

# Strategic Report

Our commitment to innovation, unwavering strength and great ambition for the future propelled Yabsat and our diverse businesses through another year of strategic progress and accelerating growth, as we solidified core government business, forged new partnerships, expanded our offerings, diversified into new markets and created ever-increasing value for all our stakeholders.

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# Yahsat at a glance

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

### Innovative



> Read our case study on pages 32 and 33

Continuous innovation drives our multi award-winning maritime satellite voice solution with tracking and monitoring capabilities, MarineStar, making it the provider of choice for satellite connectivity over the world's busiest sea routes and fishing hotspots.

### Unwavering



> Read our case study on pages 34 and 35

Our global satellite footprint and market-leading solutions play a vital role in helping communities around the world that lack reliable connectivity. Our unwavering commitment to being a responsible corporate citizen by using our network and solutions to assist those in need encouraged our partnership in Zimbabwe to deliver education via our broadband services.

### Ambitious



> Read our case study on pages 36 and 37

In line with our ambition to become a leading international Internet of Things (IoT) player with a disruptive, direct-to-satellite service, Yahsat invested in eSAT Global. The resulting partnership is a critical step in establishing our presence in a high-growth sector to deliver low-cost, low-latency, global IoT services to customers across our footprint.

**Innovative**  
**Unwavering**  
**Ambitious**

## What We Do

Yahsat provides a wide range of fixed and mobile satellite solutions for land, maritime and aero platforms to governments, enterprises, communities and individuals in over 150 countries across Europe, the Middle East, Africa, South America, Asia and Australasia. In 2020, Yahsat commenced construction of Thuraya-4 NGS, the next generation telecommunications system, which is due to enter service in 2025.

## Our Global Footprint

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

150+  
Countries  
covered

5  
Satellites

HQ in  
United Arab  
Emirates

### Our Business Lines:

#### Infrastructure

##### Yahsat Government Solutions

Leasing of critical satellite capacity to the UAE Government, and satellite operation services.

##### YahLink

IP trunking solutions, corporate networking and backhauling capacity marketed by Managed Solutions and Data Solutions.

#### Managed Solutions

##### Yahsat Government Solutions

Managed end-to-end secure communication solutions and bespoke turnkey SatCom platforms.

#### Mobility Solutions

##### Thuraya

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

#### Data Solutions

##### YahClick

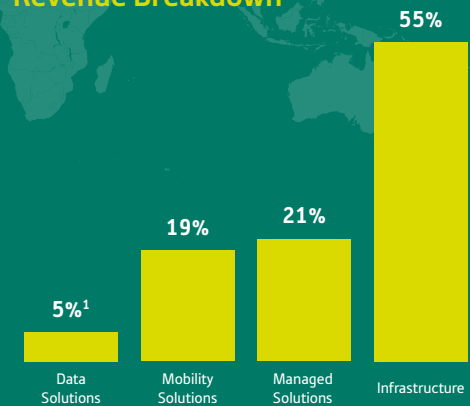
High-speed satellite broadband for consumer, enterprise and government users.

#### Broadcast Solutions

##### Yahlive

Premium services for broadcasters and a select choice of TV channels.

### Revenue Breakdown



<sup>1</sup> 10% of 2022 consolidated revenues when incorporating Yahsat's 20% share of HPE.



# Our journey and year in review

## 2007

Yahsat established.

## 2008

UAE Government signed as Yahsat's anchor customer.

## 2009

Established broadcast JV with Yahlive (SES).

## 2011/13

Yahsat's first and second satellites Al Yah 1 and Al Yah 2 launched.

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

## 2015

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

## 2018

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

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

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

## 2019

Established JV with Hughes (HdB) for Brazil.

## 2020

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

## 2021

Initial Public Offering on ADX.

Appointed by UAE Government to assess fleet expansion.

Launched Star Technologies JV.

Contracted SpaceX to launch Thuraya-4 NGS.

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

Launched nextgen mobility platforms.

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

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

## 2022

Awarded US\$ 247.5 Million Managed Services mandate by the UAE Government.

Invested in eSAT Global alongside a commercial agreement to develop a next generation low-cost low-data rate IoT platform.

Signed UAE Climate-Responsible Companies Pledge to support UAE Net Zero 2050.

Maintained fleet availability at 100% for the year.

Established AY4/AY5 design requirements.

Partnered with Hub71 to advance innovative technologies supporting satellite operations.

Launched several new products and services to meet increased customer demand for innovative satellite solutions in mobility and broadband sectors.

# Chairman's Statement

## Innovative Unwavering Ambitious

**Musabbeh Al Kaabi**  
Chairman of the Board



In 2022, Yahsat harnessed its unique strengths to deliver strong revenue and EBITDA growth amidst a challenging macro-economic environment.

As the wider space economy and the SatCom segment continue to evolve and undergo unprecedented change, we see promising growth opportunities that play to our strengths, including a robust balance sheet, high-quality infrastructure, a global footprint with coverage of more than two-thirds of the world's population, valuable spectrum rights and a deep and experienced talent pool. As the UAE's flagship satellite solutions provider, our objective is to continue this growth trajectory, building on our core government and commercial businesses over the coming years, both organically and through opportunistic acquisition.

### Clear focus on shareholder returns

In 2022 we continued to deliver on our promises to stakeholders, including our commitment to maintain a robust growth profile and an attractive, progressive dividend policy.

Top-line revenue grew 6% to US\$ 433 million, resulting in Adjusted EBITDA that exceeded management and the Board's expectations. Continued strong performance amidst challenging macroeconomic environment is a testament to strength and diversification of our assets and businesses, which cover 80% of the world's population and spans across more than 150 countries. Our global footprint, continuous innovation and market-leading solutions play a vital role in serving governments, enterprises and customers around the world and providing resilient and reliable connectivity. 2022 was another year of strategic progress and accelerated growth, as we solidified core government business, forged new partnerships, expanded our offerings, diversified into new markets and created ever-increasing value for all our stakeholders. Our contracted future revenues at over four

and a half times 2022 revenues, strong liquidity position and growth in free cash flow clearly distinguish Yahsat from amongst its peers in the industry and provide a strong platform for future growth.

Given these strong results the Board is pleased to recommend a final dividend of 8.06 fils per share, bringing the total dividend for 2022 to 16.12 fils per share. Based on Yahsat's share price at the end of the year, this implies a dividend yield of 6.4%, one of the highest yields amongst UAE listed equities. We reassert our commitment to grow Yahsat's dividends by at least 2% per year underscoring the Board's confidence in Yahsat's future growth potential and long-term visibility of cash flows.

### Unwavering focus on growth

Yahsat's strong financial performance in 2022 was driven by its expansion in the core UAE Government business and existing verticals as well as by diversification across the SatCom value chain. The five year Managed Services Mandate, worth US\$ 247.5 million, awarded at the beginning of 2022, included an expanded scope compared to the previous operations and maintenance contract, incorporating a technology upgrade for UAE Government. The commercial businesses ventured into new markets such as Myanmar and Thailand for Mobility Solutions and Morocco, Libya, Zambia and other African countries for Data Solutions, laying the foundations for future growth. This was accompanied by providing improved products and solutions to cater to our increasingly diverse customer base, meeting rising consumer demand for connectivity, and further consolidating our support of the UAE Government's requirements for satellite solutions.

We continued to pivot to recurring revenue contracts, extending our visibility of long-term earnings. The predictability of cashflows provided by this revenue backlog is a significant advantage in our planning and funding of future capital projects, including our satellite replacement programme and strategically important growth ventures we are targeting in our commercial businesses.

During 2022, we expanded our customer relationships, providing new valued-added solutions and products to meet their growing needs. We strengthened our presence in sectors strategically important to us such as energy, maritime, education and healthcare, giving us an extended scope to market new solutions that respond to rapidly changing communications and connectivity requirements.

This expansion of our government and commercial operations, combined with the increase in the number and diversity of customers and service partners, have produced a promising pipeline across all businesses and regions. We are particularly excited about the potential benefits to both government and commercial business units of the next generation T4-NGS satellite and associated products that will support many new applications. We are further considering the launch of two new satellites Al Yah 4 and Al Yah 5, which are currently in the evaluation phase. Securing the contracts for these two new satellites will ensure a smooth transition when the current Capacity Services Agreement (CSA) with the UAE Government comes to an end in 2026, thereby significantly increasing the Group's contracted future revenues and extending long-term visibility of cash flows.

### Continued strategic progress

Yahsat's multipronged strategy resulted in notable advances in our Infrastructure, Mobility Solutions, Data Solutions and Managed Solutions businesses in 2022, which are covered in depth in the operational review section of this report. In this message to readers, I touch on a few developments to demonstrate how Yahsat is prudently managing resources to support growth, reinforcing its critically important relationship with the UAE Government, and making strategic inroads into rapidly emerging sectors.

Building on our 15-year relationship with the UAE Government, Yahsat concluded an attractive five-year managed services and technology upgrade mandate worth US\$ 247.5 million that expands the scope of the previous operations and maintenance agreement

and supports the utilisation of capacity contracted to the UAE Government under the Capacity Services Agreement (CSA). In addition, construction of the T4-NGS satellite is progressing well and is expected to launch in 2024 and enter service in 2025, driving further substantial revenue growth with a UAE Government contract of US\$ 755 million to be recognized over a 15-year period. In addition, T4-NGS satellite will strengthen our product and service proposition with many new applications in the commercial sector.

We remain in regular discussions with the UAE Space Agency, the body responsible for the implementation of the UAE National Space Strategy 2030. In 2022, the UAE Space Agency launched a US\$ 800 million National Space Fund to finance many of the Agency's objectives, programmes and initiatives, including a project to launch a LEO constellation of advanced imaging satellites. Yahsat stands ready to support the Agency in meeting the UAE's national objectives.

As previously communicated, Yahsat is pursuing opportunities in high-growth sectors including the Internet of Things (IoT) market. Accordingly, we invested in eSAT Global, a US-based business that aims to deliver disruptive direct-to-satellite connectivity to low-cost, low power, low-data-rate IoT devices, and entered a commercial partnership alongside them, to develop the IoT platform for these IoT sensing and tracking devices.

In targeting unserved and under-served sectors, we continue to build on our maritime mobile satellite solutions. A few years ago, we launched the highly successful and award-winning MarineStar product for the global fisheries industry. MarineStar's clear and reliable voice and data communications over our global satellite network, including tracking and monitoring capabilities, have made it the preferred choice for small fishing fleet owners. Yahsat has sold more than 27,000 units and in 2022, MarineStar earned international praise, receiving the ESG innovation impact award from the Mobile Satellite Users Association, and topping the Marine Technology – Satellite category part of the 2022 Middle East Technology Excellence Awards. We believe there is significant untapped potential in the maritime market for MarineStar and many other products and solutions.

### Advancing on our sustainability agenda

Yahsat fully supports the objectives of international and national sustainable development goals, and we see a growing role for satellite-enabled services to aid sustainable development on Earth.

Organisationally, we have made considerable progress in 2022 towards institutionalizing sustainability throughout Yahsat's corporate culture and decision-making processes. The Board approved a comprehensive sustainability strategy focused on five areas of importance to Yahsat and its stakeholders – serving customers and communities, investing in people, reliable corporate governance, promoting environmental protection and developing the right business partnerships.

During 2022, we also continued to support several humanitarian organisations and communities around the world to provide remote communication capabilities including the ability to effectively coordinate humanitarian crisis-response activities and providing connectivity to schools and healthcare facilities.

Readers are encouraged to learn more in Yahsat's Corporate Governance and Sustainability Reports for 2022, which provide comprehensive detail regarding our ESG performance, strategy and future targets.

### 2023 outlook

Our robust balance sheet, relationship with the UAE government, and focus on high-in-demand and newly emerging opportunities offer great scope for the continued growth of Yahsat's government and commercial businesses.

The satellite industry is undergoing significant change and technological development that has attracted many new investments. The Board and senior management regularly review Yahsat's business strategy to ensure alignment with, and develop responses to, the unfolding changes in the industry.

In our most recent strategy review, we recognised Yahsat's strong financial and operational position to create value beyond pure connectivity. To achieve this, our future efforts will focus on IoT and SatCom value-added solutions, the direct-to-device market and the UAE's emerging space economy. We will communicate more on this in the coming year as the new strategy takes shape.

In closing, and on behalf of the entire Board, I would like to thank our customers, shareholders, partners and all colleagues for their continued support – I am proud of what has been accomplished in 2022 and look forward to another successful year.

**Musabbeh Al Kaabi**  
Chairman of the Board

# Chief Executive Officer's message

## Delivering results. Positioning for future growth.

**Ali Al Hashemi**  
Chief Executive Officer



### 2022 Highlights

Revenue  
**US\$ 433m**

Adjusted EBITDA  
**US\$ 258m**

Normalised net income  
**US\$ 106m**

Net income  
**US\$ 66m**

In a year of significant disruption for the satellite industry and faced with global economic headwinds, the Group delivered strong top-line revenue growth, a superior margin and healthy cash flows, positioning it well to sustain and grow its dividend and invest in growth initiatives.

In addition to expanding our role as the preferred partner of the UAE Government to meet its growing satellite communication needs, we refocused our commercial businesses on areas of higher growth and profitability.

### Strong performance validates focus on value-added solutions

In 2022 Yahsat reported an impressive 6% increase in revenues to US\$ 433 million (2021: US\$ 408 million), driven in large part by exceptional growth in the Managed Solutions business.

Adjusted EBITDA was 7% higher at US\$ 258 million (2021: US\$ 240 million), while net income was 6% lower at US\$ 66 million (2021: US\$ 70 million).

Adjusted for one-off charges, Normalised Adjusted EBITDA was 5% higher at US\$ 258 million (2021: US\$ 245 million), generating a margin of 60% (2021: 60%). After adjusting for a non-cash impairment charge of US\$ 41 million recorded in 2022 relating to our Brazil associate investment and a further US\$ 11 million in other one-off costs recorded last year, we recorded 31% growth in Normalised Net Income to reach US\$ 106 million (2021: US\$ 81 million).

Discretionary free cash flow remained strong at US\$ 225 million (2021: US\$ 180 million) and covers our proposed 2022 dividend by more than 2 times.

At 31 December 2022, the Group's net leverage (net debt to Adjusted EBITDA) was negative (2021: 0.6x), with cash and short-term deposits of US\$ 545 million, up 36% from the prior year (2021: US\$ 400 million).

### Expanding core government business

Governments, in particular the UAE Government, and related entities are serviced through two operating segments – Infrastructure and Managed Solutions. In 2022, we maintained strong momentum to develop and grow both of these businesses.

Our largest segment, **Infrastructure**, continued to anchor the Group's overall business, contributing 55% of total revenue and 69% of Adjusted EBITDA in 2022 (2021: 58% and 76%, respectively). The segment provides long-term satellite capacity leases and satellite operation services, enjoying stable and predictable revenues from a single Capacity Services Agreement ('CSA') that runs until November 2026.

In 2022, we continued to move forward with the T4-NGS satellite procurement programme. With the UAE government acting as the anchor customer, the new satellite will provide capacity and services to the UAE Government through a contract worth over US\$ 700 million in future contracted revenue. This will support future revenue growth in the Infrastructure segment from 2025 onwards, when we expect the T4-NGS satellite to commence commercial operations.

Separately, the procurement process for two new potential satellites Al Yah 4 and Al Yah 5 is progressing well, with the Group in advanced discussions with the UAE Government regarding the evaluation of manufacturer responses prior to selecting a preferred satellite manufacturing partner.

The new satellites will play a critical role in Yahsat's future as they will ensure the continuity of long-term reliable satellite communications to the UAE Government beyond the end of the current CSA.

Our **Managed Solutions** business unit delivered a superb performance, with full-year revenues of US\$ 91 million (2021: US\$ 64 million), 41% higher than the prior year and contributing 21% to overall Group revenue (2021: 16%). Revenue growth was largely driven by delivery of the first year of a new five-year managed services mandate, worth US\$ 247.5 million, for full services and technology management provided to the Government, reflecting the Group's on-going focus on providing fully managed, end-to-end, solutions, enhancing its long-term cash flows and revenue visibility.

The business reinforced its strong position in the oil and gas sector, providing additional solutions to anchor customer ADNOC. We also secured deals in newly targeted sectors, such as energy and logistics and continued to expand our geographical footprint beyond the UAE.

The government business was further augmented by broadening our solutions across the SatCom value chain to provide additional revenue-generating services, such as integrated beyond-line-of-sight Satcom solutions and Information Communication Technology (ICT) systems.

In addition, it established an Advanced Program Management unit to develop its own satellite modems in partnership with Tawazun and capture higher margins by vertically integrating across the value-chain. This will be an important focus area for us in addition to exploring opportunities in Earth Observation (EO) and remote sensing to support the UAE Space Agency's ambitions.

The **Mobility Solutions** business unit, which comprises our 90% shareholding in Thuraya, delivered a solid performance. Despite the challenging trading conditions, we recorded an increase in revenues at US\$ 81 million (2021: US\$ 80 million) and positioned the business well to capitalise on high growth areas in 2023 and beyond, including IoT, government and maritime.

We broadened the footprint of our maritime business across the broader South-East Asia and Africa regions. We also developed and launched a variety of new and innovative products to cater to and anticipate our customers' needs. These included: (i) Thuraya Push-to-Talk (PTT), allowing users across a wide spectrum of industries to extend the range of their voice communications

beyond line of sight (BLOS); (ii) Go Silent, providing government clients with an encryption solution for using commercial systems that do not, on their own, meet stringent security requirements; (iii) the SatTrack application enabling web-based tracking, monitoring, and geo-fencing capabilities using Thuraya's T2M-Dual product; and (iv) the SM-3700 core module enabling new product development for the M2M segment and for specific use cases such as container tracking.

In line with our strategic focus on IoT sector, we acquired a minority stake in eSAT Global, with whom we also signed a commercial agreement, to develop a next-generation platform to cater for fast-growing low-cost, low power and low-data-rate IoT sub-segment, which remains significantly under-penetrated.

At the same time, we continued to make excellent progress on building capacity and developing new products for T4-NGS which we anticipate will allow us to sell new advanced mobile satellite services to commercial customers in addition to the Government as anchor customer.

Our **Data Solutions** business, branded as YahClick, reported gross revenue of US\$ 23 million (2021: US\$ 27 million), while Adjusted EBITDA of US\$ 1 million (2021: US\$ 4 million loss) was positive for the first time.

The business continued a trend of strong growth in broadband subscribers, posting a 21% increase versus 2021. This growth was driven by continued expansion in key markets across Africa, especially in Zimbabwe. YahClick leveraged on our extensive network and portfolio of solutions to partner with ZARNet, Zimbabwe's statutory ICT authority, to roll out broadband internet services to the country's education, healthcare and government sectors.

In the enterprise sector, YahClick continued to offer tailor-made solutions to greatly enhance productivity with new wholesale and virtual network operator (VNO) capacity contracts, including the provision of cellular backhaul services to mobile network operators across Africa.

During the year we appointed a new Chief Commercial Officer, Sulaiman Al Ali, to drive commercial synergies across our Mobility and Data Solutions businesses and leverage complimentary offerings with our service partner network to meet our customers' diverse SatCom needs. We started to realise operational efficiencies in 2022 with both our commercial businesses, Mobility Solutions and Data Solutions, achieving cost optimisation and improved margins.

## Investing in our people

Our business relies on our people, which is why we continually look to enhance our working culture by providing the best benefits and development opportunities. In 2022, benefits included a new gender equity policy and introduction of a long-term incentive plan. Yahsat continued to prioritise the development of the knowledge and skills of all our employees during 2022 and built on previous successful engagement with the UAE space agency by collaborating to provide opportunities for our engineers to be seconded to the Venus probe programme.

Our commitment to attracting, developing and creating rewarding careers for UAE nationals has never been stronger. During 2022, we increased our Emiratisation rate to 52.5%, provided a unique experience for a number of our talented Emirati engineers to gain deeper industry expertise and global exposure by working at one of our international project sites, and finalised plans to launch the third cohort of our successful 'Train to Work' programme next year, which provides on-the-job training leading to full-time work opportunities for Emirati graduates.

As a responsible employer, we listen to our employees and strive to continuously improve our employee value proposition. Our successful employee engagement was clearly reflected in our highest-ever response rate of 97% in our latest Employee Satisfaction Survey. We are proud to have achieved an 82-point engagement score that is above regional benchmarks, as well as an Employee Net Promoter Score (eNPS) of 48. While there is still much work to be done, including implementing a range of programs and initiatives launched to address areas identified through the survey process, these outstanding results show how much our people love being part of the Yahsat family.

## Our ambitions for the future

Our impressive financial performance in 2022 together with our strong balance sheet positions Yahsat well to invest in growth initiatives in areas such as government services (Al Yah 4 and Al Yah 5 satellites and associated managed solutions), direct-to-device (D2D) technology, end-to-end SatCom solutions and the Internet of Things (IoT).

We see promising growth opportunities that play to our many strengths, including our strong balance sheet, high quality infrastructure, large geographic footprint, valuable spectrum rights and the knowledge and skills of our people. During 2022 we undertook a strategic exercise to review emerging trends and identify growth opportunities, reflecting our ambition to expand



our satellite operatorship role toward becoming a 'spacetech' player, with a particular focus on the following areas:

- Direct-to-Device – our L-band spectrum rights put us in a unique position to pioneer the direct-to-device opportunity (D2D) by developing partnerships with leading global players;
- SatCom value-added solutions – we will strengthen our data solutions with an accelerated transition into becoming a high value-added SatCom solutions provider whilst seeking to maintain strong growth in our broadband business;
- IoT – our focus will be to deliver end-to-end IoT solutions that require satellite connectivity to connect billions of devices across the globe in multiple verticals;
- UAE Space Economy – our role as a sovereign satellite operator has national strategic importance, and therefore we plan to further expand our government offering including the development of Earth Observation (EO) and remote sensing capabilities, and by creating advanced manufacturing capabilities in the UAE.

### Acknowledgements

In closing, we have recorded a strong set of financial results in 2022 and firmly believe that there are a number of significant growth opportunities across our four segments. I am confident that with the continued support and input of the Board, the senior leadership team, Yahsat's employees and partners, we will be able to capitalise on these opportunities and create further shareholder value in the future.

### Ali Al Hashemi

Group Chief Executive Officer

# Key differentiators

## Global connectivity enabler providing critical solutions

Covering >150 countries and potential to reach >2/3 of world's population<sup>1</sup>.

Differentiated mobile and fixed satellite services in emerging and high-growth markets.

Deep, long-standing relationships with UAE Government and key partners across GCC, Africa, Asia and Brazil.

## The UAE Government's preferred partner

Provider of secure, mission critical connectivity services and solutions to the UAE Government.

Strong relationship dating back more than a decade and underpinned by significant long-term contracts that provide visibility and security of future cash flows.

Uniquely positioned to capitalise on upcoming growth opportunities and to further deepen the relationship.

## Pursuing sizeable and well-identified areas of growth

Significant growth opportunities across our Government and Commercial businesses.

Potential to deepen participation across value chain and deliver integrated Satcom solutions.

New partnerships, channels and products under development ahead of Thuraya-4 NGS' launch.

## High-quality, well-invested asset base

Fleet of five active geostationary satellites and sixth expected to begin operations in 1H 2025.

Incorporating a wide range of technologies, including valuable Ka and L-band frequency bands.

Best-in-class ground infrastructure based in the UAE and internationally.

## Industry pioneer in fast-growing emerging markets

Differentiated offering in high-growth, underserved markets, underpinned by pioneering technology.

Hybrid go-to-market model in the Middle East, Africa, Asia and Australasia, leveraging partnerships and direct-to-market channels.

Flexible and scalable capacity model with opportunity to leverage in-market differentiation for new technologies.

## Proven senior leadership and supportive shareholder

Highly experienced management team with deep industry expertise and a strong track record of delivering results.

Board of Directors with diverse industry and functional expertise.

Strong backing from our majority shareholder Mubadala.

## Highly attractive financial profile

~73%<sup>2</sup> of revenue driven by highly-rated UAE Government contracts under long-term commitments.

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

Robust growth profile and growing dividend capacity with a commitment to dividend growth of at least 2% per year.

<sup>1</sup> For mobility solutions (MSS).

<sup>2</sup> For year 2022, from UAE Government & Government-related entities.

# Board of Directors

Full biographies can be found in the Corporate Governance section on pages 72 and 73.



**Musabbeh Al Kaabi**  
Chairman

Musabbeh Al Kaabi is the Executive Director of Low Carbon Solutions & International Growth at ADNOC Group. Prior to this, he served as the Chief Executive Officer of Mubadala's UAE Investments platform. He was also a member of Mubadala's Investment Committee, playing a strategic role advising on all major investment decisions related to the full range of the Company's sectors and businesses.



**HE Tareq Al Hosani**  
Vice Chairman

HE Tareq Abdulraheem Al Hosani is the Secretary General of Tawazun Council, the government authority responsible for acquisition management, industrial development and the setting of regulations, standards and governance for the defence and security industry. He manages the day-to-day business activities of Tawazun Council.



**HE Maryam AlMheiri**  
Director

HE Maryam AlMheiri is Director General of the Abu Dhabi Media Office (ADMO), having overseen its growth from launch to becoming the emirate's central source of news, information and stories about Abu Dhabi for a local and global audience.



**Peng Xiao**  
Director

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



**HE Rashed Al Ghafri**  
Director

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

## Other Directorships

Mubadala Energy (C), Abu Dhabi Future Energy Company PJSC – Masdar (BM), National Central Cooling Company PJSC – Tabreed (BM), First Abu Dhabi Bank (BM), Emirates Global Aluminium (BM)

Bayanat (C), Tawazun Technology & Innovation (C), Munich Health Daman Holding Limited (C), Al Forsan Holding Company (VC), Royal Jet Group (BM), Rabdan Academy (BM)

Executive Committee of Executive Council (Member), UAE Special Olympics Board of Trustees (VC), Honorary Advisor to the Board of Abu Dhabi University (BM), Mohamed bin Zayed University for Humanities (BM), Emirates Red Crescent (BM), Fatima Bint Mubarak Ladies Sports Academy (BM)

Group 42 Holding Ltd (BM), Various private limited liability subsidiaries of Group 42 Holding Ltd (C/BM)

Thuraya Telecommunications Company (C)

## Tenure

1.9 years

9.0 years

1.5 years

1.5 years

9.0 years

## Committee membership





**Badr Al Olama**  
Director

Badr Al Olama is the Executive Director of the UAE Clusters unit within Mubadala's UAE Investments platform, which has been formed to accelerate the UAE's economic transformation by investing in national champions, fostering vibrant industrial and commercial clusters, and partnering with world-class global organisations.

#### Other Directorships

Emirates Post Group (C), Strata Manufacturing (C), The Sanad Group (C), Shariket Kahraba Hadjret En Nouss SKH spa (C), Mubadala Health (BM), SHUAA Capital (BM), Oumolat Security Printing (BM), YAS Holding (BM), TASIAP GmbH (BM), SAFAV/SAPPL/SAFMMA/AMS/RMA - AUTOMOTIVE JV'S (BM)

#### Tenure

1.9 years

#### Committee membership



**HE Masood M. Sharif Mahmood**  
Director

HE Masood Mahmood is the Chief Executive Officer of Etisalat UAE by e&, having previously held the role of Director General at the Department of Finance of the Government of Abu Dhabi and, prior to that, serving as the Chief Executive Officer of Yahsat for nearly nine years. He has over 20 years of experience in investment management, telecommunications and the space sector.

Emirates Nuclear Energy Corporation (BM), UAE Space Agency (BM), Wio Bank (BM)

1.9 years



**Adrian Steckel**  
Director

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

CONX Corp (BM), InfoBionic (BM), Hyper Reality Partners (BM), Uphold Limited (BM)

1.5 years



**Gaston Urda**  
Director

Gaston Urda is the Sr. Advisor to the Chief Executive Officer of the UAE investment platform at Mubadala. Since joining Mubadala in 2008, his primary responsibilities have been to oversee and manage investments across different geographies and sectors including logistics, transportation, mining, aerospace services, real estate investment management, renewables and utilities.

The Sanad Group (BM), Virgin Orbit Holdings (BM), SR Technics Switzerland AG (BM), Al Masar Investments (BM)

1.5 years



#### Other Directorships Key

C Chairperson; VC Vice Chairperson; BM Board Member

#### Committee Membership Key

**ARCC** Audit Risk and Compliance Committee

**NRC** Nomination and Remuneration Committee

# Senior Management

Full biographies can be found in the Corporate Governance section on pages 82 to 83.



## Ali Al Hashemi

Chief Executive Officer, Yahsat Group

Ali Al Hashemi was appointed as Chief Executive Officer of the Yahsat Group in April 2021. He has been with Yahsat since 2013, having previously served in concurrent roles as the General Manager of Yahsat Government Solutions (YGS) and Chief Executive Officer of Thuraya.



## Andrew Cole

Chief Financial Officer

Andrew Cole is Chief Financial Officer of the Yahsat Group. He joined Yahsat in 2020. In this role, he is responsible for the financial management of Yahsat including investor relations and procurement, working with all stakeholders, including Mubadala and key partners. Andrew has 25 years of cross-sector experience in senior finance, operational and advisory roles.



## Muna Almheiri

Chief Human Capital and Administration Officer

Muna Almheiri is the Chief Human Capital and Administration Officer. She joined Yahsat in 2007, prior to which she was with Thuraya. In this role, she is responsible for talent acquisition, learning and development, leadership development, Emiratisation, organisational development, compensation and benefits, and employee relations and administration.



## Adnan Al Muhairi

Chief Technology Officer

Adnan Al Muhairi was appointed as Chief Technology Officer of the Yahsat Group in 2021. He has been with Yahsat since 2009. In this role, he is responsible for managing the Group's satellite fleet, as well as designing and developing end-to-end space systems and technological solutions to better serve Yahsat customers.



## Khalid Al Kaf

Chief Operations Officer

Khalid Al Kaf was appointed as Chief Operations Officer of the Yahsat Group in 2021. He has been with Yahsat since 2017. In this role, his focus is on addressing the strategic operational issues that influence business performance and efficiencies of cost.



## Sulaiman Al Ali

Chief Commercial Officer

Sulaiman Al Ali was appointed as Chief Commercial Officer of the Yahsat Group in 2022. In this role, he leads both Thuraya, the mobility solutions business of Yahsat and YahClick, the data solutions business of Yahsat and is responsible to expand customer solutions, drive growth and deliver operational synergies across both Thuraya and YahClick businesses.



## Eisa Al Shamsi

General Manager, Yahsat Government Solutions (YGS)

Eisa Al Shamsi joined Yahsat in 2010 and in this role, he is responsible for Yahsat's government business involving the engineering and delivery of state-of-the-art turnkey and fully managed end-to-end solutions to meet the strategic and tactical, resilient and secure connectivity needs of various UAE and regional government entities.



## Khalid Al Awadhi

Chief Advance Program Management Officer

Khalid Al Awadhi was appointed as Chief Advance Program Management Officer of the Yahsat Group in 2022. He has been with Yahsat since 2009. In this role, he is responsible for development of advanced space technologies, operational concepts and capabilities for future commercialization, in-country industrialization and further business expansion.



## Ali Al Fahim

General Counsel

Ali Al Fahim was appointed as General Counsel of the Yahsat Group in 2022. In this role, he is responsible for management of the Group's legal department and corporate governance function. He has over 13 years' experience as legal counsel, specialising in mergers and acquisitions and corporate law.



# Market overview

## A year of accelerating transformation

2022 was another year of continued transformation for the satellite services industry, with substantial investments, the emergence of new challenger business models, further industry consolidation and growing demand for connectivity across all segments and geographies as satellite coverage, capabilities and pricing improve.



## Large and Growing Market Opportunities

- With a global space race underway, the overall space economy continues to grow into the hundreds of billions of US dollars<sup>1</sup> in private and public annual expenditures within the industry – we see this growth trend continuing well into this decade and beyond.
- Government and Military sub-segment expected to grow at mid-single digit rate over the next ten years<sup>1</sup>.
- Space data traffic is expected to increase multiple fold by the end of the decade<sup>2</sup>.
- Fixed Satellite Services (FSS) revenues are forecast to grow at mid-single digit rate over the next ten years<sup>2</sup>.
- Mobile Satellite Services (MSS) revenues are forecast to grow at low single digit rate over the next ten years<sup>2</sup>.

<sup>1</sup> Euroconsult – Annual Space Economy Report.  
<sup>2</sup> NSR (Northern Sky Research).



# Key Satellite Industry Trends and our response to them

## Ubiquitous data

- Increasing global data connectivity needs.
- Higher demand for MSS (mainly within vessels and planes).
- Internet of Things (IoT) and Direct-to-Device (D2D) technology gaining traction, increasing demand for narrowband satellite communication.
- Continuing decline in broadcast as demand shifts from linear to over-the-top (OTT) media services.

## How Yahsat is responding

- Yahsat is growing its FSS business across Africa and the Middle East. We continue to competitively structure and price our offerings in response to specific market demands of our service providers (for onward sale to end users) as well as value added resellers.
- Yahsat is uniquely positioned to capture market share in the MSS subsegment. Thuraya's expertise and assets, including the forthcoming launch of the T4-NGS satellite and valuable narrowband spectrum rights, allow it to offer new products and play an important role in the evolving IoT and D2D space. The T4-NGS satellite will allow us to develop more than a dozen new applications for use across industry verticals. In 2022, we also invested in an IoT device and platform developer, to capitalize on high growth opportunities for low power, low data rate satellite-enabled sensing and tracking services.
- In response to increased use of LEO constellations for both MSS and FSS services, we are currently exploring opportunities to partner strategically and/or invest in other constellations to strengthen our offerings and leverage our unique mobility assets, experience and client portfolio.

## Space back on national agendas

- Governments increasing defence budgets and satellite communications expenditure.
- Expanded coverage ambitions and bridging the digital divide.
- Increased government collaboration with private sector to enhance satellite communication capabilities, which have emerged as a key tactical element in conflict zones.

## How Yahsat is responding

- Yahsat is developing ambitious programs to enhance and reinforce its core government business with several new FSS and MSS products dedicated to the government and defence sectors.
- This includes the launch of a new MSS satellite currently under construction, T4-NGS, as well as two new potential FSS satellites, Al Yah 4 and Al Yah 5, which will ultimately replace Al Yah 1 and Al Yah 2, and serve the UAE Government's satellite communication needs.
- Yahsat is exploring adjacent satellite services, aiming to become a one-stop-shop for the UAE Government and other Government entities for all satellite services, taking into account the renewed interest in the Space sector and the recent launch of the US\$ 800 million UAE Space Fund.
- Yahsat is committed to developing a joint program with Tawazun for the establishment of facilities in the UAE to manufacture satellite communications terminals and achieve vertical integration across the value chain.

## Technological acceleration

- Technological evolution improving satellite economics, reducing overall capital expenditure requirements.
- Next generation satellites with more flexibility and reconfigurability.
- Increased traction in Direct-To-Device (D2D) technology to enable satellite communication on consumer handheld device.

## How Yahsat is responding

- Yahsat is closely monitoring the many technological developments taking place in the sector, and maintaining an open dialogue with key innovators to explore potential partnerships and joint offerings.
- We are currently constructing our latest MSS satellite, T4-NGS, which will spur growth across many industry verticals, offering a wide range of unique features including higher speeds, more than double the capacity of Thuraya 2 and Thuraya 3 satellites within our fleet, an enlarged coverage area, higher security and flexible performance.
- Two new potential satellites, Al Yah 4 and Al Yah 5, will offer enhanced FSS services at more competitive pricing compared to the cost of the original procurement programme of Al Yah 1 and Al Yah 2 which they will ultimately replace.
- Yahsat is currently exploring potential opportunities in D2D and other growth areas, leveraging its experience in MSS and its spectrum assets.
- Yahsat has recently signed a partnership with Hub71 to advance technological innovations that support the development of the UAE's mobile satellite capabilities. The first contract resulting from the new partnership is an agreement between Yahsat and Hub71-based start-up, Mental VR, a Virtual Reality (VR) software development company.

## Shifting business landscape

- New applications and use-cases enabled: enterprise, tele-medicine, virtual education, etc.
- Consolidation and collaboration between industry players, both horizontally and vertically.
- New challenger business models emerging, including adoption of a hybrid constellation approach.
- Growing interest and capital directed towards space sector (record investment in 2022).

## How Yahsat is responding

- Yahsat is developing new initiatives that capitalise on the new business models observed with the objective to test them on the ground from early 2023 including a new community Wi-Fi programme for the African market.
- Yahsat keeps capitalising on the highly attractive local ecosystem of start-ups and incubators (including Hub71) to explore new use-cases leveraging new technologies such as AI and Virtual Reality.
- We strongly support cross-collaboration with space and tech sectors companies. Yahsat is currently discussing with several players for joint initiatives that should bring competitive advantage and improve company's positioning on the market.

# Our business model

## Our strengths enable...

## sustainable value creation...



### Finance

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

Lean cost structure with strong cost discipline across business.

Stringent capital allocation with robust governance.

High cash conversion ratio.

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



### Spectrum

~200 active ITU filings to support future missions and strategy.

Good access to markets across footprint.

Unique spectrum rights including valuable L-band.



### Human Capital

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

Internationally diverse and highly-specialised workforce.

Long track record of developing and attracting local talent.

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



### Technology and Assets

Well-invested infrastructure assets across space and ground segments.

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

Modern infrastructure spanning both FSS and MSS.



### Business and Relationships

UAE's flagship satellite operator.

Recognised industry leader, nationally and internationally.

Strong distribution presence and partnerships.

Strong relationship as a trusted partner with the UAE Government.

Deep partnerships with global industry leaders.

### Our Vision

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

### Our Mission

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



#### Quality

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



#### Human Capital

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



#### Growth

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

Our values underpin everything we do...



# for our stakeholders

## Our Value Proposition

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

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

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

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

### Fixed Satellite Services



AI Yah 1



AI Yah 2



AI Yah 3

### Mobile Satellite Services



Thuraya-2



Thuraya-3



Thuraya-4 NGS  
(under construction)

## Our Business Lines

### Infrastructure

**Yahsat Government Solutions**  
Leasing of critical satellite capacity to the UAE Government and satellite operation services.

**YahLink**  
IP trunking solutions, corporate networking and backhauling capacity marketed by Managed Solutions and Data Solutions.

### Managed Solutions

**Yahsat Government Solutions**  
Managed end-to-end secure communication solutions and bespoke turnkey SatCom platforms.

### Mobility Solutions

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

### Data Solutions

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

### Broadcast Solutions

**Yahlive**  
Premium services for broadcasters and a select choice of TV channels.

- Respect
- Reliability
- Agility
- Customer Focus
- Creativity

## Our Customers

(Governments, enterprises, communities and individuals)

Secured, reliable and multi-purpose connectivity solutions.

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

Strategic and sovereign advanced satellite solutions for the UAE Government.

Enriched and value-added solutions.

Countries covered  
**150+**

## Our Employees

Exciting technical and business work environment to develop and maximise potential.

Progression, learning, diversity and inclusion.

Strong leadership, experience and opportunity for growth.

Number of nationalities  
**46**

## Our Shareholders

Attractive and progressive dividends.

High-growth and value creation opportunities.

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

Adjusted EBITDA  
**US\$ 258m**

## Our Nation

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

Contributing to the Abu Dhabi 2030 Vision.

Enhancing the national economy by partnering and creating new opportunities.

Emiratization<sup>1</sup>  
**52.5%**

<sup>1</sup> Emiratization excluding third party contractors.

# Our strategy

## Strategic Pillars



### Expand core government business in infrastructure and managed solutions



### Diversify and expand commercial business



### Invest and partner to diversify and grow



### Build on position as the UAE's flagship satellite operator

## Strategic Objectives

- Solidify our core business to deliver more missions, more solutions and more value.
- Enrich and expand our portfolio of government products, solutions and services.
- Diversify our government business to more entities in the UAE, including civil, and penetrate more strategic international markets.
- Explore value accretive adjacencies (e.g. managed solutions, ICT services) to solidify our core proposition.

- Differentiate through unique products and value-added solutions, as well as deeper distribution relationships.
- Accelerate commercial business across Managed Solutions, Mobility Solutions and Data Solutions.
- Expand market share in growing Fixed Satellite Services (FSS) and Mobile Satellite Services (MSS) markets and regions, by capitalising on unique relationships, technologies and business models.
- Expand into new and disruptive commercial opportunities, such as IoT/M2M and direct-to-device satellite connectivity.

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

- Create long-term value by collaboration with other key players in the broader UAE space and technology ecosystem.
- Support UAE National Space Strategy 2030 and Abu Dhabi 2030 vision by spurring new in-country development in space, technology and industrialisation.

## 2022 Highlights

- Awarded and delivered the first year of a fully managed services and technology management mandate by the UAE Government – a 5 year contract for ground satellite communications services and solutions worth US\$ 247.5 million.
- Awarded new contracts to enable UAE Government platforms with SatCom capabilities and provide an integrated system and ground control services.
- Received the initial US\$ 150 million advance payment from the end user post completion of key project milestones of the Thuraya Next Generation Program development phase including completion of critical design review.
- Provided additional satellite connectivity services to a major oil & gas customer in the UAE to enable critical connectivity and reliable network capabilities.

### Managed Solutions

- Accelerated commercial business lines and signed new customers for both FSS and MSS solutions.
- Explored opportunity to provide maritime Satcom solutions to ADNOC Logistics' regional vessels and conducted successful proof of concept.
- Announced AED 24 Million contract by Abu Dhabi Ship Building to deliver satellite communication solutions.

### Mobility Solutions

- Evolved Go-To-Market model with new distribution agreements, including establishment of new partnerships to address multiple verticals including government, maritime and aero.
- Launched new products (e.g. maritime tracking and monitoring) and strengthened foundation for future strategic growth portfolio (maritime, IoT, government, enterprise) with new products under development that will be compatible to next generation Thuraya-4 satellite.
- Extended our distribution network in 7 countries and signed 8 new partners thus growing our ecosystem of integrators and increasing our visibility.

### Data Solutions

- Double digit growth in subscriber base across MEA to approximately 22,000 customers.
- Launched services in Morocco and activated capacity in several other countries in Africa.
- Signed multiple enterprise and wholesale deals, including for cellular backhaul.

- Acquired a minority stake in eSAT Global and signed a complementary commercial agreement to develop a platform for low-cost low- and very-low data rate (LDR/VLDR) IoT devices with direct-to-satellite connectivity using GEO satellites.
- Selected technology partner for the development of a satellite modem system with Tawazun's<sup>1</sup> support.
- Agreement with EDGE Group, the UAE's defence industry conglomerate, to line-fit NIMR manufactured armoured vehicles with advanced Comms-On-The-Move (COTM) satellite communications solutions.
- Agreement with Al Seer Marine, a UAE marine services company, to test and line-fit unmanned surface vessels with advanced Comms-On-The-Move (COTM) satellite communications solutions.
- Thuraya-4 NGS progressing and expected to be launched in the first half of 2024 and enter service in the first half of 2025.

- Laid foundations for new strategic platforms to serve UAE and international governments and enterprises for 'situational awareness', including remote sensing and earth observation.
- Solidified position as a satellite centre of excellence through talent attraction and retention as well as development of national expertise.
- Awarded contracts worth AED 28.3 million to design and deliver advanced satellite communications for UAE Government Platforms.

<sup>1</sup> Tawazun Council (Tawazun) is the UAE defence and security acquisition authority for the UAE Armed Forces and Abu Dhabi Police.

## Future focus

- Sustain core business by securing new long-term FSS capacity service agreement with the UAE Government on two new satellites (Al Yah 4 and Al Yah 5).
- Expand and sustain core UAE Government Business while expanding commercial base.
- Centralise and expand 3rd party Satcom capacity solutions to benefit from continuing demand.
- Increase collaboration with other Government departments and large UAE entities.
- Continue drive towards fully managed end-to-end services that leverage on specialised internal resources to maximise margins.
- Broaden product solutions across SatCom value chain to offer integrated beyond line-of-sight and Information Communication Technology (ICT) systems.

### Managed Solutions

- Complete final steps of the ongoing transition from previous project delivery function into higher value-add system integrator.
- Continue expansion into adjacent government entities and international government customers.

### Mobility Solutions

- Enhance products and services portfolio, and expand solution and applications offering (such as an enhanced maritime vessel monitoring solution; and a new handheld dual-mode terminal targeted towards enterprise and government market).
- Accelerate strategic M2M/IoT, regional maritime and government business.
- Push into major strategic markets within coverage area and continue seeking partnerships to drive and unlock value.
- Explore potential Direct-to-Device play leveraging company's unique L-band spectrum rights.

### Data Solutions

- Accelerate uptake in wholesale, enterprise and government segments and the MEA region through targeted and customised Go-To-Market models.
- Push for selective geographic expansion focusing on customised enterprise solutions and potentially leveraging interim third party capacity where required.
- Improve satellite fill rate by driving new segments and increasing market share of cellular backhaul solutions for mobile network operators.

- Seek new investment opportunities to build new capabilities across all platforms.
- Develop and launch next generation of products on Thuraya 4-NGS platform in collaboration with technology partners.
- Launch low power low data rate IoT platform in partnership with eSAT Global.
- Embrace complementarity of NewSpace on Yahsat business to capture value and broaden scope.
- Continue current trajectory of organic and inorganic growth combined with strategic UAE partnerships, considering potential horizontal or vertical M&A to build scale and increase value proposition.

- Deliver first phase of the modem system development program through a joint-venture with Tawazun, and expand the scope to reach more customers, including international customers.
- Strengthen collaboration within UAE ecosystem to develop and enhance remote sensing capabilities.
- Continue focusing on national talent development and further nurture solid UAE G2G relationships.
- Support UAE Space agenda and key initiatives including earth observation capabilities and space missions.

## Related risks

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

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

1 3 5 7 8 9 10  
12 13 14 15

1 3 8 12 13 15

## Key performance indicators

Revenue

**US\$ 433m**

Adjusted EBITDA

**US\$ 258m**

Normalised Net income

**US\$ 106m**

Discretionary Free Cash Flow

**US\$ 225m**

Contracted future revenues

**+US\$ 2.0b**

> Read our key performance indicators on pages 42 and 43

> Find a summary of our principal risks on pages 47 to 51

# Chief Financial Officer's Review

**Andrew Cole**  
Chief Financial Officer



## 2022 Highlights

Revenue  
**US\$ 433m**

Adjusted EBITDA  
**US\$ 258m**

Net income  
**US\$ 66m**

Normalised Net Income  
**US\$ 106m**

Despite a challenging economic backdrop, the business delivered a strong financial performance in 2022, recording robust year-on-year growth in both revenue and adjusted EBITDA.

## Strong Financial Performance

In US\$ million

	2022	2021
Revenue	433	408
Adjusted EBITDA	258	240
Normalised EBITDA	258	245
Net Income	66	70
Normalised Net Income	106	81
Discretionary Free Cash Flow (DFCF) <sup>1</sup>	225	180

In 2022, against a backdrop of global economic turbulence caused by geopolitical tensions and rising inflation, Yahsat delivered a strong financial performance with total revenues of US\$ 433 million, in line with its guidance of US\$ 420–440 million, representing year-on-year growth of over 6%.

The Group's largest segment remained **Infrastructure**, which generated revenues of US\$ 238 million, above 2021 (US\$ 236 million), accounting for 55% of the Group's consolidated revenues. This mainly comprised the provision of satellite capacity to the UAE Government, under an ongoing 15-year Capacity Services Agreement ('CSA') in relation to services provided on our Al Yah 1 and Al Yah 2 satellites. The revenues from this segment are set to increase significantly following the anticipated launch of the Thuraya-4 NGS satellite, currently under construction, and the commencement of a 15-year agreement with the UAE Government that will contribute additional annual revenues of over US\$ 50 million from the first half of 2025.

**Managed Solutions**, the Group's second largest segment and accounting for 21% of consolidated revenues, delivered a stellar performance in each quarter of the year, with full year revenues surging by more than 41% to US\$ 91 million, significantly above 2021 levels (US\$ 64 million). The growth was underpinned by the award of a new 5 year Managed Services Mandate by the UAE Government in February 2022, valued at US\$ 247.5 million. Under this Mandate service revenue is recognised equally over the 5 years, from 2022 to 2026, at US\$ 47.5 million per year, whilst a US\$ 10 million additional component was recognised in the first half of 2022. It replaces and expands the scope of the previous smaller contract worth US\$ 32 million per year, which was limited to Operations & Maintenance (O&M) services and which expired at the end of 2021.

**Mobility Solutions**, accounting for 19% of the Group's revenues in 2022, delivered a solid and commendable performance in challenging conditions, with full year revenues of US\$ 81 million, an increase of 1% from 2021 with growth recorded across a number of key areas including Voice, Maritime and Data.

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

**Data Solutions**, the Group's smallest segment and accounting for 5% of consolidated revenues, delivered full year revenues of US\$ 23 million, a decline of 13% vs 2021 (US\$ 27 million) with the shortfall largely reflecting the wind down of the capacity leasing contract with Eutelsat, which ended in Q3 2021 and a more prudent approach taken regarding the sale of equipment across core markets in Africa. Despite the shortfall, the business remains well positioned to grow in 2023 with momentum clearly evident in its consumer broadband business in which subscribers grew by 21% year-on-year and a downward trajectory in its cost base. In 2022 this contributed to a substantial improvement in the EBITDA of the business (by more than US\$ 4 million), turning positive for the first time.

Adjusted EBITDA of US\$ 258 million, generating a margin of 60% (2021: 59%), represented an increase of more than 7% or US\$ 17 million vs 2021. This was largely driven by Managed Solutions, which started to recognise revenues under the 5 year managed services mandate with a portion of the related costs shifting from Q4 2022 to Q1 2023. After considering the effect of material one-off items (none in 2022 and US\$ 4 million of IPO related costs in 2021), Normalised Adjusted EBITDA of US\$ 258 million exceeded 2021 by US\$ 13 million or 5%.

Net Income of US\$ 66 million decreased by 6% versus 2021 after taking into account a one-off, non-cash impairment of US\$ 41 million against the Group's equity-accounted joint-venture HNS Participacoes Empreendimentos S.A. (HPE) in Brazil, in which it owns a non-controlling 20% stake. This impairment reflected a rapid deterioration in the global macro-economic environment, which significantly increased the discount rate used in assessing the recoverable amount of this investment.

In 2021, Net Income included one-off costs of US\$ 7 million related to the refinancing of debt with a new term loan and export credit facility (ECA facility) totalling US\$ 700.5 million. Adjusting for one-off items in both periods, Normalised Net Income of US\$ 106 million exceeded the prior year by US\$ 25 million, or 31%, generating a margin of 24.5%.

With dividends expected to reach at least US\$ 107 million for 2022, in line with our progressive dividend policy (a minimum annual increase of at least 2%), this would imply a reduction in the pay-out ratio, for the first time, to around 100% of Normalised Net Income for 2022.

## Cash Flow and Balance Sheet

Consistent with prior periods the Group's balance sheet remains very strong. At the end of 2022, gross debt (including lease liabilities and excluding unamortised transaction costs) stood at US\$ 542 million, whilst cash on balance sheet and short-term deposits were US\$ 545 million, resulting in a negative net debt of US\$ 3 million. Our net leverage (net debt to Adjusted EBITDA) was also negative. Together with Discretionary Free Cash Flow for the year of US\$ 225 million and a cash conversion ratio of 95%, the Group remains well positioned to meet its future dividend and capital expenditure commitments, and retains significant headroom within its existing debt covenant arrangements for further borrowing to fund new programmes (such as Al Yah 4 and Al Yah 5) and to pursue Yahsat's growth strategy.

## Capital Expenditure

Consolidated capital expenditure in 2022 was US\$ 131 million, of which US\$ 120 million related to the ongoing Thuraya-4 NGS programme. Maintenance and Development capital expenditure accounted for the remainder.

## Net Finance Costs

Net finance costs of only US\$ 1 million were significantly lower than prior year (US\$ 17 million), in part due to one-off prior year costs totalling US\$ 7 million relating to the debt refinancing exercise, as well as higher levels of interest generated in 2022 on the Group's significant cash deposits. In addition the Group benefited from interest rate swaps entered into and fixed at low rates of interest at the time of the debt refinancing exercise in 2021, prior to the rapid increase in global interest rates.

## Equity-accounted Investments

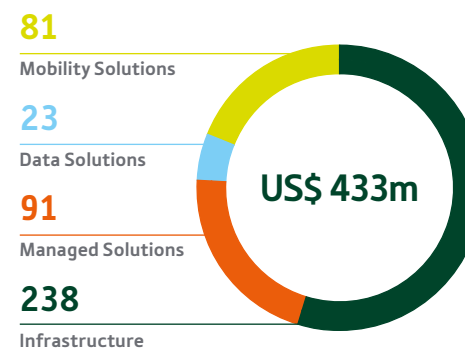
The Group continued to retain an interest in two equity partnerships, Yahlive and HPE with SES and Hughes, respectively. Yahlive performed well with strong levels of EBITDA and more than US\$ 4 million returned to the Group during the year. In spite of the impairment recorded in HPE Brazil (see above), the business performed broadly in line with expectations, with future growth expected to arise from a record backlog in the Enterprise segment, a declining churn rate in consumer broadband and new satellite capacity expected following the launch of Jupiter 3 in 2023.

## Financial Outlook

Yahsat has recorded a strong financial performance in 2022 and we expect this to continue in 2023 underpinned by the launch of our new growth strategy. Our 2023 guidance for the Group is for total revenues of US\$ 435 million – US\$ 455 million, implying revenue growth of up to 5% and Adjusted EBITDA of US\$ 240 – US\$ 260 million, lower than 2022 at mid-point of guidance range reflecting the timing of cost recognition relating to the managed services mandate. We expect our cash flow to remain healthy with Discretionary Free Cash Flow of US\$ 130 – US\$ 150 million, lower than 2022 reflecting the linear amortisation over the following four years (January 2023 – November 2026) of US\$ 291 million previously received during the construction phase of the Al Yah 1 and Al Yah 2 satellites (approximately US\$ 75 million per annum). Total capital expenditure and investments are expected to be in the range of US\$ 155 – US\$ 175 million, mainly relating to the ongoing Thuraya-4 NGS programme.

We remain confident in the underlying health and resilience of the business, underpinned by our contracted future revenues of US\$ 2.0 billion as at 31 December 2022. We expect this to grow significantly in the event we finalise a new long-term FSS capacity agreement with the UAE Government for two potential new satellites (Al Yah 4 and Al Yah 5), which are currently under consideration. Accordingly, we remain strongly committed to our progressive dividend policy of a minimum total dividend of US\$ 107 million for the 2022 financial year, growing by at least 2% this year and in subsequent years, with an amount of US\$ 54 million already paid as an interim dividend for the first half of 2022 in October 2022.

## Revenue (US\$m)

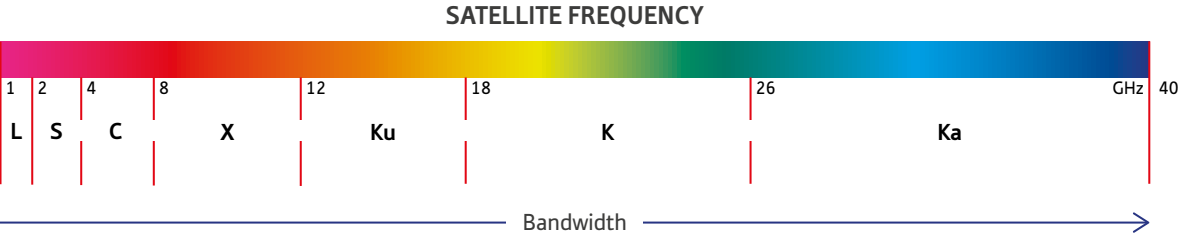


# Business review

## Industry overview

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

## Frequencies



### L-band: (1-2 GHz)

- Highest reliability
- Critical for mobility services

### C-band: (4-8 GHz)

- Used for TV distribution, data and voice communication
- Being repurposed for 5G

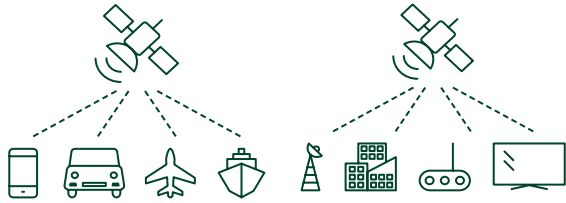
### Ku band: (12-18 GHz)

- Used for satellite communications
- Downlink used by direct broadcast satellites to broadcast satellite TV

### Ka-band: (27-40 GHz)

- Greatest bandwidth
- Used for broadband communications and VSAT services

## Satellite services



### Fixed Satellite Services (FSS)

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

### Mobile Satellite Services (MSS)

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

## Our businesses

### Infrastructure

### Managed Solutions

### Mobility Solutions

### Data Solutions

### Broadcast Solutions

## Our brands



YahLink\*



THURAYA\*



### Yahsat Government Solutions

### YahLink

### Yahsat Government Solutions

### Thuraya

### YahClick

### Yahlive (JV with SES)

#### What we do

Leasing of critical satellite capacity to the UAE Government, and satellite operation services

IP trunking solutions, corporate networking and backhauling capacity marketed by Managed Solutions and Data Solutions

Secured end-to-end managed solutions and bespoke turnkey SatCom platforms

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

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

Premium services for broadcasters and a select choice of TV channels

## Our fleet

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

### Al Yah 1

Launch date 2011

### Al Yah 2

Launch date 2012

### Al Yah 3

Launch date 2018

### Thuraya-2

Launch date 2003

### Thuraya-3

Launch date 2008

### Thuraya-4 NGS

Launch date 2024

#### Service

Fixed Satellite Services

Fixed Satellite Services

Fixed Satellite Services

Mobile Satellite Services

Mobile Satellite Services

Mobile Satellite Services

#### What they do

Secure government and broadcast

Commercial broadband and secure government

Commercial broadband

Mobile voice and data

Mobile voice and data

Mobile voice and data

#### Businesses served

Yahsat Government Solutions  
Yahlive  
Yahlink

Yahsat Government Solutions  
YahClick

YahClick  
HNS Participações  
Empreendimentos (HPE)<sup>1</sup>

Thuraya

Thuraya

Thuraya  
Yahsat Government Solutions

#### Frequency used

C-band, Ku band and Ka-band

Ka-band

Ka-band

L-band

L-band

L-band

<sup>1</sup> Payload on Al Yah 3 over Brazil owned by HPE.

## Business review continued

# Infrastructure

## Long-term satellite capacity leases and satellite operation services

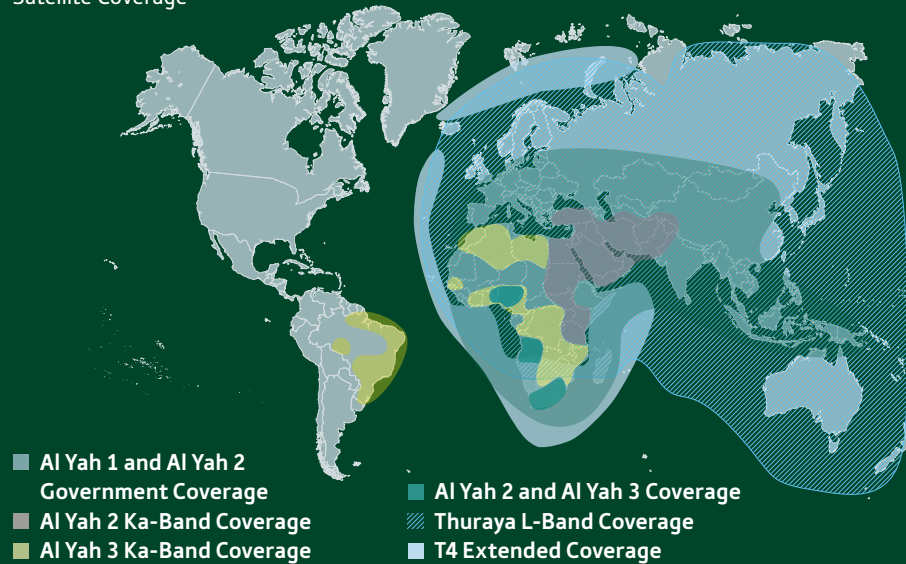
2022 Revenue

**US\$ 238m**

% of Total Yahsat Revenue

**55%**

Satellite Coverage



### Ka-Band (AY1 & AY2)

15-year capacity services agreement with UAE Government (ending in 2026).

### L-Band (T4-NGS)

15-year contract with the UAE Government for capacity and associated services, expected to commence once T4 is operational in H1 2025.

### C-Band (AY1)

Dedicated high-speed and high-throughput IP Trunking solutions, corporate networking and backhauling capacity marketed by Managed Solutions and Data Solutions.

## Secure satellite infrastructure for mission-critical applications and multi-purpose connectivity requirements

Yahsat provides critical Ka band capacity leasing on its AY1 and AY2 satellites and L-band capacity on its T4-NGS satellite (to commence operations in 2025) under long term contracts to the UAE Government. Additionally, it provides C-band capacity leasing on its AY1 satellite to government and enterprise customers, which is marketed by Managed Solutions and Data Solutions respectively.

### T4-NGS Brings Additional Capabilities to UAE Government

Enabling critical advanced applications for Government use

#### Advanced Technology

Based on the new all-electric Airbus Eurostar Neo platform

#### Higher Throughput

Wide range of data rates above 1 Mbps

Efficient and smart resource management to support surge in hotspot areas

#### Unmatched Reliability

Designed with security and resilience in mind

#### More Value

Affordable, reliable with flexible plans

#### Wider Satellite Footprint

Europe, Africa, Central Asia and the Middle East

#### Innovative Design

Advanced routing flexibility of up to 3,200 channels with dynamic power allocation

#### Versatile Platform For Future Applications

New product development opportunities – IoT Maritime & Government



### UAE Government

Provision of raw, secure Ka-band capacity on AI Yah 1 and AI Yah 2 as well as L-band mobility solutions on T4-NGS (satellite currently under construction and due to enter service in H1 2025).



## 2022 Performance

During 2022, Yahsat Infrastructure segment continued to provide a strong financial revenue base for the company, contributing 55% of total revenue and 69% of Adjusted EBITDA for year. The segment benefits from a key Capacity Services Agreement (“CSA”) with the UAE Government, which underpins the stable and predictable revenue and adjusted EBITDA contributions to the Group.

Revenue for the year remained broadly stable at US\$ 238 million underpinned by long-term CSA with the UAE Government. 2022 Adjusted EBITDA declined mainly reflecting lower chargebacks to Data Solutions on outsourced services provided and higher other operating expenses.

The segment has contracted future revenue of approximately US\$ 1.7 billion as of the end of 2022, including a 15-year contract with the Government for the provision of capacity and associated services on Thuraya 4 Next Generation System. The T4-NGS Government contract is worth US\$ 755 million and will support revenue growth from 2025 onwards.

## Outlook

Serving the UAE Government’s satellite communication needs is core to Yahsat’s business and central to its growth strategy, building on an increasing demand for sovereignty and self-reliance over satellite assets. In that respect, the T4-NGS satellite, currently under construction, and the expansion of the Company’s fleet with two potential new Fixed Satellite Services (“FSS”) satellites (Al Yah 4 and Al Yah 5), present a unique growth opportunity for the Group and further secure Yahsat’s long-term financial outlook.

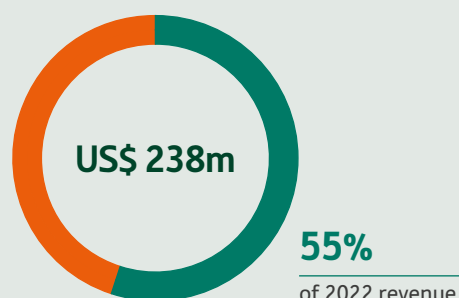
The Group is currently in advanced discussions and planning stages with the Government regarding the potential launch of Al Yah 4 and Al Yah 5. The new satellites would extend and ultimately replace the capacity currently provided to the Government under the CSA due to expire November 2026, which utilises the existing FSS satellites, Al Yah 1 and Al Yah 2. The new satellites would benefit from new coverage, capabilities and higher capacities to meet the next generation demands of the Government. Al Yah 1 and Al Yah 2 are estimated to reach end of life in 2029 and 2030, respectively, and the current CSA may be extended to run in parallel with the procurement and initial deployment phases of the new satellites.

A request for proposal (“RFP”) process for Al Yah 4 and Al Yah 5 is currently underway and the Group is evaluating manufacturer responses prior to selecting a preferred satellite manufacturer and presenting a complete proposal to the Government. Should an agreement with the Government be reached, the Group expects to follow a similar approach as for Al Yah 1 and Al Yah 2, whereby the Government would lease capacity on a long term, committed basis, further increasing the Group’s contracted future revenues.

The Group expects to finalise negotiations with the Government for Al Yah 4 and Al Yah 5 in 2023.

## 2022 Revenue

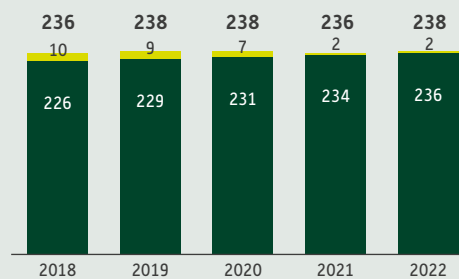
Leases critical satellite capacity to the UAE Government.



## Key Revenue Drivers:

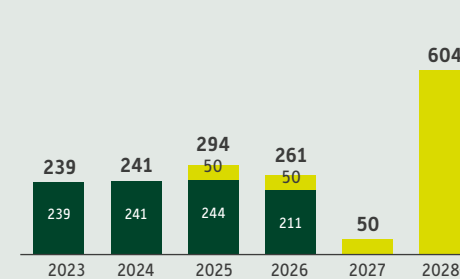
- High-margin business, underpinned by long-term, highly visible, secure contracts.
- Key ongoing contract: 15-year Capacity Service Agreement (CSA) with the UAE Government (remaining contracted future revenues of US\$ 935 million<sup>1</sup>).
- Contracts structured as fixed charge paid every year, with a portion of the capacity charge under the CSA contract growing at 3% p.a.<sup>2</sup>
- Key future contract: US\$ 755 million contract<sup>3</sup> will start in H1 2025, when Thuraya-4 NGS commences commercial operations.

## Revenue Evolution (US\$m)



■ CSA (Government) ■ Other segment revenue

## Contracted Future Revenues<sup>1</sup> (US\$m)



■ CSA ■ Thuraya-4 NGS

## Key Contracts

Agreement	Counterparty rating <sup>4</sup>	Agreement original tenor (years)	Remaining life as at 31 December 2022 (years)	Contracted future revenues 31 December 2022 (US\$m)	Estimated satellite end of service life
Capacity Services Agreement (CSA)	AA (S&P)	15	3.9	935	2029 (Al Yah 1)
T4-NGS Capacity Services Agreement (T4 CSA)	Aa2 (Moody's)		Satellite not yet in service		2030 (Al Yah 2)
	AA- (Fitch)			755 <sup>3</sup>	2040 (T4-NGS)
<b>Total</b>				<b>1,690</b>	

1 As of 31 December 2022 and does not include potential contracted revenues for new Al Yah 4 and Al Yah 5 satellites.

2 30% of the total capacity charge at inception of the contract (in 2011) was indexed to a contracted inflation of 3% p.a. reflective of increase in value of services.

3 Under the contract, the Group is entitled to receive US\$ 300 million in advance payments, to be offset over the contract period against invoices for capacity services. The Group received US\$ 150 million advance in Q3 2022. Under IFRS 15, as a significant part of the contract price is received years ahead of service provision, the contract is deemed to contain a significant financing component and requires the contract value to be adjusted to include the imputed finance cost relating to the advance payments. Accordingly, the future revenue is adjusted to include US\$ 46 million (imputed finance cost relating to the US\$ 150 million), bringing the total transaction price to \$755 million as of the end of Q3 2022 and future annual revenue of US\$ 50 million. The imputed finance cost will be recorded as a charge from the date of receipt of advance payment until the advance is fully offset.

4 Reflects the sovereign ratings of the Federal Government of the United Arab Emirates.

## Business review continued

# Managed Solutions

## Managed satellite-based solutions for land, sea, and air

- Secure end-to-end managed solutions for satellite communications, including design, consultancy, implementation, operations & maintenance (O&M) and technology management.
- Bespoke turnkey SatCom platforms.
- Defence, government and mission-critical applications for land, sea, and air.

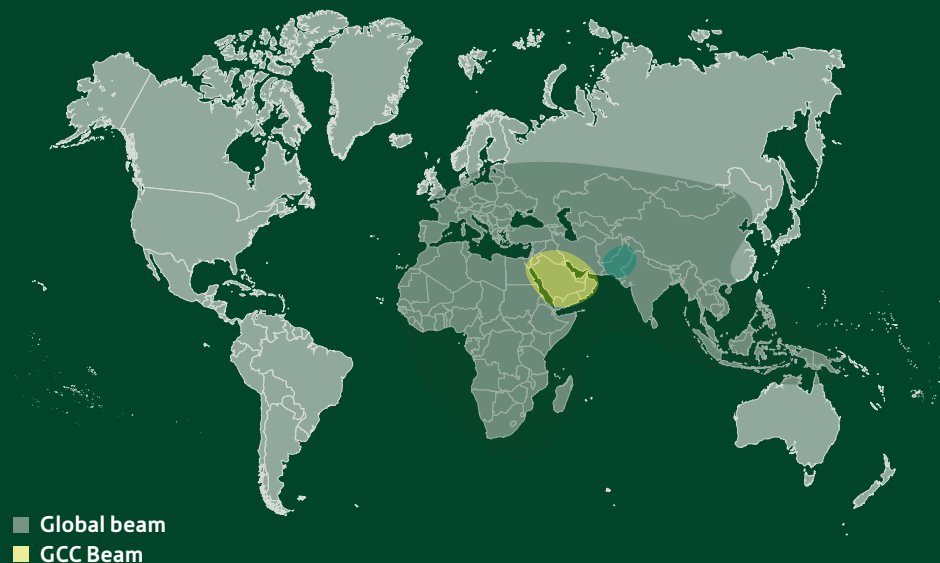
2022 Revenue

**US\$ 91m**

% of Total Yahsat Revenue

**21%**

Satellite Coverage



**Managed Solutions saw accelerated growth, delivering an expanded scope of end-to-end satellite communication solutions primarily to the Government, but also to commercial customers in the oil and gas and other sectors, principally in the UAE, either using its own capacity or that leased from third parties.**

Growing our existing portfolios with additional value-added services; expanding into new sectors and focusing on recurring income contracts generated strong growth in Managed Solutions in 2022. Revenue of US\$ 91 million, comprising 21% of overall Group revenue, rose 41% compared to 2021. Managed Solution's EBITDA of US\$ 53 million increased by 60%, delivering a superior margin of 58% with contracted future revenues increasing significantly by more than 3 times.

### 2022 Performance

During 2022, Yahsat Managed Solutions continued to expand its portfolio and pivot towards providing end-to-end fully managed solutions and services to its growing customer base across government, military and enterprise, generating recurring revenues and long-term visibility of future cash flows.

The highlight of the year was successfully securing and delivering the first year of a new five-year mandate for fully managed services and technology management to our anchor customer, the UAE Government. The customer was able to realise significant benefits during the year through critical system upgrades, thereby reinforcing Yahsat's value proposition of offering end-to-end

### Military

Consultancy, design, procurement, implementation services, including operations and maintenance encompassing technology upgrades to support contracted infrastructure capacity.



### Government

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

### Enterprise

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



managed services. The mandate, worth \$247.5 million, was the key growth driver during the year and is expected to underpin growth in 2023 and beyond.

Meanwhile we continued to expand in oil and gas, securing new clients in the energy and enterprise verticals, including provision of additional VSAT services to one of our major oil & gas customers in the UAE, to enable critical connectivity, reliable network capabilities and optimisation of its operations.

By broadening our product solutions across the SatCom value chain, we were able to develop additional revenue-generating services and offer integrated beyond line-of-sight Satcom solutions and Information Communication Technology (ICT) systems.

We also established an Advanced Program Management unit to develop our own satellite modems in partnership with Tawazun, thus paving the way to secure higher value margin by manufacturing our own products in the UAE.

### New Clients and Partnerships

In 2022, we embarked on discussions with national vendors to adopt line fit strategies, which will include the provision of managed services for airborne and land applications under our defence and government verticals.

In this context, we signed a Memorandum of Understanding ('MOU') with NIMR Automotive to build on an existing partnership to provide the UAE Government with advanced vehicular satcom capabilities. A MOU with Al Seer Marine, the leading maritime company in the region, was also agreed to test line-fitting unmanned vessels with advanced Comms-on-the-Move (COTM) satellite communications solutions.

We also advanced discussions with several customers to deploy our airborne products and remain confident that we will make significant progress in this area.

### Outlook

Looking forward we remain committed to creating long-term value by expanding our portfolio of government products, solutions and services to reinforce our core proposition. We are open to collaborating with key players across the UAE space and technology ecosystem in order to seize value accretive opportunities and support the UAE's overall national space agenda and ambitions.

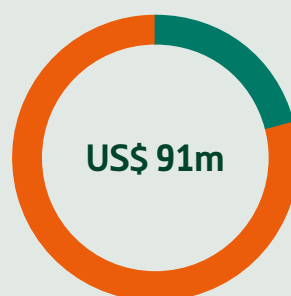
In 2023 our primary objective is to maintain the strong growth momentum of 2022 by:

- Focussing on securing recurring revenue streams.
- Expanding information communication technology services to integrate Command and Control (C2) systems with beyond-line-of-sight Satcom solutions and video, voice, electronic sensors etc. that provide enhanced capabilities for defence forces in the areas of Intelligence, Surveillance and Reconnaissance.

- Enlarging scope of services under our Advanced Programs initiative in order to identify additional value-added products and enhance in-country space technology design and manufacturing capabilities
- Further centralisation and expansion of third-party satellite communications solutions to benefit from continuing demand.
- Continued expansion to grow our energy and enterprise vertical.

### 2022 Revenue

Under Managed Solutions, Yahsat sells value added O&M and consultancy and managed satellite connectivity solutions to UAE Government and other commercial clients.



**21%**  
of 2022 revenue

### Key Revenue Drivers:

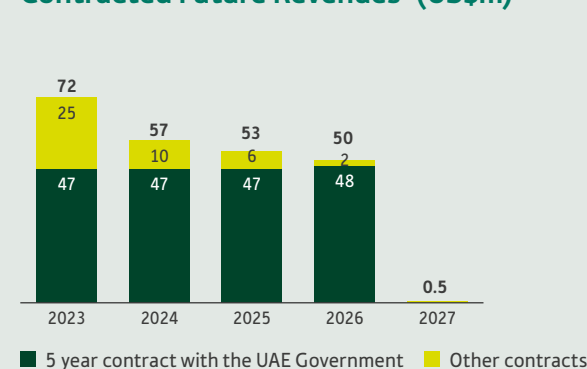
- Short to medium-term contracts.
- Service projects revenue (recurring contracts) recognised on a linear basis, whilst other projects' revenue (turnkey contracts) recognised on the basis of completed milestones.
- Pricing primarily on a cost-plus margin basis with back-to-back arrangement with suppliers.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

### Revenue Evolution (US\$m)

89% of revenues over the historical period related to UAE GREs



### Contracted Future Revenues<sup>1</sup> (US\$m)



### Key Contracts

Agreement	Counterparty rating <sup>2</sup>	Tenor (years)	Contracted Future revenue <sup>1</sup> (US\$m)	End year
Operations, Maintenance and Technology Management contract with UAE Government	AA (S&P)/Aa2 (Moody's)/AA- (Fitch)	5	190	2026
Other Managed Solutions contracts	Various <sup>3</sup>	Contracts of various tenors	43	Up to 2027
<b>Total</b>			<b>233</b>	

<sup>1</sup> As at the end of 31 December 2022.

<sup>2</sup> Reflects the sovereign ratings of the Federal Government of the United Arab Emirates.

<sup>3</sup> Mostly UAE and Abu Dhabi Government entities ultimately backed by the respective Federal and Abu Dhabi governments, but includes other Abu Dhabi and Dubai-related commercial entities, with implied government support.

## Business review continued

# Mobility Solutions

## Mobile satellite operator for L-band voice and data solutions

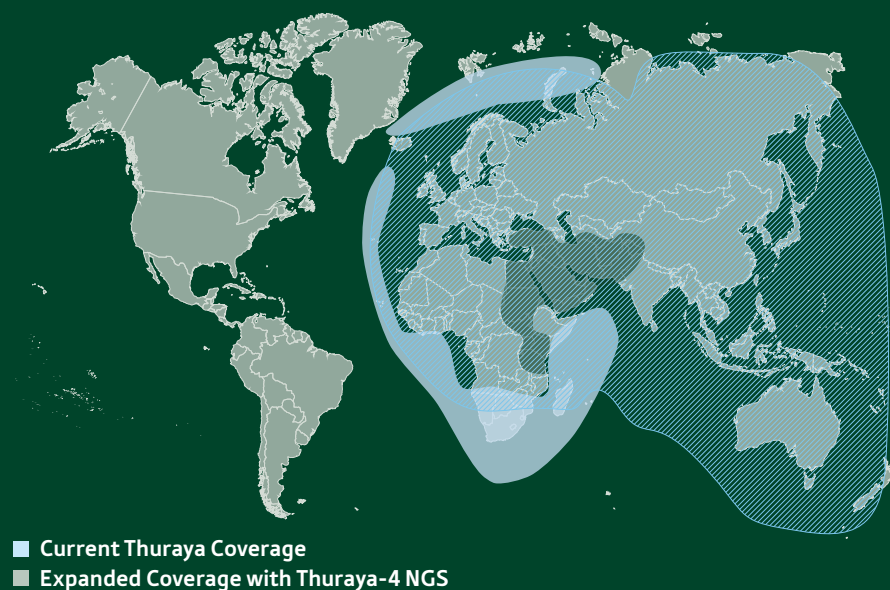
2022 Revenue

**US\$ 81m**

% of Total Yahsat Revenue

**19%**

Satellite Coverage



### Mobility Solutions in 2022

Yahsat provides Mobile Satellite Services (MSS) under its Mobility Solutions business via its approximately 90%-owned subsidiary, Thuraya, using L-band capacity on two satellites, Thuraya-2 and Thuraya-3. In 2022, this business delivered a stable performance amidst challenging trading conditions and supported the wider Group's strategic priorities. This positions it well to capitalise on high growth areas in 2023 and beyond, including IoT, Government and Maritime.

Despite the global economic headwinds 2022, revenue increased marginally by 1% to US\$ 81 million (2021: US\$ 80 million), underpinned by resilient demand for commercial voice, data and maritime revenue. Equipment sales was marginally lower than 2021 albeit with improved gross margin, resulting in 3.4% growth in net revenue. Whilst Adjusted EBITDA at US\$ 27 million (2021: US\$ 27 million) was broadly stable, mainly reflecting the impact of provision releases in prior year, the business continued to make an important contribution to overall Group revenue at 19% (2021: 20%).

In US\$

	2022	2021
Revenue	<b>81</b>	80
Service	<b>51</b>	50
Equipment	<b>30</b>	31
Adjusted EBITDA	<b>27</b>	27
Contribution to the Group Revenue	<b>19%</b>	20%
Contribution to the Group Adjusted EBITDA	<b>11%</b>	11%

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

## Innovating to meet customer demand

During the year, we launched Thuraya Push-to-Talk (PTT), a new solution developed in partnership with Cobham Satcom, a market-leading provider of satellite communications solutions to the maritime and land markets. Thuraya PTT's IP-based radio communications solution works with any Thuraya broadband terminal to provide dedicated communications system to users across a wide spectrum of industries to extend the range of their voice communications beyond line of sight (BLOS) wherever their assets and teams are located. The new solution has been designed so that it is simple to use and guarantees secure interoperability among multiple users with different communication systems on land and at sea. The solution manages communications from multiple devices and locations and provide real-time, uninterrupted switching between satellite, cellular and LAN and delivering cost efficient and reliable connectivity.

Our government clients were also introduced to Go Silent in 2022. This new solution employs an encryption technology to enable the use of commercial systems while still satisfying stringent security standard requirements. Our ground stations across two sites in Sharjah and Abu Dhabi and dedicated government gateway continue to bolster network diversity for our Government customers.

In our IoT pillar, we launched our SatTrack application, a web-based tracking and monitoring service, developed for land vehicles fitted with the Thuraya T2M-DUAL tracking and monitoring solution. It is a low-cost turnkey subscription-based application available to users as part of Thuraya's M2M/IoT portfolio. The service enables real time tracking with access to comprehensive data points, dashboard displays, geo-fencing capabilities etc. allowing for critical decision making, improved route planning, higher safety and efficient operations. We also added Core Module SM-3700 that enables development of new products, particularly for the M2M segment, and for specific use cases such as container tracking.

Another significant development in our IoT pillar was our acquisition of a minority stake in eSAT Global, paving the way for us to become a leading IoT player. The eSAT acquisition will allow us to participate in a fast-growing sector that remains significantly under-penetrated.

As part of this new relationship, we also signed a complementary commercial agreement with eSAT to develop and distribute a next-generation IoT platform that will use chipsets, modules, and ground systems, meeting the growing demand for connectivity that uses low-cost, low-power IoT devices over GEO satellites. eSAT's platform and products will be compatible with Yahsat's MSS satellites and we will leverage our strong service partner network to accelerate its distribution over our geographic coverage. This planned platform for low and very low data-rate IoT sensing and tracking devices is an example of the proactive role that Yahsat is playing in shaping the industry's future development.

Alongside our eSAT agreement, we entered other partnerships to develop novel products and services, and to tap into new business streams. In line with this focus, we established a partnership with Jones Group, which will support and advance our initiatives in the government market and with other users in the MENA and North America.

During the year we made excellent progress on building capacity and developing new products for the sixth satellite, T4-NGS, and some of these products will also be compatible with the existing Thuraya 2 satellite in our fleet. T4-NGS, which is set to launch in the first half of 2024, will be an MSS satellite in geostationary earth orbit offering higher capacity and terminal data rates above 1 Mbps (current Thuraya satellites offer only about 0.4 Mbps). We expect T4-NGS to play a substantial role in supporting Mobility Solutions' commercial operations, as well as meeting the UAE Government's increasing demand for advanced satellite communication solutions.

## Outlook

We expect to see strong growth momentum in the coming years, building on successful new product launches and partnerships developed in 2022. We will focus on adding new products and services for clients in our three core pillars. In our maritime pillar, we expect our investment in MarineStar, our affordable maritime satellite voice solution with tracking and monitoring capabilities, to deliver strong results, further supported by new features and capabilities.

Our IoT business in low data rate segment is set to start operating commercially at the end of 2023 with the launch of our low power wide area network (LPWAN) IoT platform and portfolio. The launch is expected to boost our performance and support the projected growth in this important pillar which will be strengthened with our efforts to further explore inorganic growth opportunities, seeking out complementary acquisitions.

We are developing new T4-NGS products for our key UAE Government client and for commercial customers that are also compatible to use with our existing satellites. We expect to launch this product portfolio in 2023 and 2024 that would support enhanced capabilities and new applications for our customers.

We see new opportunities in our mobile voice business which continues to grow ahead of the overall sector. We have maintained our customer base, and we are moving into untapped markets and segments to diversify and grow our business.

The land voice product portfolio will witness the relaunch of Thuraya XT PRO Dual product next year following significant demand from users after it was discontinued previously. Our handheld portfolio will also be bolstered by the addition of new products, including new concepts for low-cost handheld and a new satellite smartphone.

Against this backdrop of diverse opportunities for expansion, we believe Mobility Solutions is on track for healthy top-line growth in 2023.

## Business review continued

# Data Solutions

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

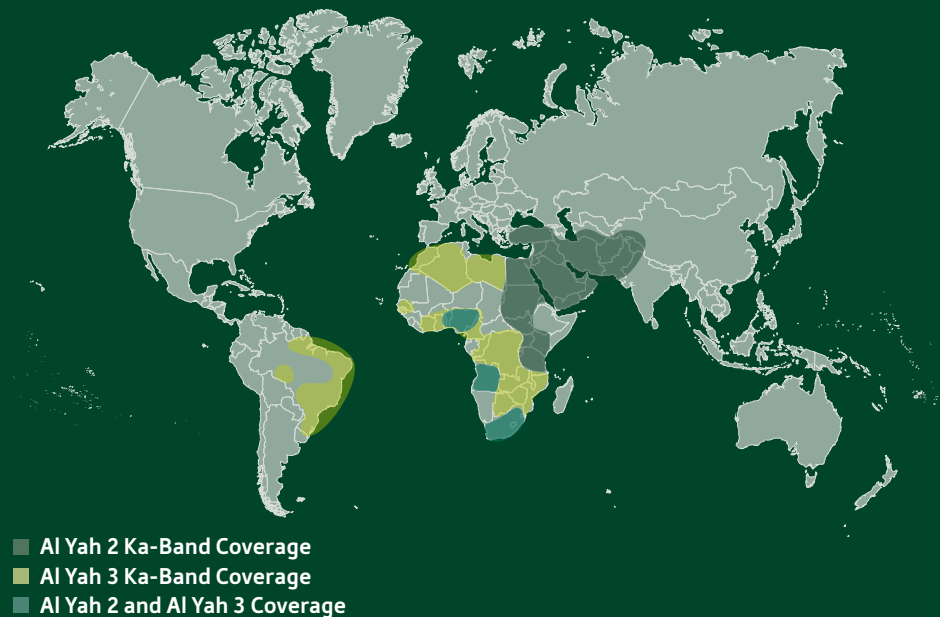
2022 Revenue

**US\$ 23m**

% of Total Yahsat Revenue

**5%<sup>1</sup>**

Satellite Coverage



### 2022 Performance

Yahsat's Data Solutions business, YahClick, continued a trend of strong subscriber growth in 2022, posting a double-digit percentage increase reflecting tangible traction across key markets. This momentum was primarily driven by continued growth in key markets across Africa, including Zimbabwe, which rose to become YahClick's second largest market behind only South Africa, as well as continued expansion of our footprint with the launch of services in Morocco, Malawi, Zambia and Mozambique.

Whilst subscribers continued to grow at double digit rates overall revenue growth was restricted by the winding down of capacity sales contract with Eutelsat, a third-party satellite operator that ended in Q3 2021 as well as fewer equipment sales, reflecting a more conservative risk management approach and significantly reduced vendor financing. This reflects a rapid deterioration in the global macro-economic environment and challenges faced in accessing US Dollars in some of our key African markets such as Nigeria. As a result the business recorded a 13% decline in full year revenues to US\$ 23 million although was able to substantially improve underlying profitability, generating a positive EBITDA of US\$ 1 million, a significant improvement vs. the prior year (loss of US\$ 4 million).

In 2022, our equity-accounted joint-venture HPE Brazil continued to perform broadly in line with expectations from a revenue/EBITDA and cash perspective. During the year, the group recorded a non-cash impairment of US\$ 41 million in HPE Brazil. This reflected a rapid deterioration in the global macro-economic environment, which significantly increased the discount rate used in assessing the recoverable amount of this investment. We remain confident in outlook for the business, bearing in mind the large areas of unserved and underserved regions in Brazil and strong demand for enterprise solutions such as cellular backhaul.

- Leading satellite internet broadband provider across Africa, Middle East, South West Asia and Brazil enabled through its Ka-band high-throughput satellites.
- Covering over 1 billion people in high-growth, emerging markets throughout our footprint across 45 countries.
- Affordable broadband solutions to consumers, enterprises, MNOs<sup>2</sup> and governments.
- Flexible go-to-market model through a comprehensive network of over 75 in-market service providers.

<sup>1</sup> Revenue contribution of 5% is based on the BCS JV only. 10% of 2022 consolidated revenue when incorporating Yahsat's 20% share of HPE.

<sup>2</sup> Mobile Network Operators.

## New products and solutions launched in 2022

### Africa

- Video Uplink on-demand product for radio and television stations with dedicated capacity per site and allowing for remote news reporting and events broadcasting.
- Video streaming for churches with dedicated capacity turnkey solution.
- YahClick Backup Solution to ensure continued connectivity during primary connection outages and disruptions.
- YahClick Security Solutions, a turnkey solution that bundles satellite broadband, smart sensors/alarms and cloud managed security platform for home and business security.
- YahClick Booster Solutions that combines bandwidth and throughput from two separate broadband links into one single connection, providing seamless high-speed connectivity to support bandwidth-intensive applications.

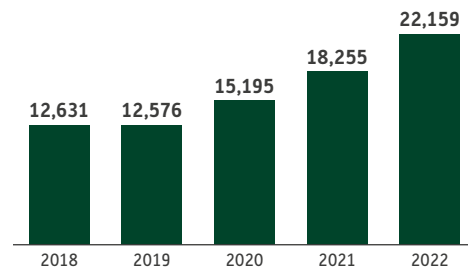
### MENA and Asia

- Roll out of YahClick unlimited plans to enhance customer choices and continued connectivity.
- Roll out of upgraded Hughes Jupiter Very Small Aperture Terminal (VSAT) platform (J2) offering higher throughput and performance.

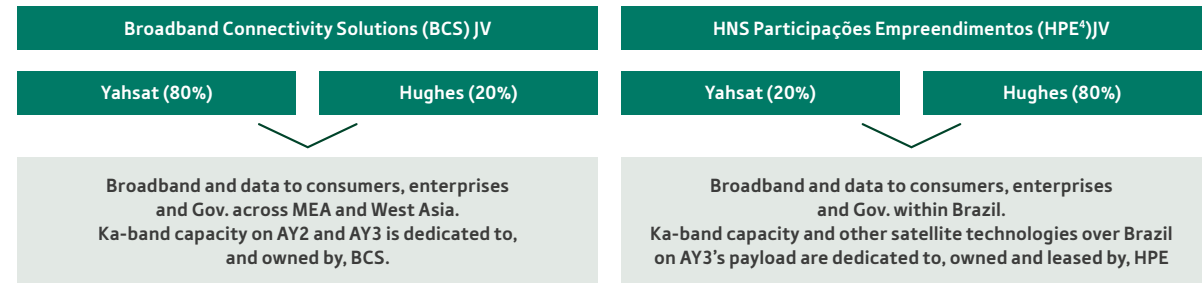
## Outlook

Building on the recent trend of strong subscriber growth over the past few years, YahClick remains well positioned to maintain a double-digit growth trajectory during 2023. In addition we aim to aggressively pursue capacity deals in our Enterprise segment and increase the fill rate on our satellites, offer customised solutions to enterprise customers, thereby growing revenues and delivering positive free cash flows for the coming year.

## Number of Subscribers (End of period)



Data Solutions business operates across 2 JVs that Yahsat has with Hughes Network systems, wholly-owned subsidiary of EchoStar.



## 2022 Revenue

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

5%<sup>3</sup>

of 2022 Revenue

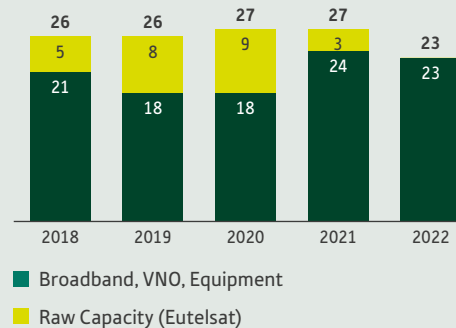
<sup>3</sup> 10% of 2022 consolidated revenues when incorporating Yahsat's 20% share of HPE.

US\$ 23m

## Key Revenue Drivers:

- Revenue generated through fixed subscription fees billed to customers and capacity offered to enterprise clients through managed satellite services.
- Continued growth in broadband subscribers.
- Increased footprint including key markets (i.e. Zimbabwe, Mozambique, Morocco etc.).
- Securing major Enterprise deals.

## Revenue Evolution (US\$m)



## % 2022 Revenue by Geography



<sup>4</sup> Yahsat does not consolidate HPE's financials as it is accounted for as an associate.

Case studies

# Innovative

Link to strategy



Diversify and expand  
commercial business







Units sold to date

**27,000**

Winner of Best Marine Satellite Technology of the Year award



Winner of ESG Impact Innovation Award



Continuous innovation drives our multi award-winning maritime satellite voice solution with tracking and monitoring capabilities, MarineStar, making it the provider of choice for satellite connectivity over the world’s busiest sea routes and fishing hotspots.

### Supporting a critical industry

The global fishing industry is vital to meeting the world’s food supply requirements and is essential in supporting the livelihood of millions of people around the globe. Vast and sometimes dangerous oceans; changing regulation to protect fish stocks; and long periods at sea require increasingly sophisticated, constantly connected communication services, from tracking, monitoring and analytics to SOS reporting.

### Innovating for safety and sustainability

MarineStar’s affordable voice and monitoring solution responded to these many challenges by providing affordable functionality in extreme maritime environments that:

- helps fishing vessel operators comply with ever-evolving international regulations;
- reports, tracks and monitors seafood catches to meet regulatory requirements;
- provides constant voice connectivity that ensures the safety and welfare of fishermen;
- ensures crew are always within easy reach, even in remote locations;
- delivers geofencing that guarantees the safety and security of vessels; and
- facilitates SOS and crew calling

MarineStar is also backed by a local cellular numbering plan and GSM roaming over the Thuraya satellite network, and Yahsat’s nearly 400 roaming agreements in 161 countries. As a result, maritime crews can remain connected on their GSM numbers even when they are outside terrestrial coverage.



### Appreciation from our customers and industry

With more than 27,000 units sold to date, MarineStar has been a global success since its 2019 launch. And in 2022, MarineStar won the Best Marine Satellite Technology of the Year award at Middle East Technology Excellence Awards and Mobile Satellite Users Association’s ESG Impact Innovation Award in recognition of its technology, and its impact on global maritime safety and fishing sustainability.

Case studies

# Unwavering

Link to strategy



Diversify and expand  
commercial business



Total installations to date

**1,000**

Total installations expected by 2023

**4,500**

Our global satellite footprint and market-leading solutions play a vital role in helping communities around the world that lack reliable connectivity. Our unwavering commitment to being a responsible corporate citizen by using our network and solutions to assist those in need encouraged our partnership in Zimbabwe to deliver education via our broadband services.

### Connecting the next billion

While many parts of the world have become increasingly connected via superior technology that enables access to almost any service and product at a click, others still lack adequate and reliable communications infrastructure. This has severely curtailed socioeconomic progress in some countries, such as the sub-Saharan nation of Zimbabwe, which has struggled with poor connectivity that has affected the provision of education.

### Unwavering support for education

Yahsat is applying its extensive networks and portfolio of solutions to helping Zimbabwe improve broadband infrastructure for critical services. Our satellite broadband subsidiary, YahClick, partnered with ZARNet, Zimbabwe's statutory ICT authority, to provide reliable and sustainable internet to the country's education, healthcare and government sectors on a cost-recovery basis. The service partnership was signed in 2021 with the work beginning on the project in mid-2022.

Under the agreement, YahClick will roll out broadband unlimited service to 4,500 sites as part of the three-year contract, and given the effectiveness of the service and its importance to the Zimbabwean government, there are plans to fast-track the completion of all 4,500 installations by the end of 2023. As at the end of 2022, 1,000 sites had already been enabled with high throughput satellite broadband.

### Connecting the future of Africa

YahClick provides high-speed, reliable broadband connectivity, which is a key facilitator of economic and social progress for African nations, particularly when applied to connecting schools with reliable internet and students to the world.

Once fully installed at the 4,500 sites under our mandate, our broadband service will support better education access for more than one million Zimbabwean students and bring its schools in line with global standards.

## Case studies

# Ambitious

Link to strategy



Invest and partner  
to diversify and grow



communications Company  
information which is proprietary and confidential. Any other information otherwise explicitly stated.



Global IoT market growth<sup>1</sup>

**22%**

Projected IoT market size<sup>1</sup>

**US\$ 525b**

Expected Satellite IoT revenue<sup>2</sup>

**US\$ 6b**

<sup>1</sup> In next five years.

<sup>2</sup> Cumulative over next five years.

In line with our ambition to become a leading international Internet of Things (IoT) player with a disruptive, direct-to-satellite service, Yahsat invested in eSAT Global. The resulting partnership is a critical step in establishing our presence in a high-growth sector to deliver low-cost, low-latency, global IoT services to customers across our footprint.

### Accelerating connectivity

As technology permeates every aspect of our businesses and lives, billions of physical objects – “things” – are being embedded with sensors, software and other technologies to connect and exchange data with other devices and systems.

In the next five years, the global IoT market is expected to grow 22% on a compounded annual basis to US\$ 525 billion, with the satellite-related IoT industry expected to generate US\$ 6 billion over the same period.

### Building strength for the future

The synergistic opportunities in the rapidly expanding IoT market motivated Yahsat’s acquisition of a minority interest in eSAT Global, laying the foundations to launch a commercial IoT business in 2023.

Through our partnership, Yahsat will access eSAT’s patented proprietary technology for cost-effective IOT/M2M services, enabling us to scale low data rate (LDR) services over our satellites. This gives us an immediate, competitive presence in a high-growth industry, with a market-leading offering in terms of:

- Lowest cost
- Smallest size, weight and power requirement
- Highest capacity
- More robust services

### Disrupting the IoT space

Yahsat and eSAT will also jointly develop a next-generation commercial IoT platform to host low-cost, low-power devices. The platform will use Thuraya’s Mobile Satellite Services assets and offer customers a global IoT portfolio across the 150 countries where we operate.

Thuraya’s service partners will be able to offer critical IoT support in smart agriculture, live-stock tracking, environmental monitoring, container and cold-chain tracking, and other segments. Looking further ahead, the new platform will rapidly advance our ambition to deploy sensor networks in regions where current communications are unavailable or too expensive.

# Our people

At Yahsat, we believe that people with purpose power positive performance. We work hard each day to create a supportive and engaging culture that nurtures the success of every single one of our valued employees. We are focused on driving

sustainable progress across the organisation by attracting, empowering, developing and recognising the world-class talent needed to deliver our strategy and achieve our vision for the future.

## Attracting

### Ensuring gender equity

We seek to create a work environment for our employees that encourages fairness, as well as respect for social inclusiveness and cultural diversity, in line with our principles of growth and fulfillment. We aim to create an equitable, respectful and enabling environment for both men and women, retaining key talent at every level while ensuring a diverse balance.

During 2022, we increased the number of women in senior positions and launched a Gender Equity Policy for the organisation that reflects an inclusive culture focused on nurturing talent regardless of gender, age or disability. We also focused on Women Empowerment by promoting various empowerment initiatives to groom future women leaders and develop women-centric working models that incorporate greater flexibility.

### Increasing Emiratisation

Our commitment to Emiratisation is part of our strategic focus to maximise the employment of UAE Nationals, in line with the national strategies and directives of the UAE Government. We aim to attract, develop and retain qualified Emiratis in key positions

across the organisation to enrich our business and the Emirati talent pool within the space and satellite industry nationally. We leverage our expertise and resources to develop their knowledge in the satellite and space industries and provide a wide range of development and certification opportunities to further their careers and enrich our sector.

During 2022, we achieved 52.5% Emiratisation rate across Yahsat and continued to attract and engage our Emirati employees in a number of ways. We leveraged our international footprint by deputising six Emiratis to our overseas projects, allowing them to gain deeper industry expertise and global exposure.

We also continued our Train for Work programme this year, which trains unemployed Emirati graduates on the job, providing them with the knowledge and skills needed to thrive. Train to Work participants contribute to Yahsat as regular employees with clear work objectives, as they are groomed to become full-time employees within two years. Following the success of the first two batches of participants in 2018 and 2020, we plan to launch a new batch in 2023.

We also offer a very attractive compensation packages to fresh Emirati graduates and work to plan exciting career paths for high potentials, as well as providing numerous opportunities for secondment to internal or external entities.

### Supporting People of Determination (POD)

We believe that attracting and empowering People of Determination contributes to the success of our business. We have developed policies to support employment of People of Determination, providing pathways for long and rewarding careers with Yahsat, and ensure equal and fair rights that ensure their ability to work, grow and learn. In addition, the needs of PODs have been carefully considered across the company's facility, including the design and capabilities of lifts, corridors, parking spots and washrooms.

In 2022, we continued to attracting POD talent and accelerate our transition from social care to social development, in line with the UAE Government mandate. We succeeded in increasing our POD workforce during the year and provided specialised training to develop their skills, confidence and capabilities so they are positioned to grow into larger roles and take on greater responsibilities in the future.



“When you choose to work at Yahsat, rest assured you’ve chosen an organisation with a great culture. I know I’ve chosen wisely, as my talents have met the right opportunities, allowing me to contribute and grow with this great company. I feel engaged, respected, valued and trusted.”

– Ramakrishnan Natarajan

“Yahsat recognises talent and offers opportunities for career advancement by giving employees accountability and rewarding them for delivering against clear objectives. We’re empowered and supported to make decisions and take action to grow the business and meet the various needs of our business partners.”

– Danielle Noble

## Empowering

### Empowering our youth

Our Corporate Youth Council represents the voice of young people in our company, providing them a platform to create initiatives that support the goals of the company while furthering the youth agenda of the UAE. Youth can provide fresh insights and enable creativity, which we seek to unleash through Council programmes, policies and plans, in line with global, national and industry developments.

In 2022, the Yahsat Youth Council hosted the Yahsat Space Summer Camp to introduce the space industry to the youth in our communities. It provided a brief overview on what it’s like to be an engineer by building and programming their own picosatellites. In addition, the Council invited guest speakers on various topics for Yahsat staff, including the youth, to benefit from, and are planning on more sessions in the near future.

In addition, Aida Saeed Mubarak Alyaaqoubi was elected to be the UAE Representative of the prestigious International Electrotechnical Commission (IEC) Young Professionals Programme for Asia and the Middle East Region. Aida, who joined Yahsat as a fresh graduate and is today a Senior Spacecraft Analysis Engineer at Yahsat’s Technology Division and President of the Yahsat Youth Council, was selected to be a Young Professional Leader for the San Francisco-based programme curated by the IEC for the brightest young minds in tech to educate on topics such as standardisation and conformity.

### Giving our people a voice

We promote employee engagement and satisfaction in a number of ways and then make sure to listen to our people to learn what we are doing right and identify areas where improvement is needed. We then take action to tackle areas of concern in order to build trust and loyalty across the company.

In 2022, our Employee Satisfaction Survey had a 97% participation rate, our highest ever response rate, demonstrating the engagement of all our people to the continuous improvement of Yahsat. The engagement score of 82 is above regional benchmarks, and we scored 48 in Employee Net Promoter Score (eNPS), with particular strength in reputation and cooperation. As a result of the survey, many initiatives and changes were introduced, including policy changes, and a greater focus on mental health and wellbeing.

We also introduced new hybrid work policies to promote healthy work-life balance for our employees, including five-day work-from-home per month, enhanced parental leave, five-day paternity leave and 60-day work-from-home post-maternity leave.

### One Yahsat

In 2022, we launched the One Yahsat portal, “The Hub”, which merged the Yahsat and Thuraya internal intranets onto one location where all important documents are stored. It boosts employee engagement and productivity by supporting our employees to stay connected regardless of nature of work or location and access business-critical applications. We also automated and updated organisational chart to make it accessible to all our employees on our organisation portal, Majarah, and drove continuous optimisation and synergies across the various business functions, including Operations, Commercial, Product Development and Business Intelligence.



# Developing

## Promoting our talent

Our GROW Executive Development Programme, which completed its five-year run this year, continued to deliver outstanding results for the company. It has been instrumental in grooming many of the leaders of Ychsat today and this year added a fifth Chief-level internally-developed Emirati, Khalid Al Awadhi, who assumed the role of Chief Advanced Programme Management.

Khalid joined Ychsat in 2009 and has contributed to many Ychsat projects over his career, most prominently the development of UAE's first Earth Observation mission. As Ychsat's Senior Satellite Specialist, he was involved in the design & development of three Ychsat satellites. Khalid has been responsible for the inception and leadership of Ychsat's internal R&D-focused division, Advanced Programmes, which is focused on developing advanced technologies, concepts and pre-commercial programmes.

In addition, we launched a Digital Talent Pool in 2022 to better understanding the existing talent pool, skills and capabilities within the organisation; stay abreast of accumulated employee experience, skills and qualifications to support new strategic projects and opportunities internally; support our employees' growth by developing their skills to new levels; and motivating employees to utilise training opportunities to attain their career goals and advancement.

This innovative digital archive of all employee skills and past experiences and knowledge can be accessed and updated anytime. It is aimed at supporting organic growth within the company, assisting with learning and development, and promoting internal knowledge transfer, enabling Ychsat to train employees for specific areas that align with the company's strengths and mission.

## Developing our capabilities

We continued to prioritise the development of the knowledge and skills of all our employees during 2022, providing a wide range of training and development opportunities, both physical and virtual.

Our eLearning programme provides self-driven learning opportunities anytime, anywhere to enable a culture of continuous learning. It includes soft skills and niche technical training on demand, as well as promoting knowledge transfer internally by sharing timely course collections. We employ three eLearning platforms:

- LinkedIn Learning: 99% activation, 795 courses completed, 18,998 learning video completions
- Coursera: 409 members, 118 courses completed, 711 estimated learning hours completed
- GVF: Satellite communications courses, 34 licenses, quarterly learning collections published showcasing themed course collections

We also delivered over 6,084 hours of high-impact training courses to over 256 employees, led by internal and third-party experts, on a range of critical topics including AI, risk management, and finance.

In addition, our Graduate Development Programmes immerse qualified graduates in the professional world and provide them with a hands-on experience in their chosen field, along with the skills necessary to be a successful part of a larger team. Over the two years of the programme, graduate trainees benefit from support, guidance and mentoring to bridge the gap between the academic world and the real world of work. During 2022, five graduates completed Batch 2 of the Programme and were assisted in identifying positions that match their skills and interests to launch successful careers with Ychsat.





## Developing continued

### Building for the future

Our Fekrati programme is an ESG-focused initiative that recognises the most innovative ideas that can have a positive impact on Yahsat and/or society. This year four winners were selected from over 30 submissions:

- 1) Free Sat Com Training
- 2) Yahsat Coding Academy
- 3) Nojoom for enhancing shift employees' work experience)
- 4) Human Capital leads process to promote a culture of continuous improvement, innovation and sustainability

In addition, we focused on equipping Yahsat employees with the skills and competencies required to support the Thuraya 4 project through knowledge transfer from experts in the field, Airbus Defence and Space and Cobham Satcom. During the year, we carried out training for:

- Satellite Design and Development by Airbus experts to 24 employees over 2.5 months
- Networks and Products by Cobham experts to 40 employees over 10 days

We also assigned eight Project Managers to monitor, assess and gain experience from the T4 project by attending key milestones.

**“My journey in Yahsat has been very fruitful and empowering. Yahsat has trained us for success from day one as well as always encouraged self-development. Yahsat has always pushed its employees to step out of their comfort zones with the right supervision and direction in order to change, grow and transform.”**

**– Rawdha Abdulla Murad Al Balooshi**



## Recognising

### Launching our Long-Term Incentive Plan (LTIP)

In order to attract, reward and retain key talent in a highly competitive market and industry, we launched our Long-Term Incentive Plan in 2022 to compensate our people through various incentives and bonuses over fixed long-term periods. The LTIP is a strategic compensation

tool to promote long-term retention and alignment with Yahsat's strategic objectives, while demonstrating the value we place to the contributions of key employees across the Group.

### HR Leader of the Year

The 'GCC GOV HR Awards' is the region's most coveted HR recognition, celebrating the ground breaking achievements of organisations and individuals who have demonstrated exemplary leadership in manpower planning and management. In 2021, our Chief Human Capital Officer, Muna Almheiri, was honoured for her contributions to building a highly skilled workforce and a diverse, egalitarian working environment at Yahsat. Her win is reflective of the Human Capital team's success in driving organisational and team effectiveness across

the Group through innovative people management, diversity and strategic planning.

A key member of Yahsat's leadership team since the beginning, Ms. Muna has been instrumental in shaping Yahsat's unique legacy as the UAE's flagship satellite solutions provider and incubator of homegrown talent. Since assuming the role of Chief Human Capital Officer in 2016, she has taken the lead in investing in our people and driving the growth of the Group as a socially conscious organisation.

### Awards for our outstanding talent

Yahsat received several prestigious awards reflecting its ambitious vision and contributions to the UAE's emergence as a space economy, led by innovative Emiratis.

- GCC GOV Youth Empowerment Awards 2022 – Organisation of the Year, for Science & Technology, in appreciation of Yahsat's successful youth development and leadership programmes
- GCC GOV Youth Empowerment Awards 2022 – Women Leader of the Year, for Fatma Al Yammahi's outstanding contributions to the UAE space and satellite industry, and for being a spirited champion of 'Women in Tech' initiatives within the country on behalf of Yahsat

**“My space Journey started as an adventure into the unknown. My career with Yahsat has been shaped by a combination of factors: dedication to fulfilling my role, a sense of responsibility to colleagues, reporting to excellent leaders, and many opportunities disguised as challenges. All my hard work has been worth it because of our management that recognises the potential within each individual. I could not be happier to be part of the Yahsat family.”**

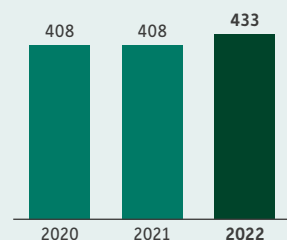
**– Rashed Ahmed Al Hammadi**

# Key Performance Indicators

Revenue (US\$m)

**US\$ 433m**

**+6% YOY**



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

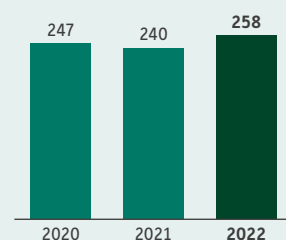
## 2022 Performance Comment

- 2022 full year revenues of US\$ 433 million recorded year-on-year growth of over 6% and came in line with guidance of US\$ 420–440 million.
- The strong revenue performance was driven by stellar growth of 41% year-on-year in the Managed Solutions business and stable performance across the Infrastructure and Mobility Solutions businesses.

Adjusted EBITDA (US\$m)

**US\$ 258m**

**+7% YOY**



**Comprises Earnings from continuing operations before interest, tax, depreciation, amortisation, impairment, fair value adjustments on investment property and share of results of equity-accounted investments.**

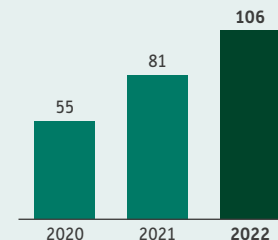
## 2022 Performance Comment

- Adjusted EBITDA reached US\$ 258 million, up 7% year-on-year, delivering a superior margin of 60% and coming in higher than guidance.
- Staff costs and other operating expenses, in aggregate, increased by 6%. While staff costs remained stable, other operating expenses increased reflecting the release of provisions on certain long-overdue receivables in 2021 as well as due to higher travel, consultancy & additional costs incurred as a listed company in 2022.
- Other income increased due to gain on derecognition of right of use asset and related lease liability amounting to US\$ 1.5 million as a result of termination of a lease contract.

Normalised net income (US\$m)

**US\$ 106m**

**+31% YOY**



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

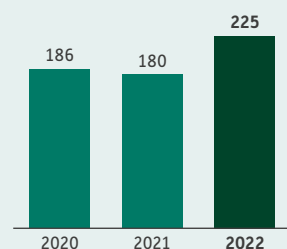
## 2022 Performance Comment

- Normalised Net Income increased by 31% to US\$ 106 million, generating a strong margin of 25%, driven by higher Adjusted EBITDA, fair valuation gains on investment property, lower net finance cost following 2021 debt refinancing and efficient treasury operations.
- Normalised Net Income is net income adjusted for material, one-off items recorded during the current and comparative periods that would otherwise distort the underlying, like-for-like performance of the business. FY 2022 Normalised Net Income of US\$ 106 million has been adjusted for a non-cash impairment of US\$ 41 million in the Group's equity-accounted joint-venture in HPE Brazil, in which the Group owns a non-controlling 20% stake, reflecting a rapid deterioration in the global macro-economic environment as well as increase in country-related risks specific to Brazil. Similarly, FY 2021 Normalised Net Income of US\$ 81 million has been adjusted for one-off costs relating to the prior year debt refinancing (US\$ 7 million) and IPO-related costs (US\$ 4 million).

Discretionary Free Cash Flow (US\$m)

# US\$ 225m

+25% YOY



**Net cashflow from operations less development and maintenance capital expenditure (excluding satellite related capital work-in-progress), additions to intangible assets, net investments in associates, net finance costs plus proceeds from disposals of assets.**

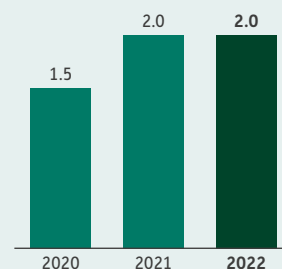
#### 2022 Performance Comment

- DFCF in 2022 reached US\$ 225 million, a 25% increase versus the prior year period, driven by higher Adjusted EBITDA, lower net investments and lower net finance costs.
- DFCF covers the dividend in respect of the 2022 financial year by 2.1x.

Contracted future revenues (US\$b)

# US\$ 2.0b

Stable YOY



**Total committed contracted future revenues.**

#### 2022 Performance Comment

- Contracted future revenues of approximately US\$ 2.0 billion as at 31 December 2022, stable versus 2021, representing 4.6 times annual revenue for the year 2022.
- 96% of contracted future revenue with highly rated counterparty (UAE Federal Government, Abu Dhabi Government and related GREs).
- The Group signed a new managed services mandate worth US\$ 247.5 million with the UAE Government in 2022. In addition, the Group signed a number of new contracts under its managed solutions, mobility solutions and data solutions businesses, thereby supporting strong contracted future revenue position.

# Risk management

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

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



## Responsibility

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

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

## Risk Management & Internal Control Framework

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

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

### First line

It is the duty of business management to effectively identify, assess and manage the main risks of the Group. Each functional area has its characteristics and requires a tailored approach to risk assessments.

### Second line

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

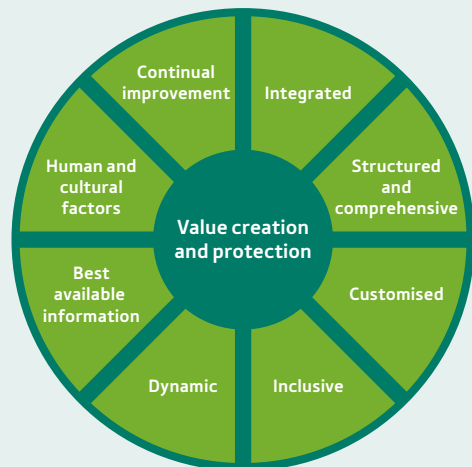
### Third line

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

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

## RMIC Vision, Mission and Key Beliefs

### Risk Management Principles



Source: ISO 31000:2018

### Internal Control Principles

#### Control Environment

- 1 Demonstrates commitment to integrity and ethical values
- 2 Exercises oversight responsibility
- 3 Establishes structure, authority, and responsibility
- 4 Demonstrates commitment to competence
- 5 Enforces accountability

#### Risk Assessment

- 6 Specifies suitable objectives
- 7 Identifies and analyses risk
- 8 Assesses fraud risk
- 9 Identifies and analyses significant change

#### Control Activities

- 10 Selects and develops control activities
- 11 Selects and develops general controls over technology
- 12 Deploys through policies and procedures

#### Information & Communication

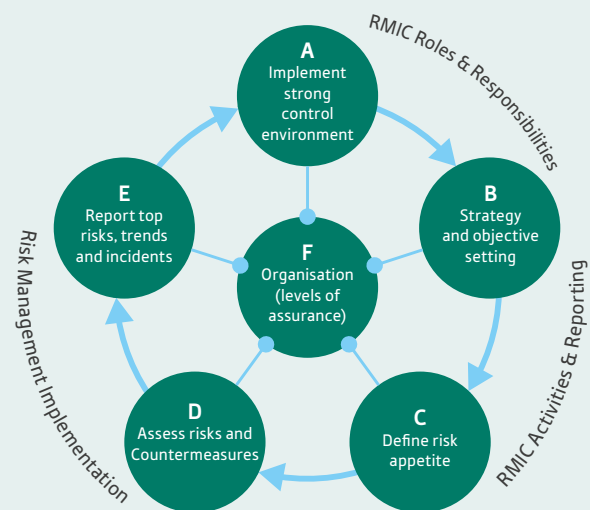
- 13 Uses relevant information
- 14 Communicates internally
- 15 Communicates externally

#### Monitoring

- 16 Conducts ongoing and/or separate evaluations
- 17 Evaluates and communicates deficiencies

Source: COSO Internal Control – Integrated Framework: 2013

## RMIC Roadmap



# Risk management continued

## Accomplishments and Enhancements

Yahsat continuously strives to strengthen and enhance its risk management, internal control and compliance practices. In 2022, the following activities were performed and enhancements made:

- Regular, periodic reporting to the ARCC on the key uncertainties and threats to Yahsat's strategic priorities.
- Annual fraud risk assessment to identify main fraud risks and assess the effectiveness of fraud controls.
- Quality Assurance over the effectiveness of Internal Control Over Financial Reporting (ICOFR) framework.
- Yahsat's Risk Appetite Statement updated to align with the recent changes in business and approved by the Board.
- Risk Management and Internal Control Policy Manual updated to align with the recent changes in business & department's responsibilities and approved by the Board.
- Training and awareness of Yahsat Group employees on risk and compliance, covering a variety of topics including, but not limited to, fraud, information security, code of ethics, trading Yahsat shares and disclosure requirements.
- Continuous and ongoing monitoring of the external compliance requirements and instances of non-compliance proactively reported.

## Principal Risks and Risk Appetite

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

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

while considering opportunities and threats. All major investment decisions (strategic projects, mergers and acquisitions) require Board endorsement. Yahsat has a flexible risk approach to commercial investments and innovations, whereas its approach towards other risk categories could be qualified, ranging from measured to cautious. For regulatory and compliance risks there is a zero tolerance approach.

Yahsat's overall risk profile has not significantly changed compared to 2021. Nevertheless, there have been minor changes in risk ratings, mainly

due to increases in an impact and/or probability affected by the macro-economic situation.

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

## Mapping our principal risks to our Strategic Pillars

Principal Risks	Strategic Objectives			
	Expand core government business in infrastructure and managed solutions	Diversify and expand commercial business	Invest and partner to diversify and grow	Build on position as the UAE's flagship satellite operator
1 Deteriorating economic and market conditions	✓	✓	✓	✓
2 Increasing business competition	✓	✓		
3 Sustainability challenges	✓	✓	✓	✓
4 Service disruptions	✓	✓		
5 Supplier and supply chain dependency	✓	✓	✓	
6 Customer dependency	✓			
7 Satellite development project risk		✓	✓	
8 Inability to attract and retain qualified people	✓	✓	✓	✓
9 Liquidity risk	✓	✓	✓	
10 Interest rate risk	✓	✓	✓	
11 Currency risk		✓		
12 Credit risk			✓	✓
13 Changes in tax regulation	✓	✓	✓	✓
14 Legal and regulatory challenges	✓	✓	✓	
15 Orbital slots and spectrum risks	✓	✓	✓	✓

Principal Risk	Description	Mitigation	Responsible Manager
<b>Strategic Challenges</b>			
<b>1 Deteriorating economic and market conditions</b>	A deterioration in global and regional (MENA) economic conditions may have an adverse effect on the Group's revenue. The impact of these conditions on the overall revenue will depend on the severity of the economic issue, the countries or regions affected and potential government responses.	<ul style="list-style-type: none"> <li>Economic and market conditions in the Group's key markets are considered during the annual budget and business planning processes. The most significant risks are subject to a sensitivity analysis and related mitigating measures are identified and, if required, implemented.</li> </ul>	Chief Financial Officer
<b>2 Increasing business competition</b>	<p>The satellite communications market is highly competitive. Increased competition may arise from current competitors and/or new market entrants. Also, new technologies introduced by competitors may reduce demand for Yahsat's services or may render Yahsat's technologies obsolete.</p> <p>These challenges could hinder or prevent the Group from implementing its business strategy and expanding its operations as planned.</p>	<ul style="list-style-type: none"> <li>The business case for new satellite programmes is typically underpinned by long-term capacity agreements to justify the cost and ensure long-term utilisation. For example: <ul style="list-style-type: none"> <li>A long-term services agreement with UAE Government for managed capacity services over a 15-year period supported the build costs and projected utilisation rate of Thuraya-4 NGS. This contract added more than US\$ 700 million to contracted future revenues and provides security of future cash flows.</li> <li>Two new satellites (Al Yah 4 and Al Yah 5) are under consideration for launch in 2026 for the UAE Government. These are expected to be supported by a new long term-capacity agreement.</li> </ul> </li> <li>The Managed Solutions business was awarded a new 5-year managed services mandate by the UAE Government at the start of 2022.</li> <li>An investment has been made in eSAT Global, which provides a platform to grow our offering by leveraging our L-band spectrum rights and eSAT's low-power low-data rate IoT products under development.</li> <li>We have launched attractive and differentiated new mobility products for maritime and increased focus on new IoT and data products to align to customer focus and demand.</li> <li>Ongoing expansion of Data Solutions consumer subscriber base and investing in the Enterprise segment.</li> </ul>	Heads of business lines
<b>3 Sustainability challenges</b>	Yahsat may fail to meet stakeholder expectations relating to environmental, social and governance (ESG) or fail to comply with the growing portfolio of ESG legislation and government regulations. This could lead to customer loss, lower profits in the future and brand and reputational damage.	<ul style="list-style-type: none"> <li>A dedicated ESG function has been established in 2022.</li> <li>A Yahsat sustainability framework, including strategy and performance indicators, has been implemented in 2022 and is being pursued as both a discrete area of focus and a principal consideration when forming other aspects of the Group's strategy.</li> <li>ESG factors have been incorporated into the overall corporate score card, which has then been cascaded to the departmental KPIs. Group-wide strategy contains tangible action items assigned to each department. Executive compensation is directly impacted by the corporate KPI, including the ESG KPIs.</li> </ul>	Chief Executive Officer

## Risk management continued

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



Principal Risk	Description	Mitigation	Responsible Manager
<b>Strategic Challenges</b> continued			
<b>6 Customer dependency</b>	The Group is reliant on a single large customer for more than half of its revenue and the loss of, or any significant reduction in expenditure by, this customer could materially adversely affect the Group's business.	<ul style="list-style-type: none"> <li>Strong relationships with the UAE Government, underpinned by the Al Yah 1 &amp; 2 CSA and the 15-year Thuraya-4 NGS Managed Capacity Services Agreement, commencing in 2025, as well as the five-year mandate to provide enhanced managed services for ground satellite communications services and solutions.</li> <li>New satellite programmes and associated long-term capacity agreements with UAE Government are under discussion.</li> <li>Close relationship management activities are undertaken to ensure that the UAE Government's communications needs are understood, anticipated and addressed with industry-leading, cost-effective solutions.</li> <li>Diversification initiatives in place with focus on other regional government, large enterprises and establishing partnerships in the value chain.</li> </ul>	General Manager – Yahsat Government Solutions
<b>7 Satellite development project risk</b>	Yahsat is managing high-value, long-term satellite development projects. These projects contribute significantly to sustain and grow our business. In addition to the regular project risks like delays, cost overruns and quality issues, these projects are also subject to construction and launch risks. If any of these issues or risks occur, it could have a material and adverse effect on the Group's operations and financial results.	<ul style="list-style-type: none"> <li>Robust and stringent management has been established for the Thuraya-4 NGS programme, with frequent direct interaction with the constructor and regular in-country reviews of project progress.</li> <li>Additional time buffer is built into satellite development programmes to provide a limited amount of protection against delay and schedule risk.</li> <li>For key suppliers, service level agreements are defined, which are closely monitored by review of deliverables (preliminary design reviews, critical design reviews, etc.).</li> <li>Comprehensive launch and in-orbit insurance policies are in place to provide for satellite failure or loss.</li> </ul>	Chief Technology Officer
<b>8 Inability to attract and retain qualified people</b>	Failure to effectively attract, develop and retain talent with the skills and experience to deliver on current and future requirements, could impact our ability to achieve growth ambitions and operate effectively.	<ul style="list-style-type: none"> <li>Reward and recognition programmes have been implemented, including a LTIP for key management positions, with such total reward approach being periodically benchmarked and reviewed.</li> <li>Critical resources retention program is being implemented.</li> <li>Succession plan has been updated and a talent development program has been started.</li> <li>Working with best recruitment agencies to fill vacancies.</li> <li>Focus on visibility of organisation, being an employer of choice and employees being Yahsat ambassadors.</li> </ul>	Chief Human Capital and Administration Officer

## Risk management continued

Principal Risk	Description	Mitigation	Responsible Manager
<b>Financial Threats</b>			
<b>9 Liquidity risk</b>	Risk that the Group will not be able to meet its financial obligations as they fall due.	<ul style="list-style-type: none"> <li>The Group's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its debt and other financial obligations when due and comply with relevant financial covenants.</li> <li>The Group ensures that it has sufficient cash and liquid assets on demand to meet its expected operational expenses and capital expenditures; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.</li> <li>The Group has a robust planning and reporting process to manage its short- and longer-term cash position and requirements. Active working capital management, business planning, rolling short- and longer-term cash flow forecasts are regularly prepared and reviewed by the Group's CFO.</li> <li>The Group has historically maintained a strong cash balance, which as of December 2022 stands at US\$ 545 million with negative net leverage.</li> <li>The Group also maintains long-standing relationships with lenders and banks which can be leveraged for short-term and/or long-term funding needs</li> <li>Certain liabilities are covered by insurance policies.</li> </ul>	Chief Financial Officer
<b>10 Interest rate risk</b>	Changes in market interest rates may have an adverse effect on the Group's borrowings, bank deposits and net finance.	<ul style="list-style-type: none"> <li>The Group's interest-rate risk arises mainly in connection with its borrowings which typically bear variable interest rates (e.g. at LIBOR plus a margin). To mitigate the uncertainties associated with variable interest rates, the Group has entered into interest swap agreements to fix the interest rates.</li> <li>For example, the Group entered into a cash flow hedge, by acquiring interest rate swaps (IRS), to hedge the variability in interest rates with respect to Term Loan and ECA facility entered into in June 2021. Under the IRS agreements, the Group received a variable rate of interest equal to LIBOR and pays fixed rate on notional amounts that mirror the drawdown and repayment schedule of the loan.</li> <li>Before the end of June 2023, the Group will transition its reference rate from US\$ LIBOR to US\$ SOFR-compounded across all its variable interest rate debt instruments (loans) and derivatives (IRS)</li> <li>The Group invests surplus cash in short-term bank deposits on a fixed interest rate basis.</li> </ul>	Chief Financial Officer
<b>11 Currency risk</b>	Fluctuations in exchange rates of assets and liabilities held in foreign currency or changes to the US\$/AED peg can adversely affect Yahsat's results.	<ul style="list-style-type: none"> <li>The Group's revenues as well as spend are predominantly priced in US\$ (which is also the Group's functional currency) and in AED which is pegged to US\$.</li> <li>The Group is exposed to currency risk in respect of its investment in its Brazilian associate, and regularly monitors the movement in exchange rates to assess the sensitivity and impact on its long-term business plan and valuation.</li> </ul>	Chief Financial Officer
<b>12 Credit risk</b>	The Group may face financial losses if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This risk arise principally in relation to the Group's receivables and cash held at bank.	<ul style="list-style-type: none"> <li>The Group considers the credit risk as low, with respect to trade receivables and contract assets, given the financial stability and high credit rating of its customers, with nearly half of the receivables due from related parties and government-related entities.</li> <li>With respect to cash and short-term deposits, the Group minimises its exposure to credit risks by entering into agreements with reputable financial institutions and banks.</li> <li>Under certain circumstances the Group obtains performance bonds and payments guarantees from counterparties to support the due performance of their obligations.</li> </ul>	Chief Financial Officer

Principal Risk	Description	Mitigation	Responsible Manager
<b>Financial Threats</b> continued			
<b>13 Changes in tax regulation</b>	Introduction of corporate income tax in the UAE and any subsequent amendment, could adversely affect the Company's financial results.	<ul style="list-style-type: none"> <li>On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. (47) of 2022 on the Taxation of Corporations and Businesses ("UAE Corporate Tax Law" or "Law") to enact a Federal corporate tax regime in the UAE. The Ychsat Group will be subject to UAE corporate tax beginning on January 1, 2024. A rate of 9% will apply to taxable income exceeding a particular threshold to be prescribed by way of a Cabinet Decision (expected to be AED 375,000 based on information released by the Ministry of Finance), a rate of 0% will apply to taxable income not exceeding this threshold. In addition, there are several other decisions that are yet to be finalised by way of a Cabinet Decision that are significant in order for entities to determine their tax status and taxable income. Therefore, pending such important decisions, the Group has considered that the Law, as it currently stands, is not substantively enacted as at 31 December 2022. The Group shall continue to monitor the timing of the issuance of these critical Cabinet Decisions to determine its tax status.</li> <li>The Group's corporate income tax exposure in respect of its foreign operations is not material. The Group has historically been tax compliant and regularly reviews changes in local tax legislations to ensure continued compliance.</li> </ul>	Chief Financial Officer
<b>Compliance Challenges</b>			
<b>14 Legal and regulatory challenges</b>	<p>The Group can be exposed to non-compliance with laws and regulations across different jurisdictions, or a breach of internal policies, including but not limited to, those related to bribery and corruption, fraud, insider trading, data privacy, trade sanctions and competition law. As our business spreads geographically, covering some markets with a higher exposure from a compliance point of view, the Group may face legal and regulatory risks or challenges due to changing local, regional or global policies.</p> <p>Non-compliance could result in fines, restrictions on business, third party claims, and reputational and brand damage.</p>	<ul style="list-style-type: none"> <li>The Group's Code of Ethics sets out the principles, standards and behaviours necessary to achieve our objectives and uphold our values. It makes clear that we not only follow the law, but strive to operate with the highest levels of ethics and integrity.</li> <li>The Code of Ethics is supplemented and supported by a number of policies, including policies relating to anti-bribery and corruption, working with governments, insider trading, securities trading, fair competition, export control and sanctions compliance and confidentiality and data privacy.</li> <li>A comprehensive Ethics and Compliance programme is in place addressing compliance monitoring, reporting, risk assessments, training and investigations.</li> <li>Key Ethics &amp; Compliance controls are tested for design and effectiveness annually as part of the Group's ICOFR framework.</li> <li>Security screening of all new employees and contractors.</li> <li>Each supplier is required to confirm compliance with our Business Partner Code of Conduct, with supporting evidence as appropriate.</li> <li>The Group maintains relationships with key legal and other advisors in relevant jurisdictions to seek to remain abreast of legal and regulatory developments.</li> </ul>	General Counsel
<b>15 Orbital slots and spectrum risks</b>	<p>Ychsat is subject to orbital slot and spectrum access requirements of the ITU and regulatory and licensing requirements in each of the countries in which the Group provides services.</p> <p>Ychsat could lose access to certain frequency bands or fail to maintain or obtain required orbital slots due to non-adherence with ITU operating procedures, space debris requirements, international satellite regulations, conflicting/overlapping frequency bands or slots becoming unavailable for acquisition. This may result in inability to perform government and commercial business plans, loss of business partners and have a significant adverse revenue impact.</p>	<ul style="list-style-type: none"> <li>Ychsat proactively participates in advocacy with the ITU and continuously looks for opportune orbital position filings to make. The Group currently has more than 200 active ITU filings.</li> <li>The spectrum team has developed a three-year roadmap for filing maintenance, to identify filings in which Ychsat is looking to maintain priority for future use.</li> <li>Orbital slots for future satellites have been secured.</li> <li>Ychsat complies with stringent space debris requirements as per ITU and IADC (Inter-Agency Space Debris Coordination Committee).</li> </ul>	Chief Strategy Officer

# Stakeholder engagement

Delivering sustainable value to our stakeholders

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



## Our Employees

### How we engage

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

### How often we engage

As and when required

### Key issues/items discussed

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

### Any actions from these discussions that Yahsat is/will implement

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

### How we create value

#### for the stakeholder group

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



## Our Suppliers & Partners

### How we engage

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

### How often we engage

As and when required

### Key issues/items discussed

- Performance
- Opportunities
- Business status
- Relationship building

### Any actions from these discussions that Yahsat is/will implement

- Operational and strategic action taken depending on the discussion

### How we create value for the stakeholder group

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



## Our Customers

### How we engage

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

### How often we engage

As and when required

### Key issues/items discussed

- Performance
- Market opportunities
- New products and services
- Relationship building
- New offers, retention offers, bill status for customers of Yahsat products

### Any actions from these discussions that Yahsat is/will implement

- Operational and strategic action taken depending on the discussion

### How we create value for the stakeholder group

- Providing products and services to meet evolving customer needs
- Ensuring customers are getting the best value



## Our Community

### How we engage

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

### How often we engage

As and when required

### Key issues/items discussed

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

### Any actions from these discussions that Yahsat is/will implement

- Provision of support or services when required

### How we create value for the stakeholder group

- Assisting communities in times of need, where and when collaboration and support is most needed
- Bridging the digital divide by providing internet connectivity to underserved or unserved areas



## Our Shareholders

### How we engage

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

### How often we engage

As and when required

### Key issues/items discussed

- Financial and operational performance
- Growth opportunities
- Business strategy and progress
- Future outlook
- Upcoming events and activities
- Ad hoc events or activities

### Any actions from these discussions that Yahsat is/will implement

- Operational and strategic action taken depending on the discussion

### How we create value for the stakeholder group

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

# Sustainability

## Sustainability at Yahsat

To support Yahsat in becoming a purpose led organisation and recognised global leader in advancing sustainable development, Yahsat has made considerable progress towards institutionalising sustainability throughout its corporate culture and decision-making process.

Please note that the notation ADX XX.XX (e.g. ADX G8.1) refers to the Abu Dhabi Securities Exchange (ADX) ESG disclosure guidelines. The guidelines are available on ADX website at <https://bit.ly/ADXESGGuidelines>.



To this end, Yahsat has developed a sustainability strategy centred around five pillars that are of utmost importance to Yahsat and its stakeholders. For each of its sustainability framework pillars, Yahsat has defined key objectives along with priority actions to be pursued over the next three years. Each of these objectives serve to improve how Yahsat addresses the most material sustainability areas relevant to its industry, as well as help Yahsat to increase its contributions towards important sustainability-related ambitions, including Abu Dhabi's Economic Vision 2030, the UAE's Space Policy, and the United Nations (UN) Sustainable Development Goals (ADX G8.2).

In the near future, Yahsat will be exploring how it can establish targets for the SDGs it currently contributes towards (ADX G8.3). Moreover, Yahsat's sustainability framework helps the company to prioritise its sustainability efforts towards most important sustainability areas.

## Stakeholder Engagement & Materiality

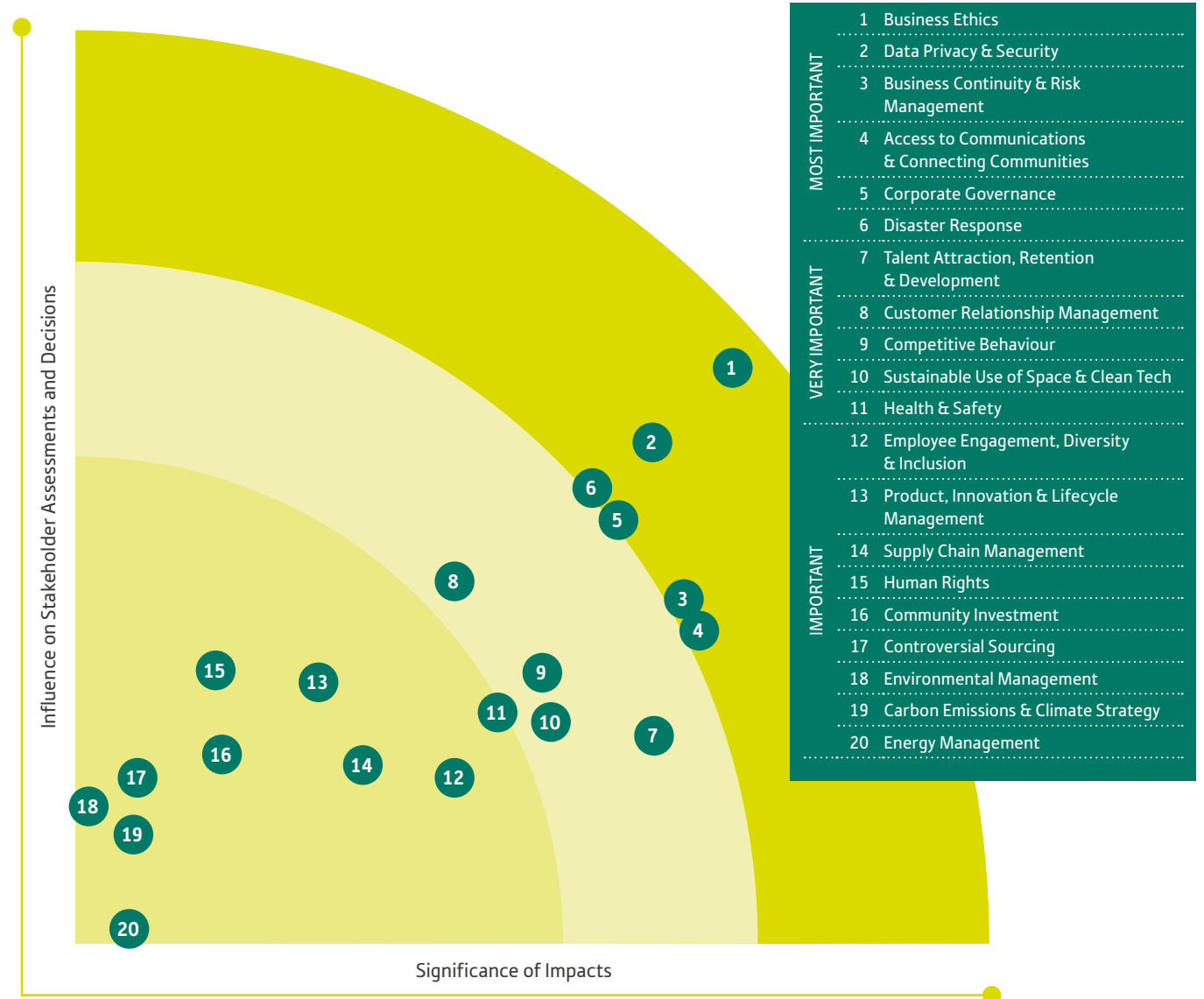
By continually engaging with Yahsat's stakeholders, we strive to better understand each stakeholder's expectations and key interests. This helps us to understand if we are sufficiently addressing all relevant material sustainability areas and to identify emerging material sustainability areas.



To understand where Ychsat needs to direct its sustainability efforts, 20 material sustainability areas have been identified and prioritised by Ychsat's executive management. A range of sources were used to identify all such areas, including leading and sector-specific sustainability reporting standards (e.g. GRI, SASB), the sustainability reporting guidance provided by the Abu Dhabi Securities Exchange (ADX), existing national and international sustainability-related ambitions, ESG disclosure expectations from ESG rating agencies, the sustainability areas being addressed by a selection of Ychsat's peers, and the key interests identified from Ychsat's key stakeholders.



### Sustainable Areas Materiality Matrix



# Sustainability continued

## Yahsat's Sustainability Framework and Future Direction

To focus Yahsat's approach towards effectively managing, reporting progress on, and developing strategies to address all relevant material sustainability areas, a five-pillar sustainability framework was created (ADX G8.1), which essentially defines what sustainability means for Yahsat.

In the future, Yahsat will periodically review its sustainability framework, ensuring it continues to capture relevant material sustainability areas, each of which can evolve and change in priority over time. Regarding Yahsat's existing sustainability strategy, we continue to implement priority actions that have been identified, and we will regularly review and update our strategy to help Yahsat establish and maintain a leadership position in promoting sustainable development across countries it operates in and communities it serves. Some key examples of how Yahsat has been implementing strategic priority actions include the development of Yahsat's ESG policy and position statements for key areas of our business. Although we have not yet obtained any external assurance on our sustainability disclosures (ADX G9), this is an area we are currently exploring. For a more comprehensive discussion on Yahsat's sustainability-related progress, we encourage all readers to please read Yahsat's 2022 sustainability report (ADX G7) available on its website (<http://bit.ly/3QZ16ex>).





## Reliable Corporate Governance

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

<b>Material Issues Covered</b>	<ul style="list-style-type: none"> <li>• Business Ethics</li> <li>• Business Continuity &amp; Risk Management</li> <li>• Competitive Behaviour</li> <li>• Corporate Governance</li> <li>• Data Privacy &amp; Security</li> </ul>
<b>UAE National Space Strategy 2030</b>	<ul style="list-style-type: none"> <li>• Ensure a supporting legislative framework and infrastructure to match the future developments in the sector</li> </ul>
<b>Abu Dhabi Economic Vision 2030</b>	<ul style="list-style-type: none"> <li>• Develop a Sufficient and Resilient Infrastructure Capable of Supporting the Anticipated Economic Growth</li> </ul>
<b>Sustainable Development Goals</b>	  

### Corporate Governance

Yahsat's corporate governance structures serve to embed responsible operating practices that successfully facilitate the creation and protection of stakeholder value. As defined in Yahsat's Charter of the Board of Directors ('Board'), the majority of Yahsat's Board must be independent, non-executive, and Emirati citizens. In compliance with the corporate governance guidelines issued by the UAE Securities and Commodities Authority, Yahsat's CEO is prohibited from serving as the Board Chair (ADX G2.1). The Board continues to maintain sufficient and varied industry experience to successfully guide Yahsat towards

its vision and has its performance evaluated annually. The Board also receives regular training on multiple areas of importance, including sustainability, and has approved corporate sustainability KPIs to regularly monitor (ADX E9) and incentivise executive performance (ADX G3). Moreover, an operations ESG committee has been formed to identify ways (e.g. projects, initiatives) that Yahsat can contribute towards its sustainability framework pillar ambitions; this committee meets on a monthly basis to present and discuss new ideas, as well as monitor the progress of approved projects and initiatives (ADX E8).

Board of Directors	ADX	2020	2021	2022
Total number of Board members	G1	8	9	9
% of Board seats occupied by men	G1.1	75%	89%	89%
% of Board seats occupied by women		25%	11%	11%
% of Board Committees chaired by men	G1.2	–	75%	50%
% of Board Committees chaired by women		–	25%	50%
% of Board seats occupied by independent members	G2.2	N/A	67%	67%

### Business Ethics & Competitive Behaviour

The Ethics and Compliance (E&C) function at Yahsat strives to ensure all commercial objectives continue to be met while operating at the highest levels of integrity. The E&C function is empowered through its E&C charter and independent and direct reporting structure to the Audit, Risk and Compliance Board Committee. Yahsat's Code of Ethics (ADX G5.1) applies to everyone who works directly for or represents Yahsat, including Yahsat's controlled subsidiaries. It is mandatory for all employees to acknowledge the principles of the Code of Ethics (ADX G5.2); during 2022, 100% of all employees received training on and acknowledged the Code of Ethics.

Through Yahsat's Competition Law Policy, guidance is provided to all employees on how to avoid engaging in anti-competitive behaviour. The policy covers specific areas susceptible to anti-competitive behaviour risks, including the participation in trade associations, conducting business with competitors, obtaining competitive information, conducting business from a dominant market position, mergers, acquisitions, joint ventures, and procurement practices. During 2022, no instances of anti-competitive behaviour were reported.

### Data Privacy & Security

Maintaining highly effective data privacy and information security practices is a priority for Yahsat. Through robust and comprehensive governance structures, which include an information security charter, committee, security programmes and multiple policies, we ensure all data privacy and information security activities are appropriately conducted. More specifically, Yahsat maintains an Information Security Policy, a Data Retention Policy, and a Data Privacy Policy (ADX G6.1), which covers elements related to GDPR requirements (ADX G6.2), to appropriately guide and control our practices.

Throughout 2022, various measures were implemented to strengthen Yahsat's data privacy and information security practices. An information security programme was implemented that specifically enhanced access controls, data protection, vulnerability management, and incident response capabilities. Cybersecurity controls were upgraded and extended to Yahsat's subsidiaries. And incident response capabilities were improved through newly deployed artificial intelligence and machine learning solutions. During 2022, there were zero instances of identified leaks, thefts or losses of customer data.

# Sustainability continued

## Business Continuity & Risk Management

Yahsat's business continuity management (BCM) practices are periodically reviewed, tested, and enhanced each year, which serve to ensure all business functions and services continue to operate uninterrupted. Our BCM practices enable Yahsat to effectively respond to any key risks should they materialise, including fires, spacecraft anomalies, power outages, unavailability of critical applications, unavailability of personnel, and cybersecurity issues. During 2022, Yahsat successfully resolved one major spacecraft anomaly and one major gateway disruption through its established crises management plans.



## Serving Customers & Communities

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

<b>Material Issues Covered</b>	<ul style="list-style-type: none"> <li>• Access to Communications &amp; Connecting Communities</li> <li>• Community Investment</li> <li>• Customer Relationship Management</li> <li>• Disaster Response</li> </ul>
<b>UAE National Space Strategy 2030</b>	<ul style="list-style-type: none"> <li>• Provision of Competitive and Leading Space Services</li> <li>• Development of advanced local capacities in space technology manufacturing and R&amp;D</li> </ul>
<b>Abu Dhabi Economic Vision 2030</b>	<ul style="list-style-type: none"> <li>• Develop a sufficient and resilient infrastructure capable of supporting the anticipated economic growth</li> </ul>
<b>Sustainable Development Goals</b>	

## Access to Communications, Connecting Communities & Community Investment

Yahsat continues to help underserved communities gain access to the internet and information. These communities typically either lack the necessary telecommunications infrastructure and/or are based in remote areas where it is difficult to access such reliable services. In previous years, Yahsat has provided effective communications solutions to many of these communities, all of which are based across the world, including the United Arab

Emirates, Iraq, South Africa, Kenya, Pakistan, and Australia. These communication solutions have also facilitated access to e-learning opportunities, enhanced healthcare services, telemedicine solutions, and information and communication training.

During 2022, YahClick, in partnership with ZARNet, supported rural communities based in Zimbabwe to overcome internet connectivity challenges through the provision of affordable and secure internet connectivity to education, healthcare sectors and other government institutions. As a result, 1,000 government sites

gained access to reliable internet connectivity by the end of 2022. Through this partnership, we aim to provide affordable and reliable internet connectivity to total of 4,500 sites as part of the three year contract.

Other ways Yahsat supports local communities is by educating youth on space. Space summer camps were organised to educate youth on space sciences, the basics of space engineering, and space-enabled technologies. In partnership with Dubai Astronomy, virtual workshops were held for over 950 UAE-based students to celebrate World Space Week, which covered trending technologies and the latest developments in the global space and satellite sector. During 2022, Yahsat's community investments totalled approximately AED 38,168 (ADX S12). Moreover, we intend to develop and implement a Corporate Social Responsibility framework during 2023.

## Disaster Response

Yahsat supports organisations striving to resolve and abate humanitarian crises, which is made possible through our range of satellite communications solutions. In the past, Yahsat has enabled multiple organisations to address various humanitarian challenges, including those originating from the category five Typhoon Rai in the Philippines. Throughout 2022, thanks to Thuraya's satellite mobile phones, numerous people in distress and needing emergency assistance were successfully rescued, including people stranded at sea near Oman, Malta, and the Philippines.

## Customer Relationship Management


Driven by our centralised Customer Care Unit, a customer-centric approach is used to improve all operational and support services provided by Yahsat. Multiple customer-centric programmes continue to be implemented that cover key customer relationship management areas, including quality assurance on service delivery; measuring and understanding customer satisfaction; and quality assessments on customer interactions. Numerous upgrades were made to network components and systems, serving to increase operational efficiencies, provide additional network stability, offer a wider range of services, create resource synergies, and create standardised foundations to further develop integrated operational areas in the future. Enhanced customer satisfaction surveys were created to improve customer feedback and more accurately measure customer satisfaction. Customer satisfaction has shown improvements across our key service offerings, especially for Thuraya and YahClick, which recorded increases in customer satisfaction by 26% and 15%, respectively, when compared to 2021.



# Sustainability continued

## Investing in People

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

<b>Material Issues Covered</b>	<ul style="list-style-type: none"> <li>Employee Engagement, Diversity &amp; Inclusion</li> <li>Health &amp; Safety</li> <li>Human Rights</li> <li>Talent Attraction, Retention &amp; Development</li> </ul>
<b>UAE National Space Strategy 2030</b>	<ul style="list-style-type: none"> <li>Creating space culture and expertise</li> </ul>
<b>Abu Dhabi Economic Vision 2030</b>	<ul style="list-style-type: none"> <li>Drive significant improvement in the efficiency of the labour market</li> <li>Develop a highly skilled, highly productive workforce</li> </ul>
<b>Sustainable Development Goals</b>	



## Talent Attraction, Retention & Development

Attracting talented candidates and increasing employee retention is a key success factor in helping Yahsat to achieve its strategic objectives. Yahsat's full-time workforce remained at relatively similar levels compared to 2021, increasing by 0.5%. To help our workforce develop, both professionally and personally, each Yahsat employee undergoes an annual

performance review that informs the development needs of each employee and accordingly helps human capital to plan training calendars. The average hours of training received by male and female full-time employees in 2022 was 22 hours and 33.3 hours, respectively, which includes training hours received from our newly introduced Global VSAT Forum platform, an established global standard for satellite communications skills.

Employees	ADX	2020	2021	2022
Total number of full-time employees		330	416	418
% of female employees	S4.1	17%	17%	18%
% of male employees		83%	83%	82%
Total number of part-time employees	S5.1	0	0	0
Total number of contractors and/or consultants	S5.2	59	61	39
Number of full-time employees in senior management		50	60	67
% of female employees	S4.3	8%	8%	12%
% of male employees		92%	92%	88%
Number of full-time employees in middle management		65	88	108
% of female employees		9%	9%	12%
% of male employees	S4.2	91%	91%	88%
Number of full-time employees in remaining positions		215	268	243
% of female employees		21%	21%	22%
% of male employees		79%	79%	78%
Number of full-time employees who left the Company	S3.1	27	25	52
Number of part-time employees who left the Company	S3.2	0	0	0
Number of consultant/contractors who left the Company	S3.3	12	5	13

## Employee Engagement, Diversity & Inclusion

Fostering a work environment that understands and addresses employee needs is important. Through our annual people survey, which helps us to assess employee satisfaction levels by collecting employee feedback on existing workplace practices and employee engagement, we received a response rate of 97% (percentage of total full-time employees), an engagement score of 82, and an Employee Net Promoter Score (eNPS) of 48, all of which benchmarks favourably against regional benchmarks. In the future, we seek to continue improving employee engagement through the promotion of flexible work-life balance practices, better aligned job responsibilities with employee grades, focusing on employee wellbeing, and other measures.

Yahsat promotes diversity and inclusion and strives to maintain a workforce that reflects the communities it operates in. As stated in our Code of Ethics, Yahsat believes in equality and that everyone must be treated fairly (ADX S6). Two related targets we had previously established included increasing the percentage of female employees by one per cent, compared to 2021, and maintaining an Emiratisation rate of at least 50 per cent, both of which were achieved by the end of 2022. To support females in the development of their careers, Yahsat strives to hire young female talent and provide them with effective training and development opportunities. To support local talents, as well as align with Abu Dhabi's and the UAE's nationalisation aims, Yahsat supports Emirati

employees through its range of training and development programmes, some of which have been developed in collaboration with Mubadala to specifically target UAE nationals. Moreover, in terms of compensation, Yahsat regularly reports on the ratio of its CEO's total compensation to

median full-time employee total compensation, which continued to be 6:1 (ADX S1), as well as the ratio of annual median compensation for males to females that also remained stable at 1.2:1 (ADX S2).

National Employees	ADX	2020	2021	2022
Nationals among total full-time workforce		175	175	175
% of female employees	S11	25%	25%	25%
% of male employees		75%	75%	75%

## Health, Safety & Human Rights

Creating a safe working environment that promotes healthy workplace practices and respects human rights is very important to Yahsat. Through our robust Health, Safety and Environment (HSE) governance mechanisms, which includes an updated HSE Policy (ADX S8) that complies with ISO 45001:2018 requirements, a newly formed HSE Committee, and HSE management systems, all HSE activities are appropriately managed. As a socially responsible business, Yahsat follows the highest international standards and consistently ensures that its facilities are safe and secure. In this respect, Yahsat has been awarded the international standard ISO 45001:2018 certification in Occupational Health & Safety (OH&S) Management Systems. Yahsat achieved the global standard for its consistent efforts to enhance and improve health, safety and environment standards across the Group.

During 2022, zero employee and contractor fatalities and injuries were recorded (ADX S7).


Respecting human rights is explicitly covered in our Code of Ethics, stating that Yahsat must abide by applicable international human rights principles (ADX S10.1). In Yahsat's Business Partner Code of Conduct, we require all Yahsat business partners to also abide the same international human rights principles (ADX S10.2), as well as prohibit child and forced labour practices (ADX S9.2). Additional ways we respect human rights is by strictly adhering to the UAE's labour laws, which incorporates human rights considerations, and prohibits forced labour and the employment of minors below the age of 15, respectively (ADX S9.1). During 2022, two grievances associated with respect and fairness were reported to the Ethics and Compliance function and were subsequently addressed.



# Sustainability continued

## Promoting Environmental Protection

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

<b>Material Issues Covered</b>	<ul style="list-style-type: none"> <li>• Carbon Emissions &amp; Climate Strategy</li> <li>• Energy Management</li> <li>• Environmental Management</li> <li>• Product, Innovation &amp; Lifecycle Management</li> <li>• Sustainable Use of Space</li> </ul>
<b>UAE National Space Strategy 2030</b>	
<b>Abu Dhabi Economic Vision 2030</b>	<ul style="list-style-type: none"> <li>• Develop a sufficient and resilient infrastructure capable of supporting the anticipated economic growth</li> </ul>
<b>Sustainable Development Goals</b>	

## Environmental Management

We strive to systematically implement ways of efficiently consuming material resources and minimising our environmental impacts (ADX E7.1). By predominantly focusing on recycling

e-waste, our annual recycling rates increased by more than eight times when compared to 2021. Annual water consumption and the volume of wastewater generated both remained at relatively similar levels compared to 2021.

Resource Consumption and Waste Generation	ADX	2020	2021	2022
Materials recycled (Kilograms)	–	10,627	4,030	33,870
Total water consumption (cubic metres)	E6.1	89,880	103,304	104,044
Total water reclaimed (cubic metres)	E6.2	0	0	0
Total volume of waste water generated (cubic metres)	E7.2	3,085	3,167	3,170

## Product, Innovation & Lifecycle Management

As highlighted by the UN Office for Outer Space Activities, space-based services and technologies have the potential to support the achievement of all UN Sustainable Development Goals. To promote sustainable development, Yahsat continues to innovate and offer sustainable satellite communication services, especially for land, marine and aeronautical applications. One recent innovation we were proud to launch during 2022 was Thuraya’s SatTrack for Land, a tracking and monitoring service developed for land vehicles. Key benefits of this service include real-time vehicle monitoring, geo-fencing, driver behaviour monitoring, and creating additional fleet insights, all which can help our customers to adopt more responsible fleet operations, including the reduction of fleet carbon emissions from optimised route planning and improved traffic safety.

Another way Yahsat tries to empower its customers to become more environmentally conscious is by providing instructions on how to appropriately dispose of Yahsat products. Specific products contain recycling instructions and inform our customers to avoid creating e-waste by disposing of the relevant product via municipal waste services.

## Sustainable Use of Space

Promoting the sustainable use of space is an important commitment for Yahsat, which also supports the ambitions of the UAE’s National Space Policy. Yahsat regularly participates in sustainable use of space forums, both domestically and internationally, including representing the UAE when participating on the UN Committee of the Peaceful Use of Outer Space Activities. Within our operational space asset practices, we adhere to the globally recognised Inter-Agency Space Debris Coordination Committee’s (IADC) space debris mitigation guidelines. To further outline our position towards the sustainable use of space, Yahsat is currently developing an associated position statement to be published.

## Energy Management, Carbon Emissions & Climate Strategy

Yahsat’s building management system (BMS) helps the Company to efficiently manage its overall energy consumption (ADX E7.3). Key ways the BMS reduces energy consumption is by adjusting to seasonal energy changes, using occupancy sensors, adjusting to regular hours of operations, and controlling HVAC operations. Additional ways we were able to reduce energy consumption during 2022 was by replacing older IT equipment with more energy efficient equipment, as well as installing additional LED lights throughout our facilities.

Energy Consumption	ADX	2020	2021	2022
Direct Energy Consumption (GJ)		679	679	679
Petrol consumption from operations and vehicles (Litres)	E3.1 & E5	2,255	2,255	2,255
Diesel consumption from operations and vehicles (Litres)		15,764	15,764	15,764
Indirect Energy Consumption (GJ)	E3.2 & E5	72,498	73,797	69,999
Electricity consumption (kWh)		20,138,381	20,488,425	19,444,134
Energy consumption intensity (GJ/employee)	E4	222	179	169

The majority of Ychsat's carbon emissions originate from its indirect energy consumption, which has averaged 20,027,239 kilowatt hours (kWh) over the past three years and remained at relatively similar levels each year. We continue to explore additional ways of reducing our carbon emissions, especially through the exploration of potential renewable energy sources to power our indirect energy consumption. By 2024, we aim to better understand and disclose Ychsat's Scope 3 GHG emissions (ADX E1.3), as well as other air emissions (ADX E2.2).

We also remain conscious of the negative impacts created by greenhouse gas (GHG) emissions and are committed to minimising our carbon footprint across our operations and supply chain. In this respect, Ychsat has joined the UAE Climate-Responsible Companies Pledge,

a strategic initiative by the UAE Ministry of Climate Change and Environment aimed at driving the engagement of the private sector in advancing national decarbonisation efforts to support the UAE Net Zero 2050 Strategic Initiative. Ychsat pledged its support to bolster efforts being undertaken to combat climate change – in line with the United Nations Sustainable Development Goal 13 on climate action – by enhancing its measurement and reporting of GHG emissions, developing plans to reduce its carbon footprint, and adopting climate change mitigation measures into the Company's business and operational model. Ychsat has further pledged to incorporate an inclusive approach to its sustainability and climate change action plans through the inclusion of youth, women and vulnerable segments of society.

Carbon Emissions	ADX	2020	2021	2022
Direct (Scope 1) GHG emissions (tons CO <sub>2</sub> eq.)	E1.1	48	48	48
Indirect (Scope 2) GHG emissions (tons CO <sub>2</sub> eq.)	E1.2	13,614	13,857	13,144
Total GHG emissions (tons CO <sub>2</sub> eq.)	E1	13,661	13,905	13,192
GHG emissions intensity (tons CO <sub>2</sub> eq./employee)	E2.1	41	33	32
Total amount invested, annually, in climate-related infrastructure, resilience, and product development (AED)	E10	-	-	59,000



# Sustainability continued

## Developing Business Partnerships

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

<b>Material Issues Covered</b>	<ul style="list-style-type: none"> <li>Controversial Sourcing &amp; Partnerships</li> <li>Supply Chain Management</li> </ul>
<b>UAE National Space Strategy 2030</b>	<ul style="list-style-type: none"> <li>Effective local and international partnerships and investments in the space industry</li> </ul>
<b>Abu Dhabi Economic Vision 2030</b>	<ul style="list-style-type: none"> <li>Develop a sufficient and resilient infrastructure capable of supporting the anticipated economic growth</li> </ul>
<b>Sustainable Development Goals</b>	 

## Supply Chain Management

Yahsat’s procurement activities are guided by its Procurement Policy, which details specific criteria and procedures to be followed when evaluating procurement decision for goods, works, services, and major capital projects. Our

Procurement Policy underwent a review and update during 2022 to streamline our associated processes, which are further supported by Yahsat’s delegation of authority, Code of Ethics, Business Partner Code of Conduct, and other policies. Compared to 2021.

Supply Chain Management	2020	2021	2022
Total number of local suppliers engaged	302	277	165
Procurement spending on local suppliers (AED millions)	147	179	168
% of procurement spending on local suppliers	21%	16%	11%
Total procurement spending (AED millions)	708	1,100	1,500

## Controversial Sourcing & Partnerships

As detailed in Yahsat’s Code of Ethics, we have established principles, standards, and behaviours to ensure our strategic objectives are achieved while upholding our values. Similarly, Yahsat expects and requires all business partners to adhere to similar principles, standards, and behaviours, as defined in our Business Partner Code of Conduct (ADX G4.1). All Yahsat suppliers have formally certified their compliance with the Business Partner Code of Conduct, which is a mandatory requirement when registering as a

supplier through Yahsat’s supplier portal (ADX G4.2). Prior to entering into an agreement with a potential business partner, a due diligence process is followed, which takes into consideration various factors, including contract value, the location of operations, types of services and/or goods provided, politically exposed persons, sanctions lists, watch lists, enforcement lists, court actions, and adverse media monitors. Moreover, we have recently developed a sustainable procurement position statement to further promote sustainable procurement practices.

