

Space42 Full-Year 2025 Management Discussion and Analysis

- In 2025, Space42 laid the foundations for long-term, sustainable growth, delivering measurable progress across each of its four core strategic pillars

Abu Dhabi, UAE, February 26, 2026: Space42, the UAE-based AI-powered SpaceTech company with global reach, today announced its consolidated financial results for the full year of 2025. The company is listed on the Abu Dhabi Securities Exchange under symbol SPACE42 (ISIN: AEE01122B228).

In 2025, the Group delivered a resilient financial performance as it advanced its strategy-based transformation, executing across its four core pillars while expanding its partnerships with leading global players.

The business, comprising Space Services and Smart Solutions, showed accelerating momentum during the second half, with final quarter revenues increasing 7% compared to 2024.

Space Services, accounting for more than three quarters of consolidated revenue, recorded one of its strongest ever performances, increasing revenue by 6% to USD 452 million and posting its highest-ever normalized EBITDA.

The bulk of Space Services revenue (USD 374 million) related to contracts with government customers which saw an increase of 9% vs prior year. This mainly comprised the provision of satellite capacity to the UAE Government on our Al Yah 1 and Al Yah 2 satellites under an ongoing 15-year Capacity Services Agreement (CSA). Under this agreement revenues increased by 1% to USD 245 million. In addition, following the successful launch of the Thuraya-4 satellite in January 2025, a new USD 700 million, 15-year government contract started on July 1, contributing USD 26 million of revenue for the year.

The business also saw strong momentum within its portfolio of Managed Solutions, providing end-to-end connectivity and space-enabled services, delivered, operated, and supported by Space42 on behalf of customers, with a record revenue performance of USD 102 million.

The remaining Space Services revenue (USD 79 million), relating to Mobility and Data connectivity solutions mainly for commercial customers, remained broadly stable vs prior year, with a stronger performance in Mobility Solutions offsetting a slight decline in Data Solutions, reflecting the Group's strategic pivot towards higher margin markets across the Africa region.

Space Services continued to deliver strong levels of profitability. Normalized EBITDA of USD 281 million and normalized Net Profit of USD 140 million were both significantly higher than prior year, up 9% and 26% respectively, whilst related margins also exceeded.

Reported EBITDA and Net Profit were slightly lower due to the prior year one-off impacts of USD 30 million liquidated damages in connection with the Thuraya-4 procurement and USD 13 million profit realized on the sale of a non-core asset.

The business is well-positioned to grow with consecutive quarterly revenue growth throughout 2025 set to continue in 2026, as new government and commercial applications are launched to complement Thuraya-4.

Smart Solutions, accounting for less than one quarter of consolidated revenue, recorded revenue of USD 124 million, a decline of 39% year-on-year. This primarily reflected its ongoing strategic and operational transformation as well as timing shifts in the award and execution of major programs. During the year the business made significant progress in developing its programmatic capabilities aligned to its strategic priorities of Earth Observation, geospatial analytics and AI. This included the expansion of its Foresight constellation following the successful launch of Foresight-3, -4, and -5 satellites in November 2025, developed in partnership with ICEYE, significantly enhancing its dual-use capabilities. It also transitioned its AI-powered geospatial intelligence platform, GIQ, from project-based deployments to a globally available commercial offering on the Microsoft Azure marketplace, establishing the foundation for recurring, subscription-based revenue through industry-specific solutions at scale.

The Group's full year consolidated revenues of USD 577 million declined 8% year-on-year, reflecting the on-going transition underway in Smart Solutions which is expected to complete in 2026.

The cost base continued to be well controlled with operating costs (excluding one-off impairments) in line with the prior year alongside continued investment in the Group's strategy-based transformation.

The Group's adjusted EBITDA of USD 90 million was 72% lower than prior year reflecting the one-off impact of non-cash impairments totaling USD 132 million relating to the pre-merger Smart Solutions business. Excluding one-off items, normalized EBITDA of USD 224 million was 19% lower vs prior, generating a robust margin of 39%.

The Group is progressing well with several strategic initiatives. The procurement of two new satellites, Al Yah 4 and Al Yah 5, planned for launch in 2027 and 2028 respectively, is advancing with several critical development milestones now achieved. The 17-year capacity and managed services contract with the UAE Government worth USD 5.1 billion will commence in November 2026, generating annual revenues of approximately USD 300 million, further strengthening the Group's revenue base. In addition, the Equatys venture, announced to be launched in partnership with Viasat, is expected to create a significant new revenue stream through Direct-to-Device satellite connectivity, with commercial service targeted within three years.

Cash flow and balance sheet

The Group continues to retain a strong balance sheet with cash and short-term deposits of approximately USD 1 billion and a negative net debt of USD 727 million. Net leverage (net debt to normalized adjusted EBITDA) was negative 3.2 times, significantly below industry peers.

The Group closed the year with contracted future revenues of USD 6.5 billion, representing approximately 11.2 times 2025 revenue, providing long-term visibility of future cash flows.

It remains well-positioned to meet its capital expenditure commitments and retains substantial headroom within its existing debt covenants to raise capital to execute its growth strategy and deliver long-term, sustainable shareholder value.

Capital expenditure and financing

The majority of the Group's capital expenditure of USD 273 million related to Space Services satellite programs. The Al Yah 4 and Al Yah 5 program, which commenced in 2023, accounted for USD 147 million of this total and remains on schedule and on budget. As part of the USD 5.1 billion, 17-year government contract to provide capacity and managed services from 2026 onwards, the Group has already received USD 800 million in advance payments from the UAE Government with another USD 200 million to be received in 2026.

During the year the Group secured USD 696 million of ECA-backed financing from a syndicate of international banks for the Al Yah 4 and Al Yah 5 program. This currently remains undrawn and provides additional financial flexibility.

Financial framework and outlook

Space42 operates within a disciplined Financial Framework that prioritizes organic growth, bolt-on acquisitions and maximization of returns to shareholders. Investment decisions are assessed against clear return thresholds whilst maintaining an acceptable leverage.

In summary, the Group has made significant progress in 2025 and enters 2026 with renewed momentum: an accelerating revenue profile, an optimized cost base, a strong balance sheet and a relentless focus on strategic execution.

Financial Highlights

Metric	Result
Revenue	USD 577 million (-8% YoY)
EBITDA	USD 90 million (-72%) ¹
Normalized EBITDA	USD 224 million (-19% YoY), with 39% margin
Normalized Net Profit	USD 79 million (-40% YoY), with 14% margin
Cash CapEx	USD 273 million
Cash / Short-Term Deposits	USD 995 million
Negative Net Debt	USD 727 million
Net Leverage Ratio	-3.2x
Contracted Future Revenues	USD 6.5 billion

The complete financial disclosures are available in the Investor Relations section of Space42's website at www.space42.ai/en/investor-relations.

¹ 2025 EBITDA includes one-off impairment charges of USD 132 million, mainly in relation to trade receivables and contract assets of the pre-merger Smart Solutions business

Note

The financial information presented above has been prepared on a pro forma basis to facilitate a like-for-like comparison of the financial performance of the combined Company.

Normalized EBITDA represents earnings from continuing operations before interest, tax, depreciation, amortization, impairment, fair value adjustments on investment property and share of results of equity-accounted investments, adjusted for material non-recurring items to reflect comparable, like-for-like underlying business performance.

Normalized Net Profit attributable to the Group's shareholders is adjusted for material, one-off items to reflect comparable, like-for-like underlying business performance. Net leverage ratio is calculated as Net debt divided by Normalized EBITDA.

2025 Normalized EBITDA of USD 224 million reflects one-off adjustments to reported EBITDA, primarily relating to impairment charges of USD 132 million associated with trade receivables and contract assets of the pre-merger Smart Solutions business.

2025 Normalized Net Profit of USD 79 million also reflects these adjustments as well as an impairment of property, plant and equipment of USD 10 million and related tax impact.

-- Ends --

About Space42

Space42 (ADX: SPACE42) is a UAE-based AI-powered SpaceTech company that integrates satellite communications, geospatial analytics and artificial intelligence capabilities to enlighten the Earth from space. Formed in 2024 by the merger of Bayanat and Yahsat, Space42's global reach allows it to address the rapidly evolving needs of its customers in governments, enterprises, and communities. Space42 comprises two business units: Space Services and Smart Solutions. Space Services focuses on upstream satellite operations for both fixed and mobility satellite services. Smart Solutions integrates geospatial data acquisition and processing with AI to inform decision-making, enhance situational awareness, and improve operational efficiency. Major shareholders include G42, Mubadala and IHC.

For more information, visit: www.space42.ai; follow us on LinkedIn: [Space42](#)

For investor inquiries, please contact: ir@space42.ai

Legal Notice and Cautionary Statement Regarding Forward-Looking Information

This announcement may include forward-looking statements, which are based on current expectations and projections about future events. These statements may include, without limitation, words such as "expect", "will", "looking ahead" and any other words and terms of similar meaning. These forward-looking statements are subject to risks, uncertainties and assumptions about the Company and its subsidiaries and its investments and speak only as of the date of this announcement. Forward-looking statements are based on assumptions of future events and information currently available to the Company which may not prove to be accurate, and the Company does not accept any responsibility for the accuracy or fairness thereof and expressly disclaims any obligation to update any such forward-looking statement. No representation or warranty is made that any forward-looking statement will come to pass. You are therefore cautioned not to place any undue reliance on forward-looking statements.

Neither this announcement nor anything contained herein constitutes a financial promotion, or an invitation or inducement to acquire or sell securities in any jurisdiction.