

SPACE42 PLC (formerly BAYANAT AI PLC)
Pro forma Financial Information and Condensed Consolidated Interim Financial Statements
30 June 2025

SPACE42 PLC (formerly BAYANAT AI PLC)
Pro forma Financial Information
30 June 2025



Space42 PLC (formerly Bayanat AI PLC)
Pro forma financial information
30 June 2025 (Unaudited)

BASIS OF PREPARATION

On 1 October 2024, Al Yah Satellite Communications Company PJSC ("Yahsat") merged into Bayanat AI PLC ("Bayanat"), the surviving entity rebranded as Space42 PLC ("Space42"), through a share swap arrangement. The Pro forma consolidated financial information ("Pro forma financial information") illustrates the effects on the statement of financial position and financial performance of this transaction. Further details of the merger are provided in note 20 to the condensed consolidated interim financial statements of Space42 for the six months ended 30 June 2025.

The Pro forma financial information comprises the unaudited condensed consolidated interim statement of financial position of Space42 as at 30 June 2025 and its unaudited condensed consolidated interim statement of profit or loss and comprehensive income for the six months ended 30 June 2025. These statements are prepared as if the transaction had taken place as at 1 January 2023 at the same purchase consideration as at the date of the merger. Further, these statements do not include the financial effects of the Purchase Price Allocation (PPA) exercise and consider the difference between the fair value of the consideration and the book value of net assets acquired as provisional goodwill. Please refer to Note 20 of the condensed consolidated interim financial statements of Space42 for the six months ended 30 June 2025 for the actual results of the PPA.

Number of shares issued by Bayanat to Yahsat shareholders (A)	2,190,476,191
Market value per share of Bayanat as at the date of the transaction (AED) (B)	2.38
Total purchase consideration (AED'000) (AxB)	5,213,333
Total purchase consideration (USD'000) (C)	1,419,560
Less: book value of net assets of Yahsat as at 1 January 2023 (USD'000) (D)	(851,135)
Provisional goodwill/intangible assets as at 1 January 2023 (USD'000) (C-D)	568,425

The purpose of the Pro forma financial information is to show the material effects that the transaction would have had on the historical consolidated statement of financial position and historical consolidated statement of profit or loss and comprehensive income of Space42 and its subsidiaries (together referred to as the "Group") as if the merger had happened on 1 January 2023. The presentation of the Pro forma financial information of the Group is based on certain pro forma assumptions and has been prepared for illustrative purposes only. Because of its nature, it addresses a hypothetical situation and, therefore, does not represent and may not provide a true picture of the financial position of the Group as at 30 June 2025 and 31 December 2024 and its financial performance for the six months ended 30 June 2025 and 30 June 2024.

The Pro forma financial information does not take into consideration the effects of expected synergies or costs incurred to achieve these synergies as a result of the transaction. The Pro forma financial information gives no indication of the results and future financial situation of the Group.

The Pro forma financial information has been compiled based on the accounting policies adopted by the Group for the preparation of 31 December 2024 audited consolidated financial statements and in a manner consistent with International Financial Reporting Standards ("IFRS").



Space42 PLC (formerly Bayanat AI PLC)

Pro forma condensed consolidated interim statement of profit or loss

for the six months ended 30 June 2025 (Unaudited)

	Three months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024
	\$ 000	\$ 000	\$ 000	\$ 000
Revenue	111,384	142,304	226,450	274,164
Cost of revenue - goods and services	(20,263)	(32,762)	(36,306)	(58,991)
Staff costs	(26,143)	(29,775)	(59,667)	(57,879)
Other operating expenses	(13,708)	(20,578)	(26,569)	(32,938)
Other income (loss)	(350)	716	5,758	33,408
Adjusted EBITDA	50,920	59,905	109,666	157,764
Depreciation and amortisation	(34,141)	(40,783)	(67,809)	(79,737)
Fair value loss	(762)	(460)	(762)	(3,370)
Operating profit	16,017	18,662	41,095	74,657
Finance income	9,550	8,358	18,793	17,799
Finance costs	(1,224)	(2,045)	(3,731)	(5,483)
Net finance income	8,326	6,313	15,062	12,316
Share of results of equity-accounted investments	(516)	(2,648)	(572)	(5,538)
Profit before income tax	23,827	22,327	55,585	81,435
Income tax expense	(2,561)	(2,264)	(5,467)	(7,940)
Profit for the period	21,266	20,063	50,118	73,495
Loss for the period attributable to non-controlling interests	(845)	(2,697)	(636)	(4,979)
Profit for the period attributable to the Owners of Space42 PLC	22,111	22,760	50,754	78,474

Pro forma condensed consolidated interim statement of comprehensive income

for the six months ended 30 June 2025 (Unaudited)

	Three months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024
	\$ 000	\$ 000	\$ 000	\$ 000
Profit for the period	21,266	20,063	50,118	73,495
Other comprehensive (loss) income:				
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedge - effective portion of changes in fair value	(65)	1,756	(1,952)	8,040
Cash flow hedge - gain reclassified to profit or loss	(2,912)	(4,861)	(6,061)	(9,702)
Foreign operations - currency translation differences	1,248	(3,223)	3,261	(4,568)
	(1,729)	(6,328)	(4,752)	(6,230)
Items that may not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit obligation	191	191	191	160
Other comprehensive loss for the period	(1,538)	(6,137)	(4,561)	(6,070)
Total comprehensive income for the period	19,728	13,926	45,557	67,425
Total comprehensive loss attributable to non-controlling interests	(835)	(2,667)	(598)	(4,984)
Total comprehensive income attributable to the Owners of Space42 PLC	20,563	16,593	46,155	72,409



Space42 PLC (formerly Bayanat AI PLC)

Pro forma consolidated statement of financial position

at 30 June 2025 (Unaudited)

	30 June 2025 \$ 000	31 December 2024 \$ 000
Assets		
Property, plant and equipment	1,517,655	1,449,455
Right-of-use assets	16,918	18,641
Provisional goodwill/intangible assets relating to business combination (refer basis of preparation)	568,425	568,425
Intangible assets	15,314	16,794
Equity-accounted investments	37,155	34,594
Trade and other receivables	367	367
Derivative financial instruments	10,923	15,854
Other financial assets	1	762
Contract costs	8,173	2,378
Deferred income tax assets	3,838	3,863
Total non-current assets	2,178,769	2,111,133
Inventories	29,741	26,123
Trade and other receivables	154,985	177,642
Contract assets	277,605	301,029
Contract costs	4,429	13,156
Derivative financial instruments	6,562	9,882
Income tax assets	182	182
Cash and short-term deposits	816,428	1,162,610
Total current assets	1,289,932	1,690,624
Total assets	3,468,701	3,801,757
Liabilities		
Trade and other payables	318,681	348,289
Contract liabilities	50,890	51,885
Borrowings	142,448	388,746
Lease liabilities	3,933	3,301
Income tax liabilities	22,906	19,334
Total current liabilities	538,858	811,555
Trade and other payables	27,075	64,483
Contract liabilities	802,400	795,721
Borrowings	185,498	257,913
Lease liabilities	13,387	15,014
Defined benefit obligations	10,843	12,253
Deferred income tax liabilities	1,839	1,575
Total non-current liabilities	1,041,042	1,146,959
Total liabilities	1,579,900	1,958,514
Net assets	1,888,801	1,843,243
Equity		
Share capital	129,664	129,664
Share premium	1,514,253	1,514,253
Hedging reserve	(31,292)	(23,279)
Other reserve	22,807	22,807
Translation reserve	(949)	(4,173)
Remeasurement reserve	(288)	(478)
Retained earnings	219,668	168,913
Equity attributable to the Owners of Space42 PLC	1,853,863	1,807,707
Non-controlling interests	34,938	35,536
Total equity	1,888,801	1,843,243

SPACE42 PLC (formerly BAYANAT AI PLC)
Report and Condensed Consolidated Interim Financial Statements
30 June 2025

Space42 PLC (formerly Bayanat AI PLC)**Report and Condensed Consolidated Interim Financial Statements**

30 June 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF SPACE42 PLC (FORMERLY BAYANAT AI PLC)

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Space42 PLC (formerly Bayanat AI PLC) (the "Company") and its subsidiaries (together referred to as the "Group") as at 30 June 2025, and the related statements of profit or loss, comprehensive income, changes in equity and cash flows for the six months then ended, and other explanatory notes, including material accounting policy information. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard 34 'Interim Financial Reporting' ('IAS 34'). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Deloitte & Touche (M.E.) LLP



Monah Adnan Abou-Zaki
Partner
6 August 2025
Abu Dhabi
United Arab Emirates



Space42 PLC (formerly Bayanat AI PLC)

Condensed consolidated interim statement of profit or loss

for the six months ended 30 June 2025 (unaudited)

	Notes	Three months ended 30 June		Six months ended 30 June	
		2025	2024	2025	2024
		\$ 000	\$ 000	\$ 000	\$ 000
Revenue	4	111,384	43,574	226,450	74,417
Cost of revenue - goods and services		(20,263)	(26,235)	(36,306)	(46,368)
Staff costs		(26,143)	(9,423)	(59,667)	(17,445)
Other operating expenses ⁽¹⁾		(13,708)	(6,214)	(26,569)	(8,839)
Other income (loss)	5	(350)	41	5,758	1,955
Adjusted EBITDA ⁽²⁾		50,920	1,743	109,666	3,720
Depreciation and amortisation		(41,250)	(869)	(82,253)	(1,750)
Fair value loss ⁽³⁾		(762)	-	(762)	-
Operating profit		8,908	874	26,651	1,970
Finance income		9,550	1,867	18,793	4,027
Finance costs		(1,224)	(103)	(3,731)	(277)
Net finance income		8,326	1,764	15,062	3,750
Share of results of equity-accounted investments	9	(516)	-	(572)	-
Profit before income tax		16,718	2,638	41,141	5,720
Income tax expense	6	(1,962)	(238)	(4,250)	(515)
Profit for the period		14,756	2,400	36,891	5,205
Profit for the period attributable to non-controlling interests		(741)	-	(450)	-
Profit for the period attributable to the Owners of Space42 PLC		15,497	2,400	37,341	5,205
Earnings per share					
Basic and diluted (cents per share)	19	0.325	0.093	0.784	0.202

⁽¹⁾ Other operating expenses include expected credit losses on trade receivables and contract assets. For the three months and six months ended 30 June 2025, there was a net charge of expected credit losses of \$1,204 thousand and \$84 thousand, respectively. For the three months and six months ended 30 June 2024, there was a net reversal of \$nil and \$73 thousand, respectively.

⁽²⁾ Adjusted EBITDA is a non-GAAP measure and refers to earnings before interest, tax, depreciation, amortisation, fair value loss and share of results of equity-accounted investments.

⁽³⁾ Fair value loss for the three months and six months ended 30 June 2025 comprises impairment loss on other financial asset (2024: \$nil).

The accompanying notes form an integral part of these condensed consolidated interim financial statements.
The auditor's review report is set out on page i.



Space42 PLC (formerly Bayanat AI PLC)

Condensed consolidated interim statement of comprehensive income

for the six months ended 30 June 2025 (unaudited)

	Three months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024
	\$ 000	\$ 000	\$ 000	\$ 000
Profit for the period	14,756	2,400	36,891	5,205
Other comprehensive (loss) income:				
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedge - effective portion of changes in fair value	(65)	-	(1,952)	-
Cash flow hedge - gain reclassified to profit or loss	(2,912)	-	(6,061)	-
Foreign operations - currency translation differences	881	-	2,383	-
	(2,096)	-	(5,630)	-
Items that may not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit obligation	191	-	191	-
Other comprehensive loss for the period	(1,905)	-	(5,439)	-
Total comprehensive income for the period	12,851	2,400	31,452	5,205
Total comprehensive loss attributable to non-controlling interests	(731)	-	(412)	-
Total comprehensive income attributable to the Owners of Space42 PLC	13,582	2,400	31,864	5,205

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

The auditor's review report is set out on page i.


Space42 PLC (formerly Bayanat AI PLC)**Condensed consolidated interim statement of financial position**

at 30 June 2025

		(Unaudited) 30 June 2025 \$ 000	(Audited) 31 December 2024 \$ 000
	Notes		
Assets			
Property, plant and equipment	7	1,490,627	1,422,394
Right-of-use assets		16,918	18,642
Intangible assets	8	677,146	693,103
Equity-accounted investments	9	29,763	28,080
Trade and other receivables	10	367	367
Derivative financial instruments		10,923	15,854
Other financial assets		-	762
Contract costs		8,173	2,378
Deferred income tax assets		5,296	5,470
Total non-current assets		2,239,213	2,187,050
Inventories		29,741	26,123
Trade and other receivables	10	154,985	177,643
Contract assets	10	277,605	301,028
Contract costs		4,430	13,156
Derivative financial instruments		6,562	9,882
Income tax assets		181	181
Cash and short-term deposits *	11	816,428	1,162,610
Total current assets		1,289,932	1,690,623
Total assets		3,529,145	3,877,673
Liabilities			
Trade and other payables	12	318,677	348,288
Contract liabilities	13	50,890	51,884
Borrowings	14	142,448	388,746
Lease liabilities		3,934	3,301
Income tax liabilities		22,906	19,334
Total current liabilities		538,855	811,553
Trade and other payables	12	27,075	64,483
Contract liabilities	13	802,400	795,721
Borrowings	14	185,498	257,913
Lease liabilities		13,388	15,014
Defined benefit obligations		10,842	12,253
Deferred income tax liabilities		46,180	47,281
Total non-current liabilities		1,085,383	1,192,665
Total liabilities		1,624,238	2,004,218
Net assets		1,904,907	1,873,455
Equity			
Share capital	15	129,664	129,664
Share premium	15	1,514,253	1,514,253
Hedging reserve		(5,151)	2,862
Other reserve		13,687	13,687
Translation reserve		(380)	(2,727)
Remeasurement reserve		303	114
Retained earnings		219,676	182,335
Equity attributable to the Owners of Space42 PLC		1,872,052	1,840,188
Non-controlling interests		32,855	33,267
Total equity		1,904,907	1,873,455

* Cash and short term deposits include cash and cash equivalents of \$591,176 thousand (31 December 2024: \$732,545 thousand).

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on 6 August 2025 and approved on their behalf by:

Signed by:

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H.E. Mansoor Al Mansoori
 Chairman of the Board


Karim Michel Sabbagh
 Managing Director

Signed by:

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Andrew Francis Cole
 Chief Financial Officer

The accompanying notes form an integral part of these condensed consolidated interim financial statements.
 The auditor's review report is set out on page i.

Space42 PLC (formerly Bayanat AI PLC)**Condensed consolidated interim statement of changes in equity**

for the six months ended 30 June 2025 (unaudited)

Attributable to the Owners of Space42 PLC							
	Share capital	Share premium	Other reserves⁽¹⁾	Retained earnings	Total	Non-controlling interests	Total equity
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
At 1 January 2024	70,018	154,339	11,437	122,275	358,069	-	358,069
Total comprehensive income for the period	-	-	-	5,205	5,205	-	5,205
At 30 June 2024	70,018	154,339	11,437	127,480	363,274	-	363,274
At 1 January 2025	129,664	1,514,253	13,936	182,335	1,840,188	33,267	1,873,455
Profit for the period	-	-	-	37,341	37,341	(450)	36,891
Other comprehensive (loss) income:							
Cash flow hedge - effective portion of changes in fair value	-	-	(1,952)	-	(1,952)	-	(1,952)
Cash flow hedge - gain reclassified to profit or loss	-	-	(6,061)	-	(6,061)	-	(6,061)
Currency translation differences	-	-	2,347	-	2,347	36	2,383
Remeasurement of defined benefit obligation	-	-	189	-	189	2	191
Other comprehensive (loss) income for the period	-	-	(5,477)	-	(5,477)	38	(5,439)
Total comprehensive (loss) income for the period	-	-	(5,477)	37,341	31,864	(412)	31,452
At 30 June 2025	129,664	1,514,253	8,459	219,676	1,872,052	32,855	1,904,907

⁽¹⁾ Other reserves include hedging reserve, statutory reserve relating to subsidiaries, translation reserve and actuarial remeasurement reserve.

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

The auditor's review report is set out on page i.



Space42 PLC (formerly Bayanat AI PLC)

Condensed consolidated interim statement of cash flows

for the six months ended 30 June 2025 (unaudited)

		Six months ended 30 June	
	Notes	2025 \$ 000	2024 \$ 000
Operating activities			
Profit before income tax		41,141	5,720
Adjustments for:			
Share of results of equity-accounted investments	9	572	-
Depreciation and amortisation		82,253	1,750
Allowance (reversal) for expected credit losses		84	(73)
Fair value loss		762	-
Allowance for inventories		407	-
Finance income		(18,793)	(4,027)
Finance costs		3,731	277
Current service cost		896	356
Operating profit before working capital changes		111,053	4,003
Working capital changes:			
Trade and other receivables		23,151	19,488
Contract assets		24,238	(5,972)
Contract costs		2,931	(6,111)
Inventories		(3,992)	-
Trade and other payables		(96,866)	(43,280)
Contract liabilities		5,685	(23,059)
Cash generated from (used in) operations		66,200	(54,931)
Payments for defined benefit obligations		(2,466)	(139)
Income tax paid		(1,605)	-
Net cash from (used in) operating activities		62,129	(55,070)
Investing activities			
Purchases of property, plant and equipment		(97,879)	(845)
Additions to intangible assets		(448)	(33)
Proceeds of term deposits with original maturities more than three months		379,813	-
Term deposits placed with original maturities more than three months		(175,000)	-
Interest received		17,383	4,191
Net cash from investing activities		123,869	3,313
Financing activities			
Repayment of term loans	14	(319,835)	-
Payment of lease liabilities		(1,390)	(180)
Interest paid including derivative settlements		(6,224)	(198)
Net cash used in financing activities		(327,449)	(378)
Net decrease in cash and cash equivalents		(141,451)	(52,135)
Net foreign exchange difference		82	-
Cash and cash equivalents at the beginning of the period		732,545	207,505
Cash and cash equivalents as the end of the period		591,176	155,370

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

The auditor's review report is set out on page i.

Space42 PLC (formerly Bayanat AI PLC)

Notes to the condensed consolidated interim financial statements

for the six months ended 30 June 2025 (unaudited)

1 Corporate information

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

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

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

These condensed consolidated interim financial statements include the financial performance and position of the Company, its subsidiaries (collectively referred to as the "Group") and the Group's interest in its equity-accounted investees.

The Group is organized into two business units and its principal activities are:

1) Yahsat Space Services (YSS): YSS provides robust, secure satellite communication solutions for government and mission-critical applications; reliable mobility and communication solutions; and high-speed data connectivity solutions.

2) Bayanat Smart Solutions (BSS): BSS provides earth observation and geospatial solutions using a multi-sensor system, advanced data analytics using GIQ platform, and industry-specific solutions using advanced Artificial Intelligence (AI).

2 Material accounting policy information

2.1 Basis of preparation

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting and comply where appropriate, with the Articles of Association of the Company and applicable requirements of Abu Dhabi Global Market ("ADGM") Companies Regulations 2020 (as amended), and Companies Regulations (International Accounting Standards) Rules 2015.

These condensed consolidated interim financial statements should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2024 ('last annual financial statements'). These condensed consolidated interim financial statements do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements. In addition, results for the six months ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

The same accounting policies and methods of computation are followed in the condensed consolidated interim financial statements as compared with the last annual financial statements, except for new and amended standards applicable from 1 January 2025 as disclosed in note 2.2 below.

Basis of measurement

These condensed consolidated interim financial statements have been prepared on the historical cost basis, except for derivative financial instruments, and other financial assets, which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Functional and presentation currency

These condensed consolidated interim financial statements are presented in United States Dollars ("USD" or "\$"), the functional currency of the Company and the presentation currency of the Group. Subsidiaries and its equity-accounted investees determine their own functional currency and items included in the financial statements of these companies are measured using that functional currency. All financial information presented in USD has been rounded to the nearest thousand ("\$ 000"), unless stated otherwise.

Use of judgements and estimates

In preparing these condensed consolidated interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements except for significant estimate in relation to determination of transaction price of a contract.

Space42 PLC (formerly Bayanat AI PLC)

Notes to the condensed consolidated interim financial statements

for the six months ended 30 June 2025 (unaudited)

2 Material accounting policy information (continued)

2.1 Basis of preparation (continued)

Use of judgements and estimates (continued)

Determination of transaction price

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement the Group assesses the impact of any variable consideration in the contract, the existence of any significant financing component, non-cash consideration and consideration payable to the customer (if any).

The Group signed the AY4/5 managed services agreement with a government entity (AY4/5-MSA) in 2024 for a total contract value of \$5,103.4 million. The managed services include satellite capacity services, operation and maintenance services and supply of customer terminals. The term of the AY4/5-MSA is 17 years starting from 9 November 2026 ("commencement date"). Pursuant to the terms of AY4/5-MSA, the Group is entitled to receive an aggregate amount of \$1 billion as "Advance Payment" in three instalments starting from December 2024. Accordingly, the Group received the first instalment of \$500 million in December 2024 which will be offset against the quarterly payments for satellite capacity and operation and maintenance services in equal instalments over a period of eight years starting from the commencement date. The contract contains both lease and non-lease components. Management has determined that the contract contains a significant financing component relating to the non-lease elements, as defined by IFRS 15 'Revenue from contracts with customers'. In forming its judgement, the Group's management considered the terms and conditions of the AY4/5-MSA and relevant accounting standards.

2.2 New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IAS 21: Lack of exchangeability

The amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information. The amendments did not have a material impact on the Group's condensed consolidated interim financial statements.

2.3 Standards issued but not yet effective and not early adopted

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

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

The above stated new standards and amendments are not expected to have any significant impact on the condensed consolidated interim financial statements of the Group.

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

Space42 PLC (formerly Bayanat AI PLC)**Notes to the condensed consolidated interim financial statements**

for the six months ended 30 June 2025 (unaudited)

3 Segment information

Information regarding the Group's operating segments is set out below in accordance with IFRS 8 Operating Segments.

Information on segments

Consequent to the merger (note 1 and 20), the Group's operating model was changed organizing the Group into two business units, namely, Yahsat Space Services or YSS (comprising the businesses acquired from Yahsat as part of the merger) and Bayanat Smart Solutions or BSS (comprising the business carried out by the Group before the merger). BSS combines all the four segments that were reported separately prior to the merger, namely Smart Geospatial Solutions, Smart Mobility Solutions, Smart Operations Solutions and Smart Space Solutions.

Each business unit is headed by a Chief Executive Officer (CEO), who reports to the Managing Director, who is also the Chief Operating Decision Maker (CODM). The CODM assesses the financial performance and financial position of the business units and the Group, in making decisions to allocate resources.

The business units meet the definition of operating segments as per IFRS 8 Operating Segments. The details of the operating segments are as follows:

1) Yahsat Space Services (YSS): YSS provides robust, secure satellite communication solutions for government and mission-critical applications; reliable mobility and communication solutions; and high-speed data connectivity solutions.

2) Bayanat Smart Solutions (BSS): BSS provides earth observation and geospatial solutions using a multi-sensor system, advanced data analytics using GIQ platform, and industry-specific solutions using advanced Artificial Intelligence (AI).

Segment revenue is measured in a manner consistent with that in the consolidated statement of profit or loss. The performance of the segments are evaluated based on Adjusted EBITDA.

Capital expenditure includes additions during the period to property, plant and equipment, right-of-use assets and intangible assets.

The breakdown of revenue from external customers by nature of business activity is provided in note 4.

The segment information for the six months ended 30 June 2025 and 30 June 2024 is as follows.

	Six months ended 30 June 2025			Six months ended 30 June 2024		
	Yahsat Space Services	Bayanat Smart Solutions	Total	Yahsat Space Services	Bayanat Smart Solutions	Total
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Revenue	195,933	30,517	226,450	-	74,417	74,417
Cost of revenue - goods and services	(17,553)	(18,753)	(36,306)	-	(46,368)	(46,368)
Staff costs	(36,684)	(22,983)	(59,667)	-	(17,445)	(17,445)
Other operating expenses	(21,222)	(5,347)	(26,569)	-	(8,839)	(8,839)
Other income (loss)	7,793	(2,035)	5,758	-	1,955	1,955
Adjusted EBITDA	128,267	(18,601)	109,666	-	3,720	3,720
Depreciation and amortisation	(75,297)	(6,956)	(82,253)	-	(1,750)	(1,750)
Fair value loss	(762)	-	(762)	-	-	-
Operating profit (loss)	52,208	(25,557)	26,651	-	1,970	1,970
Finance income	16,971	1,822	18,793	-	4,027	4,027
Finance costs	(3,428)	(303)	(3,731)	-	(277)	(277)
Net finance income	13,543	1,519	15,062	-	3,750	3,750
Share of results	(572)	-	(572)	-	-	-
Profit (loss) before income tax	65,179	(24,038)	41,141	-	5,720	5,720
Income tax (expense) benefit	(6,358)	2,108	(4,250)	-	(515)	(515)
Profit (loss) for the period	58,821	(21,930)	36,891	-	5,205	5,205
Loss for the period attributable to non-controlling interests	(450)	-	(450)	-	-	-
Profit (loss) for the period attributable to the Owners of Space42 PLC	59,271	(21,930)	37,341	-	5,205	5,205
Capital expenditure	76,291	56,489	132,780	-	878	878

Space42 PLC (formerly Bayanat AI PLC)**Notes to the condensed consolidated interim financial statements**

for the six months ended 30 June 2025 (unaudited)

3 Segment information (continued)

The segment information for the three months ended 30 June 2025 and 30 June 2024 is as follows.

	Three months ended 30 June 2025			Three months ended 30 June 2024		
	Yahsat Space Services	Bayanat Smart Solutions	Total	Yahsat Space Services	Bayanat Smart Solutions	Total
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Revenue	100,416	10,968	111,384	-	43,574	43,574
Cost of revenue - goods and services	(10,696)	(9,567)	(20,263)	-	(26,235)	(26,235)
Staff costs	(17,100)	(9,043)	(26,143)	-	(9,423)	(9,423)
Other operating expenses	(10,801)	(2,907)	(13,708)	-	(6,214)	(6,214)
Other income (loss)	1,707	(2,057)	(350)	-	41	41
Adjusted EBITDA	63,526	(12,606)	50,920	-	1,743	1,743
Depreciation and amortisation	(37,649)	(3,601)	(41,250)	-	(869)	(869)
Fair value loss	(762)	-	(762)	-	-	-
Operating profit (loss)	25,115	(16,207)	8,908	-	874	874
Finance income	8,676	874	9,550	-	1,867	1,867
Finance costs	(1,066)	(158)	(1,224)	-	(103)	(103)
Net finance income	7,610	716	8,326	-	1,764	1,764
Share of results of equity-accounted investments	(516)	-	(516)	-	-	-
Profit (loss) before income tax	32,209	(15,491)	16,718	-	2,638	2,638
Income tax (expense) benefit	(4,070)	2,108	(1,962)	-	(238)	(238)
Profit (loss) for the period	28,139	(13,383)	14,756	-	2,400	2,400
Loss for the period attributable to non-controlling interests	(741)	-	(741)	-	-	-
Profit (loss) for the period attributable to the Owners of Space42 PLC	28,880	(13,383)	15,497	-	2,400	2,400
Capital expenditure	41,274	52,693	93,967	-	494	494

Geographical information

The information on Group's revenue by geography has been compiled based on the principal location of the customers. The Group's principal place of operations is the United Arab Emirates.

Information on significant revenues from a single customer is provided in note 17.

	Three months ended		Six months ended	
	30 June		30 June	
	2025	2024	2025	2024
	\$ 000	\$ 000	\$ 000	\$ 000
United Arab Emirates	99,198	43,159	204,323	73,902
Asia	5,735	415	9,932	515
Africa	3,696	-	6,538	-
Europe	1,907	-	3,969	-
North America	708	-	1,382	-
Others	140	-	306	-
Revenue	111,384	43,574	226,450	74,417



Space42 PLC (formerly Bayanat AI PLC)

Notes to the condensed consolidated interim financial statements

for the six months ended 30 June 2025 (unaudited)

4 Revenue

	Note	Three months ended 30 June		Six months ended 30 June	
		2025 \$ 000	2024 \$ 000	2025 \$ 000	2024 \$ 000
Services rendered		108,018	43,574	222,645	74,417
Sale of equipment and accessories		3,366	-	3,805	-
		111,384	43,574	226,450	74,417
Revenue from related parties is disclosed in note 17.					
Revenue includes:					
Revenue from contracts with customers (IFRS 15)		78,316	43,574	160,312	74,417
Income from operating leases (IFRS 16)		33,068	-	66,138	-
		111,384	43,574	226,450	74,417
Disaggregation of revenue by reportable segment:					
Services rendered:	3				
Space services		97,050	-	192,128	-
Smart solutions		10,968	43,574	30,517	74,417
Sale of equipment and accessories:					
Space services		3,366	-	3,805	-
		111,384	43,574	226,450	74,417
Timing of recognition of revenue from contracts with customers:					
Over time		73,233	41,713	147,353	68,751
At a point in time		5,083	1,861	12,959	5,666
		78,316	43,574	160,312	74,417

Revenue by geography is disclosed in note 3.

		30 June 2025 \$ 000	31 December 2024 \$ 000
	Notes		
Contract balances:			
Trade receivables, net of loss allowance	10	121,558	140,672
Contract assets, net of loss allowance	10	277,605	301,028
Contract liabilities	13	853,290	847,605

5 Other income

	Note	Three months ended 30 June		Six months ended 30 June	
		2025 \$ 000	2024 \$ 000	2025 \$ 000	2024 \$ 000
Income from insurance claims *		1,697	-	7,767	-
Reversal of liability no longer required	17	-	-	-	1,861
Others **		(2,047)	41	(2,009)	94
		(350)	41	5,758	1,955

* Represents amount receivable, net of claim fees, resulting from the Group's insurance claim against an anomaly relating to Al Yah 3 satellite.

** Includes reversal of \$2,096 thousand of grant recognised in the prior year as no longer receivable.



Space42 PLC (formerly Bayanat AI PLC)

Notes to the condensed consolidated interim financial statements

for the six months ended 30 June 2025 (unaudited)

6 Income tax

The major components of income tax expense in the interim condensed consolidated statement of profit or loss are:

	Three months ended 30 June		Six months ended 30 June	
	2025 \$ 000	2024 \$ 000	2025 \$ 000	2024 \$ 000
Current income tax	2,485	238	5,167	515
Deferred tax (relating to origination and reversal of temporary differences)	(523)	-	(917)	-
Income tax expense reported in the statement of profit or loss	1,962	238	4,250	515

Global Minimum Tax

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

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

Space42 PLC and its subsidiaries will be subject to QDMTT since the global revenues of the Company's ultimate parent entity exceed the minimum threshold of EUR 750 million and therefore meet the definition of constituent entities that are a member of an MNE Group, as defined under the resolution. As a result of the Group's assessment of the applicable requirements of the resolution, no QDMTT was recognised in the condensed consolidated profit or loss during the six months ended 30 June 2025.

The Group applies mandatory exception to recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes in accordance with amendments to IAS 12 (International Tax Reform – Pillar Two Model Rules).

7 Property, plant and equipment

	30 June 2025 \$ 000	31 December 2024 \$ 000
At the beginning of the period/year	1,422,394	60,061
Acquisition (note 20)	-	1,258,141
Additions	132,331	146,429
Depreciation	(64,401)	(32,754)
Transfer to inventories	(33)	(37)
Transfer from intangible assets	277	-
Capitalized to contract costs	-	(9,327)
Exchange differences	59	(119)
At the end of the period/year	1,490,627	1,422,394

Property, plant and equipment includes capital work in progress which mainly relates to satellite systems under construction comprising i) the Thuraya 4 satellite (T4-NGS) program, ii) AY4/5 satellites program, iii) development of low earth orbit (LEO) and iv) high-altitude platform systems (HAPS) amounting to \$1,016.4 million (31 December 2024: \$902.6 million). Additions during the period mainly relate to satellites systems amounting to \$124.1 million. In January 2025, T4-NGS was successfully launched into orbit. Additions to property, plant and equipment during the six months ended 30 June 2024 amounted to \$845 thousand.

Borrowing costs capitalised during the six months ended 30 June 2025 amounted to \$14,239 thousand at a capitalisation rate of 3% per annum (six months ended 30 June 2024: nil).

During the six months ended 30 June 2025, the Group has signed an agreement with a third party to sell its rights in certain assets relating to the African business including Africa payload rights, contracts, and shares in its South African subsidiary (Star Network Marketing Services Pty Ltd or SNMS). Given that the proposed sale is subject to certain conditions to be completed (including agreement on terms and conditions of other definitive agreements and obtaining approvals from regulatory authorities), a reasonable estimate of the timing and probability of the sale cannot be made at this point in time. Accordingly, it does not meet the requirements of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" as at 30 June 2025.



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Notes to the condensed consolidated interim financial statements

for the six months ended 30 June 2025 (unaudited)

8 Intangible assets

	30 June 2025 \$ 000	31 December 2024 \$ 000
At the beginning of the period/year	693,103	458
Acquisition (note 20)	-	698,622
Additions	448	2,398
Transfer to property, plant and equipment	(277)	-
Amortization	(16,128)	(8,377)
Exchange differences	-	2
At the end of the period/year	677,146	693,103

Additions during the six months ended 30 June 2024 amounted to \$33 thousand.

Acquisition during the prior year

As part of the merger (note 1 and 20) the Group acquired customer contracts and relationships valued at \$513,986 thousand. The customer contracts include the long-term satellite capacity contracts with the UAE Government relating to Yahsat Space Services, while the customer relationships represent the Group's long-term relationships with customers relating to managed solutions business. The Group also recognised goodwill of \$173.3 million arising on the business combination (note 20) which has been allocated to the Infrastructure and Managed Solutions CGUs as follows. Goodwill is not amortized but subject to annual impairment testing.

	30 June 2025 \$ 000	31 December 2024 \$ 000
Infrastructure	46,096	46,096
Managed solutions	127,214	127,214
At the end of the period/year	173,310	173,310

9 Equity-accounted investments

	30 June 2025 \$ 000	31 December 2024 \$ 000
At the beginning of the period/year	28,080	-
Acquisition (note 20)	-	34,893
Return of investment from Al Maisan	-	(3,250)
Share of results for the period/year	(572)	(1,178)
Exchange differences	2,255	(2,385)
At the end of the period/year	29,763	28,080
of which Investment in HPE	17,983	17,693
of which Investment in Al Maisan	11,780	10,387

10 Trade and other receivables and contract assets

Trade and other receivables

	30 June 2025 \$ 000	31 December 2024 \$ 000
Trade receivables	147,917	166,114
Allowance for expected credit losses	(26,359)	(25,442)
Trade receivables, net of allowance	121,558	140,672
Prepayments	7,245	4,605
Advances to suppliers	9,902	9,153
Other receivables, net of allowance	16,647	23,580
Total trade and other receivables	155,352	178,010
of which non-current	367	367
of which current	154,985	177,643

Trade and other receivables (net of allowance) of \$76,862 thousand (31 December 2024: \$89,931 thousand) pertain to related parties.



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Notes to the condensed consolidated interim financial statements

for the six months ended 30 June 2025 (unaudited)

10 Trade and other receivables and contract assets (continued)

Contract assets

	30 June 2025 \$ 000	31 December 2024 \$ 000
Contract assets - Space services	29,100	38,183
Contract assets - Smart solutions	256,059	271,213
Allowance for expected credit losses	(7,554)	(8,368)
Contract assets, net of allowance	277,605	301,028

Contract assets (net of allowance) of \$272,611 thousand (December 2024: \$294,420 thousand) pertain to related parties.

11 Cash and short-term deposits

	30 June 2025 \$ 000	31 December 2024 \$ 000
Cash on hand and in banks	12,333	17,210
Cash in banks - related parties	96,822	468,954
Short-term deposits with banks - related parties	707,189	676,361
Short-term deposits with banks - third parties	84	85
Cash and short-term deposits	816,428	1,162,610
Less: Short-term deposits with original maturities of over three months	(225,252)	(430,065)
Cash and cash equivalents	591,176	732,545

12 Trade and other payables

	30 June 2025 \$ 000	31 December 2024 \$ 000
Trade payables	107,588	122,564
Accruals	132,358	138,169
Advance lease rentals	102,718	140,126
Other payables	3,088	11,912
Total trade and other payables	345,752	412,771
of which non-current	27,075	64,483
of which current	318,677	348,288

Trade and other payables of \$142,844 thousand (31 December 2024: \$145,945 thousand) pertain to related parties.

13 Contract liabilities

	30 June 2025 \$ 000	31 December 2024 \$ 000
Contract liabilities - Space services	849,552	841,869
Contract liabilities - Smart solutions	3,738	5,736
Total contract liabilities	853,290	847,605
of which non-current	802,400	795,721
of which current	50,890	51,884

Contract liabilities of \$826,642 thousand (31 December 2024: \$824,535 thousand) pertain to related parties.



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14 Borrowings

	30 June 2025 \$ 000	31 December 2024 \$ 000
The carrying amount of borrowings are as follows:		
Principal amounts	337,525	657,360
Unamortised transaction costs	(9,579)	(10,701)
Term loans - net of unamortised transaction costs	327,946	646,659
of which current	142,448	388,746
of which non-current	185,498	257,913

The breakdown of the carrying amounts of the term loans is as follows:

	Repayment tenor Years	Principal amount \$ 000	Unamortised transaction costs \$ 000	Carrying amount \$ 000
At 30 June 2025				
Term loan 1	2022-2026	115,000	(1,090)	113,910
Term loan 2	2024-2032	222,525	(8,489)	214,036
		337,525	(9,579)	327,946
At 31 December 2024				
Term loan 1	2022-2026	170,000	(1,646)	168,354
Term loan 2	2024-2032	237,360	(9,055)	228,305
Term loan 3	2024-2025	250,000	-	250,000
		657,360	(10,701)	646,659

The table below provides the changes in the term loans arising from financing activities, including both cash and non-cash changes:

	30 June 2025 \$ 000	31 December 2024 \$ 000
At the beginning of the period/year	646,659	-
Acquisition (note 20)	-	662,814
Additions (cash)	-	23,106
Additions (interest capitalised)	-	12
Amortisation of transaction costs (non-cash)	1,122	562
Repayments (cash)	(319,835)	(39,835)
At the end of the period/year	327,946	646,659

The principal amounts of the term loans are repayable as follows:

	Term loan 1 \$ 000	Term loan 2 \$ 000	Term loan 3 \$ 000	Total \$ 000
At 30 June 2025				
Within one year	115,000	29,670	-	144,670
1 - 2 years	-	29,670	-	29,670
2 - 5 years	-	89,010	-	89,010
Beyond 5 years	-	74,175	-	74,175
	115,000	222,525	-	337,525
At 31 December 2024				
Within one year	110,000	29,670	250,000	389,670
1 - 2 years	60,000	29,670	-	89,670
2 - 5 years	-	89,010	-	89,010
Beyond 5 years	-	89,010	-	89,010
	170,000	237,360	250,000	657,360



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14 Borrowings (continued)

During the period, the Group repaid the entire principal amount of \$250 million relating to the short-term Bridge Facility Agreement (Term Loan 3). Borrowings include outstanding balances due to related party banks aggregating to \$33,063 thousand (31 December 2024: \$48,875 thousand).

Subsequent to the period end, the Group has signed a \$695.5 million Export Credit Agency (ECA)-backed financing facility to fund the development of its next-generation geostationary satellites, AI Yah 4 and AI Yah 5.

15 Share capital

	30 June 2025 \$ 000	31 December 2024 \$ 000
Issued and fully paid:		
4,761,905,551 shares of \$0.027 each (AED 0.10 each)	129,664	129,664

The movement in the share capital is as follows:

	30 June 2025 \$ 000	31 December 2024 \$ 000
At 1 January	129,664	70,018
Issue of new shares *	-	59,646
At the end of the period/year	129,664	129,664

* On 1 October 2024, the Company merged with Yahsat and its name was changed to Space42 Plc. Consequently, Yahsat was delisted and its assets and liabilities were transferred to the Company in exchange for the issuance of 2,190,476,979 new ordinary shares of AED 0.1 each to former Yahsat shareholders (note 1 and note 20) resulting into share premium of \$1,359,914 thousand. As at 30 June 2025, the Company's share premium amounts to \$1,514,253 thousand (31 December 2024: \$1,514,253 thousand).

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

16 Capital commitments and contingent liabilities

	30 June 2025 \$ 000	31 December 2024 \$ 000
Capital commitments - committed and contracted	525,475	639,670
Contingent liabilities - performance bonds and letter of credits provided by banks in the normal course of business	639,022	636,736

Capital commitments mainly relate to T4-NGS project, AY4/5 Satellite Program and low earth orbit (LEO) and high-altitude platform systems (HAPS) assets under construction.



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17 Related party transactions

Transaction with key management personnel	Three months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024
	\$ 000	\$ 000	\$ 000	\$ 000
Key management personnel compensation:				
Short term employment benefits *	1,190	1,082	4,875	3,359
Post-employment benefits	17	47	162	93

* Includes Board of directors and committee fees charged to consolidated profit or loss during the three months and six months ended 30 June 2025 amounting to \$141 thousand and \$574 thousand respectively (three months and six months ended 30 June 2024: \$368 thousand).

Transaction with other related parties	Notes	Three months ended 30 June		Six months ended 30 June	
		2025	2024	2025	2024
		\$ 000	\$ 000	\$ 000	\$ 000
Revenue					
Government entities *		80,613	29,772	181,641	45,262
Entities under common control *		82	7,597	365	21,903
Associate		341	-	710	-
Total		81,036	37,369	182,716	67,165
Purchase of services and materials					
Government entities		102	-	215	-
Entities under common control		331	15,565	858	16,117
Associate		416	-	832	-
Total		849	15,565	1,905	16,117
Other income					
Government entities	5	-	-	-	1,861
Interest income on short term deposits - with banks					
Other related parties		9,158	1,867	18,364	4,027
Interest on term loans from banks, net of hedges					
Other related parties		(2,241)	-	(4,686)	-
Interest on contract liability					
Government entities		3,297	87	9,714	239
Outsourced expenses, office lease rent, systems support					
Entities under common control		1,871	2,314	3,806	2,791
Other related parties		98	-	222	-
		1,969	2,314	4,028	2,791

* Revenue includes \$158.8 million from one customer (six months ended 30 June 2024: \$52.8 million from three customers). There are no revenues from an individual customer, except as disclosed above, that represent 10 percent or more of the Group's total revenue.

Space42 PLC (formerly Bayanat AI PLC)**Notes to the condensed consolidated interim financial statements**

for the six months ended 30 June 2025 (unaudited)

18 Fair value disclosures

A number of the Group's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes as explained below.

The fair value of the derivative financial instruments is based on broker quotes, which are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. Derivatives fall into Level 2 of the fair value hierarchy.

There were no transfers between Level 1, Level 2 and Level 3 during current and previous periods.

The fair values of the Group's current financial assets and liabilities are equal to their carrying amounts. The fair values of the Group's borrowings, which bear interest at variable rates, approximate their carrying amounts. These are determined using discounted cash flows.

19 Earnings per share

	Three months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024
Profit for the period attributable to the Owners of Space42 Plc (in \$'000)	15,497	2,400	37,341	5,205
Weighted average number of ordinary shares outstanding ('000)	4,761,906	2,571,429	4,761,906	2,571,429
Basic and diluted earnings per share (cents)	0.325	0.093	0.784	0.202
Basic and diluted earnings per share (fils)	1.195	0.343	2.880	0.743

20 Business combination**Acquisition during the prior year:**

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

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

The acquisition of Yahsat's assets and liabilities qualifies as a business combination in accordance with IFRS 3 Business Combinations. The Group has elected to measure the non-controlling interests in the acquiree at their proportionate share of the acquired net identifiable assets.



Space42 PLC (formerly Bayanat AI PLC)

Notes to the condensed consolidated interim financial statements

for the six months ended 30 June 2025 (unaudited)

20 Business combination (continued)

Acquisition during the prior year (continued):

The fair values of the identifiable assets and liabilities of Yahsat as at the date of acquisition were:

		Fair value recognised on acquisition
	Notes	\$ 000
Assets		
Property, plant and equipment	7	1,258,141
Right-of-use assets		6,787
Intangible assets	8	525,312
Equity-accounted investments	9	34,893
Other financial assets		2,146
Deferred income tax assets		233
Inventories		30,605
Contract costs		2,378
Trade and other receivables (net of allowance for ECL of \$19,294 thousand)		123,692
Contract assets		23,793
Derivative financial instruments		27,603
Income tax assets		182
Cash and short-term deposits		594,359
Non-current assets classified as held for sale		28,390
		2,658,514
Liabilities		
Trade and other payables		477,752
Contract liabilities		166,637
Borrowings	14	662,814
Lease liabilities		7,149
Income tax liabilities		9,256
Defined benefit obligations		10,178
Deferred income tax liabilities		45,636
		1,379,422
Total identifiable net assets at fair value		1,279,092
Less: Non-controlling interests		(32,842)
Goodwill arising on acquisition	8	173,310
Purchase consideration transferred		1,419,560

The goodwill of \$173,310 thousand is attributed to the expected synergies arising from the acquisition. Goodwill has been allocated to the Group's Infrastructure and Managed solutions CGUs (note 8). None of the goodwill is expected to be deductible for income tax purposes.

The Company issued 2,190,476,979 ordinary shares as consideration for the acquisition of assets and liabilities of Yahsat (note 15). The fair value of the shares is calculated with reference to the quoted price of the shares of the Company at the date of acquisition, which was AED 2.38 per share (\$0.65 per share). The fair value of the consideration given was therefore \$1,419,560 thousand (AED 5,213,335 thousand).

21 Seasonality and cyclicity of interim operations

No income of a seasonal nature was recorded in the condensed consolidated interim statement of profit or loss for the six months ended 30 June 2025 and 30 June 2024.



Space42 PLC (formerly Bayanat AI PLC)

Notes to the condensed consolidated interim financial statements

for the six months ended 30 June 2025 (unaudited)

22 Changes in presentation of comparatives

Prior to the merger, the Group adopted 'analysis of expenses by function' method of presentation of the statement of profit or loss in accordance with IAS 1. Management reassessed the presentation of profit or loss after the merger with Yahsat (note 20) and adopted 'analysis of expenses by nature' method of presentation as it is more relevant to the users of the consolidated financial statements of the Group. As a result, the comparative figures have been reclassified to conform to the current period presentation.

	Six months ended 30 June 2024		
	As previously	Reclassification	As presented
	reported \$ 000	\$ 000	\$ 000
Revenue	74,417	-	74,417
Cost of revenue - goods and services	-	(46,368)	(46,368)
Direct cost	(51,626)	51,626	-
Gross profit	22,791	(22,791)	-
Staff costs	-	(17,445)	(17,445)
Other operating expenses	-	(8,839)	(8,839)
Other income	1,955	-	1,955
Adjusted EBITDA	-	3,720	3,720
General and administrative expenses	(22,673)	22,673	-
Impairment gain, net of reversals, on financial and contract assets	73	(73)	-
Depreciation and amortisation	-	(1,750)	(1,750)
Operating profit	-	1,970	1,970
Finance costs	(453)	176	(277)
Finance income	-	4,027	4,027
Income from Wakala deposits	4,027	(4,027)	-
Net finance income	-	3,750	3,750
Profit before income tax	5,720	-	5,720
Income tax expense	(515)	-	(515)
Profit for the period	5,205	-	5,205



Space42 PLC (formerly Bayanat AI PLC)

Supplemental information to the condensed consolidated interim financial statements

for the six months ended 30 June 2025 (Unaudited)

The condensed consolidated interim financial statements are presented in United States Dollars ("USD" or "\$"), the functional currency of the Company and the presentation currency of the Group. The following selected supplemental information is presented in United Arab Emirates Dirhams (AED) solely for convenience. AED amounts have been translated at the rate of AED 3.6725 to USD 1, except for share capital and additional paid-in capital which are translated using historical rates. For the purpose of this translation, numbers have been rounded where necessary.

i) Condensed consolidated interim statement of profit or loss

	Three months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024
	AED 000	AED 000	AED 000	AED 000
Revenue	409,058	160,026	831,638	273,296
Cost of revenue - goods and services	(74,416)	(96,348)	(133,334)	(170,286)
Staff costs	(96,010)	(34,606)	(219,127)	(64,067)
Other operating expenses	(50,343)	(22,821)	(97,575)	(32,461)
Other income (loss)	(1,285)	151	21,146	7,180
Adjusted EBITDA	187,004	6,402	402,748	13,662
Depreciation and amortisation	(151,491)	(3,191)	(302,074)	(6,427)
Fair value loss	(2,798)	-	(2,798)	-
Operating profit	32,715	3,211	97,876	7,235
Finance income	35,072	6,857	69,017	14,789
Finance costs	(4,495)	(378)	(13,702)	(1,017)
Net finance income	30,577	6,479	55,315	13,772
Share of results of equity-accounted investments	(1,895)	-	(2,101)	-
Profit before income tax	61,397	9,690	151,090	21,007
Income tax expense	(7,205)	(874)	(15,608)	(1,891)
Profit for the period	54,192	8,816	135,482	19,116
Profit for the period attributable to non-controlling interests	(2,721)	-	(1,653)	-
Profit for the period attributable to the Owners of Space42 PLC	56,913	8,816	137,135	19,116
Earnings per share				
Basic and diluted (fils per share)	1.195	0.343	2.880	0.743

ii) Condensed consolidated interim statement of comprehensive income

	Three months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024
	AED 000	AED 000	AED 000	AED 000
Profit for the period	54,192	8,816	135,482	19,116
Other comprehensive (loss) income:				
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedge - effective portion of changes in fair value	(239)	-	(7,169)	-
Cash flow hedge - gain reclassified to profit or loss	(10,694)	-	(22,259)	-
Foreign operations - currency translation differences	3,235	-	8,752	-
	(7,698)	-	(20,676)	-
Items that may not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit obligation	701	-	701	-
Other comprehensive loss for the period	(6,997)	-	(19,975)	-
Total comprehensive income for the period	47,195	8,816	115,507	19,116
Total comprehensive loss attributable to non-controlling interests	(2,685)	-	(1,513)	-
Total comprehensive income attributable to the Owners of Space42 PLC	49,880	8,816	117,020	19,116



Space42 PLC (formerly Bayanat AI PLC)

Supplemental information to the condensed consolidated interim financial statements

for the six months ended 30 June 2025 (Unaudited)

iii) Condensed consolidated interim statement of financial position

	30 June 2025 AED 000	31 December 2024 AED 000
Assets		
Property, plant and equipment	5,474,328	5,223,742
Right-of-use assets	62,131	68,463
Intangible assets	2,486,819	2,545,421
Equity-accounted investments	109,305	103,124
Trade and other receivables	1,348	1,348
Derivative financial instruments	40,115	58,224
Other financial assets	-	2,798
Contract costs	30,015	8,733
Deferred income tax assets	19,450	20,089
Total non-current assets	8,223,511	8,031,942
Inventories	109,224	95,937
Trade and other receivables	569,182	652,394
Contract assets	1,019,504	1,105,525
Contract costs	16,269	48,315
Derivative financial instruments	24,099	36,292
Income tax assets	665	665
Cash and short-term deposits	2,998,332	4,269,685
Total current assets	4,737,275	6,208,813
Total assets	12,960,786	14,240,755
Liabilities		
Trade and other payables	1,170,344	1,279,089
Contract liabilities	186,894	190,544
Borrowings	523,140	1,427,670
Lease liabilities	14,448	12,123
Income tax liabilities	84,122	71,004
Total current liabilities	1,978,948	2,980,430
Trade and other payables	99,433	236,814
Contract liabilities	2,946,814	2,922,285
Borrowings	681,241	947,185
Lease liabilities	49,167	55,139
Defined benefit obligations	39,817	44,999
Deferred income tax liabilities	169,596	173,639
Total non-current liabilities	3,986,068	4,380,061
Total liabilities	5,965,016	7,360,491
Net assets	6,995,770	6,880,264
Equity		
Share capital	476,191	476,191
Share premium	5,561,094	5,561,094
Hedging reserve	(18,917)	10,511
Other reserve	50,266	50,266
Translation reserve	(1,396)	(10,015)
Remeasurement reserve	1,113	419
Retained earnings	806,760	669,625
Equity attributable to the Owners of Space42 PLC	6,875,111	6,758,091
Non-controlling interests	120,659	122,173
Total equity	6,995,770	6,880,264

Space42 PLC (formerly Bayanat AI PLC)**Supplemental information to the condensed consolidated interim financial statements**

for the six months ended 30 June 2025 (Unaudited)

iv) Condensed consolidated interim statement of changes in equity

	Attributable to the owners of Space42 PLC					Non-controlling interests AED 000	Total equity AED 000
	Share capital	Share premium	Other Reserves ⁽¹⁾	Retained earnings	Total		
	AED 000	AED 000	AED 000	AED 000	AED 000		
At 1 January 2024	257,141	566,810	21,367	449,055	1,294,373	-	1,294,373
Total comprehensive income for the period	-	-	-	19,116	19,116	-	19,116
At 30 June 2024	257,141	566,810	21,367	468,171	1,313,489	-	1,313,489
At 1 January 2025	476,191	5,561,094	51,181	669,625	6,758,091	122,173	6,880,264
Profit for the period	-	-	-	137,135	137,135	(1,653)	135,482
Other comprehensive (loss) income:							
Cash flow hedge - effective portion of changes in fair value	-	-	(7,169)	-	(7,169)	-	(7,169)
Cash flow hedge - gain reclassified to profit or loss	-	-	(22,259)	-	(22,259)	-	(22,259)
Currency translation differences	-	-	8,619	-	8,619	132	8,751
Remeasurement of defined benefit obligation	-	-	694	-	694	7	701
Other comprehensive (loss) income for the period	-	-	(20,115)	-	(20,115)	139	(19,976)
Total comprehensive (loss) income for the period	-	-	(20,115)	137,135	117,020	(1,514)	115,506
At 30 June 2025	476,191	5,561,094	31,066	806,760	6,875,111	120,659	6,995,770

⁽¹⁾ Other reserves include hedging reserve, statutory reserve relating to subsidiaries, translation reserve and actuarial remeasurement reserve.



Space42 PLC (formerly Bayanat AI PLC)

Supplemental information to the condensed consolidated interim financial statements

for the six months ended 30 June 2025 (Unaudited)

v) Condensed consolidated interim statement of cash flows

	Six months ended 30 June	
	2025	2024
	AED 000	AED 000
Operating activities		
Profit before income tax	151,090	21,007
Adjustments for:		
Share of results of equity-accounted investments	2,101	-
Depreciation and amortisation	302,074	6,427
Allowance (reversal) for expected credit losses	308	(268)
Fair value loss	2,798	-
Allowance for inventories	1,495	-
Finance income	(69,017)	(14,789)
Finance costs	13,702	1,017
Current service cost	3,291	1,307
Operating profit before working capital changes	407,842	14,701
Working capital changes:		
Trade and other receivables	85,023	71,569
Contract assets	89,014	(21,932)
Contract costs	10,764	(22,443)
Inventories	(14,661)	-
Trade and other payables	(355,740)	(158,946)
Contract liabilities	20,878	(84,684)
Cash generated from (used in) operations	243,120	(201,735)
Payments for defined benefit obligations	(9,056)	(510)
Income tax paid	(5,894)	-
Net cash from (used in) operating activities	228,170	(202,245)
Investing activities		
Purchases of property, plant and equipment	(359,461)	(3,103)
Additions to intangible assets	(1,645)	(121)
Proceeds of term deposits with original maturities more than three months	1,394,863	-
Term deposits placed with original maturities more than three months	(642,688)	-
Interest received	63,839	15,391
Net cash from investing activities	454,908	12,167
Financing activities		
Repayment of term loans	(1,174,594)	-
Payment of lease liabilities	(5,105)	(661)
Interest paid including derivative settlements	(22,858)	(727)
Net cash used in financing activities	(1,202,557)	(1,388)
Net decrease in cash and cash equivalents	(519,479)	(191,466)
Net foreign exchange difference	301	-
Cash and cash equivalents at the beginning of the period	2,690,272	762,062
Cash and cash equivalents as the end of the period	2,171,094	570,596