



**UNAUDITED RESULTS FOR THE SECOND HALF
AND FULL YEAR ENDED 31 MARCH 2024**

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT

For the second half and full year ended 31 March 2024 (in \$ million)

| | GROUP | | | |
|--|----------------------|----------------|------------------|------------------|
| | 2 nd Half | | Full Year | |
| | 2023-24 | 2022-23 | 2023-24 | 2022-23 |
| CONTINUING OPERATIONS | | | | |
| Revenue | 2,691.8 | 953.8 | 5,149.6 | 1,758.3 |
| Expenditure | | | | |
| Staff costs | (1,511.5) | (465.1) | (2,939.3) | (891.8) |
| Cost of raw materials | (208.1) | (178.6) | (386.8) | (336.3) |
| Licence fees | (51.8) | (38.2) | (96.7) | (56.4) |
| Depreciation and amortisation charges | (260.6) | (91.8) | (536.4) | (175.8) |
| Company premise and utilities expenses | (120.6) | (70.0) | (240.3) | (124.2) |
| Other costs | (367.0) | (115.8) | (705.9) | (221.8) |
| | <u>(2,519.6)</u> | <u>(959.5)</u> | <u>(4,905.4)</u> | <u>(1,806.3)</u> |
| Operating profit/(loss) | 172.2 | (5.7) | 244.2 | (48.0) |
| Finance expense | (138.1) | (7.9) | (258.1) | (18.6) |
| Finance income | 15.4 | 6.8 | 21.4 | 9.9 |
| Share of results of associates/joint ventures, net of tax | 65.6 | 27.8 | 110.0 | 45.4 |
| Other non-operating loss, net | (3.5) | (16.6) | (1.2) | (32.5) |
| Profit/(loss) before tax | 111.6 | 4.4 | 116.3 | (43.8) |
| Income tax (expense)/credit | (38.6) | (2.4) | (55.8) | 5.2 |
| Profit/(loss) from continuing operations | 73.0 | 2.0 | 60.5 | (38.6) |
| DISCONTINUED OPERATION | | | | |
| (Loss)/profit from discontinued operation, net of tax | (0.3) | – | 3.2 | – |
| Profit/(loss) for the period/year | <u>72.7</u> | <u>2.0</u> | <u>63.7</u> | <u>(38.6)</u> |
| Profit/(loss) attributable to: | | | | |
| Owners of the Company | 64.1 | 6.0 | 56.4 | (26.5) |
| Non-controlling interests | 8.6 | (4.0) | 7.3 | (12.1) |
| | <u>72.7</u> | <u>2.0</u> | <u>63.7</u> | <u>(38.6)</u> |
| Earnings/(loss) per share (cents) | | | | |
| Basic | 4.3 | 0.5 | 3.8 | (2.2) |
| Diluted | 4.3 | 0.5 | 3.8 | (2.2) |
| Earnings/(loss) per share – continuing operations (cents) | | | | |
| Basic | 4.3 | 0.5 | 3.6 | (2.2) |
| Diluted | 4.3 | 0.5 | 3.6 | (2.2) |

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the second half and full year ended 31 March 2024 (in \$ million)

| | GROUP | | | |
|--|----------------------------|----------------|------------------|----------------|
| | 2nd Half | | Full Year | |
| | 2023-24 | 2022-23 | 2023-24 | 2022-23 |
| Profit/(loss) for the period/year | 72.7 | 2.0 | 63.7 | (38.6) |
| Other comprehensive income | | | | |
| <u>Items that will not be reclassified to profit or loss:</u> | | | | |
| Actuarial loss on defined benefit plan | (2.8) | (0.3) | (3.2) | (0.2) |
| <u>Items that are or may be reclassified subsequently to profit or loss:</u> | | | | |
| Net fair value changes on financial assets | (4.9) | (0.1) | (4.9) | (0.4) |
| Hedge translation differences | (12.4) | 12.4 | (12.4) | 12.4 |
| Foreign currency translation differences | (4.4) | (54.0) | (10.8) | (55.2) |
| | <u>(21.7)</u> | <u>(41.7)</u> | <u>(28.1)</u> | <u>(43.2)</u> |
| Other comprehensive income for the period/year, net of tax | <u>(24.5)</u> | <u>(42.0)</u> | <u>(31.3)</u> | <u>(43.4)</u> |
| Total comprehensive income for the period/year | <u>48.2</u> | <u>(40.0)</u> | <u>32.4</u> | <u>(82.0)</u> |
| Total comprehensive income attributable to: | | | | |
| Owners of the Company | 43.4 | (27.5) | 30.0 | (62.7) |
| Non-controlling interests | 4.8 | (12.5) | 2.4 | (19.3) |
| | <u>48.2</u> | <u>(40.0)</u> | <u>32.4</u> | <u>(82.0)</u> |

1(b) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

CONDENSED STATEMENTS OF FINANCIAL POSITION
As at 31 March 2024 (in \$ million)

| | Notes | GROUP | | COMPANY | |
|---|-------|----------------|----------------|----------------|----------------|
| | | 31.3.2024 | 31.3.2023 | 31.3.2024 | 31.3.2023 |
| EQUITY | | | | | |
| Share capital | 13 | 1,162.0 | 1,153.5 | 1,162.0 | 1,153.5 |
| Treasury shares | 13 | (0.4) | (0.9) | (0.4) | (0.9) |
| Share-based compensation reserve | 13 | 6.4 | 5.2 | 6.4 | 5.2 |
| Foreign currency translation reserve | | (174.2) | (168.5) | – | – |
| Revenue reserve | | 1,395.1 | 1,342.6 | 1,648.8 | 1,424.2 |
| Other reserves* | | (13.9) | 1.7 | (30.2) | (26.3) |
| Equity attributable to owners of the Company | | 2,375.0 | 2,333.6 | 2,786.6 | 2,555.7 |
| Non-controlling interests | | 184.5 | 181.2 | – | – |
| Total equity | | 2,559.5 | 2,514.8 | 2,786.6 | 2,555.7 |
| ASSETS | | | | | |
| Property, plant and equipment | 9 | 796.4 | 579.2 | 12.5 | 13.0 |
| Right-of-use assets | | 1,326.6 | 321.0 | 77.3 | 79.6 |
| Investment properties | | – | – | 124.0 | 131.6 |
| Intangible assets | | 3,511.2 | 527.1 | 24.0 | 28.2 |
| Investment in subsidiaries | | – | – | 2,219.8 | 934.5 |
| Investment in associates | | 445.8 | 377.9 | 226.1 | 213.9 |
| Investment in joint ventures | | 338.3 | 66.4 | 24.6 | 12.0 |
| Deferred tax assets | | 61.1 | 55.6 | – | – |
| Other receivables | | 1.3 | – | 1,018.9 | 350.0 |
| Other non-current assets | | 49.6 | 23.7 | – | 6.1 |
| Non-current assets | | 6,530.3 | 1,950.9 | 3,727.2 | 1,768.9 |
| Trade and other receivables | | 1,138.4 | 485.1 | 417.9 | 2,155.9 |
| Prepayments and deposits | | 73.5 | 20.6 | 4.7 | 5.8 |
| Inventories | | 73.0 | 68.7 | 0.5 | 0.8 |
| Cash and cash equivalents | | 659.0 | 374.4 | 176.5 | 181.4 |
| Deposits with notary | | – | 1,774.0 | – | – |
| Derivative assets | | 5.8 | – | – | – |
| Current assets | | 1,949.7 | 2,722.8 | 599.6 | 2,343.9 |
| LIABILITIES | | | | | |
| Other non-current payables | | 176.5 | 39.9 | 18.5 | 4.6 |
| Notes and borrowings | 12 | 1,612.0 | 1,133.5 | 897.5 | 1,101.3 |
| Lease liabilities | 12 | 1,124.9 | 290.8 | 80.1 | 78.6 |
| Deferred tax liabilities | | 205.7 | 88.3 | 23.9 | 25.9 |
| Derivative liabilities | | 10.4 | – | 5.1 | – |
| Non-current liabilities | | 3,129.5 | 1,552.5 | 1,025.1 | 1,210.4 |
| Trade and other payables | | 1,382.4 | 534.0 | 278.6 | 334.1 |
| Notes and borrowings | 12 | 1,100.2 | 13.0 | 229.1 | – |
| Lease liabilities | 12 | 255.0 | 41.1 | 1.0 | 3.6 |
| Income tax payable | | 53.4 | 18.3 | 6.4 | 9.0 |
| Current liabilities | | 2,791.0 | 606.4 | 515.1 | 346.7 |
| Net current (liabilities)/assets | | (841.3) | 2,116.4 | 84.5 | 1,997.2 |
| Net assets | | 2,559.5 | 2,514.8 | 2,786.6 | 2,555.7 |

* Other reserves consist of gain/(loss) on reissuance of treasury shares, capital reserve, fair value reserve and statutory reserve.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the full year ended 31 March 2024 (in \$ million)

| | GROUP | |
|---|------------------|----------------|
| | Full Year | |
| | 2023-24 | 2022-23 |
| <u>Cash flows from operating activities</u> | | |
| Profit/(loss) before tax from continuing operations | 116.3 | (43.8) |
| Profit before tax from discontinued operation | 5.7 | – |
| Profit/(loss) before tax | 122.0 | (43.8) |
| Adjustments for: | | |
| Finance expense, net | 236.7 | 8.7 |
| Depreciation and amortization charges | 536.4 | 175.8 |
| Unrealised foreign exchange (gain)/loss | (8.6) | 0.4 |
| Share of results of associates/joint ventures, net of tax | (110.0) | (45.4) |
| Loss/(gain) on disposal of property, plant and equipment | 0.8 | (13.0) |
| (Reversal)/impairment loss on associates/joint ventures/long-term investment, net | (0.4) | 1.7 |
| Share-based compensation expense | 11.1 | 8.9 |
| Gain on disposal of associate | – | (1.9) |
| (Write-back)/provision for doubtful debts | (3.3) | 0.2 |
| Other non-cash items | (1.6) | 2.3 |
| Operating cash flows before working capital changes | 783.1 | 93.9 |
| Changes in: | | |
| Receivables | (287.2) | (90.3) |
| Prepayments and deposits | (10.1) | 16.2 |
| Inventories | 1.0 | 12.8 |
| Payables | 206.9 | 69.3 |
| Cash generated from operations | 693.7 | 101.9 |
| Interest paid to third parties | (154.0) | (19.6) |
| Income taxes paid | (27.6) | (2.7) |
| Net cash from operating activities | 512.1 | 79.6 |
| <u>Cash flows from investing activities</u> | | |
| Capital expenditure | (185.6) | (119.4) |
| Dividends from associates/joint ventures | 44.9 | 23.5 |
| Proceeds from disposal of property, plant and equipment | 2.4 | 25.5 |
| Proceeds from sale of subsidiary, net of cash disposed of | 58.4 | – |
| Proceeds from sale of associate | – | 3.1 |
| Investment in subsidiaries, net of cash acquired | 139.1 | – |
| Investment in joint ventures | (12.7) | (0.1) |
| Interest received from deposits | 21.5 | 9.5 |
| Deposit with notary | – | (1,774.0) |
| Net cash from/(used in) investing activities | 68.0 | (1,831.9) |
| <u>Cash flows from financing activities</u> | | |
| Repayment of borrowings and notes payable | (2,237.1) | (106.4) |
| Repayment of lease liabilities | (374.7) | (60.1) |
| Proceeds from borrowings and notes payable | 2,333.2 | 752.9 |
| Net proceeds from issuance of new shares pursuant to rights issue | – | 789.7 |
| Capital contribution from non-controlling interest | 6.7 | – |
| Dividends paid to non-controlling interest | (20.1) | (36.1) |
| Net cash (used in)/from financing activities | (292.0) | 1,340.0 |
| Net increase/(decrease) in cash and cash equivalents | 288.1 | (412.3) |
| Effect of exchange rate changes | (3.5) | 0.7 |
| Cash and cash equivalents at beginning of financial year | 374.4 | 786.0 |
| Cash and cash equivalents at end of financial year | 659.0 | 374.4 |

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

**CONDENSED STATEMENTS OF CHANGES IN EQUITY
For the financial year ended 31 March 2024 (in \$ million)**

| GROUP | Attributable to owners of the Company | | | | | | | | | | | |
|---|---------------------------------------|-----------------|----------------------------------|--------------------|--------------------------------------|-----------------|-----------------|---------------------------------------|--------------------|---------|---------------------------|--------------|
| | Share Capital | Treasury Shares | Share-Based Compensation Reserve | Statutory Reserve* | Foreign Currency Translation Reserve | Revenue Reserve | Capital Reserve | Loss on Reissuance of Treasury Shares | Fair Value Reserve | Total | Non-controlling Interests | Total Equity |
| Balance at 1 April 2023 | 1,153.5 | (0.9) | 5.2 | 14.0 | (168.5) | 1,342.6 | 1.2 | (26.3) | 12.8 | 2,333.6 | 181.2 | 2,514.8 |
| Profit for the year | – | – | – | – | – | 56.4 | – | – | – | 56.4 | 7.3 | 63.7 |
| Other comprehensive income for the year | – | – | – | – | (5.7) | (3.3) | (0.1) | – | (17.3) | (26.4) | (4.9) | (31.3) |
| Total comprehensive income for the year | – | – | – | – | (5.7) | 53.1 | (0.1) | – | (17.3) | 30.0 | 2.4 | 32.4 |
| Contributions by and distributions to owners | | | | | | | | | | | | |
| Share-based compensation | – | – | 11.1 | – | – | – | – | – | – | 11.1 | – | 11.1 |
| Treasury shares transferred on payment of Directors' remuneration | – | 0.5 | – | – | – | – | – | (0.2) | – | 0.3 | – | 0.3 |
| Issuance of new shares pursuant to share-based compensation | 8.5 | – | (9.9) | – | – | – | – | 1.4 | – | – | – | – |
| Total contributions by and distributions to owners | 8.5 | 0.5 | 1.2 | – | – | – | – | 1.2 | – | 11.4 | – | 11.4 |
| Others | | | | | | | | | | | | |
| Acquisition of subsidiary with non-controlling interests | – | – | – | – | – | – | – | – | – | – | 14.3 | 14.3 |
| Capital contribution from non-controlling interests | – | – | – | – | – | – | – | – | – | – | 6.7 | 6.7 |
| Dividends paid to non-controlling interests | – | – | – | – | – | – | – | – | – | – | (20.1) | (20.1) |
| Transfer to statutory reserve | – | – | – | 0.6 | – | (0.6) | – | – | – | – | – | – |
| Balance at 31 March 2024 | 1,162.0 | (0.4) | 6.4 | 14.6 | (174.2) | 1,395.1 | 1.1 | (25.1) | (4.5) | 2,375.0 | 184.5 | 2,559.5 |

* Certain countries in which some of the associates and subsidiaries are incorporated legally require statutory reserves to be set aside. The laws of the countries restrict the distribution and use of these statutory reserves.

CONDENSED STATEMENTS OF CHANGES IN EQUITY (cont'd)
For the financial year ended 31 March 2024 (in \$ million)

| GROUP | Attributable to owners of the Company | | | | | | | | | | | |
|---|---------------------------------------|-----------------|----------------------------------|--------------------|--------------------------------------|-----------------|-----------------|---------------------------------------|--------------------|---------|---------------------------|--------------|
| | Share Capital | Treasury Shares | Share-Based Compensation Reserve | Statutory Reserve* | Foreign Currency Translation Reserve | Revenue Reserve | Capital Reserve | Loss on Reissuance of Treasury Shares | Fair Value Reserve | Total | Non-controlling Interests | Total Equity |
| Balance at 1 April 2022 | 367.9 | (8.5) | 4.9 | 13.5 | (119.5) | 1,368.8 | 1.1 | (26.4) | 0.8 | 1,602.6 | 231.1 | 1,833.7 |
| Loss for the year | – | – | – | – | – | (26.5) | – | – | – | (26.5) | (12.1) | (38.6) |
| Other comprehensive income for the year | – | – | – | – | (49.0) | 0.8 | – | – | 12.0 | (36.2) | (7.2) | (43.4) |
| Total comprehensive income for the year | – | – | – | – | (49.0) | (25.7) | – | – | 12.0 | (62.7) | (19.3) | (82.0) |
| Contributions by and distributions to owners | | | | | | | | | | | | |
| Share-based compensation | – | – | 8.9 | – | – | – | – | – | – | 8.9 | – | 8.9 |
| Issuance of new shares pursuant to share-based compensation | 1.3 | – | (1.3) | – | – | – | – | – | – | – | – | – |
| Issuance of new shares pursuant to rights issue | 784.3 | – | – | – | – | – | – | – | – | 784.3 | – | 784.3 |
| Treasury shares reissued pursuant to share-based compensation | – | 7.6 | (7.3) | – | – | – | – | 0.1 | – | 0.4 | – | 0.4 |
| Total contributions by and distributions to owners | 785.6 | 7.6 | 0.3 | – | – | – | – | 0.1 | – | 793.6 | – | 793.6 |
| Others | | | | | | | | | | | | |
| Purchase price allocation of non-controlling interest in a subsidiary | – | – | – | – | – | – | – | – | – | – | 5.3 | 5.3 |
| Capital contribution from non-controlling interests | – | – | – | – | – | – | 0.1 | – | – | 0.1 | 0.2 | 0.3 |
| Dividends paid to non-controlling interests | – | – | – | – | – | – | – | – | – | – | (36.1) | (36.1) |
| Transfer to statutory reserve | – | – | – | 0.5 | – | (0.5) | – | – | – | – | – | – |
| Balance at 31 March 2023 | 1,153.5 | (0.9) | 5.2 | 14.0 | (168.5) | 1,342.6 | 1.2 | (26.3) | 12.8 | 2,333.6 | 181.2 | 2,514.8 |

* Certain countries in which some of the associates and subsidiaries are incorporated legally require statutory reserves to be set aside. The laws of the countries restrict the distribution and use of these statutory reserves.

CONDENSED STATEMENTS OF CHANGES IN EQUITY (cont'd)
For the financial year ended 31 March 2024 (in \$ million)

| <u>COMPANY</u> | Share Capital | Treasury Shares | Share-Based Compensation Reserve | Revenue Reserve | Loss on Reissuance of Treasury Shares | Fair Value Reserve | Total Equity |
|---|------------------|--------------------|--|--------------------|--|--------------------------|-----------------|
| Balance at 1 April 2023 | 1,153.5 | (0.9) | 5.2 | 1,424.2 | (26.3) | – | 2,555.7 |
| Profit for the year | – | – | – | 224.6 | – | – | 224.6 |
| Other comprehensive income for the year | – | – | – | – | – | (5.1) | (5.1) |
| Total comprehensive income for the year | – | – | – | 224.6 | – | (5.1) | 219.5 |
| <u>Contributions by and distributions to owners</u> | | | | | | | |
| Share-based compensation | – | – | 11.1 | – | – | – | 11.1 |
| Treasury shares transferred on payment of Directors' remuneration | – | 0.5 | – | – | (0.2) | – | 0.3 |
| Issuance of new shares pursuant to share-based compensation | 8.5 | – | (9.9) | – | 1.4 | – | – |
| Total contributions by and distributions to owners | 8.5 | 0.5 | 1.2 | – | 1.2 | – | 11.4 |
| Balance at 31 March 2024 | 1,162.0 | (0.4) | 6.4 | 1,648.8 | (25.1) | (5.1) | 2,786.6 |
| Balance at 1 April 2022 | 367.9 | (8.5) | 4.9 | 1,345.1 | (26.4) | – | 1,683.0 |
| Profit for the year | – | – | – | 79.1 | – | – | 79.1 |
| Total comprehensive income for the year | – | – | – | 79.1 | – | – | 79.1 |
| <u>Contributions by and distributions to owners</u> | | | | | | | |
| Share-based compensation | – | – | 8.9 | – | – | – | 8.9 |
| Issuance of new shares pursuant to share-based compensation | 1.3 | – | (1.3) | – | – | – | – |
| Issuance of new shares pursuant to rights issue | 784.3 | – | – | – | – | – | 784.3 |
| Treasury shares reissued pursuant to share-based compensation | – | 7.6 | (7.3) | – | 0.1 | – | 0.4 |
| Total contributions by and distributions to owners | 785.6 | 7.6 | 0.3 | – | 0.1 | – | 793.6 |
| Balance at 31 March 2023 | 1,153.5 | (0.9) | 5.2 | 1,424.2 | (26.3) | – | 2,555.7 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For second half and full year ended 31 March 2024

1. Significant Accounting Policies

1.1 Corporate Information

SATS Ltd. (the “Company” or “SATS”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). These condensed consolidated interim financial statements as at and for the second half and year ended 31 March 2024 comprise the Company and its subsidiaries (collectively, the “Group”).

The registered office and principal place of business of the Company is located at 20 Airport Boulevard, SATS Inflight Catering Centre 1, Singapore 819659.

The Company is principally an investment holding company. Its other activities include rental of premises and provision of management services to related companies.

1.2 Basis of Preparation

The condensed consolidated interim financial statements for the second half and year ended 31 March 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) 1-34 *Interim Financial Reporting*. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 March 2023.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at and for the year ended 31 March 2023 except for the adoption of Singapore Financial Reporting Standards (International) (“SFRS(I)”) that are mandatory for financial year beginning on or after 1 April 2023. The adoption of these SFRS(I) has no significant impact on the financial statements.

The condensed consolidated interim financial statements are presented in Singapore dollar, which is the Company’s functional currency.

1.3 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group’s consolidated financial statements as at and for the year ended 31 March 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

1.4 Seasonal Operation

The Group’s businesses are not affected significantly by seasonal or cyclical factors during the financial period/year.

2. Profit/(Loss) Before Tax

Profit/(Loss) before tax for the period/year is arrived at after crediting/(charging) the following items

| (\$ million) | GROUP | | | |
|---|----------------------|---------|-----------|---------|
| | 2 nd Half | | Full Year | |
| | 2023-24 | 2022-23 | 2023-24 | 2022-23 |
| Foreign exchange loss, net | (18.7) | (9.2) | (8.4) | (6.8) |
| Write-back/(provision) for doubtful debts | 1.3 | (0.2) | 3.3 | (0.2) |
| Write-off for stock obsolescence, net | (0.8) | (1.2) | (0.3) | (1.6) |
| Gain/(loss) on disposal of property, plant and equipment | – | 12.3 | (0.8) | 13.0 |
| Impairment/write off on property, plant and equipment, net | (1.9) | – | (1.9) | – |
| Reversal/(Impairment) for associate /joint venture/ long-term investment, net | 0.4 | (1.7) | 0.4 | (1.7) |
| Merger and acquisition expenses | – | (26.3) | – | (44.9) |

3. Segment Reporting

For management purposes, the Group's operating businesses are organised and managed according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and services. The Group has three reportable operating segments as follows:

1. The Food Solutions segment provides mainly inflight and institutional catering, food processing, distribution services and airline laundry services.
2. The Gateway Services segment provides both airport and cruise terminal services and trucking services. The airport terminal services include airfreight handling services, passenger services, aviation security services, baggage handling services and apron services to the Group's airline customers. On the provision of cruise terminal services, the segment manages and operates Marina Bay Cruise Centre in Singapore and Kai Tak Cruise Terminal in Hong Kong. Trucking services are provided in Europe and North America region.
3. The Others segment provides rental of premises and other services.

3. Segment Reporting (cont'd)

BY BUSINESS

| (\$ million) | Food Solutions | Gateway Services | Others | Total |
|---|-------------------|---------------------|--------|---------|
| Second half year ended 31 March 2024 | | | | |
| Revenue (external) | 591.8 | 2,099.8 | 0.2 | 2,691.8 |
| Operating profit/(loss) | 28.4 | 161.4 | (17.6) | 172.2 |
| Net finance (expense)/income | (1.6) | (123.6) | 2.5 | (122.7) |
| Share of results of associates/joint ventures, net of tax | 16.5 | 49.1 | – | 65.6 |
| Other non-operating (expense)/income | (10.0) | 6.2 | 0.3 | (3.5) |
| Profit/(loss) before tax | 33.3 | 93.1 | (14.8) | 111.6 |
| Income tax (expense)/credit | (10.9) | (30.3) | 2.6 | (38.6) |
| Profit/(loss) from continuing operations | 22.4 | 62.8 | (12.2) | 73.0 |
| Loss from discontinued operation, net of tax | – | (0.3) | – | (0.3) |
| Profit/(loss) for the period | 22.4 | 62.5 | (12.2) | 72.7 |
| Capital expenditure | 18.9 | 29.2 | 19.5 | 67.6 |
| Depreciation and amortisation charges | 22.3 | 210.7 | 27.6 | 260.6 |
| Second half year ended 31 March 2023 | | | | |
| Revenue (external) | 466.7 | 486.6 | 0.5 | 953.8 |
| Operating (loss)/profit | (9.3) | 18.6 | (15.0) | (5.7) |
| Net finance income/(expense) | 1.1 | (2.3) | 0.1 | (1.1) |
| Share of results of associates/joint ventures, net of tax | 8.2 | 19.7 | (0.1) | 27.8 |
| Other non-operating income/(expense) | 12.4 | (1.2) | (27.8) | (16.6) |
| Profit/(loss) before tax | 12.4 | 34.8 | (42.8) | 4.4 |
| Income tax (expense)/credit | (3.3) | (2.4) | 3.3 | (2.4) |
| Profit/(loss) for the period | 9.1 | 32.4 | (39.5) | 2.0 |
| Capital expenditure | 42.6 | 15.5 | 4.0 | 62.1 |
| Depreciation and amortisation charges | 20.2 | 62.0 | 9.6 | 91.8 |

3. Segment Reporting (cont'd)

BY BUSINESS (cont'd)

| (\$ million) | <u>Food Solutions</u> | <u>Gateway Services</u> | <u>Others</u> | <u>Total</u> |
|---|---------------------------|-----------------------------|----------------------|----------------------|
| Financial year ended 31 March 2024 | | | | |
| Revenue (external) | 1,107.9 | 4,041.2 | 0.5 | 5,149.6 |
| Operating profit/(loss) | 27.5 | 249.0 | (32.3) | 244.2 |
| Net finance (expense)/income | (2.3) | (235.2) | 0.8 | (236.7) |
| Share of results of associates/joint ventures, net of tax | 30.1 | 79.9 | – | 110.0 |
| Other non-operating (expense)/income | (9.8) | 5.6 | 3.0 | (1.2) |
| Profit/(loss) before tax | <u>45.5</u> | <u>99.3</u> | <u>(28.5)</u> | <u>116.3</u> |
| Income tax (expense)/credit | (18.8) | (41.0) | 4.0 | (55.8) |
| Profit/(loss) from continuing operations | <u>26.7</u> | <u>58.3</u> | <u>(24.5)</u> | <u>60.5</u> |
| Profit from discontinued operation | – | 3.2 | – | 3.2 |
| Profit/(loss) for the year | <u><u>26.7</u></u> | <u><u>61.5</u></u> | <u><u>(24.5)</u></u> | <u><u>63.7</u></u> |
| Capital expenditure | 53.2 | 124.0 | 22.8 | 200.0 |
| Depreciation and amortisation charges | <u>48.0</u> | <u>446.0</u> | <u>42.4</u> | <u>536.4</u> |
| Financial year ended 31 March 2023 | | | | |
| Revenue (external) | 869.3 | 888.5 | 0.5 | 1,758.3 |
| Operating loss | (33.8) | (2.0) | (12.2) | (48.0) |
| Net finance expense | (1.0) | (5.5) | (2.2) | (8.7) |
| Share of results of associates/joint ventures, net of tax | 6.6 | 38.8 | – | 45.4 |
| Other non-operating income/(expense) | 15.2 | (1.9) | (45.8) | (32.5) |
| (Loss)/profit before tax | <u>(13.0)</u> | <u>29.4</u> | <u>(60.2)</u> | <u>(43.8)</u> |
| Income tax credit | 1.1 | 1.7 | 2.4 | 5.2 |
| (Loss)/profit for the year | <u><u>(11.9)</u></u> | <u><u>31.1</u></u> | <u><u>(57.8)</u></u> | <u><u>(38.6)</u></u> |
| Capital expenditure | 67.4 | 45.9 | 10.9 | 124.2 |
| Depreciation and amortisation charges | <u>39.9</u> | <u>117.0</u> | <u>18.9</u> | <u>175.8</u> |

3. Segment Reporting (cont'd)

BY BUSINESS (cont'd)

| (\$ million) | Food Solutions | Gateway Services | Others | Total |
|--|-------------------|---------------------|----------------|----------------|
| As at 31 March 2024 | | | | |
| Segment assets | 525.0 | 1,150.8 | 324.8 | 2,000.6 |
| Property, plant & equipment ("PPE") and right-of-use ("ROU") assets | 358.4 | 1,640.0 | 124.6 | 2,123.0 |
| Associates/joint ventures | 179.5 | 604.6 | – | 784.1 |
| Deferred tax assets | 32.4 | 28.7 | – | 61.1 |
| Intangible assets | 189.3 | 3,310.3 | 11.6 | 3,511.2 |
| Total assets | 1,284.6 | 6,734.4 | 461.0 | 8,480.0 |
| Current liabilities | 310.6 | 2,192.4 | 234.6 | 2,737.6 |
| Long-term liabilities | 135.6 | 1,786.4 | 1,001.8 | 2,923.8 |
| Tax liabilities | 27.6 | 201.1 | 30.4 | 259.1 |
| Total liabilities | 473.8 | 4,179.9 | 1,266.8 | 5,920.5 |
| As at 31 March 2023 | | | | |
| Segment assets | 429.2 | 339.3 | 1,978.0 | 2,746.5 |
| PPE and ROU assets | 337.9 | 431.2 | 131.1 | 900.2 |
| Associates/joint ventures | 152.4 | 291.9 | – | 444.3 |
| Deferred tax assets | 40.8 | 14.5 | 0.3 | 55.6 |
| Intangible assets | 199.0 | 299.9 | 28.2 | 527.1 |
| Total assets | 1,159.3 | 1,376.8 | 2,137.6 | 4,673.7 |
| Current liabilities | 264.4 | 260.6 | 63.1 | 588.1 |
| Long-term liabilities | 134.5 | 144.3 | 1,185.4 | 1,464.2 |
| Tax liabilities | 18.1 | 53.6 | 34.9 | 106.6 |
| Total liabilities | 417.0 | 458.5 | 1,283.4 | 2,158.9 |

BY GEOGRAPHICAL LOCATION

Revenue from continuing operations, total assets and capital expenditure information based on the geographical location of the subsidiaries deriving the revenue and owning the assets respectively are as follows:

| (\$ million) | GROUP | | | |
|--|----------------------|--------------|----------------|----------------|
| | 2 nd Half | | Full Year | |
| | 2023-24 | 2022-23 | 2023-24 | 2022-23 |
| Singapore | 907.7 | 766.0 | 1,730.1 | 1,408.7 |
| Asia Pacific | 287.8 | 174.7 | 521.9 | 321.5 |
| EMEA | 533.0 | 13.1 | 1,036.3 | 28.1 |
| Americas | 963.3 | – | 1,861.3 | – |
| Total revenue – continuing operations | 2,691.8 | 953.8 | 5,149.6 | 1,758.3 |

3. Segment Reporting (cont'd)

BY GEOGRAPHICAL LOCATION (cont'd)

| (\$ million) | Singapore | Asia Pacific | EMEA | America | Total |
|----------------------------|-----------|--------------|---------|---------|---------|
| As at 31 March 2024 | | | | | |
| Segment assets | 960.2 | 243.4 | 367.1 | 429.9 | 2,000.6 |
| PPE and ROU assets | 391.3 | 522.1 | 651.0 | 558.6 | 2,123.0 |
| Associates/joint ventures | 18.2 | 572.7 | 177.7 | 15.5 | 784.1 |
| Deferred tax assets | 1.2 | 43.3 | 10.0 | 6.6 | 61.1 |
| Intangible assets | 161.8 | 404.8 | 1,303.2 | 1,641.4 | 3,511.2 |
| Total assets | 1,532.7 | 1,786.3 | 2,509.0 | 2,652.0 | 8,480.0 |
| Capital expenditure | 80.2 | 57.0 | 29.6 | 33.2 | 200.0 |
| As at 31 March 2023 | | | | | |
| Segment assets | 2,658.5 | 60.6 | 27.4 | – | 2,746.5 |
| PPE and ROU assets | 379.5 | 444.1 | 76.6 | – | 900.2 |
| Associates/joint ventures | 24.2 | 420.1 | – | – | 444.3 |
| Deferred tax assets | 9.3 | 44.9 | 1.4 | – | 55.6 |
| Intangible assets | 183.3 | 330.5 | 13.3 | – | 527.1 |
| Total assets | 3,254.8 | 1,300.2 | 118.7 | – | 4,673.7 |
| Capital expenditure | 42.0 | 58.3 | 23.9 | – | 124.2 |

4. Income Tax (Expense)/Credit

| (\$ million) | Group | | | |
|--|----------------------|---------|-----------|---------|
| | 2 nd Half | | Full Year | |
| | 2023-24 | 2022-23 | 2023-24 | 2022-23 |
| Current income tax: | | | | |
| Current period/year | (19.5) | (9.7) | (52.4) | (11.0) |
| Over provision in respect of prior periods/years | 0.7 | 4.7 | 2.9 | 6.7 |
| Deferred income tax: | | | | |
| Movement in temporary differences | (16.0) | 2.7 | (0.1) | 11.4 |
| Withholding tax expense | (3.8) | (0.1) | (6.2) | (1.9) |
| Income tax (expense)/credit | (38.6) | (2.4) | (55.8) | 5.2 |

5. Discontinued Operation

The Company's indirect wholly-owned subsidiary, Worldwide Flight Services, Inc., sold the entire issued equity interests in Maytag Aircraft LLC ("Maytag") to a third party, Albion MA Holdings LLC on 15 March 2024 at net proceeds of US\$45.6 million (approximately \$60.7 million).

The profit and loss of Maytag for the financial year ended 31 March 2024 was presented as discontinued operation separately from continuing operations. No comparative information provided for the financial year ended 31 March 2023 as Maytag was not part of the Group.

5. Discontinued Operation (cont'd)

The gain/loss on disposal of Maytag, results of discontinued operation, effect of disposal on the financial position of the Group and cash flow from discontinued operation is immaterial to the Group and therefore not disclosed in the note.

The profit from discontinued operation net of tax of \$3.2 million is attributable entirely to the owners of the Company.

6. Earnings/(Loss) Per Share

| | Group | | | |
|--|----------------------|----------------|----------------|----------------|
| | 2 nd Half | | Full Year | |
| | 2023-24 | 2022-23 | 2023-24 | 2022-23 |
| (\$ million) | | | | |
| Profit/(loss) from continuing operations | 64.4 | 6.0 | 53.2 | (26.5) |
| Loss/(profit) from discontinued operation | (0.3) | – | 3.2 | – |
| Profit/(loss) attributable to owners of the Company | <u>64.1</u> | <u>6.0</u> | <u>56.4</u> | <u>(26.5)</u> |
| (In million) | | | | |
| Weighted average number of ordinary shares (basic) | 1,490.6 | 1,221.3 | 1,487.3 | 1,192.6 |
| Adjustment for RSP and PSP | 4.6 | 4.7 | 4.1 | 4.0 |
| Weighted average number of ordinary shares (diluted) | <u>1,495.2</u> | <u>1,226.0</u> | <u>1,491.4</u> | <u>1,196.6</u> |
| Earnings/(loss) per share (cents) | | | | |
| Basic | 4.3 | 0.5 | 3.8 | (2.2) |
| Diluted | <u>4.3</u> | <u>0.5</u> | <u>3.8</u> | <u>(2.2)</u> |
| Earnings/(loss) per share – continuing operations (cents) | | | | |
| Basic | 4.3 | 0.5 | 3.6 | (2.2) |
| Diluted | <u>4.3</u> | <u>0.5</u> | <u>3.6</u> | <u>(2.2)</u> |

7. Net Asset Value Per Share

| | Group | | Company | |
|-----------------------------------|--------------|--------------|--------------|--------------|
| | 31.03.2024 | 31.03.2023 | 31.03.2024 | 31.03.2023 |
| Net asset value per share (cents) | <u>159.3</u> | <u>156.9</u> | <u>186.9</u> | <u>171.8</u> |

8. Related Party Transaction

For the year ended 31 March 2024, the Group has made \$890.6 million (2023: \$707.6 million) of sales and \$49.4 million (2023: \$40.4 million) of purchases with related parties of the Group.

9. Property, Plant and Equipment

During the year ended 31 March 2024, the Group acquired assets amounting to \$190.3 million (31 March 2023: \$107.7 million) and disposed off assets amounting to \$5.9 million (31 March 2023: \$12.4 million).

10. Capital and Other Commitments

The Group has commitments for capital expenditure amounting to \$79.2 million in aggregate (31 March 2023: \$44.5 million). These commitments are not at prices in excess of current market prices.

11. Acquisition of 100% of The Shares in WFS Global Holdings SAS (“WFS”)

On 28 September 2022, the Company signed a sale and purchase agreement (“SPA”) to acquire 100% of the shares of Neptune Holdings 1 B.V. (formerly known as Promontoria Holding 243 B.V.), which owns 100% of the shares of global air cargo logistics provider, WFS.

As at 31 March 2023, the Company placed a deposit of \$1,774.0 million with the notary in anticipation of the acquisition. This was funded through a combination of rights issue with net proceeds after transaction costs of \$784.3 million and EUR-denominated term loan of \$723.5 million, with the remaining amount funded through SATS’ existing cash balances.

The acquisition was completed on 3 April 2023 with SATS obtaining control over WFS group. The acquisition is part of the Company’s strategy to expand its cargo handling network and accelerate innovation to drive sustainable business growth.

For the year ended 31 March 2024, WFS contributed revenue of \$2,911.9 million and operating profit of \$187.2 million (including amortization of intangible assets arising from PPA) to the Group’s results. Management assessed that the consolidated revenue and operating profit of the Group would not be materially different if the acquisition had occurred on 1 April 2023.

Consideration transferred

The total purchase consideration for the acquisition of \$1,783.2 million was paid in cash, including an additional consideration of \$9.2 million that was transferred directly from SATS to the seller in April 2023.

Acquisition-related cost

The Group incurred acquisition-related costs of \$44.9 million on legal, advisory and due diligence costs. These costs were expensed off in the financial year ended 31 March 2023 as incurred.

Identifiable assets acquired and liabilities assumed

The goodwill, fair value of identifiable assets acquired and liabilities assumed at the acquisition date assessed by an independent valuation specialist were summarized below:

11. Acquisition of 100% of The Shares in WFS Global Holdings SAS (“WFS”) (cont’d)

| (\$ million) | Final amount at 3 April 2023 |
|---|---------------------------------|
| Property, plant and equipment | 188.1 |
| Right-of-use assets | 886.9 |
| Intangible assets | 978.3 |
| Investment in joint ventures | 270.2 |
| Other non-current assets | 36.3 |
| Trade and other receivables | 474.3 |
| Cash and bank balances | 148.0 |
| Other current assets | 62.7 |
| | 3,044.8 |
| Notes and borrowings | (1,553.0) |
| Other long-term liabilities | (959.1) |
| Trade and other payables | (578.3) |
| Other current liabilities | (238.6) |
| | (3,329.0) |
| Minority Interest | (14.2) |
| Net identifiable liabilities at fair value | (298.4) |
| Consideration transferred | 1,783.2 |
| Less: Net identifiable liabilities at fair value | 298.4 |
| | 2,081.6 |
| Less: Effect of hedge accounting in 2022–23 for projected acquisition | (12.4) |
| Goodwill arising from acquisition | 2,069.2 |

Trade receivables comprised gross contractual amount of \$287.9 million, of which \$18.4 million was expected to be uncollectable at the date of acquisition. The carrying value of the trade receivables approximates its fair value.

Measurement of fair value

The valuation techniques used for measuring fair value of material assets acquired were as follows:

| Assets acquired | Valuation technique |
|-------------------------------|---|
| Customer relationships | Multi-period excess earnings method This method considers the present value of net cash flows expected to be generated by the customer relationships, excluding any cash flows related to contributory assets. |
| Trademark | Relief-from-royalty method This method considers the discounted estimated royalty payments that are expected to be avoided as result of the trademark being owned. |
| Property, plant and equipment | Depreciated replacement cost approach This approach reflects the adjustments for physical deterioration as well as functional and economic obsolescence. |

11. Acquisition of 100% of The Shares in WFS Global Holdings SAS (“WFS”) (cont’d)

Measurement of fair value (cont’d)

| Assets acquired | Valuation technique |
|------------------------------|--|
| Right-of-use assets | <p>Adjusted present value of remaining lease payments</p> <p>Right-of-use assets were measured as the present value of remaining lease payments, adjusted for favourable or unfavourable terms. The identification and measurement of such favourable or unfavourable terms was based on the Market comparison technique.</p> <p>Market comparison technique</p> <p>This approach considers market prices for similar items when they are available.</p> |
| Investment in joint ventures | <p>Discounted cash flow method</p> <p>This method considers the discounted forecast free cash flows to the valuation date using an appropriate rate of return.</p> |

Contingent liabilities

The liabilities assumed at date of acquisition include contingent liabilities arising from a potential loss making contracts and claims.

Goodwill

The goodwill amounting to \$2,069.2 million arose from the acquisition of 100% equity interest in WFS. This was attributable to initiatives that include cross-selling, network expansion and deeper eCommerce cargo partnerships across the SATS Group. Approximately \$185.9 million of the total goodwill recognised is expected to be deductible for tax purpose, arose from the previous acquisition by WFS.

12. Aggregate Amount of Group’s Borrowings and Debt Securities

| (\$ million) | 31.03.2024 | | 31.03.2023 | |
|---|----------------|------------------|----------------|------------------|
| | <u>Secured</u> | <u>Unsecured</u> | <u>Secured</u> | <u>Unsecured</u> |
| Amount repayable in one year or less, or on demand | 273.1 | 1,082.1 | 53.8 | 0.3 |
| Amount repayable after one year | <u>1,129.2</u> | <u>1,607.7</u> | <u>290.8</u> | <u>1,133.5</u> |

Details of any collateral

Included in secured borrowings are current lease liabilities of \$255.0 million and non-current lease liabilities of \$1,124.9 million which are secured over the right-of-use assets of \$1,326.6 million as well as property, plant and equipment and other assets belonging to a subsidiary in the Group.

13. Share Capital, Treasury Shares and Share-based Compensation Reserve

| (in thousand) | Number of ordinary shares | |
|---|---------------------------|-----------------|
| | Issued Shares Capital | Treasury Shares |
| As at 1 April 2023 | 1,487,494 | 198 |
| Treasury shares transferred on payment of Directors' remuneration | – | (98) |
| Issuance of new shares | 3,237 | – |
| As at 31 March 2024 | 1,490,731 | 100 |

As at 31 March 2024, the Company has an issued share capital of 1,490,731,171 ordinary shares (31 March 2023: 1,487,493,961 ordinary shares) of which 99,905 (31 March 2023: 198,305) were held by the Company as treasury shares.

Issuance of New Shares

During the financial year ended 31 March 2024, 3,237,210 (31 March 2023: 326,200) new shares were issued for the Restricted Share Plan and Performance Share Plan.

Treasury Shares

During the financial year ended 31 March 2024, 98,400 treasury shares were reissued pursuant to the share-based compensation plan - Restricted Share Plan (31 March 2023: 1,593,600 were reissued for Restricted Share Plan and 176,500 were reissued for Performance Share Plan).

Restricted Share Plan ("RSP") and Performance Share Plan ("PSP")

Management employees may qualify for two share-based incentive plans, the RSP and PSP, which were approved by the shareholders of the Company on 19 July 2005. Both share plans which expired in July 2015 were subsequently approved during the 41st Annual General Meeting held on 23 July 2014 for further extension of 10 years to July 2025.

For grants in FY2020-21 to FY2023-24

The RSP award is subject to the achievement of the pre-determined target over a one-year period and has an equal vesting over a three-year period. The number of restricted shares awarded is based on individual and corporate performance. PSP has a performance period of three years. The number of performance shares awarded is based on individual and corporate performance and the final performance shares awarded could range between 0% and 150% of the initial grant, subject to achievement of the pre-determined targets.

As at 31 March 2024, the number of shares outstanding under the Company's RSP and PSP were 3,852,733 and 1,047,248 (31 March 2023: 2,065,700 and 1,053,800) respectively.

13. Share Capital, Treasury Shares and Share-based Compensation Reserve (cont'd)

Restricted Share Plan ("RSP") and Performance Share Plan ("PSP") (cont'd)

The details of the shares awarded under RSP and PSP are as follows:

RSP

| <u>Number of Restricted Shares</u> | | | | | |
|------------------------------------|---|--------------------|------------------|----------------|--------------------------|
| Date of grant | Balance at 1.4.2023 / Date of grant | Vested | Forfeited | Adjustments # | Balance at 31.03.2024 |
| 25.06.2021 | 477,200 | (495,778) | (8,300) | 26,878 | – |
| 24.06.2022 | 1,588,500 | (834,032) | (128,535) | 89,200 | 715,133 |
| 03.07.2023 | 5,074,600 | (1,696,700) | (240,300) | – | 3,137,600 |
| 08.08.2023 | 98,400 | (98,400) | – | – | – |
| | <u>7,238,700</u> | <u>(3,124,910)</u> | <u>(377,135)</u> | <u>116,078</u> | <u>3,852,733</u> |

PSP

| <u>Number of Performance Shares</u> | | | | | |
|-------------------------------------|---|------------------|------------------|------------------|--------------------------|
| Date of grant | Balance at 1.4.2023 / Date of grant | Vested | Forfeited | Adjustments # | Balance at 31.03.2024 |
| 20.08.2020 | 462,500 | (210,700) | – | (251,800) | – |
| 02.08.2021 | 345,000 | – | (116,325) | 19,836 | 248,511 |
| 24.06.2022 | 246,300 | – | (31,724) | 14,161 | 228,737 |
| 22.03.2024 | 570,000 | – | – | – | 570,000 |
| | <u>1,623,800</u> | <u>(210,700)</u> | <u>(148,049)</u> | <u>(217,803)</u> | <u>1,047,248</u> |

Adjustments due to the performance factor at the end of the performance period.

14. Fair Value Management

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

Financial assets and financial liabilities that are classified as measured at amortised cost with carrying amounts being a reasonable approximation of their fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the balance sheet date or the fixed interest rates approximate the market interest rates for such assets/liabilities. These financial assets include trade and other receivables and cash and cash equivalents. These financial liabilities include trade and other payables, borrowings and notes payable.

The fair value of forward foreign exchange contracts is determined using forward exchange market rates for contracts with similar maturity profiles at the end of the reporting period.

The fair value of cross currency or interest rate swap is the estimated amount that the swap contract can be exchanged for or settled with under normal market conditions. This fair value can be estimated using the discounted cash flow method where the future cash flows of the swap contract are discounted at the prevailing market foreign exchange rates and interest rates. Market interest rates are actively quoted interest rates or interest rates computed by applying techniques to these actively quoted interest rates.

14. Fair Value Management (cont'd)

The following table analyses the financial assets and liabilities in the statement of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis:

| GROUP (\$ million) | Carrying Value | | | | | Total | Fair Value | | | |
|-----------------------------|-----------------|------------|------------|----------------------------------|-----------------------------|----------------|------------|---------|---------|---------|
| | Amortised costs | FVOCI | FVTPL | Fair value – hedging instruments | Other financial liabilities | | Level 1 | Level 2 | Level 3 | Total |
| 31 March 2024 | | | | | | | | | | |
| Assets | | | | | | | | | | |
| Trade and other receivables | 1,138.4 | – | – | – | – | 1,138.4 | N/A | N/A | N/A | N/A |
| Cash and cash equivalents | 659.0 | – | – | – | – | 659.0 | N/A | N/A | N/A | N/A |
| Derivative assets | – | – | 5.8 | – | – | 5.8 | – | 5.8 | – | 5.8 |
| | <u>1,797.4</u> | <u>–</u> | <u>5.8</u> | <u>–</u> | <u>–</u> | <u>1,803.2</u> | | | | |
| Liabilities | | | | | | | | | | |
| Notes and borrowings | – | – | – | – | 2,712.2 | 2,712.2 | – | 2,712.2 | – | 2,712.2 |
| Trade and other payables | – | – | – | – | 1,508.6 | 1,508.6 | N/A | N/A | N/A | N/A |
| Derivative liabilities | – | – | 5.3 | 5.1 | – | 10.4 | – | 10.4 | – | 10.4 |
| | <u>–</u> | <u>–</u> | <u>5.3</u> | <u>5.1</u> | <u>4,220.8</u> | <u>4,231.2</u> | | | | |
| 31 March 2023 | | | | | | | | | | |
| Assets | | | | | | | | | | |
| Long-term investments | 7.9 | 0.3 | 6.1 | – | – | 14.3 | 13.6 | 6.4 | – | 20.0 |
| Trade and other receivables | 483.0 | – | – | – | – | 483.0 | N/A | N/A | N/A | N/A |
| Cash and cash equivalents | 374.4 | – | – | – | – | 374.4 | N/A | N/A | N/A | N/A |
| | <u>865.3</u> | <u>0.3</u> | <u>6.1</u> | <u>–</u> | <u>–</u> | <u>871.7</u> | | | | |
| Liabilities | | | | | | | | | | |
| Notes and borrowings | – | – | – | – | 1,146.5 | 1,146.5 | – | 1,146.5 | – | 1,146.5 |
| Trade and other payables | – | – | – | – | 566.2 | 566.2 | N/A | N/A | N/A | N/A |
| | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>1,712.7</u> | <u>1,712.7</u> | | | | |

15. Subsequent Event

Disposal of 9.85% stake in PT Cardig Aero Services Tbk and loan settlement

On 16 April 2024, Cemerlang Pte Ltd (“Cemerlang”), a wholly-owned subsidiary of the Company sold 205,630,200 ordinary shares of PT Cardig Aero Services Tbk (“PT CAS”), representing 9.85% of the issued share capital of PT CAS to PT Raket Cipta Sentosa (the “Purchaser”) for a consideration of IDR168.6 billion (\$14.5 million).

Cemerlang and the Purchaser entered into a Put and Call Share Option Agreement at the same time, in which, Cemerlang grants to the Purchaser within the agreed option period an irrevocable and unconditional right to purchase 208,695,000 ordinary shares (“Option Shares”) in the capital of PT CAS for IDR253.4 billion (approximately \$21.8 million) and Cemerlang has the right to request the Purchaser to purchase the Option Shares for IDR171.1 billion (\$14.7 million).

The purchaser had also procured the payment of \$29.1 million to SATS Airport Services Pte Ltd, a wholly owned subsidiary of SATS, in connection with the settlement of an outstanding secured loan due from DRS Capital Pte Ltd amounting to USD15.0 million (\$20.1 million), and loan restructuring fee of \$9.0 million.

The transactions including the fair value of Option Shares resulted in a gain of \$7.2 million.

**Other Information required by Listing Rule Appendix 7.2
For full year ended 31 March 2024**

1. Audit

The condensed consolidated statement of financial position of SATS Ltd. and its subsidiaries as at 31 March 2024 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the second half and full year ended and certain explanatory notes have not been audited or reviewed.

2. Auditors' Report

Not applicable.

3. Review of Group Performance

A breakdown of Group's revenue and profit after tax for the first half year and second half year.

| | | GROUP | | |
|-------|---|-----------------------|-----------------------|---------------|
| | | 2023-24 \$ million | 2022-23 \$ million | Variance % |
| | <u>Reported in First Half Year</u> | | | |
| (i) | Revenue from continuing operations | 2,457.8 | 804.5 | + 205.5% |
| (ii) | Loss after tax before deducting non-controlling interest from continuing operations | (12.5) | (40.6) | + 69.2% |
| (iii) | Loss after tax before deducting non-controlling interest | (9.0) | (40.6) | + 77.8% |
| | <u>Reported in Second Half Year</u> | | | |
| (i) | Revenue from continuing operations | 2,691.8 | 953.8 | + 182.2% |
| (ii) | Profit after tax before deducting non-controlling interest from continuing operations | 73.0 | 2.0 | + 3,550% |
| (iii) | Profit after tax before deducting non-controlling interest | 72.7 | 2.0 | + 3,535% |

Second Half FY2023-24

SATS 2H FY24 Group revenue increased by 182.2% to \$2.7 billion over the same period last year, primarily driven by the consolidation of WFS which has given the Group increased market share and generated network synergies.

As a combined business, SATS Gateway Services revenue grew by 331% YoY to \$2.1 billion, while the Food Solutions revenue increased by 26.8% to \$591.8 million.

The Group's expenditure increased by \$1.6 billion YoY to \$2.5 billion due to volume growth, WFS consolidation and price hikes for goods and services. Additionally, the 2H FY23 Group expenditure also included \$36.3 million in government reliefs, which helped to lower the Group's overall expenditure in the previous period.

In 2H FY24, SATS recorded an operating profit of \$172.2 million, reversing a \$5.7 million loss over the same period last year.

The share of earnings of associates and joint ventures increased by 136.0% to \$65.6 million, driven by improved performance of aviation associates and joint ventures, which benefited from the travel recovery.

Through a series of commercial, operational and financial initiatives such as rate increases, improved operational excellence, cost containment and refinancing, SATS restored profitability to the business. In 2H FY24, profit attributable to owners of the company ("PATMI") improved by \$58.1 million to \$64.1 million (after taking into account higher interest expense) over the same period last year.

Full Year FY2023-24

FY24 Group revenue increased by 192.9% to a record \$5.1 billion over the same period last year, driven primarily by the consolidation of WFS, improvements in air cargo volumes, and the continuing travel recovery.

For the year, Gateway Services revenue grew 354.8% to \$4.0 billion, while Food Solutions revenue grew 27.4% to \$1.1 billion.

Group expenditure rose by 171.6% YoY to \$4.9 billion. The increase was due to several factors, including the need for more resources to handle higher volumes, inflationary pressures, and the absence of \$59.1 million of government reliefs.

In FY24, SATS Group recorded an operating profit of \$244.2 million, reversing a loss of \$48.0 million from the year before.

The share of earnings of associates and joint ventures increased by 142.3% to \$110.0 million, with improved performance from the majority of aviation associates and joint ventures.

SATS returned to the black in FY24, reporting a PATMI for the Group of \$56.4 million after taking into account higher interest expenses. The Group's performance was underpinned by the global aviation recovery, as well as increased market share and network synergies from its WFS acquisition. The PATMI for FY24 represented an \$82.9 million improvement from the \$26.5 million loss recorded in FY23.

GROUP FINANCIAL POSITION REVIEW

Total equity increased by \$44.7 million, reaching \$2.6 billion as of 31 March 2024, compared to the same date in 2023. This increase can be primarily attributed to the profit generated during the current financial period.

Non-current assets increased by \$4.6 billion to \$6.5 billion, attributed to intangible assets, right-of-use assets, investment in joint ventures, and property, plant and equipment from the acquisition of WFS.

Current assets decreased by \$773.1 million to \$1.9 billion due to the transfer of deposits placed with the notary to the seller of WFS upon completion of the WFS acquisition in April 2023. This was partially offset by higher trade and other receivables from aviation recovery and consolidation of WFS, as well as WFS' net cash acquired.

Current liabilities increased by \$2.2 billion to \$2.8 billion, mainly from the addition of WFS' lease liabilities and trade and other payables as well as a €1.04 billion bank loan obtained by SATS in 1Q FY24 to refinance WFS' debt which matured in May 2024.

€460 million out of the €1.04 billion bank loan was repaid in February 2024 using the proceeds raised from the Multicurrency Debt Issuance Programme issued in January 2024. The balance was classified as current liabilities as at 31 March 2024. The Group is focused on refinancing the outstanding €580 million loan, continuing to improve its leverage and free cash flow position.

Non-current liabilities increased by \$1.6 billion to \$3.1 billion, mainly due to the addition of WFS' lease liabilities, and deferred tax liabilities upon consolidation of WFS.

GROUP CASH FLOWS REVIEW

Net cash inflow from operating activities was higher at \$512.1 million as compared to last year mainly due to higher earnings before interest, tax and depreciation and amortization.

Net cash inflow from investing activities increased to \$68.0 million compared to an outflow of \$1,831.9 million last year. Current year net inflow was due to consolidation of cash from WFS, proceeds from disposal of subsidiary and higher dividends received from associates and joint ventures, partially offset by higher capital expenditure. The Group made a deposit with notary for the WFS acquisition resulting in cash outflow of \$1.8 billion in the previous period.

Net cash used in financing activities was at \$292.0 million compared to cash inflow of \$1,340.0 million last year mainly due to higher lease repayments in the current year attributed to WFS consolidation. The net inflow in the last financial year were attributed to €500 million term loan and rights issues proceeds for WFS acquisition.

4. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

5. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

OUTLOOK

The transformation of SATS into a global player with an expanded route network and global presence makes the Group well positioned to capitalise on strong tailwinds and positive growth momentum in air cargo and passenger traffic, which will drive sustainable long-term value-added growth in the aviation sector. Global air passenger traffic is projected to recover fully to 2019 levels by the end of 2024¹, while global air cargo traffic is forecasted to grow by 4.5%² in 2024. SATS will benefit from these trends and be further bolstered by a robust e-commerce³ sector and the growing demand for specialised services⁴ which give better yields from air cargo services.

Looking ahead, SATS' financial focus remains on reducing debt, and optimising our cash position to strengthen our balance sheet, reinvesting for sustainable growth, and returning value to shareholders.

¹ Source: <https://www.iata.org/en/iata-repository/publications/economic-reports/global-outlook-for-air-transport---december-2023---report/>

² Source: <https://www.iata.org/en/iata-repository/publications/economic-reports/global-outlook-for-air-transport---december-2023---report/>

³ Source: <https://www.aircargonews.net/iata-wcs/e-commerce-to-become-a-third-of-air-cargo-volumes/>

⁴ Source: <https://www.iata.org/globalassets/iata/pressroom/gmd/special-cargo-2023-trends.pdf>

6 Dividends

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes.

| Name of Dividend | Interim | Final |
|---------------------------|---------|-----------------------|
| Type of Dividend | Nil | Cash |
| Dividend Amount per Share | Nil | 1.5 cents |
| Tax rate | Nil | Tax exempt (one-tier) |

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) Date Payable

The proposed final dividend, if approved by shareholders on 19 July 2024, will be paid on 8 August 2024.

(d) Closure of books

NOTICE is hereby given that, subject to the approval of shareholders of the proposed final dividend being obtained at the 51st Annual General Meeting of the Company to be held on 19 July 2024, the Transfer Books and Register of Members of the Company will be closed on 26 July 2024 for the preparation of dividend warrants.

Duly completed and stamped transfers together with all relevant documents of or evidencing title received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, up to 5.00 p.m. on 25 July 2024 will be registered to determine shareholders' entitlements to the proposed final dividend. Subject as aforesaid, persons whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 25 July 2024 will be entitled to the proposed final dividend.

7 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

Not applicable.

8 Interested Person Transactions

8.1 The interested person transactions entered into during the financial year ended 31 March 2024 are as follows:

| <u>Name of interested person</u> | <u>Nature of Relationship</u> | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual) | Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than S\$100,000) |
|--|---|---|---|
| | | \$'000 | \$'000 |
| Transactions for the Sale of Goods and Services | | | |
| Ascott International Management Pte Ltd | An associate of the Company's Controlling Shareholder | – | 1,440 |
| Gategroup Trading Hong Kong Ltd | An associate of the Company's Controlling Shareholder | – | 978 |
| Scoot Pte Ltd | An associate of the Company's Controlling Shareholder | – | 979 |
| Singapore Airlines Limited | An associate of the Company's Controlling Shareholder | – | 41,402 |
| SIA Engineering Company | An associate of the Company's Controlling Shareholder | – | 8,340 |
| ST Engineering Synthesis Pte Ltd | An associate of the Company's Controlling Shareholder | – | 2,000 |
| | | – | 55,139 |
| Transactions for the Purchase of Goods and Services | | | |
| Certis CISCO Secure Logistics Pte Ltd | An associate of the Company's Controlling Shareholder | – | 156 |
| Certis Centurion Facility Company Limited | An associate of the Company's Controlling Shareholder | – | 2,587 |
| Certis CISCO Consulting Services Pte Ltd | An associate of the Company's Controlling Shareholder | – | 305 |
| NCS Communications Engineering Pte Ltd | An associate of the Company's Controlling Shareholder | – | 227 |
| NXGEN COMMUNICATIONS PTE LTD | An associate of the Company's Controlling Shareholder | – | 168 |

| <u>Name of interested person</u> | <u>Nature of Relationship</u> | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual) | Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than S\$100,000) |
|--|---|---|---|
| | | \$'000 | \$'000 |
| Gategroup Trading Hong Kong Ltd | An associate of the Company's Controlling Shareholder | – | 1,650 |
| Sembcorp Solar Singapore Pte Ltd | An associate of the Company's Controlling Shareholder | – | 150 |
| Singapore Telecommunications Ltd. | An associate of the Company's Controlling Shareholder | – | 29,303 |
| ST Engineering Mission Software & Services Pte. Ltd | An associate of the Company's Controlling Shareholder | – | 1,204 |
| ST Engineering Land MRO and Services Pte. Ltd. | An associate of the Company's Controlling Shareholder | – | 1,357 |
| ST Engineering Synthesis Pte. Ltd.. | An associate of the Company's Controlling Shareholder | – | 24,000 |
| ST Engineering (Training & Simulation Systems) Pte Ltd | An associate of the Company's Controlling Shareholder | – | 433 |
| Sygnia Pte Ltd | An associate of the Company's Controlling Shareholder | – | 312 |
| Vista Real Estate Investments Pte Ltd | An associate of the Company's Controlling Shareholder | – | 1,653 |
| | | – | 63,505 |
| Joint Venture | | | |
| Stellar Experience Pte. Ltd. | An associate of the Company's Controlling Shareholder | 6,696 | – |
| | | 6,696 | – |

Note: All the transactions set out in the above table were based on records from the Group's Register of Interested Person Transactions for the financial period under review, and include transactions whose durations exceed or which commenced before the financial period under review and/or multiple transactions with the same interested person. The transactions were based on actual or estimated values of the transactions for the entire duration of the relevant transactions in the case of fixed term contracts or annual/periodic values of the transactions in the case of open-ended contracts, taking into account agreed rates.

All the above interested person transactions were done on normal commercial terms.

9 Confirmation that the Issuer has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

10 Report of persons occupying managerial positions who are related to a director, chief executive officer or substantial shareholder.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that, to the best of its knowledge, belief and information, none of the persons occupying managerial positions in the Company or in any of its principal subsidiaries is a relative of a director, the chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Ian Chye
Company Secretary
29 May 2024
Singapore

Singapore Company Registration No: 197201770G