



**ANNUAL GENERAL MEETING TO BE HELD ON 17 JULY 2026
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS**

Singapore, 10 July 2026 – SATS Ltd. (“**SATS**” or the “**Company**”) wishes to thank our shareholders for taking the time to submit their questions in advance of our 53rd Annual General Meeting, which will be held in a wholly physical format on Friday, 17 July 2026 at 10.00 am (Singapore time).

Please refer to Appendix 1 for the list of substantial and relevant questions, and the Company’s responses to these questions.

Issued by SATS Ltd. on 10 July 2026

SATS Ltd. 53rd Annual General Meeting

Responses to questions from shareholders:

1. Can you provide more colour on the impact of the Iran war, Straits of Hormuz blockade and the rise in energy prices on the company? Please explain and elaborate.

- The conflict in the Middle East and the closure of the Strait of Hormuz have had a mixed but broadly manageable impact on our business.
- The current environment, shaped by geopolitical conflict, supply chain disruption and trade policy shifts, reflects a more dynamic and volatile operating landscape. While geopolitical conflict and trade disruptions become more of a norm, the strength of our network continues to be our competitive edge. Our global network spanning over 225 locations across 27 countries means that when cargo flows shift, we are well positioned to capture them, in a way that a more concentrated operator would not be able to.
- This resilience has been visible in practice. The initial disruption resulted in flight cancellations and reduced activity at certain Middle East stations. However, as supply chains adjusted, cargo rerouted rapidly through alternative corridors. In the Middle East, our stations in Saudi Arabia and Oman saw increased activity, with Oman seeing volumes rise as cargo was shipped through its ports and transported overland into the Gulf. Across Asia-Pacific, hubs such as Singapore, Hong Kong, Kuala Lumpur and Bangkok also captured rerouted flows.
- On costs, the direct impact from higher fuel and energy prices has been relatively manageable, as fuel, diesel and utilities represent a modest portion of our overall cost base, and a significant proportion of our ground fleet in Europe is electrified. More broadly, fuel costs in the aviation sector are primarily borne by airlines rather than by ground handlers and cargo operators like SATS. The more relevant consideration is whether prolonged elevated energy and input cost prices affect overall aviation activity and, by extension, demand for our services. We continue to monitor the situation closely.



2. How is the company using artificial intelligence to improve the operational and business performance of the company? Please explain and elaborate.

- We are building a unified technology and data platform across our operations to drive planning, forecasting and execution improvements at scale.
- Across our cargo operations, we are deploying machine learning-based forecasting to improve demand planning and resource coordination, and enhancing visibility across the cargo lifecycle. We are also introducing automation technologies such as cargo dimensioning systems to improve speed and data accuracy.
- In ground handling, we are progressively reshaping operations from a flight-centric model to a system-led, task-based operating model. Initial capabilities were operationalised at Singapore Hub in FY2026, with phased scaling planned across our network.
- Singapore Hub serves as our innovation and system design centre, where new operating concepts, including autonomous vehicle applications across passenger terminals and cargo facilities, are validated in live operations before scaling globally.

3. Artificial intelligence is increasingly costly. How does the company use AI in a cost-efficient manner? How does the company ensure that AI spending commensurate with the returns that is generated by AI, and that AI spending does not blow the budget? Please explain and elaborate.

- We view AI as a business transformation capability rather than a standalone technology investment. As with any capital or operating expenditure, investments in AI are subject to the same fiduciary rigour and governance standards we apply across all capital allocation decisions alongside business case evaluation and return-on-investment considerations.
- Our approach to AI is guided by three principles:
 - o Business-led, outcome-driven deployment - We prioritise AI use cases that address specific operational and commercial challenges across our businesses. These include improving workforce productivity, enhancing operational decision-making, strengthening customer experience and increasing process optimisation and automation. AI initiatives are not pursued for technology's sake but are linked to measurable business outcomes and value creation.



- o Disciplined investment and governance - AI investments are evaluated through the same financial and governance frameworks applied to other technology investments. We assess expected benefits, implementation costs, scalability, operational impact and associated risks before committing resources. AI spending is phased and monitored to ensure that benefits are realised progressively and that investments remain aligned with business priorities.
 - o Cost-efficient adoption through a fit-for-purpose approach - The rapid evolution of AI technologies has created a wide range of models and deployment options. SATS adopts a pragmatic approach by selecting solutions that are most appropriate for the intended use case rather than automatically opting for the largest or most computationally intensive models. This helps optimise costs while maintaining the level of performance required for business outcomes.
- More broadly, we believe the long-term value of AI lies not only in labour and asset efficiency but also in enabling better operational decisions, greater service reliability, improved safety and enhanced customer experiences. These benefits are particularly relevant in an operationally intensive industry such as ours, where improvements in decision quality and operational resilience can deliver significant enterprise value.
- As such, while AI technologies continue to evolve rapidly, SATS maintains a disciplined approach focused on targeted business applications, measurable returns and scalable deployment.
- At the same time, we preserve a degree of flexibility within our investment framework to allow for experimentation and learning, recognising that some value from AI will emerge iteratively rather than through a single defined business case. We believe this approach allows the Group to benefit from advances in AI while maintaining prudent stewardship of shareholder capital.



4. **Disclosure on the SATS Performance Share Plan and Restricted Share Plan is better than standard market practice. The general performance measures and vesting design, including the targets under one-off Transformation LTI Plan is helpful. Could you please share additional information on the specific quantitative targets/KPIs under each plan, and any guidance on the distribution of awards between employee and senior management?**
- SATS is committed to providing meaningful and transparent remuneration disclosures while balancing commercial sensitivity. As outlined in our Corporate Governance Report, our long-term incentive plans are designed to align remuneration with the delivery of long-term shareholder value. The plans incorporate a balanced set of financial and non-financial performance measures aligned with the Group's strategic priorities. The one-off Transformation LTI Plan, which is specifically targeted at the Group Management Board, supports the successful execution of our five-year transformation plan.
 - We do not disclose the specific quantitative performance targets or the distribution of awards as such information is commercially and competitively sensitive. This is consistent with market practice. The Remuneration and Human Resource Committee reviews and approves the performance measures (targets and achievements) and award outcomes annually to ensure they remain appropriately aligned with the Company's strategy, performance and shareholders' long-term interests.

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