                 |
| At 1 January 2024                         | -                  | -               |
| Acquisition (note 21)                     | 4,707              | 4,707           |
| Additions                                 | 95                 | 95              |
| <b>At 31 December 2024</b>                | <b>4,802</b>       | <b>4,802</b>    |
| <b>Amortisation</b>                       |                    |                 |
| At 1 January 2024                         | -                  | -               |
| Acquisition (note 21)                     | 3,807              | 3,807           |
| Charge for the year                       | 79                 | 79              |
| <b>At 31 December 2024</b>                | <b>3,886</b>       | <b>3,886</b>    |
| <b>Net book value at 31 December 2024</b> | <b>916</b>         | <b>916</b>      |

**Space42 PLC (formerly Bayanat AI PLC)****Notes to the separate financial statements**

for the year ended 31 December 2024 and period from 28 September 2022 (inception) to 31 December 2023

**12 Investments in subsidiaries****Material accounting policy information**

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In assessing control, potential voting rights of an entity that are presently exercisable are taken into account.

Details of the Company's direct subsidiaries are set out below:

| <b>Name</b>   | <b>Principal activities</b>  | <b>Country</b> | <b>Equity %<br/>2024</b> | <b>Equity %<br/>2023</b> |
|---|--|----------------|--------------------------|--------------------------|
| Bayanat GIQ PJSC ("Bayanat GIQ")  | Geospatial analytics, BPO and smart mobility solutions utilizing artificial intelligence.                              | UAE            | 100%                     | 100%                     |
| Mira Aerospace Ltd ("Mira Aerospace")   | Unmanned aerial vehicle (drone) services and research and experimental development on natural sciences and engineering | UAE            | 100%                     | 100%                     |
| Bayanat Investments Ltd ("Bayanat Investments")*                                | Proprietary investment   | UAE            | 100%                     | 100%                     |
| <b>Subsidiaries acquired during the year (note 21):</b>                         |  |                |                          |                          |
| Al Yah Advanced Satellite Communication Services PJSC (Al Yah Advanced)         | Leasing of satellite communication capacity  | UAE            | 100%                     | -                        |
| Star Satellite Communications Company PJSC (Star)                               | Telecommunication services via Satellite and integrated satellite communication and managed services                   | UAE            | 100%                     | -                        |
| Yahsat Treasury Sole Proprietorship LLC ("Yahsat Treasury activities Treasury") |  | UAE            | 100%                     | -                        |

\* This subsidiary is dormant and had no operations in the current year and comparative period.

Investments in subsidiaries are carried in the separate statement of financial position as follows:

|                                    | <b>Notes</b> | <b>2024<br/>\$ 000</b> | <b>2023<br/>\$ 000</b> |
|------------------------------------|--------------|------------------------|------------------------|
| Investment in subsidiaries' shares |              | 715,136                | 54,461                 |
| Contributions to subsidiaries *    | 13           | 737,691                | 10,000                 |
|                                    |              | <b>1,452,827</b>       | 64,461                 |

\* Contributions to subsidiaries relate to interest free contributions to the Company's subsidiaries. Refer to note 13 a) for more details.

Investments in subsidiaries' shares are as follows:

|                     | <b>2024<br/>\$ 000</b> | <b>2023<br/>\$ 000</b> |
|---------------------|------------------------|------------------------|
| Bayanat GIQ         | 54,459                 | 54,459                 |
| Mira Aerospace      | 1                      | 1                      |
| Bayanat Investments | 1                      | 1                      |
| Al Yah Advanced     | 364,982                | -                      |
| Star                | 276,412                | -                      |
| Yahsat Treasury     | 19,281                 | -                      |
|                     | <b>715,136</b>         | 54,461                 |



**Space42 PLC (formerly Bayanat AI PLC)****Notes to the separate financial statements**

for the year ended 31 December 2024 and period from 28 September 2022 (inception) to 31 December 2023

**13 Related party transactions and balances****Identity of related parties**

The Company, in the ordinary course of business, enters into transactions, at agreed terms and conditions, with subsidiaries in the Group and other business enterprises or individuals that fall within the definition of related party contained in International Accounting Standard 24 Related Party Disclosures.

The Company has a related party relationship with the Parent Company and business entities over which the Parent Company can exercise control or significant influence; entities which are under common control of the shareholders of the Parent Company and associates. The Company has assessed that the Government of Abu Dhabi and its entities meet the definition of related party and hence has disclosed them under 'Government entities'.

The Company maintains significant balances with these related parties, mainly its wholly-owned subsidiaries.

**a) Transactions with subsidiaries:**

|  | 2024<br>\$ 000 | 2023<br>\$ 000 |
|--|----------------|----------------|
| <b>Contributions to subsidiaries</b>         |                |                |
| Star Satellite Communications Company PJSC * | 727,691        | -              |
| Mira Aerospace Ltd                           | 10,000         | 10,000         |
|  | <b>737,691</b> | <b>10,000</b>  |

\* The Company has provided interest free contributions to Star, one of its subsidiaries. Under the terms of the arrangement, there is no obligation on the subsidiary to repay the amount under any circumstances and any repayment is entirely at the discretion of the subsidiary. In addition, the terms of the agreement specify that, on dissolution of the subsidiary, the rights, benefits and obligations in the residual net assets and liabilities, attached to the loan, shall rank pari passu with those attached to the share capital of the subsidiary. Therefore, these contributions are more akin to equity instruments rather than liabilities, and accordingly are presented within equity of Star.

The movements in contributions to subsidiaries include contributions acquired from Yahsat amounting to \$716,816 thousand (refer to Note 21) and further contributions made amounting to \$10,875 thousand (period from inception to 31 December 2023: contributions to Mira Aerospace amounting to \$10,000 thousand).

**Revenue from subsidiaries**

Al Yah Advanced, one of the Company's subsidiaries, entered into a Capacity Services Agreement ("CSA") with the UAE Armed Forces in 2008. In relation to the CSA, Al Yah Advanced subcontracted its obligations to provide capacity services to the Company under the Military Capacity Lease Contract ("MCLC"). In the same way, another subsidiary, Star subcontracted its obligations to provide capacity services to its customers to the Company under the Commercial Capacity Lease Contract ("CCLC"). The consideration for such services are the share of Al Yah Advanced and Star of the satellite system capital costs and operating costs incurred by the Company in the development and operation of the satellite network as determined through the Inter Creditor Deed (ICD). Revenue from such agreements are recorded as follows:

|  | 2024<br>\$ 000 | 2023<br>\$ 000 |
|--|----------------|----------------|
| <b>(i) Satellite system capital costs</b>  |                |                |
| Deferred revenue on satellite system capital costs allocated to subsidiaries net of amortisation | 379,844        | -              |
| The amortisation profile of the deferred revenue balance is as follows:                          |                |                |
| Within one year  | 97,546         | -              |
| Between 2 and 5 years  | 268,240        | -              |
| After 5 years  | 14,058         | -              |
|  | <b>379,844</b> | <b>-</b>       |
| Of which:  |                |                |
| Al Yah Advanced Satellite Communications Services PJSC   | 349,112        | -              |
| Star Satellite Communications Company PJSC   | 27,973         | -              |
|  | <b>377,085</b> | <b>-</b>       |
| <b>Amortisation of deferred revenue on satellite system capital cost:</b>                        |                |                |
| Al Yah Advanced Satellite Communications Services PJSC   | 21,309         | -              |
| Star Satellite Communications Company PJSC   | 2,388          | -              |
|  | <b>23,697</b>  | <b>-</b>       |
| <b>(ii) Satellite system operating costs allocated to subsidiaries</b>                           |                |                |
| Al Yah Advanced Satellite Communications Services PJSC   | 2,373          | -              |
| Star Satellite Communications Company PJSC   | 405            | -              |
|  | <b>2,778</b>   | <b>-</b>       |
| <b>Total revenue from services rendered to subsidiaries</b>                                      | <b>26,475</b>  | <b>-</b>       |

**Space42 PLC (formerly Bayanat AI PLC)****Notes to the separate financial statements**

for the year ended 31 December 2024 and period from 28 September 2022 (inception) to 31 December 2023

**13 Related party transactions and balances (continued)****a) Transactions with subsidiaries: (continued)**

|  | Note | Year ended<br>31 December<br>2024<br>\$ 000 | Period from<br>inception to<br>31 December<br>2023<br>\$ 000 |
|--|------|---|--|
| <b>Management fees charged to subsidiaries</b>         |      |   |  |
| AI Yah Advanced Satellite Communications Services PJSC |      | 1,050                                       | -  |
| Star Satellite Communications Company PJSC             |      | 197   | -  |
|  | 6    | <b>1,247</b>                                | -  |

|  | Note | Year ended<br>31 December<br>2024<br>\$ 000 | Period from<br>inception to<br>31 December<br>2023<br>\$ 000 |
|--|------|---|--|
| <b>b) Transactions with key management personnel</b> |      |   |  |
| Board of directors and committee fees                | 5    | 938   | -  |

|  | Note | Year ended<br>31 December<br>2024<br>\$ 000 | Period from<br>inception to<br>31 December<br>2023<br>\$ 000 |
|--|------|---|--|
| <b>c) Transaction with other related parties</b>               |      |   |  |
| <b>Interest income on short term deposits - with banks</b>     |      |   |  |
| Other related parties  | 8    | 6,047                                       | 8,038  |
| <b>Outsourced expenses, office lease rent, systems support</b> |      |   |  |
| Parent Company   |      | 250   | -  |
| Entities under common control                                  |      | 176   | -  |
|  |      | <b>426</b>                                  | -  |

**Transaction with a government entity**

The Government has allocated a plot of land (Secondary site in the emirate of Abu Dhabi) to the Company and has granted permission to the Company to construct and access a Satellite Ground Control Station on the plot. Title to the plot of land has not been transferred to the Company and accordingly the plot has not been recognized in the separate financial statements. In addition, refer to note 17 to the separate financial statements which discloses information about another plot of land (Primary site) received by the Company.

**d) Related party balances**

|  | Notes | 2024<br>\$ 000 | 2023<br>\$ 000 |
|--|-------|----------------|----------------|
| <b>Trade and other receivables due from related parties</b>          |       |                |                |
| Subsidiaries   | 14    | 112,423        | 28,264         |
| <b>Wakala and other short-term deposits with related party banks</b> |       |                |                |
| Entities under common control  | 15    | 82,877         | 137,997        |
| <b>Current account balances with related party banks</b>             |       |                |                |
| Entities under common control  | 15    | 25,669         | 481            |
| <b>Trade and other payables due to related parties</b>               |       |                |                |
| Subsidiaries   |       | 1,347          | 6              |
| Entities under common control  |       | 757            | -              |
| Total  | 16    | <b>2,104</b>   | <b>6</b>       |

**Space42 PLC (formerly Bayanat AI PLC)****Notes to the separate financial statements**

for the year ended 31 December 2024 and period from 28 September 2022 (inception) to 31 December 2023

**14 Trade and other receivables**

|  | <b>Note</b> | <b>2024</b><br><b>\$ 000</b> | <b>2023</b><br><b>\$ 000</b> |
|--|-------------|------------------------------|------------------------------|
| Receivables due from related parties     | 13          | 112,423                      | 28,264                       |
| Prepayments                              |             | 1,715                        | -                            |
| Other receivables                        |             | 337                          | 434                          |
| <b>Total trade and other receivables</b> |             | <b>114,475</b>               | <b>28,698</b>                |

The Company's exposure to credit risk is disclosed in note 20.

Receivables due from related parties include an amount of \$10,472 thousand (2023: \$Nil) due from subsidiaries for income tax liabilities recognised by the members in the same tax group and payable by the Company (refer to note 9).

**15 Cash and short-term deposits**

|                                     | <b>Notes</b> | <b>2024</b><br><b>\$ 000</b> | <b>2023</b><br><b>\$ 000</b> |
|-------------------------------------|--------------|------------------------------|------------------------------|
| Cash on hand                        |              | 8                            | -                            |
| Cash at banks - related parties     | 13           | 25,669                       | 481                          |
| Wakala deposits - related parties   | 13           | 82,877                       | 137,997                      |
| <b>Cash and short-term deposits</b> |              | <b>108,554</b>               | <b>138,478</b>               |

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the UAE Central Bank. Accordingly, management of the Company have assessed that there is no impairment loss required to be recorded against balances with banks.

Wakala deposits have maturities of 2 weeks to 3 months (31 December 2023: 2 weeks to 3 months) from the date of placement and carry profit rates ranging on average from 4.0% to 5.2% (31 December 2023: 4.7% to 5.2%). Deposits are placed on recurring basis and can be terminated anytime without prior notice and with a deduction of Wakala fee and a performance incentive from the actual realised investment profit. Income on Wakala deposits for the year ended 31 December 2024 amounted to \$5,799 thousand (period from inception to 31 December 2023: \$3,771 thousand).

**16 Trade and other payables**

|                                       | <b>Note</b> | <b>2024</b><br><b>\$ 000</b> | <b>2023</b><br><b>\$ 000</b> |
|---------------------------------------|-------------|------------------------------|------------------------------|
| Trade payables                        |             | 1,840                        | 31                           |
| Payables due to related parties       | 13          | 2,104                        | 6                            |
| Accruals and other payables           |             | 5,089                        | 834                          |
| <b>Total trade and other payables</b> |             | <b>9,033</b>                 | <b>871</b>                   |

The average credit period on the purchase of goods is 30-60 days (2023: 30-60 days). The Company has financial risk management policies in place to ensure that all payables are paid within credit period.

**Space42 PLC (formerly Bayanat AI PLC)****Notes to the separate financial statements**

for the year ended 31 December 2024 and period from 28 September 2022 (inception) to 31 December 2023

**17 Government grants****Material accounting policy information**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

**Monetary government grants**

Monetary grants that compensate the Company for expenses to be incurred are initially recognised in the separate statement of financial position as a deferred liability. Subsequent to initial recognition, such grants are released to profit or loss on a systematic basis over the periods in which the related expenses are recognised.

Where monetary government grants compensate for the cost of assets, such assets are carried at cost, less the value of the monetary government grants received. Asset values so derived are depreciated over the useful life of the relevant asset.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

**Non-monetary government grants**

The Company receives certain assets, primarily in the form of land, from entities related to the Government of the Emirate of Abu Dhabi, as grants to carry out its operations. When it is probable that future economic benefits will flow to the Company, such land received is recognised in the separate financial statements at nominal value.

The Company has a plot of land (Primary site) received from the Urban Planning Council, of the Government of Abu Dhabi as a government grant. The plot of land has been used to construct the Satellite Ground Control Station, which forms an integral part of the satellite system. Accordingly, the plot of land has been classified as property, plant and equipment.

**18 Share capital**

|   | 2024<br>\$ 000 | 2023<br>\$ 000 |
|---|----------------|----------------|
| <b>Issued and fully paid:</b>   |                |                |
| 4,761,905,551 shares of \$0.027 each (AED 0.10 each) (2023: 2,571,428,572 shares of \$0.027 each (AED 0.10 each)) | <b>129,664</b> | <b>70,018</b>  |
| The movement in the share capital is as follows:  |                |                |
|   | 2024<br>\$ 000 | 2023<br>\$ 000 |
| At 1 January / inception  | 70,018         | -              |
| Issue of shares   | 59,646         | 70,018         |
| <b>At 31 December</b>   | <b>129,664</b> | <b>70,018</b>  |

The share capital issued on 28 September 2022 ("inception") of the Company amounted to \$50 thousand (AED 184 thousand divided into 1,838,236 of AED 0.1 each).

On 3 October 2022, the Parent Company resolved to increase the share capital of the Company to \$54,459 thousand (AED 200,000 thousand divided into 2,000,000,000 shares of AED 0.1 each) and approved the offering and listing of the Company on the Abu Dhabi Stock Exchange. The legal formalities were completed on 12 October 2022.

On 13 October 2022, pursuant to the public offering, the share capital of the Company was increased to \$70,018 thousand (AED 257,143 thousand divided into 2,571,428,572 shares of AED 0.1 each), with 571,428,572 shares being offered for public subscription. The Company's offer price was set at AED 1.1 per share and was fully subscribed, resulting into share premium of \$154,339 thousand (AED 571,429 thousand). Share issue costs amounted to \$1,258 thousand (AED 4,620 thousand).

On 1 October 2024, the Company merged with Yahsat and its name was changed to Space42 Plc. Consequently, Yahsat was delisted and its assets and liabilities were transferred to the Company in exchange for the issuance of 2,190,476,979 new ordinary shares of AED 0.1 each to former Yahsat shareholders resulting in increase in share capital of \$59,646 thousand and share premium of \$1,359,914 thousand. As at 31 December 2024, the Company's share premium amounts to \$1,514,253 thousand (2023: \$154,339 thousand).

**Space42 PLC (formerly Bayanat AI PLC)****Notes to the separate financial statements**

for the year ended 31 December 2024 and period from 28 September 2022 (inception) to 31 December 2023

**19 Capital commitments**

|   | <b>2024</b>   | <b>2023</b>   |
|---|---------------|---------------|
|   | <b>\$ 000</b> | <b>\$ 000</b> |
| <b>Capital commitments - committed and contracted</b> | <b>2,982</b>  | <b>-</b>      |

**20 Financial risk management****Overview**

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these separate financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and is responsible for developing and monitoring the Company's risk management policies.

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables and cash held at bank.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

|                                      | <b>Notes</b> | <b>2024</b>    | <b>2023</b>    |
|--------------------------------------|--------------|----------------|----------------|
|                                      |              | <b>\$ 000</b>  | <b>\$ 000</b>  |
| Receivables due from related parties | 14           | 112,423        | 28,264         |
| Other receivables                    | 14           | 337            | 434            |
| Cash and short-term deposits         | 15           | 108,554        | 138,478        |
|                                      |              | <b>221,314</b> | <b>167,176</b> |

**Receivables and bank balances**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. New customers are analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Outstanding customer receivables and contract assets are regularly monitored.

An impairment analysis is performed at each reporting date considering reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. No provision for expect credit losses was recognized as of 31 December 2024 (2023: nil).

The Company considers the risk of concentration as low with respect to receivables since these are with related parties. With respect to cash and short-term deposits, management manages its credit risk by only dealing with reputable banks.

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company'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 Company's reputation. The Company ensures that it has sufficient cash and liquid assets on demand to meet its operational and capital expenses. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

**Space42 PLC (formerly Bayanat AI PLC)****Notes to the separate financial statements**

for the year ended 31 December 2024 and period from 28 September 2022 (inception) to 31 December 2023

**20 Financial risk management (continued)****Liquidity risk (continued)**

Summarised below in the table is the maturity profile of financial liabilities based on the remaining period at the end of reporting period to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

|                            | Within<br>one year<br>\$ 000 | 1 - 2 years<br>\$ 000 | 2 - 5 years<br>\$ 000 | Beyond 5<br>years<br>\$ 000 | Total<br>\$ 000 |
|----------------------------|------------------------------|-----------------------|-----------------------|-----------------------------|-----------------|
| Trade and other payables   | 9,033                        | -                     | -                     | -                           | 9,033           |
| <b>At 31 December 2024</b> | <b>9,033</b>                 | <b>-</b>              | <b>-</b>              | <b>-</b>                    | <b>9,033</b>    |
| Trade and other payables   | 871                          | -                     | -                     | -                           | 871             |
| <b>At 31 December 2023</b> | <b>871</b>                   | <b>-</b>              | <b>-</b>              | <b>-</b>                    | <b>871</b>      |

**21 Acquisition of assets and liabilities of Yahsat****Material accounting policy information**

Acquisitions are accounted for using the acquisition method when the acquired set of activities and assets meets the definition of a business. In determining whether a particular set of activities and assets is a business, the Company assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

On acquisition of a business, the Company undertakes a purchase price allocation, identifying and valuing assets and liabilities of the acquired business. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value. Goodwill is not recognised in the separate financial statements of the Company.

On 1 October 2024, the Company and Yahsat, a global satellite operator, merged to create Space 42, a UAE-based AI-powered SpaceTech company with a global reach, integrating satellite communications, geospatial analytics, and artificial intelligence capabilities.

On the date of the merger, Yahsat was dissolved and its shares de-listed from Abu Dhabi Securities Exchange (ADX). All assets and liabilities of Yahsat were transferred to the Company in exchange for newly issued shares of the Company, which were allocated to former Yahsat shareholders at a ratio of 0.897821 new shares in the Company for every one Yahsat share. Following the merger, the legal name of the Company was changed from Bayanat AI PLC to Space42 PLC.

The Company issued 2,190,476,979 ordinary shares as consideration for the acquisition of assets and liabilities of Yahsat. The fair value of the shares is calculated with reference to the quoted price of the shares of the Company at the date of acquisition, which was AED 2.38 per share (\$0.65 per share). The fair value of the consideration given was therefore \$1,419,560 thousand (AED 5,213,335 thousand) against which the following assets and liabilities were acquired at the acquisition date:

|  | Notes | \$ 000           |
|--|-------|------------------|
| <b>Assets</b>  |       |                  |
| Property, plant and equipment (net)  | 10    | 408,093          |
| Intangible assets (net)  | 11    | 900              |
| Investments in subsidiaries (includes contributions to subsidiaries of \$716,816 thousand) |       | 1,377,491        |
| Trade and other receivables  |       | 24,965           |
| Inventories  |       | 25               |
| Cash and short-term deposits   |       | 28,880           |
|  |       | <b>1,840,354</b> |
| <b>Liabilities</b>   |       |                  |
| Trade and other payables   |       | 16,045           |
| Deferred revenue   |       | 403,541          |
| Income tax liabilities   |       | 1,208            |
|  |       | <b>420,794</b>   |
| <b>Purchase consideration</b>  |       | <b>1,419,560</b> |