



MUBADALA

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## **Mubadala-owned Yahsat announces IPO final offer price**

**Abu Dhabi, United Arab Emirates, 9 July 2021:** Al Yah Satellite Communications Company PJSC (“**Yahsat**” or the “**Company**”) today announces the successful completion of its book-building process and the pricing and final offer size for the initial public offering (the “**IPO**” or the “**Offering**”) of part of its existing shares (the “**Shares**”).

The final offer price (the “**Final Offer Price**”) for the Offering has been set at AED 2.75 per Share.

The number of Shares included in the Offering is 975,908,106 (the “**Final Offer Size**”), which represents 40% of the share capital of the Company. The Offering was multiple times oversubscribed, with significant demand from qualified institutional and other investors (as part of the “**Qualified Investor Offering**”) and individuals and other investors in the UAE (as part of the “**UAE Retail Offering**”).

The Emirates Investment Authority (“**EIA**”) has exercised its preferential right to subscribe to (5%) five per cent. of the Final Offer Size and it has been allocated in full before the commencement of allocation.

Based on the Final Offer Price, Yahsat’s market capitalization upon listing is expected to be approximately AED 6.7 billion.

The Offering has created an opportunity for investors to participate in the growth of a leading UAE based integrated satellite solutions services provider. Mamoura Diversified Global Holding PJSC (the “**Selling Shareholder**”), a wholly-owned subsidiary of Mubadala Investment Company PJSC (“**Mubadala**”), will remain the majority shareholder following the Offering and will hold c.60% of Yahsat’s issued share capital.

Listing and trading on the Abu Dhabi Securities Exchange (ADX) are expected to commence at 10.00am (UAE time) on 14 July 2021 under the symbol "YAHSAT" and ISIN "AEA007501017".

### **Key points about the Offering**

The Offering represents a number of achievements and important milestones for the Company and Mubadala:

- Yahsat is a strategically important and landmark IPO for Mubadala and the UAE
- The transaction has led to substantial interest and engagement from high quality, global institutional investors allowing for increased Foreign Direct Investment into the UAE, on top of the high demand and interest from local retail investors
- This IPO paves the way for further interest and investment in similar, future transactions
- The Offering was multiple times oversubscribed on the qualified investor tranche at a price of AED 2.75 per share
- The IPO represents the first ever IPO of a Mubadala subsidiary supported since inception and creates a new platform and route for further value creation
- Mubadala retains a c.60% shareholding in the Company and is fully aligned as the Company looks to further grow

### **Ali Al Hashemi, Chief Executive Officer of Yahsat, said:**

*“We are delighted that the Offering has been met with substantial investor interest, both locally and internationally. It is a testament to the work and dedication of our team for more than a decade which has manifested in the strong business, operational and financial platform we have today. We are dedicated to ensuring we meet and exceed investor expectations as we continue to grow by expanding our geographical reach, while continuously innovating and driving new technologies to meet the local, regional and global demand for reliable satellite connectivity and solutions.”*

First Abu Dhabi Bank PJSC, Merrill Lynch International and Morgan Stanley & Co. International plc were appointed as Joint Global Coordinators and Abu Dhabi Commercial Bank PJSC, EFG Hermes UAE Limited and HSBC Bank Middle East Limited were appointed as Joint Bookrunners. First Abu Dhabi Bank PJSC was appointed as the lead receiving bank and Abu Dhabi Commercial Bank PJSC was appointed as a Receiving Bank.

The Offering was declared Sharia compliant by the Internal Sharia Supervision Committee of HSBC Bank Middle East Limited.

With operations in more than 150 countries spanning 5 continents, Yahsat is the preferred partner for reliable integrated satellite communication solutions and an industry centre of excellence for both government and commercial customers. The Company was established in the UAE in 2007 to meet the growing demand for satcom services by providing a secure and reliable means of global connectivity, regardless of geographic constraints.

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### **About Mubadala Investment Company (Mubadala)**

Mubadala Investment Company is a sovereign investor managing a global portfolio, aimed at generating sustainable financial returns for the Government of Abu Dhabi.

Mubadala's \$243.4 billion (AED 894 billion) portfolio spans six continents with interests in multiple sectors and asset classes. We leverage our deep sectoral expertise and long-standing partnerships to drive sustainable growth and profit, while supporting the continued diversification and global integration of the economy of the United Arab Emirates.

Headquartered in Abu Dhabi, Mubadala has offices in London, Rio de Janeiro, Moscow, New York, San Francisco and Beijing.

For more information about Mubadala Investment Company, please visit: [www.mubadala.com](http://www.mubadala.com)

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### **About Yahsat – Company Overview:**

- Established in the UAE in 2007, Yahsat is one of the largest providers of multi-mission (government and commercial) satellite communications services in the world in terms of annual revenues as at 31 December 2020, according to management estimates.
  - Offering critical, integrated satellite communication solutions for government and commercial customers across 150+ countries, through a differentiated offering combining both FSS and MSS
- Yahsat and its subsidiaries (the “Group”) are headquartered in the UAE and through the Group’s critical satellite infrastructure provides both government and commercial satellite capacity and solutions, including government networks, enterprise networks, broadband, mobility (voice and narrowband data) and television broadcast, leveraging a fleet currently comprising five geostationary satellites covering Europe, Middle East and Africa (EMEA), Asia-Pacific (APAC) and Brazil.
- The Group is the preferred partner to the UAE Government (rated AA) for essential satellite communication solutions since inception
  - The relationship includes a significant 15-year contract since 2011 which provides cash flow stability and visibility
  - Additionally, through its YGS division, Yahsat is able to offer value added managed solutions services providing its mainly government customers with O&M and turn-key solutions for their satellite communications needs
- The Group has a high-quality satellite fleet that provides services using a wide selection of spectral bands (Ka-band, Ku-band, C-band and L-band). Its first two satellites, Al Yah 1 and Al Yah 2, were launched in April 2011 and April 2012, respectively. The Group’s third satellite, Al Yah 3, was launched in January 2018. The Group also added two satellites, Thuraya-2 and Thuraya-3, to its fleet through the acquisition of approximately 90 per cent of Thuraya Telecommunications Company PJSC (“Thuraya”) in 2018, with these satellites having been launched in June 2003 and January 2008, respectively. The Group expects to launch its new sixth satellite, Thuraya-4 Next

Generation System (T4-NGS), in the second half of 2023, with commercial operations scheduled to commence in the second half of 2024.

- Thuraya is a pioneer MSS operator with respect to the land voice (handheld) segment, with an estimated global market share of over 30%, and over 50 % in the MEA region, and has a diversified portfolio of MSS offerings including maritime, IoT/M2M and aero solutions.
  - It has capitalised on a first-mover advantage with well-established distribution platform for broadband and IP connectivity across several emerging markets and specific sub-sectors including land data and maritime
- Through its Data Solutions segment, Yahsat is able to provide unserved and underserved communities with broadband connectivity capacity for their communication needs
  - Yahsat adopts a differentiated go-to-market model with opportunity to combine in-market differentiation for new technologies using a variety of go-to-market models, including direct-to-market in South Africa, over 90 service partners across Africa, the Middle East and Southwest Asia, virtual network operator agreements in Brazil and Africa and sale of raw capacity in select cases across the coverage area
- Yahsat is a UAE industrial champion and an important component of the country’s National Space Strategy, which aims to diversify economic growth, develop local know-how and attract foreign investment in order to create the jobs of the future.
- The Group displays a highly attractive financial profile underpinned by a strong backlog, and a well-funded balance sheet supporting robust and growing dividend capacity and optionality to tap further growth pockets
  - Strong historical financial performance achieving 2020 revenues of \$408m with high contribution from secured long-term UAE Government contracts
  - Continued Normalised Adjusted EBITDA growth to \$233m in 2020 (approximately +5% 2018-2020 CAGR) and attractive Normalised Adjusted EBITDA Margin of 57% in 2020, reflecting the Company’s differentiated product offering with exceptional operational capabilities
  - High cash conversion, at over 90% (in terms of Normalised Adjusted EBITDA minus PPE related capex, excluding capital work in progress), driven by capex efficiency, and well capitalized balance sheet provide financial flexibility and dividend sustainability
  - Recently secured USD 700.5 million in financing at highly competitive rates, in the form of a new term loan agreement and an export credit agency (ECA) facility to support future growth
  - Well-identified growth opportunities spanning government managed solutions, data solutions (broadband in Africa and Brazil), mobility solutions (aero, maritime) and IoT
  - Sustainable dividend policy based on \$105m dividend for 2021 with a 2% growth factor per annum afterwards
- The Group’s highly experienced management team is composed of industry experts with a strong track record in senior roles within the communications industry.

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In the European Economic Area (the "**EEA**"), this announcement is only addressed to and directed at persons in member states of the EEA who are "qualified investors" within the meaning of Article 2(e) of Regulation (EU) 2017/1129 (as amended) ("**Qualified Investors**"). In the United Kingdom, this announcement is only addressed to and directed at persons who are "qualified investors" within the meaning of Article 2(e) of Regulation (EU) 2017/1129 (as amended), which forms part of UK law by virtue of the European Union (Withdrawal) Act 2018, who are also: (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order; or (iii) are other persons to whom it may otherwise lawfully be communicated (all such persons referred to in (i), (ii) and (iii) together being

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For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapter 9A or 10A respectively of the FCA Handbook

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Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

This announcement includes forward-looking statements, which are based on current expectations and projections about future events. These statements include, without limitation, any statements preceded by "expect". These forward-looking statements are subject to risks, uncertainties and assumptions about the Company and its subsidiaries and its investments, including, among other things, the development of its business, trends in its operating environment, and future capital expenditures and acquisitions. The forward-looking statements in this announcement speak only as at the date of this announcement. These statements reflect the beliefs of the directors of the Company as well as assumptions made by the directors of the Company and information currently available to the Company.

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Any subscription or purchase of Shares in the Offering should be made solely on the basis of information contained in the international offering memorandum ("**IOM**") issued by the Company in connection with the Offering. The information in this announcement is subject to change. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. This announcement does not constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer to acquire, whether by subscription or purchase, any securities, nor shall it (or any part of it), or the fact of its distribution, form the basis of, or be relied on in connection with, or act as any inducement to enter into, any contract or commitment whatsoever.

The Company may decide not to go ahead with the Offering and there is therefore no guarantee the Offering will be made or listing on the Abu Dhabi Securities Exchange will occur. Potential investors should not base their financial decision on this announcement. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. Persons considering making investments should consult an authorised person specialising in advising on such investments. This announcement does not constitute a recommendation concerning the potential Offering. The value of shares can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of the potential Offering for the person concerned.



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In connection with the Offering, each of the Banks and any of their respective affiliates may take up a portion of the Shares in the Offering as a principal position and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such securities and any other securities of the Company or related investments in connection with the Offering or otherwise. Accordingly, references in the IOM, to the Shares being issued, offered, subscribed, acquired, placed or otherwise dealt with should be read as including any issue, offer, subscription, acquisition, dealing or placing by the Banks and any of their affiliates acting in such capacity. In addition, certain of the Banks or their respective affiliates may enter into financing arrangements (including swaps, warrants or contracts for differences) with investors in connection with which such Banks (or their respective affiliates) may from time to time acquire, hold or dispose of Shares. None of the Banks nor any of their respective affiliates intends to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so.

For the avoidance of doubt, the contents of the Company's website, including the websites of the Company's or the Group's business units, are not incorporated by reference into, and do not form part of, this announcement.