

Impairment of iDirect group

12 November 2025

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No assurance can be given that future events will occur, or that assumptions are correct. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

Agenda

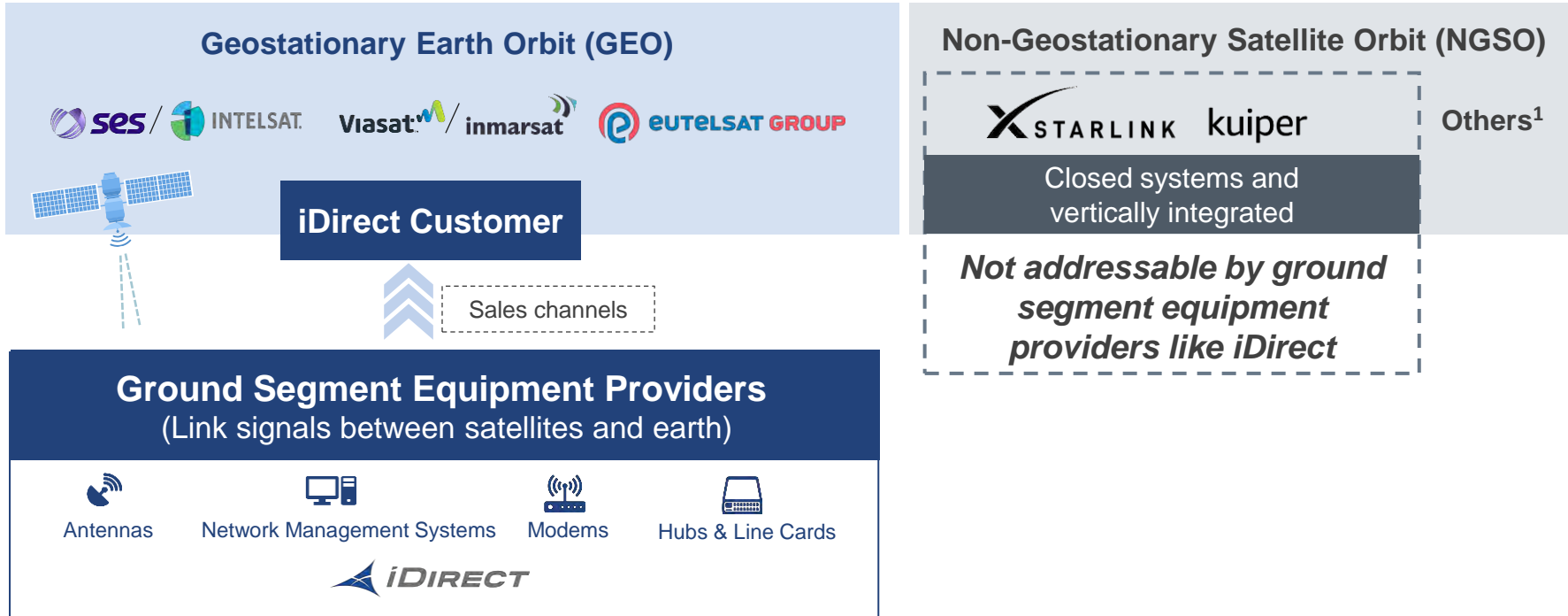
- Satcom overview
- Impairment assessment
- Strategic options
- Impairment partially offset by gains from divestments

Notes:

- All amounts in Singapore dollars unless otherwise stated
- Amounts may not add to totals shown due to rounding

Satellite communications industry

Satellite Operators (Own and operate satellites)



ST Engineering's satellite related businesses

Impairment scope

Satellite Communications

iDirect group CGU¹

- 1) STE iDirect, Inc
- 2) ST Engineering iDirect (Europe) NV
- 3) ST Engineering iDirect (APAC) Pte Ltd
and their respective subsidiaries



Ground segment equipment
(e.g. hubs, modems and terminals)

Not in scope

Satellite Imaging

Digital Systems & Cyber (in DPS²)



Satellite design & manufacturing



Geospatial services

iDirect journey



Impairment assessment of iDirect group¹ (as at 30 Sep 2025)
– Value in Use (VIU) lower than carrying amount

Factors affecting VIU in 2025

- 1 Fast-evolving and weakening operating environment
- 2 Customer adoption of Intuition taking longer than expected
- 3 Continued revenue and EBITDA decline
- 4 Deteriorating near-term business outlook

1 Fast-evolving and weakening operating environment

In 2025, NGSOs launched more satellites than GEOs and won key customers

NGSO Launches

- Starlink: >2,600 satellites¹ launched, expanding its constellation by ~40% to about 8,900 satellites
 - Announced in Jan 2025: To deploy V3 satellites, with 10x more bandwidth capacity vs V2 satellites, by 2026
- Kuiper: First 153 satellites launched²; FCC mandated >1,600 satellites in orbit by Jul 2026³

GEO Launches & Delays

- Launched <5 satellites year-to-date⁴
- 3 launches planned in 2026 delayed by several quarters

NGSO Entering New Segments

- Starlink won major airline customers⁵



- SpaceX to spend US\$17b to acquire 5G spectrum from Echostar; will enable Starlink to offer direct-to-device services⁶

1 Fast-evolving and weakening operating environment

GEO and other space operators are responding to NGSOs through consolidation

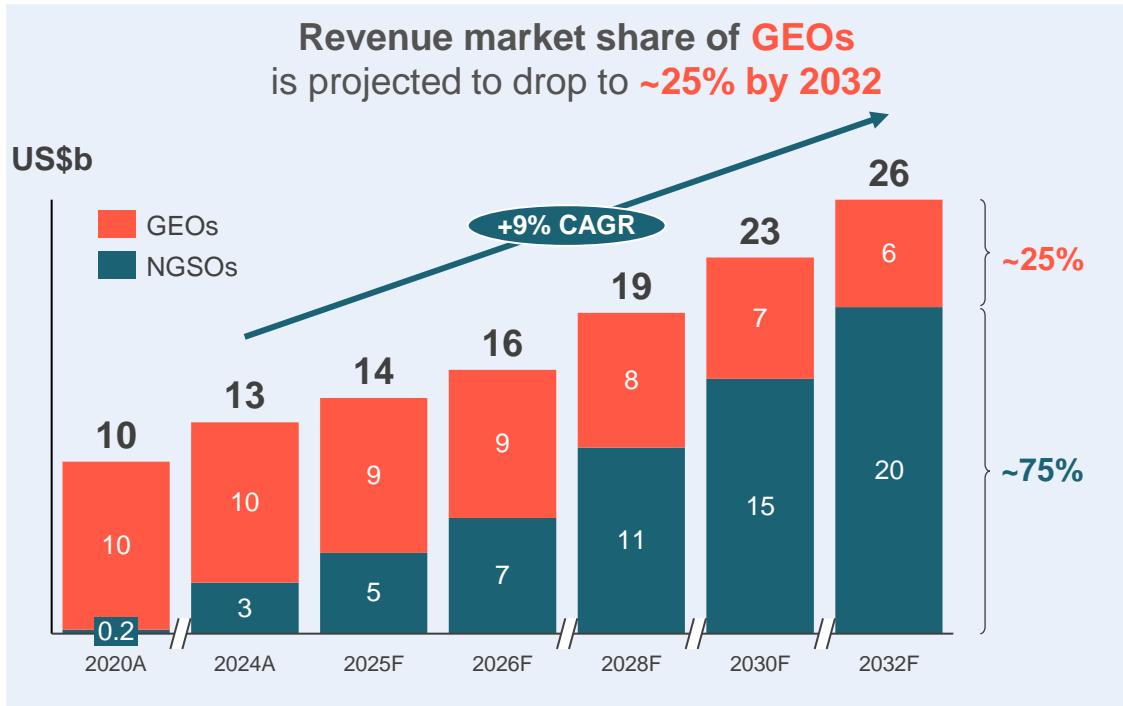
Acquiring a NGSO constellation ⁷	 EUTELSAT GROUP /  OneWeb
Merging with other GEO operators ^{8,9}	 /  INTELSAT. Now Part of SES Transaction completed in 2025  / 
Acquiring service providers ^{10,11}	 /  LEONARDO DRS Global Enterprise Solutions  / 
Merger of space activities among A&D contractors ¹²	 /  LEONARDO /  THALES Space activities of MOU announced in 2025

Bargaining power of ground segment equipment providers (like iDirect) is eroding

1 Fast-evolving and weakening operating environment

NGSOs fast gaining market share

NGSOs' (predominantly Starlink and Kuiper) revenue market share is projected to account for ~75% by 2032



- Long-term prospects of the satcom industry remain positive as the world becomes more digitally connected
 - The market revenue CAGR for the industry is projected to grow at 9% from 2024 to 2032
- Rapid expansion of NGSOs' capacity creates **near-term oversupply** until new use cases pick up
- **NGSO revenue share is projected to increase** while that of **GEO operators is projected to decrease**
- **Financial performance** of ground segment equipment providers **will be more challenging**

2 Customer adoption of Intuition taking longer than expected

Slower traction for Intuition

Development of *INTUITION*

Oct 2025
General release v1.1

Sep 2024
Lab release

Mar 2024
Launch of
Intuition brand

Advanced features of Intuition will
address customers' future needs...



However, with delayed & limited GEO launches...

Customer adoption of Intuition
taking longer than expected

Number of customer contracts fell short

3 Continued revenue and EBITDA decline

Financial performance of iDirect group below expectations

-9%

Revenue

9M2025

y-o-y

-22%

EBITDA

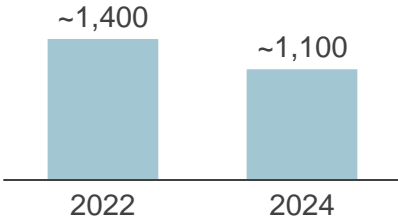

9M2025

y-o-y

FY2024 EBIT loss was \$89m

4 Deteriorating near-term business outlook

Results of turnaround efforts taking longer to materialise...

Strengthened Management Team	Rightsized Workforce	Embarked on Multi-Orbit Platform						
<ul style="list-style-type: none">• New CEO for iDirect group in 2023• Strengthened Management and Engineering bench strength since 2023	 <table><tr><th>Year</th><th>Headcount</th></tr><tr><td>2022</td><td>~1,400</td></tr><tr><td>2024</td><td>~1,100</td></tr></table> <ul style="list-style-type: none">• Headcounts reduced by >20%• \$60m-\$70m in annual cash savings between 2023 – 2025	Year	Headcount	2022	~1,400	2024	~1,100	 <ul style="list-style-type: none">• Development of multi-orbit cloud platform to replace legacy solutions<ul style="list-style-type: none">– Cloud-native, multi-orbit enabled, standards-based, automated end-to-end orchestration
Year	Headcount							
2022	~1,400							
2024	~1,100							

Headwinds intensified ... near-term business outlook deteriorated

Impairment assessment of iDirect group¹ (as at 30 Sep 2025)

– Value in Use (VIU) lower than carrying amount

Factors affecting VIU in 2025

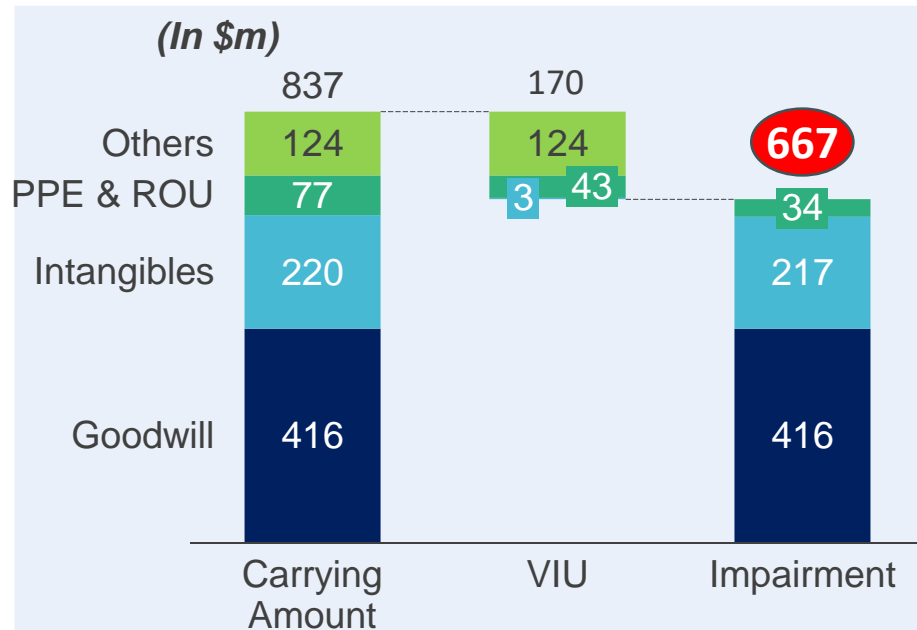
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**VIU of
iDirect group:
as at 30 Sep 2025,
assessed to be**

\$170m

Impairment assessment of iDirect group (as at 30 Sep 2025)

- **VIU lower than carrying amount**
- **Non-cash impairment of \$667m**



- While efforts are continuing to improve the business outlook, the Group has assessed the VIU of the iDirect group to be \$170m as at 30 Sep 2025
- This has led to a \$667m non-cash impairment of the iDirect group
- The resultant carrying amount of iDirect group is \$170m

Strategic Options

Ongoing active discussions on strategic options for the iDirect group to mitigate risks and financial exposure for ST Engineering

No definitive agreement has been reached with any party, and there is no certainty that any strategic transaction will take place

Impairment partially offset by gains from divestments

Non-cash impairment loss partially offset
by gains from divestments

Cash flow impact

**Cash
proceeds
from various
divestments¹**

\$594m

Accounting impact (One-off, after tax)

Impairment loss
– iDirect group

(\$667m)

**Gains from
divestments¹**

\$258m

- Base operating performance has been strong
- The Group expects to report a positive net profit for FY2025
- Impact on 2H2025 result is being assessed, and an update will be provided in due course

Summary

1

In 2025, sharp drop in VIU due to:

- Fast-evolving and weakening operating environment
- Customer adoption of *Intuition* taking longer than expected
- Continued revenue and EBITDA decline
- Deteriorating near-term business outlook

2

Non-cash \$667m impairment loss partially offset by \$258m gains from divestments

3

Carrying amount post impairment \$170m

4

Ongoing active discussions on strategic options for iDirect group

5

Cash proceeds from divestments \$594m

Appendix

Slide 7

- (1) <https://planet4589.org/space/con/star/stats.html>
- (2) <https://www.aboutamazon.com/news/innovation-at-amazon/project-kuiper-satellite-rocket-launch-progress-updates>
- (3) <https://news.satnews.com/2025/03/19/project-kuiper-facing-regulatory-deadline/>
- (4) <https://rocketlaunch.org/past-rocket-launches>
- (5) <https://www.gatechecked.com/which-airlines-offer-starlink-wi-fi-internet-10093>
- (6) <https://ir.echostar.com/news-releases/news-release-details/echostar-announces-spectrum-sale-and-commercial-agreement-spacex>

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- (7) <https://www.mynewsdesk.com/eutelsat/pressreleases/eutelsat-and-oneweb-combination-heralds-new-era-in-space-connectivity-as-worlds-first-geo-leo-operator-3276261>
- (8) <https://www.ses.com/press-release/ses-completes-acquisition-intelsat-creating-global-multi-orbit-connectivity>
- (9) <https://investors.viasat.com/news-releases/news-release-details/viasat-completes-acquisition-inmarsat>
- (10) <https://www.ses.com/press-release/ses-completes-450-million-acquisition-drs-global-enterprise-solutions-doubling-us>
- (11) https://www.redeia.com/sites/default/files/06_ACCIONISTAS/Documentos/Hechos_relevantes/2022/20220809_HR_Hispasat_adquiere_Axess_Networks_Solutions_Holdings_EN.pdf
- (12) <https://www.airbus.com/en/newsroom/press-releases/2025-10-airbus-leonardo-and-thales-sign-memorandum-of-understanding-to>

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