



SATS LTD.

(Incorporated in the Republic of Singapore)
(UEN / Company Registration No. 197201770G)

**PROPOSED DIVESTMENT OF 49% SHAREHOLDING IN SATS SAUDI ARABIA COMPANY
TO STRATEGIC PARTNER**

1. Introduction

- 1.1. Pursuant to Rule 703(1) of the Listing Manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited, SATS Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company and its wholly-owned subsidiary, SATS Airport Services Pte Ltd ("**SAS**") (the Company and SAS, collectively the "**Sellers**"), had on 25 November 2024 entered into a Share Purchase Agreement ("**SPA**") with Avilog Logistics Services Company ("**Avilog**"), a private limited company incorporated in Saudi Arabia by a consortium of 2 shareholders comprising Albawardi Holding Group ("**ABG**") and Abdulkadir Al Muhaidib and Sons Company ("**AMG**") by which Avilog will acquire 49% of the issued share capital of SATS Saudi Arabia Company ("**SATS SA**") (the "**Proposed Transaction**").
- 1.2. Upon completion of the Proposed Transaction, SAS will cease to be a shareholder of SATS SA, and the Company will continue to hold 51% of the issued share capital of SATS SA.

2. Principal Terms and Consideration of the Proposed Transaction

- 2.1. Pursuant to the SPA, Avilog shall purchase from the Sellers such number of ordinary shares in the share capital of SATS SA representing 49% of the total issued and fully paid-up share capital of SATS SA on the completion date (the "**Sale Shares**") for a cash consideration of One Hundred and Forty-Seven Million Saudi Arabian Riyals (SAR147,000,000) (approximately S\$51,700,000¹). The cash consideration shall be paid to the Sellers upon the completion of the Proposed Transaction ("**Completion**"). The consideration for the Sale Shares was arrived at on a willing-buyer, willing-seller basis, taking into consideration, amongst others, the current financial position and future growth prospects of SATS SA.
- 2.2. Subject to Completion, the Sellers may also receive an additional cash payment of up to One Hundred and Ninety-Six Million Saudi Arabian Riyals (SAR 196,000,000) (approximately S\$69,000,000), contingent upon the contracting parties reaching an agreement on SATS SA's EBITDA (as defined in the SPA) for the fiscal year ending 31 March 2027 and SATS SA achieving agreed performance objectives as per the SPA terms.
- 2.3. Based on the unaudited consolidated financial statements of the Group for the financial period ended 30 September 2024, the book value and net tangible asset value attributable to the Sale

¹ The exchange rate used in this announcement is S\$1:SAR2.8417 which is solely for reference purposes and should not be construed as a representation that the relevant amounts have been or could be converted at this rate or at any other rate.

Shares as at 30 September 2024 are approximately Twenty-One Million One Hundred Thousand Singapore Dollars (S\$21,100,000) and Twenty Million Eight Hundred Thousand Singapore Dollars (S\$20,800,000) respectively.

- 2.4. Completion is expected to take place within three (3) business days after the last of the conditions precedent have been satisfied or waived, including the receipt of regulatory approvals and competition law clearance from the relevant authorities.

3. Rationale

- 3.1. The Proposed Transaction is a strategic move for the Group to capitalize on market opportunities in Saudi Arabia and present favourable market conditions. By 2030, the Kingdom expects substantial growth in passenger traffic and cargo handling.
- 3.2. Through its partnership with Avilog, SATS SA will use local expertise to improve market effectiveness and expand logistics services. The combined resources will accelerate growth, starting with a new Jeddah facility, while enhancing air cargo and multi-modal operations. SATS SA's growth aligns with Saudi Arabia's Vision 2030 to become a global logistics hub.
- 3.3. The Group's industry-leading position in gateway services, alongside ABG's and AMG's proven success in the Kingdom and the momentum created by Vision 2030, positions SATS SA to strategically generate substantial long-term value for all stakeholders.

4. Financial Effects

The Proposed Transaction is not expected to have any material impact on the Group's consolidated net tangible assets per share or consolidated earnings per share for the current financial year ending 31 March 2025.

5. Interest of Directors and Controlling Shareholders

None of the Directors or any controlling shareholders of the Company has any interest (whether direct or indirect) in the Proposed Transaction other than through their respective interest (if any) in the Company.

6. Documents for Inspection

A copy of the SPA will be made available for inspection during normal business hours at the Company's registered office at 20 Airport Boulevard, Singapore 819659 for a period of three (3) months from the date of this announcement.

Issued by SATS Ltd. on 25 November 2024