Space42

Q1 2025 Pro Forma Results Presentation

15 May 2025

Speakers

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Agenda

1. Key highlights
2. Strategy update
3. Financial overview
4. Q&A

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Key highlights

Key highlights

Clear Strategic Plan
Based on four core pillars focused on assuming leadership positions in geospatial data and AI platform services, NTN[1] services and providing secure connectivity solutions

Delivering on the Plan
Launched Foresight-2 and Thuraya-4 satellites, advanced EDGE collaboration on geospatial capabilities and signed MoU[2] with Viasat to develop a 5G D2D[3] NTN satellite constellation, amongst other milestones

Guided by five principles
Programmatic growth, sustainable differentiation, capabilities-based, scalability and strong financial management, prioritizing use of cash and debt to achieve strategic objectives

Robust balance sheet
With approximately USD 0.9Bn in cash[4], negative net debt and close to USD 7Bn in contracted future revenues yielding significant capacity to execute Strategic Plan

1. NTN – Non-terrestrial Network; 2. Memorandum of Understanding; 3. Direct-to-Device; 4. Cash and short-term deposits

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Strategy update

Translating vision into reality

Core pillars and sectorial priority will secure sustainable long-term growth

CORE PILLARS

1 **Preferred partner for premium geospatial data**
Build tier-1 sovereign multi-sensor EO assets and capabilities

2 **Global leader in GeoInt AI platform and services**
Deliver actionable insights to global customers

3 **Global NTN leader**
Lead the NTN revolution with IoT and D2D

4 **Trusted leader in secure connectivity**
Provide multi-path critical connectivity solutions

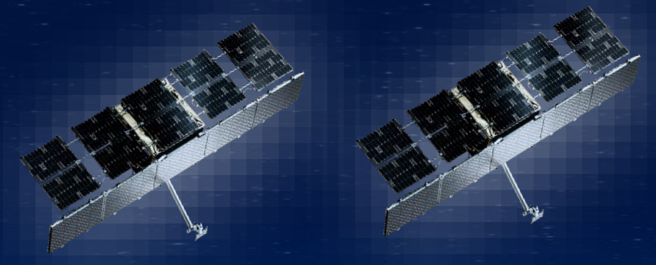
VERTICALIZED SOLUTIONS

Sectorial Priority

2025 growth levers (Core Pillars 1 and 3)

Space Services and Smart Solutions

Foresight-1 and Foresight-2



- Successfully launched two satellites – latest in January
- Part of 7-satellite constellation
- Next three satellites under development at purpose-built AIT Facility, with launches in 2025 – 2026

Technology Partner
ICEYE
Leveraging synergies with
GIQ SPACE42

Capabilities
- Delivers latest generation high-resolution imagery
- Frequent revisit rates and faster tasking

TAM
- SAR imagery market ~USD 0.5Bn by 2032, with 3x potential when paired with geospatial analytics (GIQ platform)

Timing
- Commercial rollout Q2 2025

Thuraya-4

- One of the largest and most advanced MSS communication satellites
- Versatile platform for future applications

T2 Coverage
T4 Extended Coverage

Technology Partner
AIRBUS

Capabilities
- Delivers high-speed connectivity with faster data rate, higher security and resilience
- Enables next-gen D2D mobile and IoT solutions, unlocking 15+ new products
- Supports legacy Thuraya satellite portfolio, ensuring business continuity
- Coverage across EMEA and Central Asia

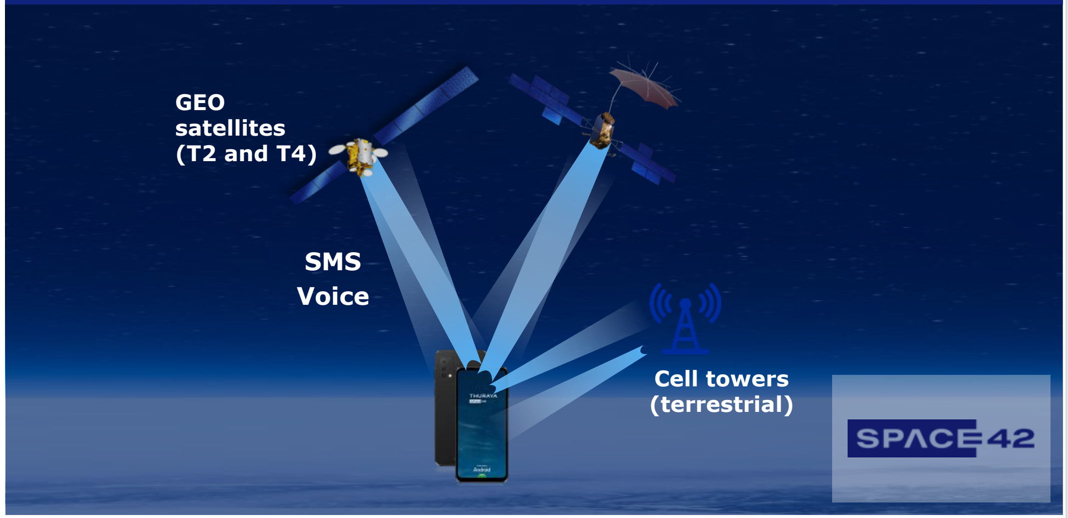
TAM
- Dual-model approach: anchored by 15-year, USD 700Mn government contract, with upside from commercial services

Timing
- Commercial rollout Q3 2025

Future growth lever (Core Pillar 3)

Space Services

Mobility Services in 2025



Capabilities

- Proprietary satellite phone (Thuraya One)
- Coverage across 120+ countries in EMEA and Central Asia (400+ roaming deals)
- Seamless terrestrial and satellite connectivity providing friendlier user experience

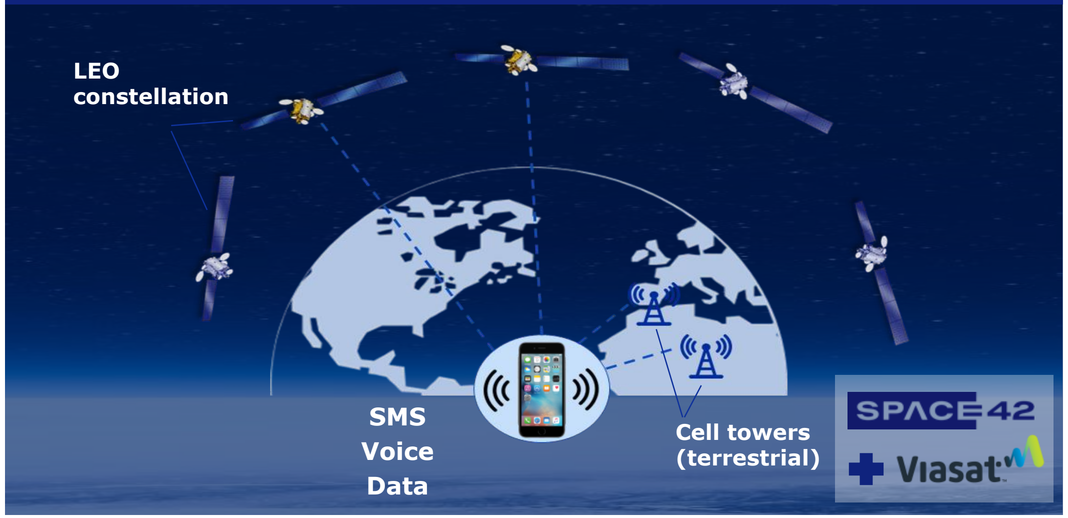
TAM

- <1 million devices

Timing

- Thuraya-2 in service; Thuraya-4 commercial rollout Q3 2025

Next Generation Mobility Services



Capabilities

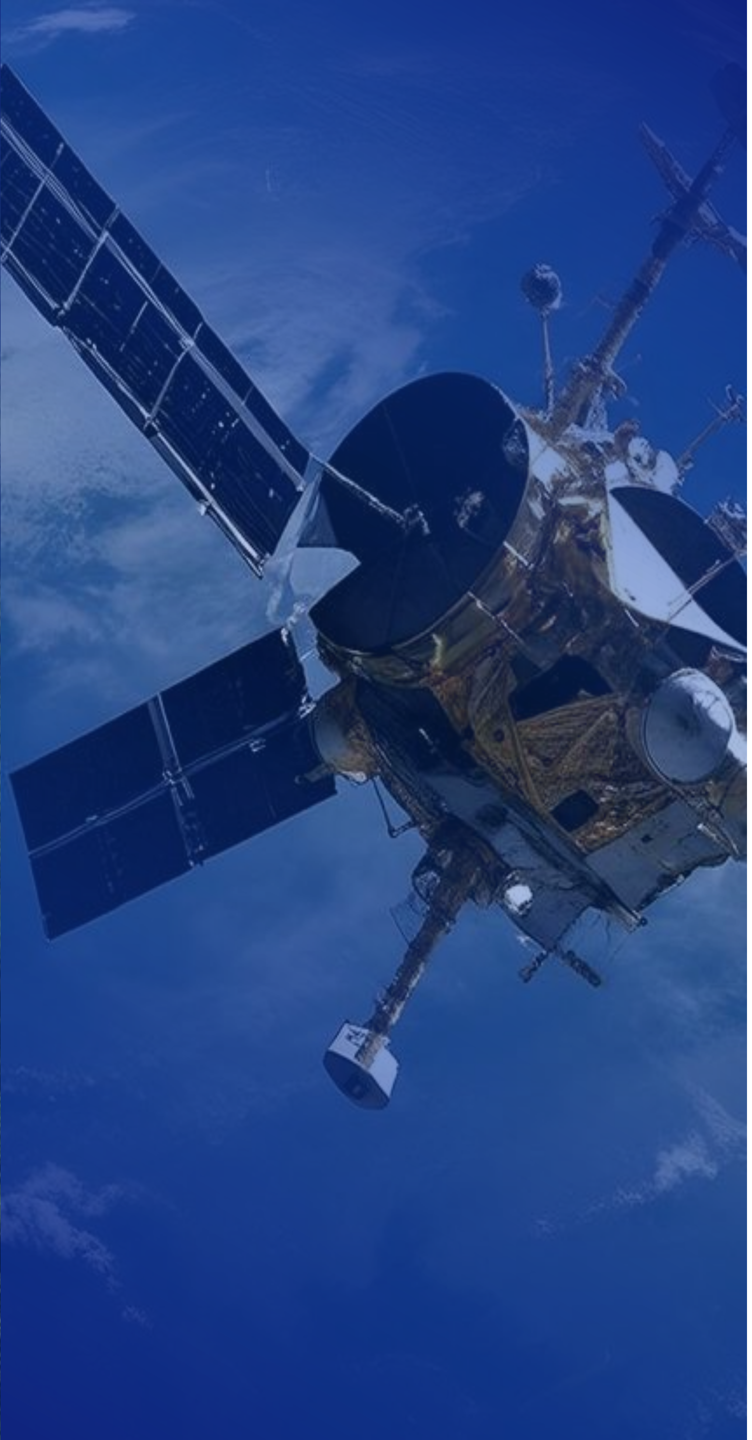
- Standard phones and IoT devices plus proprietary satellite phones
- Global coverage
- High-performance satellite constellation adapted to 3GPP open standards

TAM

- >1 billion devices by 2032

Timing

- Next 3 years



Strategic plan objective

Guided by five principles

Programmatic Growth

Prioritize clearly defined growth programs that bring incremental and recurring value

Scalability

Unlock opportunities and business models which can be materially scaled and are not constrained by geography, customer segment or sector

Sustainable Differentiation

Pursue strategies where we can sustain a distinct advantage versus existing and new players

Strategic Financial Stewardship

Focused on disciplined financial management, prioritizing the use of cash and debt to achieve our strategic objectives

Capabilities-based

Capitalize on evolutionary core capabilities, and invest in new capability foundations that meet our principles

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Q1 2025 Financial overview (Pro forma)

Note: Unaudited pro forma financials for Space42 have been prepared to allow for like-for-like comparison, as if merger had occurred on 1 January 2023 – these exclude any purchase price allocation adjustments

Financial highlights

Resilient financial performance with revenue shortfall offset by lower cost base and other items	Revenue shortfall reflects temporary timing shifts in start of programmatic engagement (Smart Solutions) and Thuraya-3 anomaly (Space Services) – recovery expected in 2025 through new programs
Strong Normalized margins - both EBITDA and Net Profit	Lower cost base, above and below EBITDA, underpin strong margins - normalized net profit in line
USD 895 million in cash and close to USD 7Bn of contracted future revenues	Equivalent to 11x FY 2024 revenue
Robust balance sheet underpinned by Financial Framework	Liquidity of USD 895Mn and negative leverage (-1.8x ratio) provides capacity to fund growth and execute Strategic Plan

Strong liquidity, low leverage, cut-cost-and-grow-stronger approach, and predictable future cash flow underpin a Financial Framework focused on organic investments, bolt-on acquisitions and generating attractive returns

Income statement highlights

Financial extracts	Q1’25	Q1’24	YoY	Δ
Revenue	**115**	**132**	***(13%)***	***(17)***
Cost of revenue	(16)	(26)	*39%*	*10*
Staff costs	(34)	(28)	*(19%)*	*(5)*
Other OpEx	(13)	(12)	*(4%)*	*(1)*
Other income	6	33	*nm*	*(27)*
Adjusted EBITDA	**59**	**98**	***(40%)***	***(39)***
Margin (%)	*51%*	*74%*		*-23pp*
Depreciation	(34)	(39)	*14%*	*5*
Extraordinary items	0	(3)	*nm*	*3*
Net finance income	7	6	*12%*	*1*
Share of results	0	(3)	*nm*	*3*
Minority Interest and tax	(3)	(3)	*nm*	*-*
Net Profit	**29**	**56**	***(49%)***	***(27)***
Margin (%)	*25%*	*42%*		*-17pp*
Normalized Adj.EBITDA	**61**	**70**	***(14%)***	***(10)***
Margin (%)	*53%*	*53%*		*-*
Normalized Net Profit	**30**	**30**	*nm*	*-*
Margin (%)	*26%*	*23%*		*+3pp*
	Mar’25	**Dec’24**	**3M YTD**	**Δ**
Cash and equivalents	895	1,163	*(23%)*	*(268)*

- **Revenue headwinds** (-13%) due to temporary shifts in execution of a major multi-year program and Thuraya-3 satellite anomaly
- **Lower cost base** (-6%) reflecting lower cost of revenue and stable OpEx. Staff costs not directly comparable year-on-year: higher driven by additional restructuring, organizational changes and timing impacts – overall headcount lower as new capabilities join in execution of four strategic pillars
- **Other income** decreased due to one-off USD 30Mn of liquidated damages relating to T4 procurement in prior year
- **Normalized Adj. EBITDA** lower on reduced revenue, with margin stable
- **Normalized Net Profit** in line due to significant favorable developments below EBITDA, with increased margin by 3pp
- **Solid balance sheet** with USD 0.9Bn in cash and equivalents, negative net debt of USD 0.5Bn and negative leverage ratio of -1.8x
- **Additional resources** to be received - further advance payment of USD 500Mn related to AY 4 and AY 5 satellite

All figures are in USD million, unless otherwise stated; nm: not meaningful; Normalized Adjusted EBITDA adjusted for one-off items

Normalized results

Normalized Adjusted EBITDA

	Q1'25	Q1'24	YoY	Δ
Adjusted EBITDA	**59**	**98**	***(40%)***	***(39)***
One-off restructuring costs	2	1	*nm*	*(1)*
One-off merger costs	0	1	*nm*	*(1)*
Liquidated damages (T4)	0	(30)	*nm*	*30*
Total EBITDA adjustments	2	(28)	*nm*	*30*
Normalized Adj. EBITDA	**61**	**70**	***(14%)***	***(10)***
Margin (%)	*53%*	*53%*		-

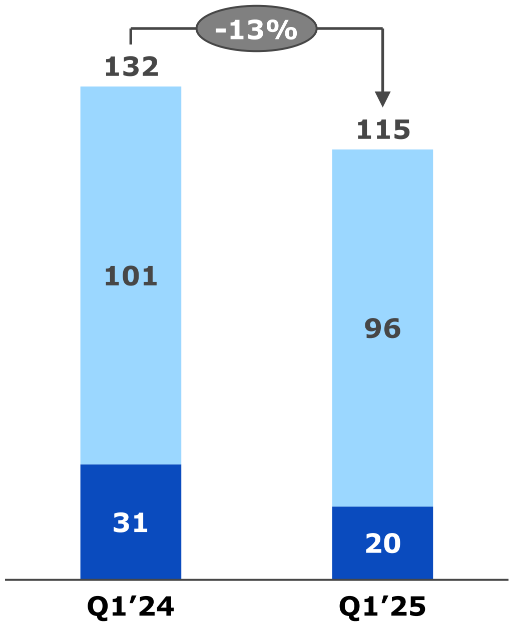
Normalized Net Profit

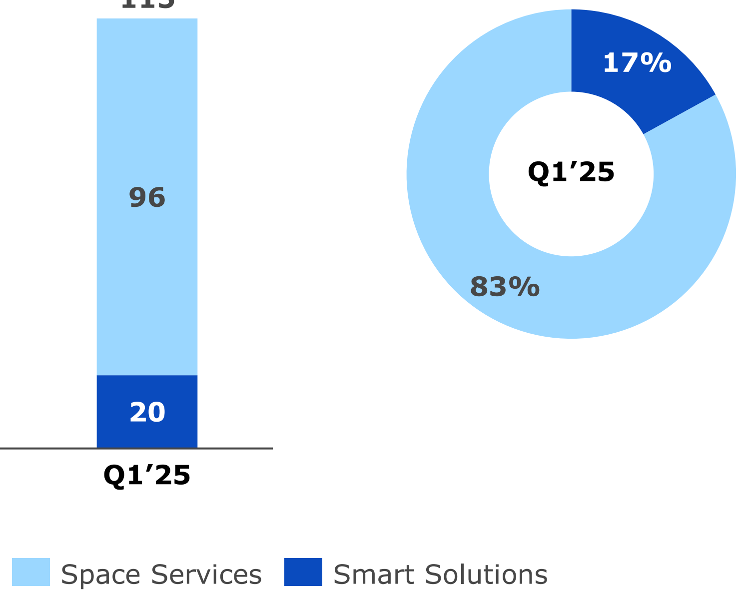
	Q1'25	Q1'24	YoY	Δ
Net Profit	**29**	**56**	***(49%)***	***(27)***
Total EBITDA adjustments	2	(28)	*nm*	*30*
Tax impact of adjustments	0	3	*nm*	*(3)*
Total Net profit adjustments	2	(25)	*nm*	*27*
Normalized Net Profit	**30**	**30**	***nm***	**-**
Margin (%)	*26%*	*23%*		*+3pp*

Normalized Net Profit is in line with margin outperforming Prior

All figures are in USD million, unless otherwise stated; nm: not meaningful

Financial performance - revenue



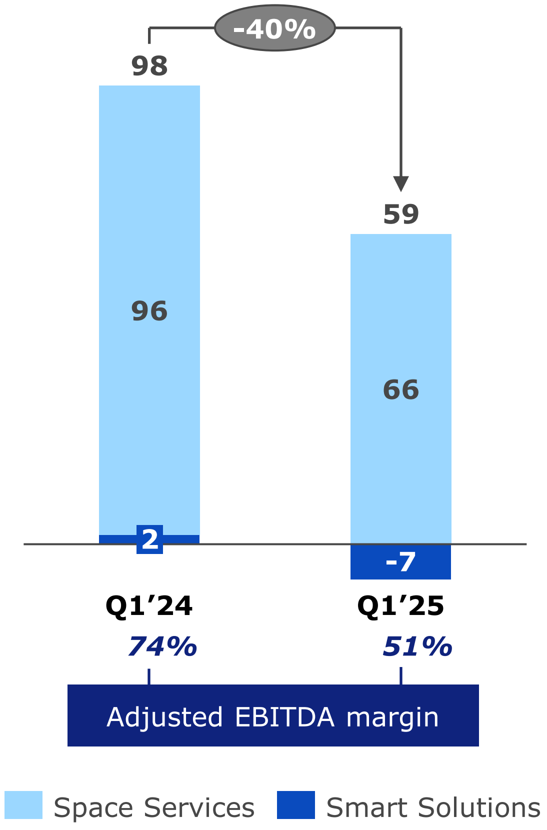


- Revenue shortfall reflects temporary timing shift in milestone execution of a major program within Smart Solutions
- Space Services shortfall reflects Thuraya-3 anomaly in prior year
- Recovery expected in 2025 as Thuraya-4 satellite enters service, Foresight 1 and 2 enter commercial service, and new programmatic engagement with Smart Solutions kicks-off
- Contracted future revenue nearing USD 7Bn provides visibility and security over future cash flow

Revenue recovery expected in 2025, driven by milestone execution in Smart Solutions and Thuraya-4 operations

All figures are in USD million, unless otherwise stated

Financial performance - EBITDA



- Year-on-year performance not directly comparable due to one-off impact of USD 30Mn liquidated damages in prior year
- Overall, excluding one-off items, EBITDA remained robust, supported by 6% cost base reduction and disciplined cost control; margin held stable at 53%
- Excluding one-off items, Space Services EBITDA remained stable with an improving margin of over 70%
- Smart Solutions EBITDA declined due to lower revenues and higher costs, mainly reflecting organizational changes and revised methodology to allocate central costs. Recovery expected in 2025, supported by delivery of major program milestones and new contract

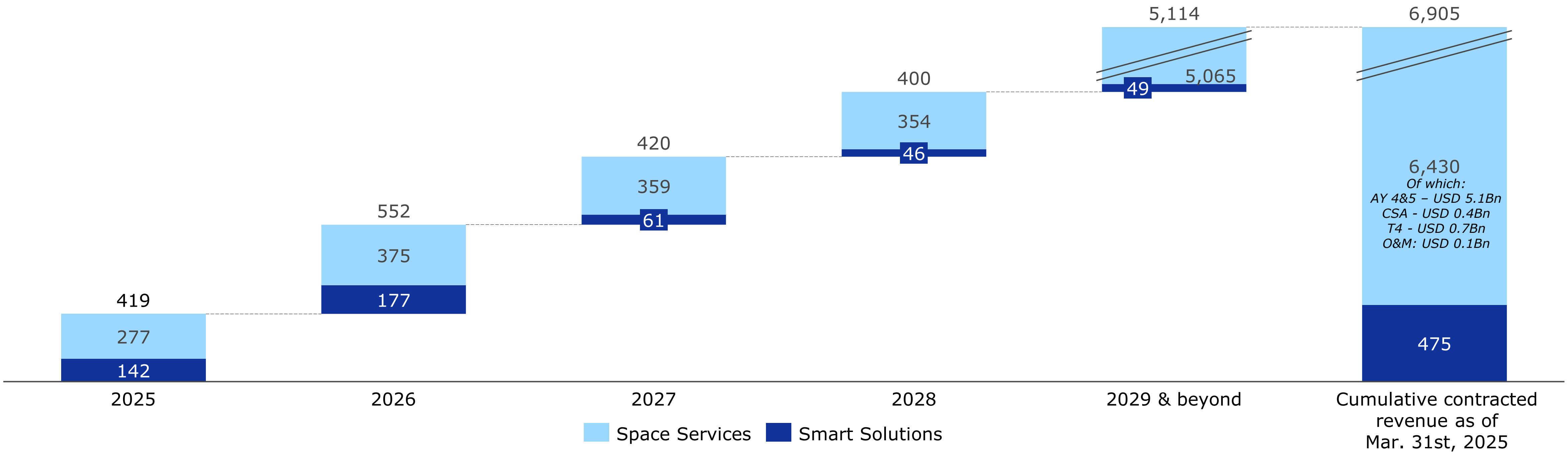
Stable normalized margins and cost control set the stage for recovery as key programs and new deals progress

All figures are in USD million, unless otherwise stated

Contracted future revenues

Close to USD 7Bn of revenue backlog provides visibility and security over future cash flow

93% of cumulative contracted revenue relates to Space Services



CMSM[1] award underpins future contracted revenues[2], equivalent to 11x FY 2024 revenue

1. CSA and Managed Services Mandate backlog replaced from 2026 by Capacity and Managed Services Mandate (CMSM) that was signed in November 2024 - excludes revenue accretion on AY 4 and AY 5 advance
2. >90% of contracted future revenues with highly rated counterparty (UAE rating at Aa2 by Moody's and AA- by Fitch, Abu Dhabi rating at Aa2 by Moody's, AA by S&P and AA by Fitch)

Under IFRS 15, as a significant part of contract price is received years ahead of service provision, contract is deemed to contain a significant financing component and requires contract value to be adjusted to include imputed finance cost relating to advance payments. Future revenue is adjusted to include USD 46.3Mn (imputed finance cost relating to first: USD 150Mn) and USD 44.1Mn (imputed finance cost relating to second: USD 150Mn). Imputed finance cost will be recorded as a charge from date of receipt of advance payment until advance is fully offset

All figures are in USD million, unless otherwise stated

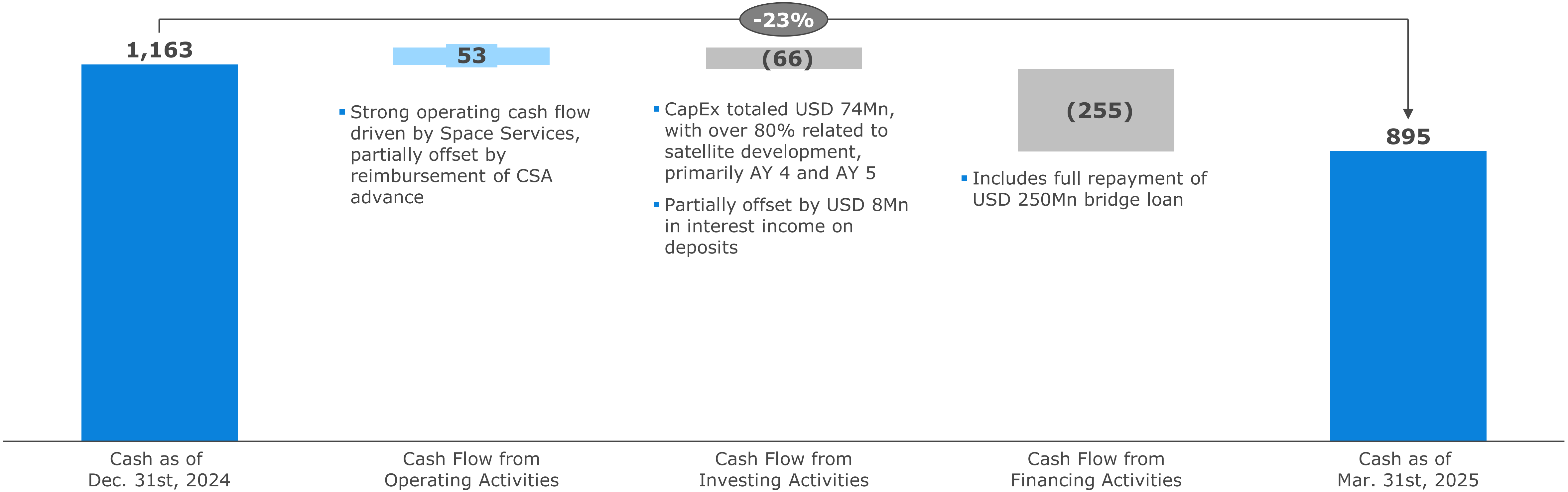
Strong balance sheet

Balance sheet extracts	Q1'25	FY'24	3M YTD	Δ
Fixed Assets (Satellites, ground systems/infrastructure, land and buildings, incl. capital work in progress)	521	557	*(6%)*	*(35)*
Capital work in progress (CWIP incl. T4, AY 4 and AY 5, HAPS, SAR)[1]	935	892	*5%*	*42*
Goodwill	568	568		-
Cash and short term deposits	895	1,163	*(23%)*	*(268)*
Contract assets	288	301	*(4%)*	*(13)*
Trade and other receivables	189	178	*6%*	*11*
Other assets	139	143	*(3%)*	*(4)*
Total assets	**3,535**	**3,802**	***(7%)***	***(267)***
Borrowings (excl. amortised transaction costs)	407	658	*(38%)*	*(250)*
Trade and other payables	338	413	*(18%)*	*(75)*
Other liabilities	920	888	*4%*	*32*
Total liabilities	**1,666**	**1,959**	***(15%)***	***(293)***
Equity attributable to shareholders	1,833	1,808	*1%*	*26*
Non-controlling interests	36	36	*1%*	-
Total equity	**1,869**	**1,843**	***1%***	***26***
Total liabilities and equity	**3,535**	**3,802**	***(7%)***	***(267)***

- Increase in CWIP mainly relates to AY 4 and AY 5
- Full repayment of USD 250Mn Bridge Loan in Q1'25 reduced cash, short-term deposits, and borrowings, enhancing Group's capital structure and preserving financial flexibility for growth initiatives
- Contract assets and trade receivables remained stable overall – contract assets expected to fall in medium term
- Trade and Other payables fell reflecting large payments made relating to AY 4 and AY 5 program, while Other liabilities slightly increased due to deferred revenue
- Negative Net Debt of USD 0.5Bn and net leverage[2] of -1.8x; significant capacity to fund growth CapEx

All figures are in USD million, unless otherwise stated; nm: not meaningful
1. CWIP – Capital work in progress; SAR -Synthetic Aperture Radar; HAPS - High-Altitude Platform Station. 2. Net debt to last-twelve-months Adjusted EBITDA

Cash bridge



- Strong operating cash flow driven by Space Services, partially offset by reimbursement of CSA advance

- CapEx totaled USD 74Mn, with over 80% related to satellite development, primarily AY 4 and AY 5
- Partially offset by USD 8Mn in interest income on deposits

- Includes full repayment of USD 250Mn bridge loan

Strong cash position underpins our capacity to pursue strategic growth initiatives

All figures are in USD million, unless otherwise stated

Financial framework built on three pillars

Vision

Capitalize on superior standalone and merged SGAI services and pursue profitable growth opportunities, leading to increased company valuation

Strategic Pillars

1 Organic Growth

Scalability, value-chain expansion and innovation fueled by Space Services SatCom capabilities and Smart Solutions GeoInt expertise, that result in **profitable growth across products and services**

2 Inorganic Growth

Cash-generative business with strong balance sheet able to support accretive **bolt-on acquisitions** for **profitable growth** leading to technology advancements and improved financial performance

3 Returns Maximization

Focus on **value creation** and **return on capital**, by optimizing operations through OAGS[1] program and financing decisions, synergy realization, effective use of cash and direct returns to shareholders via dividends

Disciplined financial management emphasizing prudent use of cash and debt

1. Optimize and grow stronger

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Q&A

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Appendix

Alternative performance measures

Space42 uses alternative performance measures which are relevant to enhance understanding of financial performance and financial position of Group. These measures may not be comparable to similar measures used by other companies; they are neither measurements under IFRS nor any other body of generally accepted accounting principles and thus should not be considered as substitutes for information contained in Group's audited financial statements

Alternative Performance Measure	Definition
Adjusted EBITDA	Earnings from continuing operations before interest, tax, depreciation, amortization, impairment, fair value adjustments on investment property and share of results of equity-accounted investments
Adjusted EBITDA Margin	Adjusted EBITDA divided by revenue
Government or UAE Government	Unless otherwise specified, Government shall mean Federal Government of UAE, Government of Abu Dhabi and any instrumentality or body of either of them, including General Headquarters of UAE Armed Forces
Gross Debt	Interest bearing borrowings excluding unamortized transaction costs
Leverage Ratio	Net debt to LTM Adjusted EBITDA
Net Debt	Gross Debt minus cash and short-term deposits
Net Profit	Profit attributable to shareholders
Normalized Adjusted EBITDA	Adjusted EBITDA further adjusted for material, one-off items recorded during current and comparative periods that would otherwise distort underlying, like-for-like performance of business. Adjustments in Q1 2025 include one-off restructuring costs related to staff transitions post-merger (USD 2Mn). Adjustments in Q1 2024 reflect claims related to liquidated damages from a supplier under Thuraya-4 NGS procurement contract and one-off restructuring and merger costs (USD 28Mn)
Normalized Adjusted EBITDA margin	Normalized Adjusted EBITDA divided by revenue
Normalized Net Profit	Profit attributable to Group's shareholders, adjusted for material, one-off items recorded during current and comparative periods that would otherwise distort underlying, like-for-like performance of business. Q1 2025 Normalized Net Profit of USD 30Mn reflects adjustments to Normalized EBITDA and related tax impact. Q1 2024 Normalized Net Profit of USD 30Mn reflects adjustments to Normalized EBITDA and related tax impact
Normalized Net Profit margin	Normalized Net Profit divided by revenue

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