

Note to Editors No. 25/21 15 December 2021

SINGAPORE AIRLINES SELECTS AIRBUS A350F TO RENEW FREIGHTER FLEET

Singapore Airlines (SIA) has signed a Letter of Intent with Airbus to purchase seven A350F freighter aircraft, with options to order another five aircraft. Deliveries are scheduled to begin in the fourth quarter of 2025, when SIA will become the first airline to operate this new generation widebody freighter aircraft.

The agreement includes a swap with 15 A320neo and two A350-900 passenger aircraft that are in the SIA Group order book. This allows SIA to manage its capital expenditure, while continuing with the essential freighter renewal programme.

The A350F can carry a similar volume of cargo as the Boeing 747-400F, which it will replace in the SIA fleet. It burns up to 40% less fuel on similar missions to provide better operating economics, and boasts a longer range that offers greater flexibility in aircraft deployment. The A350F is powered by the Rolls-Royce Trent XWB-97 engine. For more information, please see Annexe A.

Renewing the freighter fleet reflects SIA's continued investment in the air cargo segment, which is a core business for the Company. SIA has bolstered its cargo capabilities over the last few years, especially in key segments such as e-commerce, fresh produce, and pharmaceuticals. Adding the A350Fs will reinforce SIA's leading position in the sector, while strengthening Singapore's position as a global air cargo hub. For more information on SIA's cargo business, please see Annexe B.

The deal also supports the SIA Group's sustainability goals, and its commitment to achieve net zero carbon emissions by 2050. Operating a young fleet of modern aircraft is the most immediate and effective way for airlines to materially lower their carbon footprint. Replacing the 747-400Fs with the A350Fs would cut SIA's carbon emissions by around 400,000 tonnes annually, based on current operations. As the A350Fs and the other new-generation aircraft that are in its order book enter into service, the Group's future fleet will remain one of the youngest in the industry.

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Mr Goh Choon Phong, Chief Executive Officer, Singapore Airlines, said: "This agreement with Airbus reinforces SIA's position as a leading global air cargo carrier, while advancing our sustainability goals. It also ensures that we are prudent with our capital expenditure, and adjusts our passenger aircraft order book to give us the flexibility needed to navigate uncertainties in the recovery trajectory. The A350Fs will replace our seven 747-400F freighters, with the options providing the ability to adapt our requirements to future demand in the cargo market.

"The pandemic has underscored the importance of investing in the cargo business, and bolstering the SIA Group's diverse revenue streams. Air cargo also plays a vital role in keeping open global supply chains, especially to transport essential goods during these times. SIA has worked closely with our partners in Singapore and around the world to deliver items such as vaccines, personal protection equipment, and food supplies, and we will continue to support such efforts."

Please refer <u>here</u> for a high-resolution image of the A350F.

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Singapore Company Registration Number: 197200078R

ANNEXE A

The Airbus A350F Freighter

The newly launched Airbus A350F freighter aircraft leverages the benefits of the successful A350 passenger aircraft programme, using advanced aerodynamics and fuel efficiency technology to maximise efficiency in terms of fuel burn, carbon dioxide emissions, and economics.

The A350F uses over 70% advanced materials such as composites, titanium, and modern aluminium alloys to create a lighter and more cost-efficient aircraft, while increasing resistance to corrosion and reducing maintenance requirements.

This, together with the A350F's Rolls-Royce Trent XWB-97 engines, enables a step change of up to 40% better economic and fuel efficiency versus older generation freighters. The A350F is also capable of meeting the 2027 International Civil Aviation Organization (ICAO) emissions standard.

The A350F can carry a similar volume of cargo to the Boeing 747-400F, which it will replace in the SIA fleet, with the capability to ferry payloads of some 109 tonnes. Further details on the aircraft are below.

	Airbus A350F	Boeing 747-400F
Length	70.61m	70.7m
Max Take Off Weight	319 tonnes	395 tonnes
Max Payload (structural)	109 tonnes	116 tonnes
Volume	728m ³	738m ³
Range	4,700 nm	4,500 nm
Engine	Rolls-Royce TXWB-97	Pratt & Whitney PW4056

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ANNEXE B

SINGAPORE AIRLINES CARGO

The Singapore Airlines cargo division (SIA Cargo) serves over 90 destinations with a fleet of seven Boeing 747-400F freighter aircraft, as well as via the SIA Group's modern passenger aircraft fleet.

In the first half of FY2021/22, SIA's cargo flown revenue grew by 51.2% to a record S\$1,875 million. The strong performance reflected the capacity crunch in air freight and ocean freight, as well as ongoing supply chain disruptions that continue to drive the demand for air freight.

The SIA Group aims to further expand its cargo capabilities, capitalising on healthy demand fuelled by growth in e-commerce, fresh produce, and pharmaceuticals, among other segments. Some of its recent initiatives include:

THRUCOOL

SIA provides safe and reliable transportation of time-sensitive and temperaturecontrolled pharmaceutical cargo through THRUCOOL¹, its state-of-the-art cold chain service. SIA's THRUCOOL capabilities were boosted in August 2021 with the addition of Envirotainer's temperature controlled Releye® RLP container. This provides customers with live monitoring access, volume optimisation for cost efficiency, and enhanced temperature stability.

Singapore's geographical location, coupled with SIA's extensive network connectivity, and the advanced handling capabilities at Singapore Changi Airport, positions it as a key transit hub for the transportation and distribution of pharmaceuticals around the world.

¹ SIA Cargo launched THRUCOOL in September 2018 as a cold chain service to transport high-value, timesensitive and temperature-controlled pharmaceutical cargo with speed and reliability. The service includes priority uplift and handling, quick ramp transfers at airports, cold room facilities, as well as thermal blankets and covers for crucial insulation from external factors.

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Vaccine Transportation

Several countries have tapped on SIA Cargo to support their national Covid-19 vaccination programmes. In addition to shipping vaccines into Singapore, SIA has transported vaccine shipments from AstraZeneca, Johnson & Johnson, Moderna, Pfizer-BioNTech, SinoPharm, and Sinovac to countries such as Australia, Indonesia, and New Zealand.

SIA has also delivered Covid-19 vaccines to countries such as Brunei, Bhutan, Laos, Papua New Guinea, the Philippines, the Solomon Islands, and Timor-Leste as part of the UNICEF Humanitarian Airfreight Initiative.

Transportation of Essential Supplies

SIA, the Temasek Foundation, and the World Food Programme joined hands in August 2020 to support the global Covid-19 response, helping to transport essential medical supplies, as well as other health and humanitarian items, by air to points of need around the world. Under this agreement, SIA made ad-hoc charter flights and freight space available for these humanitarian operations on a cost-recovery basis. The agreement was extended in July 2021, allowing SIA and its partners to continue supporting communities in need during the pandemic.

THRUFRESH

SIA's THRUFRESH service offers the swift and reliable delivery of time- and temperature-sensitive perishable cargo such as live seafood, chilled meat, fruits, and vegetables. Its features include dedicated cold chain services such as priority uplift and handling, quick ramp transfers, and cold room facilities to safeguard the integrity of perishables.

SIA has also attained the International Air Transport Association's (IATA) Centre of Excellence for Independent Validators in Perishable Logistics (CEIV Fresh) certification. This recognises SIA ability to meet the industry's highest standards with regard to food safety, and prevent food waste along the supply chain.

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Parxl

Parxl is SIA Cargo's new blockchain-based e-commerce logistics platform, which is designed to meet the international shipping needs of e-retailers by offering a seamless and fast cross-border delivery experience right to the consumer's doorstep. Parxl provides merchants with end-to-end visibility of shipped packages, and access to SIA's global airfreight network and portfolio of regional delivery specialists, while functioning as a singular touchpoint for all partners along the supply chain.

Voluntary Carbon Offset Programme

In June 2021, the SIA Group introduced a voluntary carbon offset programme, which enables its customers to offset their own carbon emissions via dedicated microsites. Since July 2021, this option has been open to SIA's cargo customers. These contributions will go towards protecting forests in Indonesia, supporting renewable solar energy projects in India, and providing efficient, clean burning cookstoves for rural families in Nepal.