Increase in FMH Shareholdings

11 January 2023

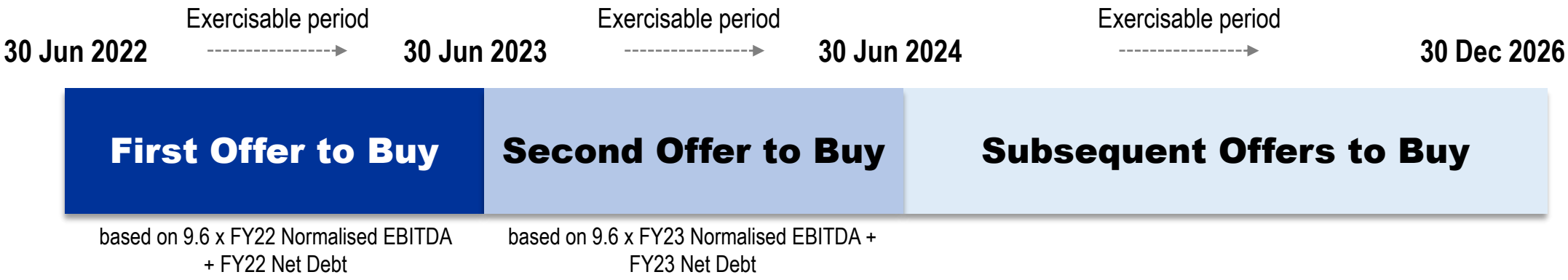
Confidential

Overview

Proposed transaction for accelerated acquisition of FMH interest	Accelerated acquisition of shares to raise FMH shareholdings from 51% to 88%
Strong rationale for acceleration of accretive acquisition	Key part of Group's transformation and Australia growth strategy Earnings accretive; strong FMH performance, good growth momentum Possible higher consideration if acquired at a later stage Synergies with Australian businesses
Valuation formula as approved in EGM; funding via cash and borrowings	Based on valuation formula for consideration at 9.6 x EBITDA approved in Nov 2021 EGM; estimated total consideration of A$175.4 million Funding from cash reserve and available bank loan facilities
Approvals	Subject to statutory approvals, and any approvals required under SGX Listing Rules, including shareholders' approval if required

Please refer to SGX announcement dated 11 January 2023 for the full details.

Existing pathway for increasing stake in FMH



If exercised by FMH Shareholders during each period, SingPost's interest* in FMH would increase from 51% to:

74% **98%** **100%**

* Approximate shareholding following completion of each transaction

Proposed accelerated acquisition of FMH shareholdings

Proposed acceleration of acquisition*

Tranche A shares

23.5%
based on terms under First Offer to Buy

+

Tranche B shares

13.5%
based on terms under Second Offer to Buy

+

Advancing exercise periods for Subsequent Offers to Buy, and grant of evergreen Call Options for remaining 12% stake

Shareholding structure of FMH following completion:

SingPost
88%

FMH non-management shareholders
10%

FMH management shareholders
2%

100%
Pathway to full ownership with Call/Put Options for remaining 12%

* Including other amendments to Shareholders' Agreement

Strong rationale for accelerated acquisition of additional stake and call/put options on remaining shares

1. In line with Group's strategy to transform into a global logistics enterprise

Strategic acquisition of FMH a key move to launch Group forward in overseas logistics space

Building a digitally enabled, integrated B2B and B2C logistics business with FMH

- ✓ Leader in 4PL in structurally profitable and growing Australian market
- ✓ Proprietary best-in-class technology platform underpinning digitally enabled 4PL businesses
- ✓ Expanding 3PL network and capabilities

Strong rationale for accelerated acquisition of additional stake and call/put options on remaining shares

2. Earnings accretive; strong financial performance, good growth momentum

FMH has performed well since the initial investment, contributing to Group's Logistics revenue and profit growth

Revenue and operating profit 3-year CAGR of approximately 28% and 50% respectively

Good growth momentum with organic and inorganic growth as FMH expands its network

Possibility of higher purchase consideration if acquired at a later stage

FMH Performance, A$m

FY ended 30 June	FY18/19	FY19/20	FY20/21	FY21/22
Revenue	253	249	347	524
Operating Profit	14	17	28	48

Acquired 28% stake in Dec 2020

Increased stake to 51% in Nov 2021

Strong rationale for accelerated acquisition of additional stake and call/put options on remaining shares

3. Synergies with Australia businesses

Good progress in integrating and leveraging capabilities of the Australian businesses

Collaboration among FMH and wholly owned subsidiaries, CouriersPlease and Quantium Solutions ANZ



Valuation formula as approved in Nov 2021 EGM; funding in place

Valuation formula as approved in Nov 2021 EGM

Formula for consideration computation unchanged at:

9.6 x Normalised EBITDA for relevant FY + Net Debt of relevant FY x applicable shareholding percentage

Total consideration of approximately A$175.4 million for 37% interest in FMH

Funding via cash and borrowings

Funding fully catered for – from cash reserve and available bank loan facilities (5-year fixed rate term loan)

Cash reserve of S$435.8 million as at 30 Sep 2022

Strategic review of non-core assets

Timeline and conditions



Relevant statutory approvals

Any approvals required pursuant to SGX Listing Rules, including shareholders' approval at EGM if required

Expected completion in early 2023

End

Please refer to the SGX announcements dated 11 January 2023 for the full details.