



**SATS Ltd.**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 197201770G)



## OFFER INFORMATION STATEMENT

### RENOUNCEABLE UNDERWRITTEN RIGHTS ISSUE OF 363,111,486 RIGHTS SHARES

**S\$2.20 for each Rights Share**

**323 Rights Shares  
for every 1,000 existing Shares**

held by Entitled Shareholders as at the Record Date,  
fractional entitlements to be disregarded.

### IMPORTANT DATES AND TIMES

**Last date and time for splitting and trading of Rights**

15 March 2023 at 5.00 p.m.

**Last date and time for acceptance of and payment for Rights Shares and/ or application and payment for Excess Rights Shares (as defined herein)**

21 March 2023 at 5.30 p.m.  
(9.30 p.m. for Electronic Applications through ATMs of the Participating Banks or through an Accepted Electronic Service)

**THIS DOCUMENT IS IMPORTANT. BEFORE MAKING ANY INVESTMENT IN THE RIGHTS OR THE RIGHTS SHARES (EACH AS DEFINED HEREIN) BEING OFFERED, YOU SHOULD CONSIDER THE INFORMATION PROVIDED IN THIS DOCUMENT CAREFULLY, AND CONSIDER WHETHER YOU UNDERSTAND WHAT IS DESCRIBED IN THIS DOCUMENT. YOU SHOULD ALSO CONSIDER WHETHER AN INVESTMENT IN THE RIGHTS OR THE RIGHTS SHARES BEING OFFERED IS SUITABLE FOR YOU, TAKING INTO ACCOUNT YOUR INVESTMENT OBJECTIVES AND RISK APPETITE. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER. YOU ARE RESPONSIBLE FOR YOUR OWN INVESTMENT CHOICES.**

A copy of this offer information statement (the “Offer Information Statement”), together with a copy of each of the Application Form for Rights Shares and Excess Rights Shares (the “ARE”), the Application Form for Rights Shares (the “ARS”) and the Provisional Allotment Letter in respect of the Rights Issue (as defined herein) (the “PAL”), has been lodged with the Monetary Authority of Singapore (the “MAS”). The MAS assumes no responsibility for the contents of this Offer Information Statement, the ARE, the ARS and the PAL. Lodgement of this Offer Information Statement, the ARE, the ARS and the PAL with the MAS does not imply that the Securities and Futures Act 2001 of Singapore (the “SFA”), or any other legal or regulatory requirements, have been complied with. The MAS has not, in any way, considered the merits of the Rights or the Rights Shares being offered, or in respect of which an invitation is made, for investment.

Approval in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for the listing of and quotation for the Rights Shares on the Main Board of the SGX-ST, subject to

certain conditions. The Rights Shares will be admitted to the Official List of the SGX-ST and official quotation will commence after all the conditions imposed by the SGX-ST are satisfied and the certificates for the Rights Shares have been issued.

The SGX-ST assumes no responsibility for the correctness or accuracy of any of the statements made, reports contained and opinions expressed in this Offer Information Statement. Approval in-principle granted by the SGX-ST for the listing of and quotation for the Rights Shares on the Main Board of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Rights, SATS Ltd. (the “Company”), its subsidiaries (together with the Company, the “Group”) and/or the ordinary shares in the capital of the Company (the “Shares”).

This Offer Information Statement shall not constitute an offer to sell or a solicitation of an offer to buy shares or other securities, including the Rights and the Rights Shares in any jurisdiction other than Singapore. This Offer Information Statement may not be sent or disseminated to any person or any jurisdiction in which it would not be permissible to deliver the Rights and the Rights Shares or make an offer of the Rights and the Rights Shares and the Rights and the Rights Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, to any such person or in any such jurisdiction. The distribution or dissemination of this Offer Information Statement and/or the transfer of the Rights and the Rights Shares into jurisdictions other than Singapore may be prohibited or restricted by law. Persons into whose possession this Offer Information Statement comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Rights and the Rights Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended and modified from time to time

(the “Securities Act”) or under any securities laws of any state or other jurisdiction of the United States (“U.S.”), and may not be offered, resold, allotted, taken up, exercised, pledged, transferred or delivered, directly or indirectly, within the U.S. except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the U.S.. The Rights and the Rights Shares are being offered and sold (i) in the U.S. in transactions exempt from the registration requirements of the Securities Act to “qualified institutional buyers” (as defined in Rule 144A under the Securities Act) (“QIBs”) who have provided to the Company (and the Company has accepted) a signed Investor Representation Letter, and (ii) outside the U.S. in “offshore transactions” as defined in, and in reliance on, Regulation S under the Securities Act.

This Offer Information Statement and its accompanying documents has been made available on the SGX-ST’s website at <https://www.sgx.com/securities/company-announcements> and will be made available on the Company’s corporate website at <https://www.sats.com.sg/investors/going-global>. In accordance with the Securities and Futures (Offers of Investments) (Temporary Exemption from Sections 277(1)(c) and 305(B)(1)(b) Regulations 2020), physical copies of this Offer Information Statement will NOT be despatched to any person. Physical copies of the OIS Notification Letter and the Gatefold, the ARE and the ARS, in the case of Entitled Depositors and Purchasers respectively, and the PAL in the case of Entitled Scripholders, will be despatched to Entitled Shareholders.

No Rights or Rights Shares shall be allotted or allocated on the basis of this Offer Information Statement later than six months after the date of lodgement of this Offer Information Statement.

Lead Financial Adviser  
for the Rights Issue



Joint Financial Advisers  
for the Rights Issue



Joint Underwriters  
for the Rights Issue



Co-Lead Managers for the Rights Issue



## Issue Price

**S\$2.20<sup>1</sup> per Rights Share, representing a discount of approximately:**

- i. 16.0% to the theoretical ex-rights price of S\$2.62<sup>2</sup> per Share
- ii. 20.0% to the last transacted price of the Shares on the Main Board of the SGX-ST of S\$2.75 on the Last Trading Day



## Entitlement

**Entitled Shareholders will be offered 323 Rights Shares for every 1,000 existing Shares held as at 5.00 p.m. on 2 March 2023. Fractional entitlements to be disregarded.**



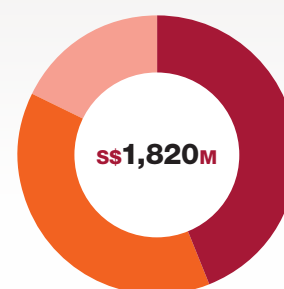
## Key Dates to Remember

Record date and time	Thursday, 2 March 2023 at 5.00 p.m.
Commencement of trading of Rights	Tuesday, 7 March 2023 from 9.00 a.m.
First date and time for acceptance of and payment for Rights Shares and/or application and payment for Excess Rights Shares <sup>3</sup>	Tuesday, 7 March 2023 (9.00 a.m. for Electronic Applications through ATMs of the Participating Banks or through an Accepted Electronic Service)
Last date and time for splitting and trading of Rights	Wednesday, 15 March 2023 at 5.00 p.m.
Last date and time for acceptance of and payment for Rights Shares and/or application and payment for Excess Rights Shares <sup>3</sup>	Tuesday, 21 March 2023 at 5.30 p.m. (9.30 p.m. for Electronic Applications through ATMs of the Participating Banks or through an Accepted Electronic Service)
Expected date of allotment, issuance and crediting of Rights Shares	Wednesday, 29 March 2023
Expected date of commencement of trading of Rights Shares	Wednesday, 29 March 2023

## Use of Proceeds

**SATS will fund the total acquisition cost of the WFS Acquisition of approximately €1,313 million (approximately equivalent to S\$1,820 million) through:**

- Net Proceeds from the Rights Issue
- A three-year Euro-denominated term loan equivalent to approximately S\$700 million from SATS' principal bankers
- Cash from the Company's existing cash balance to fund the remainder of the total acquisition cost



- Net Proceeds from the Rights Issue
- Term Loan
- Internal Cash

### Notes

- <sup>1</sup> The Issue Price and discounts have been determined after taking into account various factors including precedent transactions, the transaction size and discussions with the Financial Advisers and Joint Underwriters and the Co-Lead Managers.
- <sup>2</sup> Such theoretical ex-rights price is the theoretical market price of each Share assuming the completion of the Rights Issue, and is calculated based on the last transacted price of the Shares on the Main Board of the SGX-ST on the Last Trading Day of S\$2.75, and the number of Shares following the completion of the Rights Issue.
- <sup>3</sup> This does not apply to CPFIS Members, SRS Investors and investors who hold Shares through a finance company and/or Depository Agent. Please refer to the section "Important Notice to (A) CPFIS Members, (B) SRS Investors, and (C) Investors who hold Shares through a Finance Company and/or Depository Agent" of this Offer Information Statement.

## Rationale for the WFS Acquisition and Rights Issue

SATS will create a pre-eminent global air cargo handling platform with a global footprint of 201 cargo and ground stations in 23 countries to drive future growth and secure greater earnings resilience.



SATS believes the funding plan provides a prudent and balanced mix of sources and presents Shareholders with an optimal value proposition for the WFS Acquisition.

## Bank Underwriting and Subscription Commitment

Venezio Investments Pte. Ltd. (“**Venezio**”), an indirect wholly-owned subsidiary of Temasek Holdings (Private) Limited (“**Temasek**”), has given the Undertaking to subscribe and pay in full for, or procure the subscription and payment in full of its *pro rata* 39.68% entitlement under the Rights Issue. No commission or fee will be paid to Temasek or Venezio for the provision of the Undertaking.

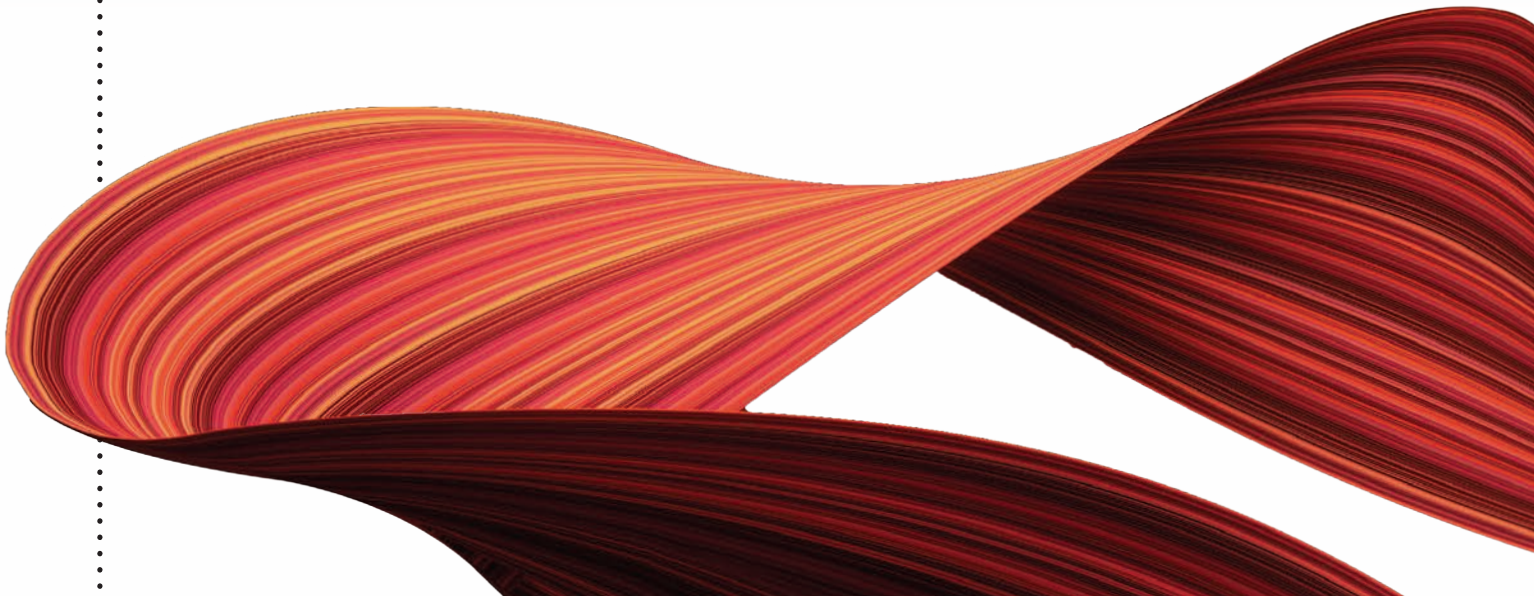


The remaining 60.32% of the Rights Issue is underwritten by DBS, BofA Securities, Citi, OCBC and UOB.

In addition, Directors who are also Shareholders intend to subscribe for their *pro rata* entitlements.

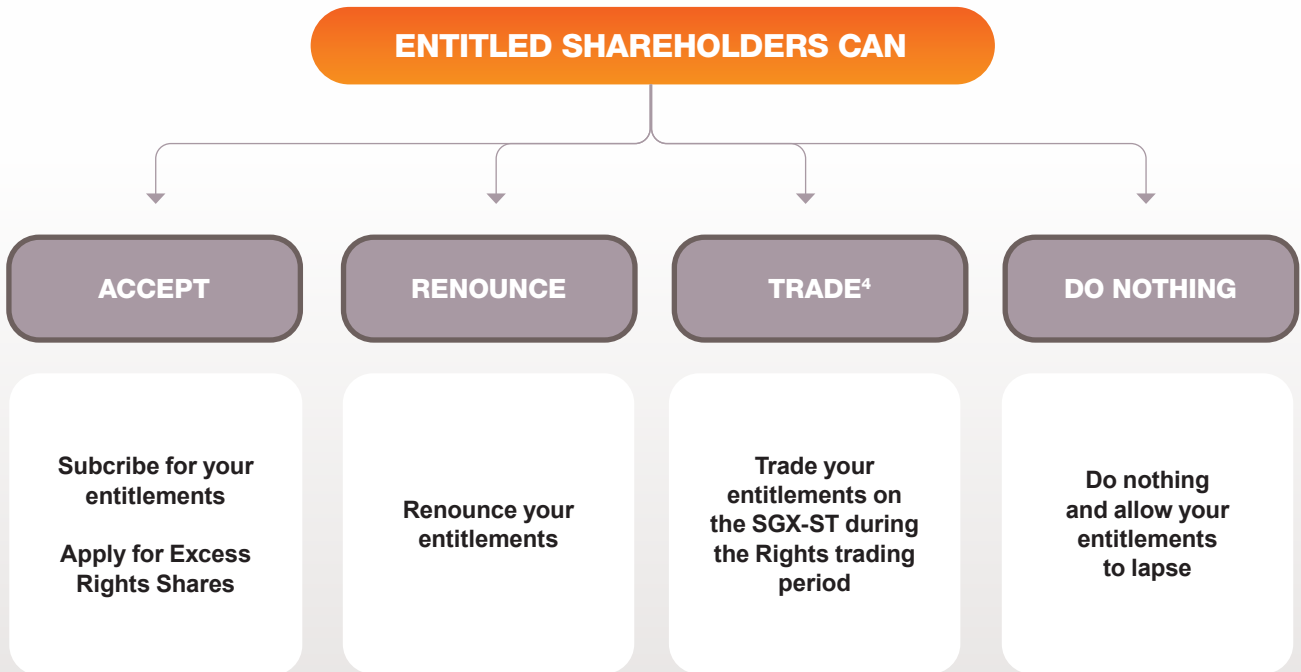
## Eligibility to Participate

**Only Entitled Shareholders will receive provisional allotment of Rights Shares on the basis of their shareholdings in SATS as at the Record Date of 5.00 p.m. on 2 March 2023.**

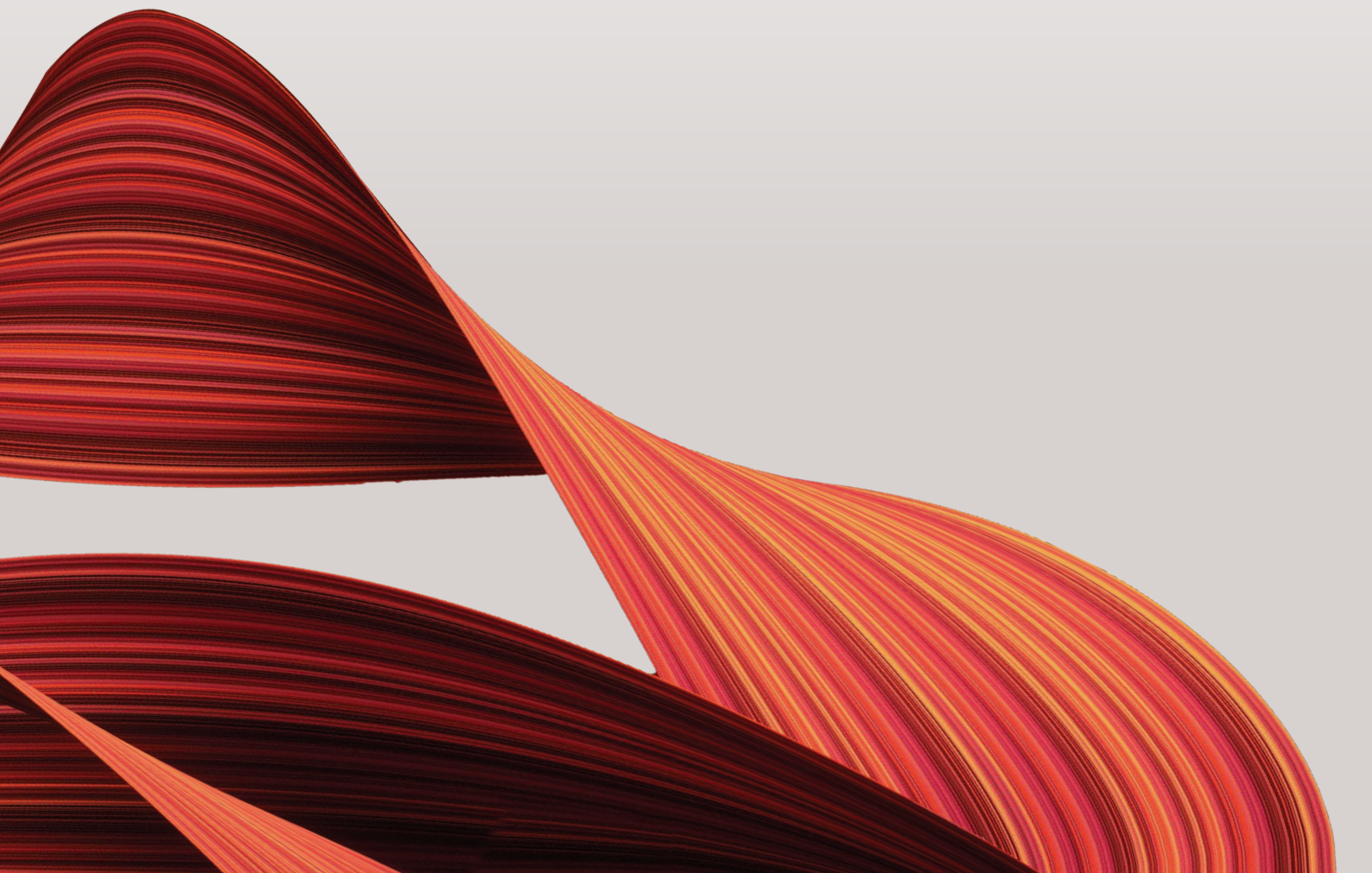


# What should I do next?

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<sup>4</sup> For Entitled Depositors only.



# How do I Subscribe?

## ENTITLED DEPOSITORS



Shareholders who hold Shares in their CDP securities accounts can apply through the following methods



ATMs of Participating Banks or Accepted Electronic Services (such as PayNow)

### Participating Banks are:

DBS Bank Ltd. (including POSB Bank)  
Oversea-Chinese Banking Corporation Limited  
United Overseas Bank Limited

### PayNow

For more information relating to applying via Accepted Electronic Services (including PayNow), please refer to [www.sgx.com/cdp/faq](http://www.sgx.com/cdp/faq) for further information.

Alternatively, you may contact:

**The Central Depository (Pte) Limited**  
Telephone: 6535 7511  
Monday to Friday – 8.30 a.m. to 5.00 p.m.  
Saturday – 8.30 a.m. to 12.00 p.m.



ARE Forms

To be submitted to CDP

The image shows a sample of the 'APPLICATION FORM FOR RIGHTS SHARES AND EXCESS RIGHTS SHARES (ARE)' from SATS LTD. The form includes sections for:
 

- A. KNOW YOUR HOLDINGS & ENTITLEMENT:** A table with columns for 'Number of Shares', 'Shares as at 5.00 p.m. on 2 March 2023', 'Number of Rights Shares', and 'Issue Price'.
- B. SELECT YOUR APPLICATION OPTIONS:** Three options: 1. PayNow, 2. ATM, and 3. Form.
- C. DECLARATION:** A section for providing details of the application, including the total number of rights shares applied for and the bank's name.

# How do I Subscribe?

## ENTITLED SCRIPHOLDERS



Provisional Allotment Letters (PAL) to be submitted to the Share Registrar, M & C Services Private Limited

## CPFIS MEMBERS SRS INVESTORS

### INVESTORS HOLDING THROUGH FINANCE COMPANIES AND/OR DEPOSITORY AGENTS

#### Use of CPF Investment Scheme (CPF Funds)

If you bought Shares using CPF Funds and wish to accept your Rights Shares and (if applicable) apply for excess Rights Shares, you must use monies standing to the credit of your CPF Investment Account

Please contact your  
**CPF Agent Bank**

#### Use of Supplementary Retirement Scheme (SRS Funds)

If you wish to accept your Rights Shares and (if applicable) apply for excess Rights Shares, you must use monies standing to the credit of your SRS Account

Please contact your  
**SRS Approved Bank**

#### Holding through finance company and/or Depository Agent

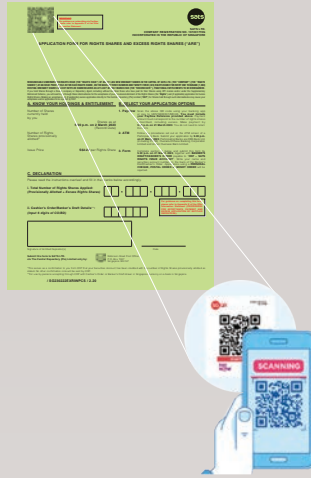
If you wish to participate in the Rights Issue, you should provide your finance company or Depository Agent with appropriate instructions by the deadlines set by them

Please contact your  
**finance company or  
Depository Agent**

# Steps to Subscribe via PayNow

## Step 1

Scan QR Code using your bank mobile app



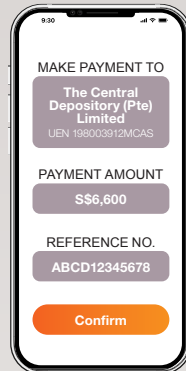
Please ensure that you have the following set up before subscribing via PayNow:

1. Daily limit to meet your transfer request (up to S\$200,000 per transaction, capped at a daily fund transfer limit set with your bank, whichever is lower). You can submit multiple PayNow transactions on the same day and across different days if required.
2. Notification to alert you on the transfer and refund status (Please turn on the setting in your bank account notifications).
3. 12-character PayNow reference pre-printed on top right-hand corner of the form.
4. Payment amount = Issue Price per Rights Share x Total Number of Rights Shares Applied (including provisionally allocated and excess), rounded down to the nearest cent.

\* Please ensure that the security code and the last eight digits of your securities account number are entered correctly. CDP will reject the application if the information entered is invalid.

## Step 2

Enter "PAYMENT AMOUNT" and "REFERENCE NO."



For example, if you are allotted 2,090 Rights Shares and would like to apply for an additional 910 Rights Shares:

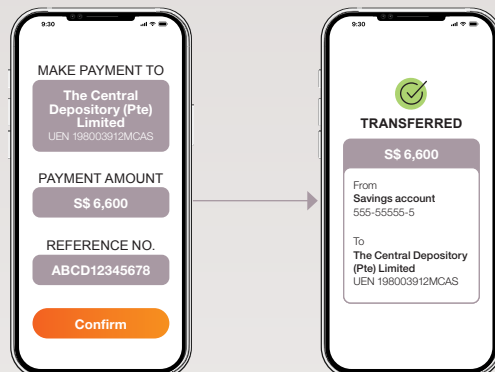
- Issue Price : S\$ 2.20
- Number of Rights Shares : 3,000 (Allotted = 2,090, Excess = 910)
- Payment amount : S\$ 2.20 x 3,000 = S\$ 6,600

Enter in the PayNow reference no.

12-character  
e.g. ABCD12345678

## Step 3

Review and confirm transfer



### IMPORTANT NOTES:

1. Please make sure the 12-character PayNow Reference is entered correctly. CDP will reject the application if the information entered is invalid.
2. Payment from rejected applications will be refunded to your originating bank account. To be notified of the refund, please turn on the setting in your bank account notification.
3. CDP aggregates payments received on the same day as one instruction.
4. CDP will determine the number of rights applied using total payment received on each day, ignoring resultant fractional cent payable if any.
5. Post allocation, CDP will refund any excess amount to your Direct Crediting Service (DCS) bank account.

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## IMPORTANT NOTICE

Capitalised terms used which are not otherwise defined herein shall have the same meanings as ascribed to them in the section titled “*Definitions*” of this Offer Information Statement.

**For Entitled Depositors and their renounees, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares may be made through CDP or by way of an Electronic Application at an ATM of a Participating Bank or through an Accepted Electronic Service.**

**For Entitled Scripholders and their renounees, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares may be made through M & C Services Private Limited (the “Share Registrar”).**

**CPFIS Members, SRS Investors and investors who hold Shares through a finance company and/or Depository Agent should refer to the section “*Important Notice to (A) CPFIS Members, (B) SRS Investors and (C) Investors who hold Shares through a Finance Company and/or Depository Agent*” for important details relating to the offer procedure for them.**

**For renounees of Entitled Shareholders or Purchasers whose purchases are settled through finance companies or Depository Agents, acceptances of Rights Shares purchased must be made through the respective finance companies or Depository Agents, as the case may be. Such renounees and Purchasers are advised to provide their respective finance companies or Depository Agents, as the case may be, with the appropriate instructions no later than the deadlines set by such intermediaries in order for such intermediaries to make the relevant acceptances of Rights Shares on their behalf by the Closing Date. Any acceptance made by such investors directly through CDP, Electronic Applications at ATMs of Participating Banks or through an Accepted Electronic Service, the Share Registrar and/or the Company will be rejected.**

The existing Shares are listed and quoted on the Main Board of the SGX-ST.

Persons wishing to purchase the Rights or subscribe for the Rights Shares offered by this Offer Information Statement should, before deciding whether to so purchase or subscribe, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of the affairs of the Company and the Group, including but not limited to the assets and liabilities, profits and losses, financial position and performance, and prospects of the Company and the Group and the rights and liabilities attaching to the Rights and Rights Shares. They should rely, and shall be deemed to have relied, on their own independent enquiries and investigations of such affairs of the Company and the Group, including but not limited to the assets and liabilities, profits and losses, financial position and performance, and prospects of the Company and the Group, as well as any bases and assumptions upon which financial projections, if any, are made or based, and their own appraisal and determination of the merits of investing in the Company and the Group. Persons in doubt as to the action they should take should consult their business, financial, legal, tax or other professional adviser before deciding whether to participate in the Rights Issue.

No person has been authorised to give any information or to make any representations, other than those contained in this Offer Information Statement, in connection with the Rights Issue or the issue of the Rights Shares and, if given or made, such information or representations must not be relied upon as having been authorised by the Company, the Group, the Financial Advisers and Joint Underwriters, and the Co-Lead Managers. Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future financial condition, performance, prospects or policies of the Company or the Group. Neither the dissemination of this Offer Information Statement nor the issue of the Rights Shares shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no material change in the affairs of the Company or the Group, or any of the information contained herein since the date hereof. Where such changes occur after

the date hereof and are material, or are required to be disclosed by law and/or the SGX-ST, the Company will make an announcement of the same via SGXNET and, if required, lodge a supplementary or replacement document with the MAS. All Entitled Shareholders and their renounees should take note of any such announcement and, upon the release of such announcement or lodgement of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

The Company, the Financial Advisers and Joint Underwriters and the Co-Lead Managers make no representation to any person regarding the legality of an investment in the Rights, the Rights Shares and/or the Shares by such person under any investment or any other laws or regulations. No information in this Offer Information Statement should be considered to be business, financial, legal or tax advice.

The Financial Advisers and Joint Underwriters and the Co-Lead Managers make no representation, warranty or recommendation whatsoever as to the merits of the Rights, the Rights Issue, the Rights Shares, the Shares, the Company, the Group or any other matter related thereto or in connection therewith.

Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to accept or purchase the Rights, the Rights Shares or the Shares.

This Offer Information Statement and the accompanying documents have been prepared solely for the purpose of the acceptance and subscription of the Rights Shares under the Rights Issue, and may not be relied upon by any persons (other than Entitled Shareholders to whom it is despatched or disseminated by the Company, their renounees and Purchasers) or for any other purpose.

This Offer Information Statement, the OIS Notification Letter, the Gatefold, the ARE, the ARS and the PAL, may not be used for the purpose of, and do not constitute, an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

**The dissemination of this Offer Information Statement and the distribution of the OIS Notification Letter and the Gatefold and/or its accompanying documents may be prohibited or restricted by law (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of these jurisdictions. Entitled Shareholders or any other persons having access to the electronic version of this Offer Information Statement and/or having possession of this Offer Information Statement are advised to keep themselves informed of and observe such prohibitions and restrictions at their own expense and without liability to the Company, the Financial Advisers and Joint Underwriters, the Co-Lead Managers or any other person involved in the Rights Issue. By accepting this Offer Information Statement and/or its accompanying documents, you agree to be bound by the foregoing instructions. Please refer to the section titled “Offering, Selling and Transfer Restrictions” of this Offer Information Statement.**

The Rights and the Rights Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the U.S. or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights or the Rights Shares or the accuracy or adequacy of this Offer Information Statement. Any representation to the contrary may be a criminal offence in the U.S.

**Notification under Section 309B of the SFA:** The provisional allotments of Rights Shares and the Rights Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## **IMPORTANT NOTICE TO (A) CPFIS MEMBERS, (B) SRS INVESTORS AND (C) INVESTORS WHO HOLD SHARES THROUGH A FINANCE COMPANY AND/OR DEPOSITORY AGENT**

Capitalised terms used which are not otherwise defined herein shall have the same meanings as ascribed to them in the section titled “*Definitions*” of this Offer Information Statement.

For CPFIS Members, SRS Investors and investors who hold Shares through finance companies or Depository Agents, acceptances of the Rights and (if applicable) applications for Excess Rights Shares must be done through their respective approved CPF agent banks with whom they hold their CPF Investment Accounts, their respective SRS Approved Banks with whom they hold their SRS accounts, and their respective finance companies or Depository Agents, respectively.

**ANY ACCEPTANCE AND/OR (IF APPLICABLE) APPLICATION MADE DIRECTLY BY THE ABOVE-MENTIONED PERSONS THROUGH CDP, ELECTRONIC APPLICATIONS THROUGH ATMS OF THE PARTICIPATING BANKS OR THROUGH AN ACCEPTED ELECTRONIC SERVICE, THE SHARE REGISTRAR AND/OR THE COMPANY WILL BE REJECTED.**

The above-mentioned persons, where applicable, will receive notification letter(s) from their respective approved CPF agent banks with whom they hold their CPF Investment Accounts, their respective SRS Approved Banks with whom they hold their SRS accounts, and their respective finance companies or Depository Agents, as the case may be, and should refer to such notification letter(s) for details of the last date and time to submit acceptances of the Rights and (if applicable) applications for Excess Rights Shares to their respective approved CPF agent banks with whom they hold their CPF Investment Accounts, their respective SRS Approved Banks with whom they hold their SRS accounts, and their respective finance companies or Depository Agents, as the case may be.

Such persons are advised to provide their respective approved CPF agent banks with whom they hold their CPF Investment Accounts, their respective SRS Approved Banks with whom they hold their SRS accounts, and their respective finance companies or Depository Agents, as the case may be, with the appropriate instructions no later than the deadlines set by such intermediaries, in order for such intermediaries to make the relevant acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares on their behalf in accordance with the terms and conditions in this Offer Information Statement by the Closing Date.

### **(i) Use of CPF Funds**

CPFIS Members can only use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts to pay for the acceptance of their Rights and (if applicable) application for Excess Rights Shares.

Such CPFIS Members who wish to accept their Rights and (if applicable) apply for Excess Rights Shares using their CPF Funds must have sufficient funds in their CPF Investment Accounts and will need to instruct their respective approved CPF agent banks with whom they hold their CPF Investment Accounts, to accept the Rights and (if applicable) apply for Excess Rights Shares on their behalf in accordance with this Offer Information Statement.

In the case of insufficient CPF Funds or stock limit, CPFIS Members could top-up cash into their CPF Investment Accounts before instructing their respective approved CPF agent banks to accept their Rights and (if applicable) apply for Excess Rights Shares on their behalf.

CPF Funds cannot, however, be used for the purchase of Rights directly from the market.

**(ii) Use of SRS Funds**

SRS Investors can only use, subject to applicable SRS rules and regulations, monies standing to the credit of their respective SRS accounts to pay for the acceptance of their Rights and (if applicable) application for Excess Rights Shares.

Such SRS Investors who wish to accept their Rights and (if applicable) apply for Excess Rights Shares using SRS monies will need to instruct their respective SRS Approved Banks with whom they hold their SRS accounts to accept the Rights and (if applicable) apply for Excess Rights Shares on their behalf in accordance with this Offer Information Statement.

SRS Investors who have insufficient funds in their SRS accounts could, subject to the SRS contribution cap, deposit cash into their SRS accounts with their respective SRS Approved Banks before instructing their respective SRS Approved Banks to accept the Rights and (if applicable) apply for Excess Rights Shares on their behalf.

SRS monies cannot, however, be used for the purchase of Rights directly from the market.

**(iii) Holdings through a Finance Company and/or Depository Agent**

Investors who hold Shares through a finance company and/or Depository Agent will need to instruct their respective finance company and/or Depository Agent to accept the Rights and (if applicable) apply for Excess Rights Shares on their behalf in accordance with this Offer Information Statement.

## **CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS**

All statements contained in this Offer Information Statement, statements made in public announcements, press releases and oral statements that may be made by the Company or its Directors, officers or employees acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words that have a bias towards the future or are forward-looking such as, without limitation, “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or other similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group’s expected financial position, operating results, business strategies, plans and prospects are forward-looking statements. These forward-looking statements, including but not limited to statements as to the Group’s revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group’s actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

As there are risks (both known and unknown), uncertainties and other factors that may cause the Group’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements. The Group’s actual results, performance or achievements may differ materially from those anticipated in these forward-looking statements. Neither the Company, the Financial Advisers and Joint Underwriters, the Co-Lead Managers nor any other person represents or warrants that the Group’s actual future results, performance or achievements will be as discussed in those statements.

Further, each of the Company, the Financial Advisers and Joint Underwriters and the Co-Lead Managers disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. Where such developments, events or circumstances occur and are material, or are required to be disclosed by law and/or the SGX-ST, the Company will make an announcement via SGXNET and, if required, lodge a supplementary or replacement document with the MAS.

## DEFINITIONS

For the purpose of this Offer Information Statement, the OIS Notification Letter, the Gatefold, the ARE, the ARS and the PAL, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:

<b>“1H2022”</b>	:	The six months ended 30 September 2021
<b>“1H2023”</b>	:	The six months ended 30 September 2022
<b>“3Q2022”</b>	:	The three months ended 31 December 2021
<b>“3Q2023”</b>	:	The three months ended 31 December 2022
<b>“9M2022”</b>	:	The nine months ended 31 December 2021
<b>“9M2023”</b>	:	The nine months ended 31 December 2022
<b>“Accepted Electronic Service”</b>	:	An accepted payment service (such as PayNow) or electronic service delivery network
<b>“Acquisition Bridge Facility”</b>	:	An acquisition bridge facility for a Singapore Dollar equivalent amount of up to €1,200 million (approximately equivalent to S\$1,657 million <sup>1</sup> ), which has been amended to the Bridge Loan and the Term Loan
<b>“ARE”</b>	:	Application form for Rights Shares and Excess Rights Shares issued to Entitled Depositors in respect of their Rights under the Rights Issue
<b>“ARS”</b>	:	Application form for Rights Shares issued to Purchasers in respect of their purchase of Rights traded on the SGX-ST through the book-entry (scripless) settlement system
<b>“ATM”</b>	:	Automated teller machine of a Participating Bank
<b>“Board of Directors”</b>	:	The board of Directors of the Company as at the date of this Offer Information Statement
<b>“BofA Securities”</b>	:	Merrill Lynch (Singapore) Pte. Ltd.
<b>“Bridge Loan”</b>	:	The S\$1,000 million six-month bridge loan (which can be utilised in either Singapore Dollars or Euros and which tenor can be extended at the option of the Company by a further six months), which has been obtained by the Company following an amendment to the Acquisition Bridge Facility
<b>“CAG”</b>	:	Changi Airport Group (Singapore) Pte. Ltd.
<b>“CDP”</b>	:	The Central Depository (Pte) Limited

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1 Based on a € to S\$ exchange rate of 1:1.3809, which was the exchange rate as at 27 September 2022.

<b>“Citi”</b>	:	Citigroup Global Markets Singapore Pte. Ltd.
<b>“Circular”</b>	:	The Company’s circular dated 3 January 2023
<b>“Closing Date”</b>	:	(i) 5.30 p.m. on 21 March 2023 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), being the last time and date for acceptance of and/or excess application and payment for the Rights Shares under the Rights Issue through CDP or the Share Registrar; or  (ii) 9.30 p.m. on 21 March 2023 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), being the last time and date for acceptance of and/or excess application and payment for the Rights Shares under the Rights Issue through an ATM of a Participating Bank or through an Accepted Electronic Service
<b>“Co-Lead Managers”</b>	:	OCBC and UOB
<b>“Companies Act”</b>	:	Companies Act 1967 of Singapore, as amended or modified from time to time
<b>“Company” or “SATS”</b>	:	SATS Ltd.
<b>“Constitution”</b>	:	The Constitution of the Company, as amended, modified, or supplemented from time to time
<b>“CPF”</b>	:	Central Provident Fund
<b>“CPF Funds”</b>	:	CPF investible savings
<b>“CPF Investment Account”</b>	:	The investment account maintained with an approved CPF agent bank for the purpose of investment of CPF Funds under the CPFIS – Ordinary Account
<b>“CPFIS”</b>	:	CPF Investment Scheme
<b>“CPFIS Members”</b>	:	Shareholders who have previously purchased Shares using their CPF Funds under their CPF Investment Accounts
<b>“DBS”</b>	:	DBS Bank Ltd.
<b>“Directors”</b>	:	The directors of the Company, as at the date of this Offer Information Statement
<b>“Dutch GAAP”</b>	:	Generally accepted accounting principles in the Netherlands



<b>“Dutch Holding Companies”</b>	:	The Target, Promontoria Holding 244 B.V. and Promontoria Holding 263 B.V.
<b>“Electronic Application”</b>	:	Acceptance of the Rights Shares and (if applicable) application for Excess Rights Shares made through (i) an ATM of a Participating Bank; (ii) an Accepted Electronic Service; or (iii) the SGX-SFG Service, as the case may be, in accordance with the terms and conditions contained in this Offer Information Statement. For the purposes of this Offer Information Statement, any reference to an application by way of an Electronic Application without reference to such an Electronic Application being made through an ATM of a Participating Bank or through an Accepted Electronic Service shall, where the Entitled Depositor is a Depository Agent, be taken to include an application made via the SGX-SFG Service
<b>“EMEA”</b>	:	Europe, the Middle East and Africa
<b>“EMEAA”</b>	:	Europe, the Middle East, Africa and Asia
<b>“Entitled Depositors”</b>	:	Shareholders with Shares standing to the credit of their Securities Accounts as at the Record Date and (i) whose registered addresses with CDP are in Singapore as at the Record Date, or (ii) who have, at least three (3) Market Days prior to the Record Date, provided CDP with addresses in Singapore for the service of notices and documents, but exclude, subject to certain exceptions, Shareholders located, resident or with a registered address outside Singapore
<b>“Entitled QIBs”</b>	:	Shareholders (i) who are QIBs; (ii) who are Entitled Shareholders (but for the fact that they are outside of Singapore); (iii) who have provided the Company with a signed Investor Representation Letter (in the form provided to such Shareholder by the Company); and (iv) whose identities have been agreed by the Company, the Financial Advisers and Joint Underwriters and the Co-Lead Managers
<b>“Entitled Scripholders”</b>	:	Shareholders whose share certificates have not been deposited with CDP as well as transferees who have tendered to the Share Registrar registrable transfers of their Shares and the certificates relating thereto for registration up to the Record Date and (i) whose registered addresses with the Company are in Singapore as at the Record Date; or (ii) who have, at least three (3) Market Days prior to the Record Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents, but exclude, subject to certain exceptions, Shareholders located, resident or with a registered address outside Singapore

<b>“Entitled Shareholders”</b>	:	Entitled Depositors, Entitled Scripholders and Entitled QIBs
<b>“Excess Rights Shares”</b>	:	Rights Shares represented by provisional allotments of Rights Shares not accepted (whether by the persons to which the Rights Shares are provisionally allotted or by the Purchasers of “nil-paid” Rights), taken up or allotted for any reason and the fractional provisional allotments of Rights Shares not allotted in accordance with the terms of the Rights Issue
<b>“Financial Advisers”</b>	:	The Lead Financial Adviser and the Joint Financial Advisers
<b>“Financial Advisers and Joint Underwriters”</b>	:	DBS, BofA Securities and Citi
<b>“Food Solutions”</b>	:	The Group’s food solutions business which comprises mainly in-flight catering services, commercial catering services (including institutional catering services), food processing, chilled, frozen and retort food manufacturing, food logistics and distribution services, and airline linen and laundry services
<b>“Foreign Purchasers”</b>	:	Purchasers of the Rights whose registered addresses with CDP are outside Singapore at the time of purchase through the book-entry (scripless) settlement system
<b>“Foreign Shareholders”</b>	:	Shareholders with registered addresses outside Singapore as at the Record Date and who have not, at least three (3) Market Days prior thereto, provided the Share Registrar or CDP, as the case may be, with addresses in Singapore for the service of notices and documents
<b>“French GAAP”</b>	:	Generally accepted accounting principles in France
<b>“FY”</b>	:	Financial year ended or, as the case may be, ending 31 March
<b>“Gatefold”</b>	:	The pages preceding the “Contents Page” section of this Offer Information Statement, to be despatched to Entitled Shareholders and Purchasers (other than Foreign Purchasers) together with the OIS Notification Letter and the ARE, ARS and PAL, as the case may be
<b>“Gateway Services”</b>	:	The Group’s gateway services business which encompasses ground handling services, airfreight handling services (including cargo handling), security services and cruise terminal services
<b>“General Mandate”</b>	:	The general mandate granted on 22 July 2022 by Shareholders to the Directors to issue, among others, new Shares

<b>“Gross Proceeds”</b>	:	The amount of gross proceeds from the Rights Issue is approximately S\$798.8 million
<b>“Group”</b>	:	The Company and its subsidiaries
<b>“Ineligible Shareholders”</b>	:	Shareholders other than the Entitled Shareholders. For the avoidance of doubt, Ineligible Shareholders include Foreign Shareholders who are not eligible to participate in the Rights Issue
<b>“Investor Representation Letter”</b>	:	The investor representation letter to be delivered to the Company by Entitled QIBs substantially in the form provided by the Company
<b>“Issue Price”</b>	:	The issue price of the Rights Shares, being S\$2.20 for each Rights Share
<b>“IT”</b>	:	Information technology
<b>“Joint Financial Advisers”</b>	:	BofA Securities and Citi
<b>“Joint Underwriters”</b>	:	DBS, BofA Securities and Citi
<b>“Last Trading Day”</b>	:	20 February 2023, being the last trading day on which trades were done on the Shares prior to the announcement issued by the Company on 22 February 2023 in relation to the Rights Issue
<b>“Latest Practicable Date”</b>	:	24 February 2023, being the latest practicable date prior to the lodgement of this Offer Information Statement
<b>“Lead Financial Adviser”</b>	:	DBS
<b>“Listing Manual”</b>	:	The listing manual of the SGX-ST, as amended or modified from time to time
<b>“Management and Underwriting Agreement”</b>	:	The management and underwriting agreement dated 22 February 2023 entered into between the Company, the Financial Advisers and Joint Underwriters and the Co-Lead Managers in relation to the Rights Issue, the details of which are set out in paragraph 7 of the section titled <i>“Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 6 – The Offer and Listing”</i> of this Offer Information Statement
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading in securities
<b>“MAS”</b>	:	The Monetary Authority of Singapore
<b>“Mercury”</b>	:	Mercury Air Cargo Services, LLC, Mercury Air Cargo, LLC and Maytag Aircraft LLC

<b>“NAV”</b>	:	Net asset value
<b>“Net Proceeds”</b>	:	Has the meaning given to it in paragraph 2 at Part 4 of this Offer Information Statement
<b>“NTA”</b>	:	Net tangible assets
<b>“OCBC”</b>	:	Oversea-Chinese Banking Corporation Limited
<b>“Offer Information Statement”</b>	:	This document, together with (where the context requires) the ARE, the ARS, the PAL and all other accompanying documents (where applicable, including any supplementary or replacement document thereof) issued by the Company and lodged with the MAS in connection with the Rights Issue
<b>“OIS Notification Letter”</b>	:	The notification letter to be issued to Entitled Shareholders and Purchasers (other than Foreign Purchasers) on or around 7 March 2023 containing, among others, instructions on how to view, download and print the electronic version of this Offer Information Statement
<b>“PAL”</b>	:	The provisional allotment letter issued to Entitled Scripholders, setting out the Rights of such Entitled Scripholder under the Rights Issue
<b>“Participating Banks”</b>	:	DBS (including POSB), OCBC and UOB
<b>“per cent.” or “%”</b>	:	Per centum or percentage
<b>“Pinnacle”</b>	:	IAS Logistics DFW, LLC
<b>“Purchaser”</b>	:	A purchaser of the Rights traded on the SGX-ST through the book-entry (scripless) settlement system
<b>“QIB(s)”</b>	:	“qualified institutional buyers” as defined in Rule 144A under the Securities Act
<b>“Record Date”</b>	:	5.00 p.m. on 2 March 2023, being the time and date at and on which the Register of Members and the Share Transfer Books of the Company will be closed to determine the Rights of Entitled Shareholders under the Rights Issue
<b>“Regulation S”</b>	:	Regulation S under the Securities Act
<b>“Relevant Persons”</b>	:	The Company, the Financial Advisers and Joint Underwriters, the Co-Lead Managers, the Participating Banks, the Share Registrar, Securities Clearing and Computer Services (Pte) Limited, CDP, CPF Board, the SGX-ST, or any of their affiliates or any persons acting on their behalf

<b>“Relevant Shares”</b>	:	446,123,158 Shares held by Venezia, representing approximately 39.68 per cent. of all the Shares in issue (excluding Shares held in treasury) as at the date of the Undertaking
<b>“Rights”</b>	:	Provisional allotments of Rights Shares, being rights to subscribe for 323 Rights Shares for every 1,000 existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded
<b>“Rights Issue”</b>	:	The renounceable underwritten rights issue by the Company of 363,111,486 Rights Shares, at the Issue Price, on the basis of 323 Rights Shares for every 1,000 existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded, on the terms and conditions of this Offer Information Statement
<b>“Rights Shares”</b>	:	The 363,111,486 new Shares to be allotted and issued by the Company pursuant to the Rights Issue
<b>“S\$” or “Singapore Dollar”, and “cents”</b>	:	Singapore dollars and cents, respectively
<b>“SATS International”</b>	:	SATS International SAS, an indirect wholly-owned subsidiary of the Company
<b>“Securities Account”</b>	:	Securities account maintained by a Depositor with CDP (but does not include a securities sub-account maintained with a Depository Agent)
<b>“Securities Act”</b>	:	The U.S. Securities Act of 1933, as amended or modified from time to time
<b>“Senior Secured Notes”</b>	:	The: <ul style="list-style-type: none"> <li>(a) €340 million (approximately equivalent to S\$470 million<sup>2</sup>) in aggregate principal amount of 6<sup>3</sup>/<sub>8</sub> per cent. senior secured notes due 2027;</li> <li>(b) US\$400 million (approximately equivalent to S\$574 million<sup>3</sup>) in aggregate principal amount of 7<sup>7</sup>/<sub>8</sub> per cent. senior secured notes due 2027; and</li> <li>(c) €250 million (approximately equivalent to S\$345 million<sup>4</sup>) in aggregate principal amount of senior secured floating rate notes due 2027,</li> </ul>

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2 Based on a € to S\$ exchange rate of 1:1.3809, which was the exchange rate as at 27 September 2022.

3 Based on a US\$ to S\$ exchange rate of 1:1.4361, which was the exchange rate as at 27 September 2022.

4 Based on a € to S\$ exchange rate of 1:1.3809, which was the exchange rate as at 27 September 2022.

in each case, issued by Promontoria Holding 264 B.V. and as evidenced by global notes expressed to be governed by the laws of the State of New York pursuant to an indenture dated 9 February 2022

<b>“SFA”</b>	:	Securities and Futures Act 2001 of Singapore, as amended or modified from time to time
<b>“SFRS(I)”</b>	:	Singapore Financial Reporting Standards (International)
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Share Registrar”</b>	:	M & C Services Private Limited
<b>“Shareholders”</b>	:	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term <b>“Shareholders”</b> shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited
<b>“Shares”</b>	:	The ordinary shares in the capital of the Company
<b>“SIA”</b>	:	Singapore Airlines Limited
<b>“SIA Group”</b>	:	SIA and its subsidiaries
<b>“SIC”</b>	:	Securities Industry Council
<b>“Singapore”</b>	:	The Republic of Singapore
<b>“Singapore Changi Airport”</b>	:	Singapore’s international airport
<b>“SPA”</b>	:	The sale and purchase agreement dated 28 September 2022 entered into among the Company, SATS International, Promontoria 52 Coöperatie U.A. and certain management sellers to acquire all of the issued shares of Promontoria Holding 243 B.V.
<b>“SPA Closing”</b>	:	Completion of the WFS Acquisition in accordance with the SPA
<b>“SRS”</b>	:	Supplementary Retirement Scheme
<b>“SRS Approved Banks”</b>	:	Approved banks with whom SRS Investors hold their accounts under the SRS
<b>“SRS Investors”</b>	:	Investors who have previously purchased Shares under the SRS

<b>“Substantial Shareholder”</b>	:	A person who has an interest or interests in one or more voting shares in the Company and the total votes attached to that voting Share, or those voting Shares, is not less than five per cent. of the total votes attached to all the voting Shares in the Company (excluding treasury shares)
<b>“Take-over Code”</b>	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
<b>“Target”</b>	:	Promontoria Holding 243 B.V.
<b>“Target Group”</b>	:	The Dutch Holding Companies and the WFS Group collectively
<b>“Temasek”</b>	:	Temasek Holdings (Private) Limited
<b>“Term Loan”</b>	:	A three-year Euro-denominated term loan equivalent to approximately S\$700 million, which has been obtained by the Company following an amendment to the Acquisition Bridge Facility, as may be further amended or varied by agreement from time to time. It is intended that the Term Loan will be varied and amended to a €500 million three-year term loan.
<b>“TERP”</b>	:	Theoretical ex-rights price
<b>“Undertaken Rights Shares”</b>	:	Venezio’s <i>pro rata</i> entitlement under the Rights Issue in relation to the Relevant Shares
<b>“Undertaking”</b>	:	The undertaking given by Venezio to the Company on 22 February 2023 pursuant to which Venezio has irrevocably undertaken to the Company to, by way of acceptance, <i>inter alia</i> , subscribe and pay in full for, or procure the subscription and payment in full of the Undertaken Rights Shares at the Issue Price in accordance with the terms and conditions of the Rights Issue
<b>“Underwriting Fees”</b>	:	Has the meaning given to it in paragraph 2 at Part 4 of this Offer Information Statement
<b>“Underwritten Rights Shares”</b>	:	Based on the Rights Issue size of 363,111,486 Rights Shares, up to 219,013,706 Rights Shares, representing 60.32 per cent. of the total number of Rights Shares (which excludes the Undertaken Rights Shares) which the Financial Advisers and Joint Underwriters and the Co-Lead Managers have agreed to underwrite at the Issue Price on the terms and subject to the conditions of the Management and Underwriting Agreement
<b>“Unit Share Market”</b>	:	The unit share market of the SGX-ST which allows trading of shares in single shares
<b>“United States” or “U.S.”</b>	:	The United States of America

<b>“UOB”</b>	:	United Overseas Bank Limited
<b>“US\$” or “U.S. Dollar”</b>	:	United States dollars
<b>“Venezio”</b>	:	Venezio Investments Pte. Ltd., an indirect wholly-owned subsidiary of Temasek
<b>“WFS”</b>	:	WFS Global Holdings SAS
<b>“WFS Acquisition”</b>	:	Acquisition of all the issued shares of Promontoria Holding 243 B.V., a holding company which indirectly owns 100% of the shares in WFS
<b>“WFS Bondholder Reports”</b>	:	Reports to bondholders issued by Promontoria Holding 264 B.V. on a quarterly basis, available on the WFS investors website which access can be requested from WFS directly at this email link: <a href="mailto:investorrelations@wfs.aero">investorrelations@wfs.aero</a>
<b>“WFS Bondholder Reports Presentations”</b>	:	Presentation decks issued by Promontoria Holding 264 B.V. on a quarterly basis in relation to the WFS Bondholder Reports, available on the WFS investors website, which access can be requested from WFS directly at this email link: <a href="mailto:investorrelations@wfs.aero">investorrelations@wfs.aero</a>
<b>“WFS Flash Report”</b>	:	Report to bondholders issued by Promontoria Holding 264 B.V. in respect of certain key financial highlights of the WFS Group for the financial year ended 31 December 2022, as set out in Appendix J of this Offer Information Statement titled “Unaudited Key Financial Highlights of the WFS Group for its financial year ended 31 December 2022”
<b>“WFS Group”</b>	:	Promontoria Holding 264 B.V. and its subsidiaries
<b>“€” or “EUR” or “Euro”</b>	:	The lawful currency for the time being of the participating members states of the European Union



In this Offer Information Statement, references to “**we**”, “**our**” and “**us**” mean, as the context requires, SATS Ltd. on an unconsolidated basis or SATS Ltd. and its subsidiaries on a consolidated basis. References to the “**Company**” or “**SATS**” are to SATS Ltd. on an unconsolidated basis and references to the “**Group**” are to SATS Ltd. and its subsidiaries on a consolidated basis.

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

The term “**subsidiary**” shall have the meaning ascribed to it in Section 5 of the Companies Act.

The terms “**acting in concert**”, “**concert parties**” and “**effective control**” shall have the meanings ascribed to them respectively in the Take-over Code.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*.

References to persons shall include corporations.

Any reference in this Offer Information Statement to any enactment is a reference to that enactment as for the time being amended, modified or re-enacted. Any word defined under the Companies Act, the SFA, the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018, the Listing Manual, the Take-over Code, or any amendment or modification thereof and not otherwise defined in this Offer Information Statement shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA, the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018, the Listing Manual, the Take-over Code, or such amendment or modification thereof, as the case may be.

Any reference to a time of day and dates in this Offer Information Statement shall be a reference to Singapore time and dates unless otherwise stated.

Any discrepancies in figures included in this Offer Information Statement between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Information Statement may not be an arithmetic aggregation of the figures that precede them.

Where applicable, figures and percentages used in this Offer Information Statement have been rounded to one decimal place for ease of reading.

Any reference to a website or any website directly or indirectly linked to such websites in this Offer Information Statement is not incorporated by reference into this Offer Information Statement and should not be relied upon.

## INDICATIVE TIMETABLE OF KEY EVENTS

The timetable below lists certain important dates and times relating to the Rights Issue. All dates and times referred to below are Singapore dates and times.

Lodgement of this Offer Information Statement and accompanying application forms with the MAS and dissemination of this Offer Information Statement via the SGX-ST's website	:	Thursday, 2 March 2023
Record Date	:	Thursday, 2 March 2023 at 5.00 p.m.
Dissemination of this Offer Information Statement via the Company's corporate website	:	By Tuesday, 7 March 2023
Despatch of the OIS Notification Letter and the Gatefold (together with the ARE or the PAL, as the case may be) to Entitled Shareholders	:	Tuesday, 7 March 2023
Commencement of trading of Rights	:	Tuesday, 7 March 2023 from 9.00 a.m.
First date and time for acceptance of and payment for Rights Shares and/or application and payment for Excess Rights Shares <sup>(1)</sup>	:	Tuesday, 7 March 2023 (9.00 a.m. for Electronic Applications through ATMs of the Participating Banks or through an Accepted Electronic Service)
Last date and time for splitting and trading of Rights	:	Wednesday, 15 March 2023 at 5.00 p.m.
Last date and time for acceptance of and payment for Rights Shares and/or application and payment for Excess Rights Shares <sup>(1)</sup>	:	Tuesday, 21 March 2023 at 5.30 p.m. (9.30 p.m. for Electronic Applications through ATMs of the Participating Banks or through an Accepted Electronic Service)
Last date and time for acceptance of and payment for Rights Shares by the renouncees <sup>(1)</sup>	:	Tuesday, 21 March 2023 at 5.30 p.m. (9.30 p.m. for Electronic Applications through ATMs of the Participating Banks or through an Accepted Electronic Service)
Expected date of allotment, issuance and crediting of Rights Shares	:	Wednesday, 29 March 2023
Expected date of commencement of trading of Rights Shares	:	Wednesday, 29 March 2023
Expected date for refund of unsuccessful applications (if made through CDP)	:	Wednesday, 29 March 2023

**Note:**

- (1) This does not apply to CPFIS Members, SRS Investors and investors who hold Shares through a finance company and/or Depository Agent. CPFIS Members, SRS Investors and investors who hold Shares through a finance company and/or Depository Agent should see the section "*Important Notice to (A) CPFIS Members, (B) SRS Investors and (C) Investors who hold Shares through a Finance Company and/or Depository Agent*". Any acceptance and/or (if applicable) application made by these investors directly through CDP, ATMs of a Participating Bank, an Accepted Electronic Service, the Share Registrar and/or the Company will be rejected. Such investors, where applicable, will receive notification letter(s) from their respective approved CPF agent banks with whom they hold their CPF Investment Accounts, their respective SRS Approved Banks with whom they hold their SRS accounts, and their respective finance companies or Depository Agents, as the case may be, and should refer to such notification letter(s) for details of the last date and time to submit applications to their respective approved CPF agent banks with whom they hold their CPF Investment Accounts, their respective SRS Approved Banks with whom they hold their SRS accounts, and their respective finance companies or Depository Agents, as the case may be.

The above timetable is indicative only and is subject to change. As at the date of this Offer Information Statement, the Company does not expect the above timetable to be modified. However, the Company may, in consultation with the Financial Advisers and Joint Underwriters and the Co-Lead Managers and with the approval of the SGX-ST and/or CDP, modify the above timetable subject to any limitation under any applicable laws. In such an event, the Company will publicly announce the same through a SGXNET announcement to be posted on the internet at the SGX-ST's website <https://www.sgx.com/securities/company-announcements>.

## SUMMARY OF THE RIGHTS ISSUE

The following is a summary of the principal terms and conditions of the Rights Issue and is derived from, and should be read in conjunction with, the full text of this Offer Information Statement, and is qualified in its entirety by reference to information appearing elsewhere in this Offer Information Statement.

<b>Basis of Provisional Allotment</b>	:	The Rights Issue is made on a renounceable underwritten basis to Entitled Shareholders on the basis of 323 Rights Shares for every 1,000 existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded.
<b>Issue Price</b>	:	S\$2.20 for each Rights Share. The Rights Shares are payable in full upon acceptance and/or application.
<b>Discount</b>	:	The Issue Price represents a discount of approximately:  (i) 20.0 per cent. to the last transacted price of the Shares on the Main Board of the SGX-ST of S\$2.75 on the Last Trading Day; and  (ii) 16.0 per cent. to the TERP of S\$2.62 <sup>5</sup> per Share.  The Issue Price and discounts have been determined after taking into account various factors including precedent transactions, the transaction size and discussions with the Financial Advisers and Joint Underwriters and the Co-Lead Managers.
<b>Status of Rights Shares</b>	:	The Rights Shares are payable in full upon acceptance and/or application and will, upon allotment and issue, rank <i>pari passu</i> in all respects with the then existing Shares, except that they will not rank for any dividends, rights, allotments or other distributions for which the record date falls before the date of allotment and issue of the Rights Shares.
<b>Number of Rights Shares to be Issued</b>	:	Based on the issued share capital (excluding treasury shares) of the Company as at the Latest Practicable Date of 1,124,184,170 Shares, the Company will allot and issue 363,111,486 Rights Shares under the Rights Issue.
<b>Gross Proceeds from the Rights Issue</b>	:	The amount of gross proceeds from the Rights Issue is approximately S\$798.8 million.

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5 Such TERP is the theoretical market price of each Share assuming the completion of the Rights Issue, and is calculated based on the last transacted price of the Shares on the Main Board of the SGX-ST on the Last Trading Day of S\$2.75, and the number of Shares following the completion of the Rights Issue.

- Use of Proceeds** : The Net Proceeds will be applied towards partially financing the WFS Acquisition (in cash and/or as repayment of the Bridge Loan, if drawn). Please refer to paragraphs 2 to 7 in the section titled “*Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 4 – Key Information*” of this Offer Information Statement for further details.
- Eligibility to Participate in the Rights Issue** : As there may be prohibitions or restrictions against the offering of Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the sections titled “*Eligibility of Shareholders to Participate in the Rights Issue*” and “*Offering, Selling and Transfer Restrictions*” of this Offer Information Statement for details on the eligibility of Shareholders to participate in the Rights Issue.
- Listing and Trading of the Rights Shares** : On 21 February 2023, the SGX-ST granted approval in-principle for the listing of and quotation for up to 562,048,585 new Shares (the “**Maximum Rights Shares**”) (which represents 50 per cent. of the existing number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the approval of the General Mandate, not including any further adjustments to be made in accordance with Rule 806(3) of the Listing Manual) to be allotted and issued pursuant to the Rights Issue on the Main Board of the SGX-ST, subject to certain conditions. The approval in-principle of the SGX-ST for the listing of and quotation for the Maximum Rights Shares on the Main Board of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Rights, the Company, its subsidiaries and/or the Shares.

Upon the listing of and quotation for the Rights Shares on the Main Board of the SGX-ST, the Rights Shares will be traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) in relation to the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP’s “*Terms and Conditions for Operation of Securities Account with The Central Depository (Pte) Limited*”, as the same may be amended from time to time, copies of which are available from CDP.

For the purposes of trading on the Main Board of the SGX-ST, each board lot of Shares will comprise 100 Shares. Shareholders who hold odd lots of Shares (that is, lots other than board lots of 100 Shares) are able to trade odd lots of Shares in board lots of one Share on the Unit Share Market. Shareholders who hold odd lots of Shares may have difficulty and/or have to bear disproportionate transaction costs in realising the fair market price of such Shares.

**Acceptance, Excess  
Application and Payment**

: Entitled Shareholders are at liberty to accept, decline or renounce their Rights and are eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue. Entitled Depositors are also able to trade their Rights on the SGX-ST during the Rights trading period prescribed by the SGX-ST.

Fractional entitlements to the Rights Shares will be aggregated with provisional allotments which are not taken up or allotted for any reason to satisfy excess applications for Rights Shares (if any) or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board of Directors, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. For the avoidance of doubt, only Entitled Shareholders (and not Purchasers or renounees) shall be entitled to apply for Excess Rights Shares in excess of their provisional allotments.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the Rights and for the applications for Excess Rights Shares, including the different modes of acceptance or application and payment, are contained in Appendices E, F and G to this Offer Information Statement and in the ARE, the ARS and the PAL.

Investors should note that the offer and sale of, or exercise or acceptance of, or subscription for, the Rights Shares to or by persons located or resident in jurisdictions other than Singapore may be restricted or prohibited by the laws of the relevant jurisdiction. Investors are cautioned to note the offering, selling and transfer restrictions set forth in the section titled "*Offering, Selling and Transfer Restrictions*" of this Offer Information Statement.

**Use of CPF Funds**

: CPFIS Members can only use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts to pay for the acceptance of their Rights and (if applicable) application for Excess Rights Shares.

Such CPFIS Members who wish to accept their Rights and (if applicable) apply for Excess Rights Shares using their CPF Funds must have sufficient funds in their CPF Investment Accounts and will need to instruct their respective approved CPF agent banks with whom they hold their CPF Investment Accounts, to accept the Rights and (if applicable) apply for Excess Rights Shares on their behalf in accordance with the terms and conditions of this Offer Information Statement.

In the case of insufficient CPF Funds or stock limit, CPFIS Members could top-up cash into their CPF Investment Accounts before instructing their respective approved CPF agent banks to accept their Rights and (if applicable) apply for Excess Rights Shares on their behalf.

CPF Funds cannot, however, be used for the purchase of Rights directly from the market.

**Use of SRS Funds**

: SRS Investors can only use, subject to applicable SRS rules and regulations, monies standing to the credit of their respective SRS accounts to pay for the acceptance of their Rights and (if applicable) application for Excess Rights Shares.

Such SRS Investors who wish to accept their Rights and (if applicable) apply for Excess Rights Shares using their SRS monies will need to instruct their respective SRS Approved Banks with whom they hold their SRS accounts, to accept the Rights and (if applicable) apply for Excess Rights Shares on their behalf in accordance with the terms and conditions in this Offer Information Statement.

SRS Investors who have insufficient funds in their SRS accounts could, subject to the SRS contribution cap, deposit cash into their SRS accounts with their respective SRS Approved Banks before instructing their respective SRS Approved Banks to accept the Rights and (if applicable) apply for Excess Rights Shares on their behalf.

SRS monies cannot, however, be used for the purchase of Rights directly from the market.

**Undertaking** : Venezio, which owns 446,123,158 Shares as at the Latest Practicable Date, representing approximately 39.68 per cent. of the Shares in issue (excluding treasury shares), has given the Undertaking to the Company on 22 February 2023 to, by way of acceptance, *inter alia*, subscribe and pay in full for, or procure the subscription and payment in full of, the Undertaken Rights Shares at the Issue Price by the Closing Date (or such later date as the Company may consent, such consent not to be reasonably withheld or delayed) in accordance with the terms and conditions of the Rights Issue. Please refer to paragraph 1(f) in the section titled “*Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 10 – Additional Information Required for Offer of Securities or Securities-based Derivatives Contracts by way of Rights Issue*” of this Offer Information Statement for further details.

**Underwriting** : Based on the Rights Issue size of 363,111,486 Rights Shares, the Financial Advisers and Joint Underwriters and the Co-Lead Managers have agreed to underwrite 219,013,706 Rights Shares, representing 60.32 per cent. of the total number of Rights Shares (which excludes the Undertaken Rights Shares), on and subject to the terms of the Management and Underwriting Agreement. Please refer to paragraph 7 of the section titled “*Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 6 – The Offer and Listing*” of this Offer Information Statement for further details.

As a result of the Undertaking and the entry into the Management and Underwriting Agreement, the Rights Issue is effectively fully underwritten and all the Rights Shares to be allotted and issued by the Company under the Rights Issue will be fully subscribed and paid for. The Company will have certainty of raising the full Gross Proceeds of approximately S\$798.8 million contemplated from the Rights Issue.

**Governing Law** : Laws of Singapore.

**Risk Factors** : Investing in the Rights and the Rights Shares involves risks. Please refer to the section titled “*Risk Factors*” of this Offer Information Statement for further information.



## RISK FACTORS

*To the best of the Directors' knowledge and belief, the risk factors that are material to Entitled Shareholders and prospective investors in making an informed judgment on the Rights Issue are set out below. Entitled Shareholders and prospective investors should carefully consider and evaluate each of the following risks and all other information contained in this Offer Information Statement before making an investment decision. The Group may be affected by a number of risks that may relate to the industries and countries in which the Group operates as well as those that may generally arise from, inter alia, economic, business, market and political factors, including the risks set out herein. The risks described below are not intended to be exhaustive. There may be additional risks not presently known to the Group, or that the Group may currently deem immaterial, which could affect its operations, possibly materially. If any of the following risks and uncertainties develops into actual events, the business, financial conditions or results of operations of the Company and the Group could be materially and adversely affected. In such cases, the trading price of the Rights Shares could decline and a prospective investor may lose all or part of his investment.*

*This Offer Information Statement contains forward-looking statements relating to events that involve risks and uncertainties. See the section titled "Cautionary Note on Forward-Looking Statements" of this Offer Information Statement.*

### **RISKS RELATING TO THE INTEGRATION OF THE WFS GROUP INTO THE GROUP**

*The risk factors described below address the risks relating to the integration of the WFS Group within the Group following the SPA Closing. The risks relating to the WFS Group, as extracted from WFS' Final Offering Memorandum of the Senior Secured Notes dated 3 February 2022, with certain risk factors updated as at the date of this Offer Information Statement, and set out at Appendix H of this Offer Information Statement have been presented for completeness notwithstanding that the WFS Group is not currently part of the Group. Nevertheless, Entitled Shareholders and prospective investors should carefully consider and evaluate the risks relating to the WFS Group given that, following the completion of the WFS Acquisition, the risks relating to the WFS Group will become relevant to the combined group.*

*For further details on the WFS Acquisition, please refer to paragraph 5 of the section titled "Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 4 – Key Information" of this Offer Information Statement.*

***Following the completion of the WFS Acquisition, the integration of the WFS Group within the Group may not be successful, the expected synergies from this acquisition may not be achieved, and/or the combined group may be exposed to contingent liabilities relating to the WFS business***

Given the scale and transformational nature of the WFS Acquisition, the successful integration of the WFS Group within the Group is crucial to allow the combined group to capture the material benefits of the financial and operational synergies on a timely basis. Key to the integration planning effort is the integration committee, spearheaded by senior management from both the Group and the WFS Group. The integration committee will, among other things, be tasked with managing the organisational changes arising from the change of control of the WFS Group, encompassing operational aspects of both the Group and the WFS Group including company culture, internal processes, underlying technology or infrastructure, corporate hierarchy and other operational aspects that may be impacted. The management of such organisational changes will affect the success of the integration of the WFS Group within the Group. The Group and the WFS Group are implementing plans to share mutual best practices to unlock operational excellence opportunities through this WFS Acquisition, with the aim of fostering and driving commonality

within the diverse communities and workforce in the countries where the combined group operates. In the event that the organisational changes arising from the change in control of the WFS Group are not successfully managed, the Group may not be able to fully and materially capture the benefits of the commercial and operational synergies identified from the WFS Acquisition.

The key areas of integration include, but are not limited to:

- Cyber defence, information technology, digital and data alignment between systems
- Human resources and talent retention of senior professional managers and key management staff
- Financial risk management
- Financial reporting to meet the SGX-ST requirements
- Government affairs, compliance risk management and labour relations
- Customer relations and joint ventures

*Cyber defence, information technology, digital and data alignment between systems*

The combination of the Group and the WFS Group will raise the global profile of the combined group and could attract heightened attention from hackers and other parties presenting risks to cybersecurity. While both the Group and the WFS Group have cybersecurity measures in place respectively, it may still be difficult to mitigate this risk entirely.

Details on the Group's risk in relation to cybersecurity are set out below in the risk factor titled "*The Group is dependent on its IT systems for the provision of services and is subject to disruptions in its IT systems, including cybersecurity attacks, which may be beyond the Group's control*", and details on the WFS Group's risk in relation to personal data protection and cybersecurity are set out in the section in Appendix H of this Offer Information Statement titled "*Risk Factors – We handle personal data including in the ordinary course of our business, and any failure to comply with applicable data protection laws or to maintain the confidentiality of that data could result in fines, legal liability for us and reputational harm to our business*".

Further, both the Group and the WFS Group are heavily and increasingly dependent on technology to operate the business. The Group and the WFS Group may fail to integrate their best practices for ensuring that the detection, controls, protocols and disaster recovery procedures are sufficiently robust, and as a result, the combined group may not be able to prevent and manage disruptions and interruptions in these areas which may materially and adversely impact the business and operations of the combined group.

*Human resources and talent retention of senior professional managers and key management staff*

The successful implementation of the combined group's strategies is dependent on its ability to retain a strong team of key management staff, as well as a strong employer brand to attract new talent. While key management of WFS, including its chief executive officer and chief financial officer, have indicated their intention to continue working with WFS post-SPA Closing and appropriate retention plans will be mutually agreed between SATS and key management to support their retention and provide continuity to drive the combined group's next phase of growth, the inability of the combined group to hire and retain talent in critical positions may materially and adversely affect the combined group's business, results of operations, financial condition and prospects. While the integration committee will continue to evaluate and adopt long-term succession and retention plans for key management staff, the resignation of a member holding a significant appointment in this key management team may affect the business and operation of WFS Group's business and the combined group's business.

Additional details on how the inability to retain senior management affects the business of WFS Group are set out in the section in Appendix H of this Offer Information Statement titled “*Risk Factors – Our success and operations are dependent on hiring and retaining our employees as well as our senior management*”.

#### Financial risk management

Post-SPA Closing, the book value of the combined group’s financial assets and liabilities may be affected by fluctuations in the exchange rate of the countries in which it operates vis-à-vis its reporting currency. For example, some of the currency exposures include the fluctuations between the Singapore Dollar and the U.S. Dollar as well as the Singapore Dollar and the Euro. The WFS Group’s borrowings are mainly denominated in U.S. Dollar and Euro but the combined group’s balance sheet is accounted for and recognised in Singapore Dollar. To manage these exposures, the Group will implement an appropriate hedging policy and strategy for the combined business, including regular reviews of the impact of hedging on businesses that have a functional currency other than the Singapore Dollar. The Group may not be successful in managing the foreign exchange exposures of the combined group, which may have a material and adverse impact on the results of operations and financial position of the combined group.

Both the Group and the WFS Group are exposed to tax risks and structure each of their organisations and operations appropriately while respecting the various tax laws and regulations of the jurisdictions in which they operate, many of which are generally very complex and subject to change. For example, the adoption by the Council of the European Union of an EU list of non-cooperative jurisdiction for tax purposes and the application of this list in the jurisdictions where the WFS Group operates will have to be managed by the Group as well as any other fiscal changes that may subsequently be introduced. The combined group will continue to manage its tax risks through appropriate governance protocols, dedicated inhouse support and experienced advisers globally. The combined group may not be able to manage its tax risks which may have a material and adverse impact on the business and operations of the combined group.

Details on the effect of tax risks on WFS Group are set out in the section in Appendix H of this Offer Information Statement titled “*Risk Factors – We are subject to tax risks*”.

Post-SPA Closing, the financial indebtedness and aggregate leverage of the Group are expected to increase, primarily driven by the Term Loan which is equivalent to approximately S\$700 million contractually committed by the Company’s principal bankers, as part of the funding plan for the WFS Acquisition, the Senior Secured Notes of WFS and the adoption of SFRS(I) by WFS. The monetary policies of the countries in which the Group and the WFS Group may borrow from could cause fluctuations in interest rates and affect the shape of the interest rate yield curve, impacting the cost of debt and the resultant interest expense incurred by the Group and the WFS Group. The Group’s existing financing arrangements may not be sufficient to meet the increased financial indebtedness and aggregate leverage of the combined group, and the Group may fail to obtain new financing options to manage the increased level of debt.

Details on the effect of interest rate risks on WFS Group are set out in the section in Appendix H of this Offer Information Statement titled “*Risk Factors – The loans under our Revolving Credit Facility and the Floating Rate Notes bear interest at floating rates that could rise significantly, increasing our costs and reducing our cash flow*”, and “*Risk Factors – Certain of our indebtedness bears interest at a variable rate, which could rise significantly, increasing our costs and reducing our cash flow, or could otherwise be adverse to the interests of holders of the Notes*”.

### Financial reporting to meet the SGX-ST requirements

The financial information of the WFS Group is prepared in accordance with French GAAP for the WFS Group and Dutch GAAP for the Dutch Holding Companies. The financial statements of the Group are prepared in accordance with SFRS(I). The adoption of SFRS(I) to the financial information of the WFS Group, including but not limited to SFRS(I) 16 Leases, SFRS(I) 1-28 Investment in Associates and Joint Ventures, SFRS(I) 1-21 The Effects of Changes in Foreign Exchange Rates, and SFRS(I) 9 Financial Instruments (only with regard to recognition of on-balance sheet of recourse factoring arrangements), and to prepare the consolidated financial statements of the Group and the WFS Group following SPA Closing may require substantial adjustments to be made to the results of operations and the financial position of the combined group. These adjustments made upon SFRS(I) adoption by WFS may have a material and adverse impact on the results of operations and financial position of the combined group.

### Government affairs, compliance risk management and labour relations

The businesses of both the Group and the WFS Group are subject to various anti-corruption laws, trade control regulations and economic sanctions laws in the countries and territories where they operate. While the Group and the WFS Group have compliance programs and processes in place today to prevent and detect violations and mitigate the potential risks of non-compliance with such laws and regulations, these may not completely mitigate the potential risks of non-compliance with such laws and regulations and the combined group may be found to be non-compliant with such laws and regulations, which can result in financial and reputational costs and penalties associated with non-compliance of such laws and regulations to the combined group.

Labour laws applicable to the WFS Group's business in certain countries are relatively rigorous providing for strong protection of employees' interests. Further details on such labour laws that apply to the WFS Group are set out at Appendix H of this Offer Information Statement under "*Risk Factors – Labor disputes could disrupt our operations or lead to higher labor costs*". The Group will be subject to the same risks post-SPA Closing.

### Customer relations and joint ventures

Both the Group and the WFS Group have forged strong reputations and established their respective brands in the existing markets in which the businesses operate. While integration planning efforts are ongoing to discuss the maximisation of business opportunities to be pursued after SPA Closing with existing and new customers of both groups, which may include cross-selling opportunities and building a stronger value proposition for customers, there is no assurance that the combined group's efforts to maximise business opportunities with existing and new customers of both groups will be successful in fully capturing the operational and commercial synergies identified from the WFS Acquisition. There is also no assurance that post-acquisition both groups may be able to retain their existing customers.

WFS Group holds long-standing interests in certain joint ventures, in particular in Thailand and Germany, which the WFS Group does not have full control over. Following the SPA Closing, the Group will be subject to the same risks in respect of these joint ventures.

*The risk factors described below relate to the risks which may affect the operations of the Group at present and the operations of the combined group post-SPA Closing.*

## **RISKS RELATING TO THE GROUP'S BUSINESS**

### ***The Group currently depends on the SIA Group for a substantial portion of its business***

The Group maintains a strong and long-standing relationship with the SIA Group as its key customer, and currently derives a substantial portion of its business from the SIA Group. Since the SIA Group's divestment of the Group in 2009, the Group has successfully renewed handling contracts with the SIA Group and expects that the renewal of contracts with SIA Group will continue to account for a substantial portion of its airline revenue in the foreseeable future.

As a result of this inter-dependence, the growth of the Group's revenue will be impacted by the number of flights operated by the SIA Group, the number of passengers the SIA Group services, the volume of airfreight the SIA Group carries and the fleet of aircraft used by the SIA Group for its flights in and out of Singapore Changi Airport. In the event the SIA Group decreases its flights or if there is a significant reduction in the number of passengers carried or the amount of airfreight carried by the SIA Group or there is a downgrade of the aircrafts that the SIA Group uses, the Group's business, results of operations, financial condition and prospects could be materially and adversely affected. In addition, the Group cannot provide assurance that its revenue generated from the SIA Group will reach or exceed historical levels in any future period. Loss, reduction or cancellation of business from, decreases in the rates it charges for its services to, or changes in the scope of services provided to, the SIA Group could have a significant adverse impact on the Group.

Any deterioration in the relationship between the Group and the SIA Group may have an impact on some or all the contracts executed between the Group and the SIA Group which, in turn, may have a material and adverse effect on the Group's business, results of operations, financial condition and prospects.

***The Group's domestic growth in its aviation-related business is effectively constrained by the growth of airfreight and passenger traffic at Singapore Changi Airport***

The Group's ability to expand its aviation related business depends primarily on the growth of airfreight and passenger traffic at Singapore Changi Airport. Any decrease in airfreight or passenger traffic at Singapore Changi Airport could have a material and adverse effect on its business, results of operations, financial condition and prospects.

***The combined group may not be successful in obtaining new licenses and leases, or renewing or retaining existing licenses and leases which are required for the conduct of its business at various airports***

The Group operates its ground handling and airline catering businesses under licences granted by relevant authorities or statutory bodies in the jurisdictions in which it operates and in some instances the operators of various airports. In particular, its ground handling and airline catering business at Singapore Changi Airport are operated under licences granted by CAG, the operator of Singapore Changi Airport. The Group has been able to renew its licences at Singapore Changi Airport since its inception in 1972. If it were to lose its existing licences in any jurisdiction (in particular, its licences from CAG in respect of Singapore Changi Airport), it would be unable to provide its ground handling and airline catering services for its customers in respect of that jurisdiction and its business, results of operations, financial condition and prospects could be materially and adversely affected. In addition, if it were to fail to comply with the performance standards required by such authorities or statutory bodies over an extended period of time, its reputation could be harmed and it could lose existing customers or fail to attract new customers and, as a result, its business, results of operations, financial condition and prospects could be materially and adversely affected or its licences from such authorities or statutory bodies could be revoked.

Similarly, the WFS Group manages cargo warehouse space and land that are leased to it. Further details on the risks faced by the WFS Group relating to the failure to obtain, renew or retain such leases are set out at Appendix H of this Offer Information Statement under "*Risk Factors – We may not be able to obtain new licenses and leases or renew or retain our existing licenses and leases which we require to conduct our business at various airports*".

If the Group and/or the WFS Group is unable to maintain or renew its existing licenses, concessions or leases or obtain new licenses, concessions or leases from those authorities or operators on acceptable terms or where these licences, concessions or leases are earlier terminated as a consequence of arbitrary assessments, unilateral action and/or irregular decisions by regulatory/governmental authorities, lease or licence operators and/or landlords, the Group (or as an enlarged group post SPA Closing) may be unable to provide services to its customers at those airports and the Group's cash flows, financial condition and results of operations could be adversely affected. Even if the Group (or as an enlarged group post SPA Closing) is successful in obtaining, maintaining or renewing a license or concession, the Group may not achieve the results expected from its operations under such license or concession or that the results will remain consistent with past performance. In some cases, these licenses or concessions may require the Group to make minimum payments to the aviation authority or airport even when the Group's activities there are unprofitable. In addition, the failure to comply with the business performance standards required by such authorities or operators over an extended period of time could result in reputational damage to the Group and the Group could lose existing customers or fail to attract new customers, resulting in the Group's cash flows, financial condition and results of operations being adversely affected or the Group's licenses or concession from such authorities or operators being revoked.

***The Group faces a dynamic competitive landscape marked by intense competition from a variety of competitors and an inability to compete successfully with its competitors and adapt to changing market conditions could result in a loss in market share and decreased profitability***

The Group faces competition from a variety of companies across each of its business lines and the Group's success is dependent upon its ability to demonstrate the quality and cost value of its services. Notwithstanding that the Group needs to maintain competitive rates, in light of inflationary pressures, the Group may have to increase its handling rates. An upward increase in rates could result in customers switching to alternative service providers. In Singapore, the Group is currently one of two providers of ground handling and in-flight catering services at Singapore Changi Airport. If a significant number of the Group's existing airline clients or one or more of its larger airline clients were to begin purchasing these services from the Group's competitor or were to self-handle their operations, the Group will not be able to achieve the expected outcome from the upward adjustment of rates, and the Group's business, results of operations, financial condition and prospects could be materially and adversely affected. In addition, the number of the Group's airline clients may be reduced as a result of airline consolidation. If any of the Group's clients consolidates with another airline, especially an airline that is not a client of the Group, the Group may lose that client's business. Airline consolidation could also reduce the number of overall flights as airlines eliminate redundant flight schedules and routes. Any of these occurrences could have a material adverse effect on our cash flows, financial condition and results of operations.

In addition, Singapore Changi Airport faces competition from other international airports in Asia to the extent that passenger and freighter airlines use other international airports in Asia as an alternative to Singapore Changi Airport for passenger and freighter flights. If the level of competition was to increase significantly, the business, results of operations, financial condition and prospects of the Group could be materially and adversely affected.

Outside Singapore, the Group's cargo handling and ground handling and in-flight catering joint ventures face varying levels of competition at the international airports at which they operate. The level of competition depends primarily on the number and size of the other airport services providers operating at that airport. At some of these international airports, the service market is highly competitive and the Group's joint venture enterprise is competing against several other cargo handling, ground handling or in-flight catering operators. Changes in the civil aviation regulatory environment in the countries where the Group has joint ventures could also affect the operations and financial condition of these joint ventures and consequently, on the Group's overall business performance, results of operations and growth prospects.

The Group's Food Solutions business faces competition ranging from small, local businesses to international companies with substantial financial resources, where the Group competes based on several factors, including the depth and breadth of its services, its ability to tailor the services that it offers to a client's particular needs and its ability to manage costs effectively. Whilst the Group maintains close relationships with its customers in order to constantly innovate the provision of its services, if the Group's customers do not prefer the quality and cost value of its services, or if there is insufficient demand for the Group's new services, the Group's business, results of operations, financial condition and prospects could be materially and adversely affected.

The Group's Food Solutions business also faces competition from non-traditional meal sources (e.g. frozen or ambient meal suppliers), which disrupt the traditional fresh cook-chill business model. The long shelf-life of these meals means that competition is no longer restricted by geographical location. If the Group is not able to compete effectively with these non-traditional meal sources, the Group's business, results of operations, financial condition and prospects could be materially and adversely affected.

Details on how competition affects the business of WFS Group are set out in the section in Appendix H of this Offer Information Statement titled "*Risk Factors – We face high levels of competition in the cargo handling and ground handling services industry generally and, in particular, at many of the airports where we operate*".

***Economic conditions, epidemics and other natural or man-made calamities and volatile consumer reactions can cause disruptions to the Group's business***

The Group's Gateway Services business and in-flight catering business are largely dependent upon air travel consumption. As a result, the Group is likely to be adversely affected by any event or series of events that disrupts travel or causes a reduction in travel. The growth in demand for the Group's services generally correlates with economic conditions in each of the countries in which it operates, and as a result, the Group is susceptible to swings in revenue corresponding with economic cyclicalities. The travel and leisure sector is particularly sensitive to economic factors beyond the Group's control. For example, high or rising oil prices may inhibit sales growth due to higher airline ticket prices caused by fuel surcharges and a generally increased cost of living, restricting the disposal income of the Group's customers.

The travel sector is also subject to risks relating to travellers' perception of safety. The occurrence of any one of a number of events outside the Group's control such as terrorist attacks, hurricanes, ash clouds, and accidents may lead to a reduction in the number of air travellers on a global, regional or local level.

The outbreak of any contagious disease with human-to-human airborne or contact propagation effects (e.g. mutation of Avian Flu H5N1, Ebola, Middle East respiratory syndrome coronavirus, COVID-19 etc.) that escalates into a regional or global pandemic may have an adverse impact on all airlines and cruise lines which may operate to or from such affected areas/regions. Air and sea travel, and air and sea freight may be severely reduced even though international and national response plans to address such events have been developed or are in development.

Other natural calamities such as earthquakes, floods, volcanic eruptions or tsunamis may devastate destinations and significantly reduce travel to those areas for a period of time. Terrorism and war (and threats of terrorism and war) and civil/political strife may also contribute to a fear of travelling by air or sea, or visiting particular destinations, resulting in a sharp fall in demand for air and sea travel. The fall in demand for air travel may result in a reduction in the availability of passenger aircraft for air cargo transport. As global freight tonnage is generally split evenly between passenger aircraft and freighters, a fall in air travel caused by epidemics and calamities may materially and adversely impact the Group's cargo handling business. Epidemics and other natural or man-made calamities may also affect key trade routes, thereby affecting air and sea freight.

It is difficult to predict the duration and effects of an economic downturn or economic impact following an epidemic or calamity, which may be aggravated by volatility in the financial sector and the capital markets, leading to significant market-wide liquidity problems. A slowdown in the economy may negatively affect demand for air cargo and, therefore, the airfreight industry. Volatile and uncertain economic conditions have become the new 'normal' for businesses operating in the global market. In particular, the outbreak of COVID-19 since end-2019 has spread globally and triggered a global economic contraction, and caused a prolonged global economic recession as a consequence of continued widespread operational disruptions, and could thereby adversely impact the Group's revenues and results. The Group continues to face supply chain constraints and manpower shortages of skilled workers as a result of post-COVID-19 recovery impact.

The occurrence of these events may also result in the closure or restriction of access to airspace or airports. Access to neighbouring regions via sea travel may also be curtailed. Further, any disruption to or suspension of services provided by airlines as a result of financial difficulties, labour disputes, construction work, increased security or otherwise, could negatively affect the number of air passengers. Given that the Group's Gateway Services business depends heavily on the availability of these facilities, its business, results of operations, financial condition and prospects could be materially and adversely affected by the occurrence of such events.

Should there be a reduction in travel and demand for air cargo as a result of any of the events described above, it is likely that the Group's Gateway Services business and in-flight catering business would be affected, which could in turn have a material and adverse impact on the Group's business, results of operations, financial condition and prospects.

Details on how the airline industry affects the business of WFS Group are set out in the section in Appendix H of this Offer Information Statement titled "*Risk Factors – Adverse economic conditions can have a significant adverse effect on the airline industry and our business by reducing demand for our services or increasing price pressure*".

Details on how the epidemic and calamities affect the WFS Group are set out in the section in Appendix H of this Offer Information Statement titled "*Risk Factors – Terrorist attacks, geopolitical instability, epidemics, threats, natural calamities or other "acts of God" may unexpectedly disrupt our business*", and "*Risk Factors – Our global operations in diverse locations expose us to various economic, political, social and legal risks that are beyond our control*".

***The Group faces significant labour risk in respect of its requirement for highly trained personnel and its relations with its unionised staff***

The Group's business is labour intensive and requires highly trained personnel. The Group's ability to meet its labour requirements, whilst controlling wage and labour-related costs, may be subject to numerous external factors, including the availability of a sufficient number of suitable persons in the relevant work force, government regulations, prevailing wage rates, demographics and health and insurance costs. If the Group is unable to hire additional employees to meet its requirements or to retain existing employees, its business, results of operations, financial condition and prospects could be materially and adversely affected.

As the Group is currently based in Singapore, it is obliged to comply with labour laws in Singapore, which, among other things, permit collective bargaining arrangements with its unionised staff. As at the Latest Practicable Date, approximately 55% of the Group's employees are subject to collective bargaining agreements in Singapore. These agreements may in the future limit its ability to contain increases in labour costs and its ability to control its future labour costs depends on the outcome of its wage negotiations with its staff.



Whilst the Group maintains a collaborative relationship between management, staff and unions to ensure that the Group's strategy and objectives are met, if the Group's employee relations deteriorate, and there are labour disputes, it may have to incur significant costs to resolve such disputes, which could have a material and adverse effect on its business, results of operations, financial condition and prospects.

Details on labour laws specific to WFS are set out in the section in Appendix H of this Offer Information Statement titled "*Risk Factors – Labor disputes could disrupt our operations or lead to higher labor costs*".

***The Group is partially reliant on foreign labour and outsourced labour***

A significant proportion of the Group's employees in Singapore is represented by foreign labour. Changes in the labour policies of the countries in which the Group operates and/or those of the foreign workers' countries of origin may affect the supply and/or cost of foreign labour and cause disruption to the Group's operations, delays in the completion of projects and/or increase in project costs. The Group is susceptible to any increases in such levies and any sudden withdrawal in the supply of foreign workers which may negatively impact the Group's business, financial condition, prospects and results of operations. An increase in levies may increase the Group's payroll costs, which may negatively affect its profitability. Similarly, an increase in levies may increase the payroll costs of the Group's suppliers and this may affect their ability to supply the products or carry out the works for which they were contracted, thus delaying the completion of, or causing the failure to reach completion of, the Group's projects, resulting in additional costs for the Group or exposing the Group to the risk of liquidated damages.

The Group may also be adversely affected by changes in regulations or changes in application of regulations governing relationships with employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Consequential restrictions on the supply of foreign labour may result in the Group having to explore alternative and more costly sources of labour for its projects. For example, in a bid to curb the spread of COVID-19, the Singapore government, like other governments of the countries in which the Group operates, imposed tighter border controls leading to a shortage of supply of foreign labour globally. If a similar event such as COVID-19 should occur again, to ensure that Group can operate at capacity by replacing the loss of foreign labour, the Group's payroll costs may increase at such time, and its business, financial condition, prospects and results of operations may be materially and adversely affected. Similarly, in the event that the foreign worker entitlement of the Group's suppliers are reduced, an inability to seek alternative sources of labour at the same or lower cost may affect their ability to supply the products or carry out the works for which they were contracted, thus delaying the completion of, or causing the failure to reach completion of, the Group's projects, resulting in additional costs for the Group or exposing the Group to the risk of liquidated damages.

As an alternative source of manpower, the Group may engage third-party service providers for certain job roles. Such third-party service providers may transfer their own increase in labour costs as a result of their own difficulties in procuring foreign labour or even affect their ability to carry out the work or services for which they are contracted, thus resulting in delays in the completion of the Group's projects or unsatisfactory performance of services. There can also be no assurance that the services rendered by third-party contractors will always be satisfactory or match the Group's targeted quality levels. All these factors could adversely affect the Group's reputation and hence the Group's performance.

***The Group's business is subject to changes in global and regional macroeconomic conditions***

The Group's business is subject to volatility in the global economy. Any adverse developments in the global economy could result in reduced demand for the Group's services, which would decrease the Group's revenue and our profits. These developments would likely have a material adverse effect on the Group's financial condition and results of operations and the Group's future prospects.

In addition, the economies of developing and emerging markets, such as the markets in which we operate or other markets in which we may operate in the future, may be more susceptible to global and regional economic volatility and adverse developments than more established markets and are subject to a range of micro and macroeconomic factors that can slow or reverse economic growth. The financial risks of operating in developing and emerging markets include risks of illiquidity, inflation, devaluation, price volatility, currency fluctuations and convertibility and country default, as well as other macroeconomic risks. Similarly, currency fluctuations could cause our costs to increase.

Furthermore, in light of the current macroeconomic business environment, with many advanced economies raising interest rates to combat rising inflationary pressures, it is vital that the Group continues to maintain stable, liquid and well-functioning capital and credit markets standing to fund our future projects and development and to maintain our ability to make timely repayments of our debt obligations.

Global capital and credit markets have experienced significant volatility and disruption in recent years, resulting in decreased liquidity and making it more difficult for companies to access capital and credit markets. If market conditions deteriorate due to economic, financial, political, geo-political or other reasons, our ability to obtain bank financing and access the capital markets may be adversely affected. Our business may be negatively affected if our suppliers or customers are unable to perform their contractual obligations with us due to tighter capital and credit markets or a slowdown in the general economy. Any or all of these developments could materially and adversely affect our business, financial condition, results of operations and cash flows.

***The Group's international operations may subject it to additional country and cross-border risks, and geopolitical headwinds***

As at the Latest Practicable Date, the Group has a multinational business with a presence in 14 countries, over 60 cities and has operations in over 60 airports. Post-SPA Closing, the Group will immediately have presence in many more countries, some representing new markets to the Group and in which the Group has not operated in prior to the completion of the WFS Acquisition. The risk profile of the enlarged Group will therefore encompass the risks involved in each of these countries which include emerging market countries. Such risks include those relating to governance (such as laws, government regulations and policies and corruption), geopolitical tensions, infrastructure, political, economic and social stability as well as labour. The Group's businesses, performance and prospects may be adversely affected by any of such risks. For example, changes in laws, such as the imposition of restrictions on foreign ownership or repatriation of earnings, can have a negative effect on the ability of the Group to continue operations in these countries or its earning potential.

A global operational footprint will mean having to comply with a varied and extensive set of legislative and regulatory frameworks. Any occurrence of non-compliance with these laws may translate to penalties, fines and reputation damage to the Group and can materially and/or negatively impact the Group's business, results of operations, financial condition and prospects.

Political uncertainties, geopolitical disputes, social unrest and social upheaval (such as wars, riots, terrorist attacks and consequential government actions such as seizure of properties, suspension of trade, curtailment of freedom of movement) in any of the locations where the enlarged Group operates or plans to operate can severely disrupt the Group's business plans and affect its ability to execute, affect its ability to provide products and services for its customers in such countries and affect the ability of the Group's customers to meet their payment obligations to the Group, thereby increasing the cost of the Group's operations. All or any of such events could potentially impact the Group's earnings, results of operations, financial condition and prospects negatively.

***The Group is exposed to the risk of incurring costs from damage caused to aircraft, airports or cargo and from injury to individuals***

The Group operates within and around aircraft and airports. Despite the Group's key focus on safety through its establishment of robust operating safety protocols, it nevertheless faces the inherent risk that its employees may inadvertently damage aircraft or aircraft equipment, which could in turn lead to flight delays or possibly fatal accidents. For example, the unbalanced loading of cargo within an aircraft, improper de-icing of an aircraft or damage to an aircraft caused by its employees could lead to delays or accidents resulting in the loss of an aircraft or a loss of life. If the Group's employees mishandle cargo or baggage, or otherwise cause damage to equipment or facilities or cause injury to individuals in the course of carrying out their duties, the Group could be liable for that damage or injury. Although unlikely, any claim against the Group as a result of such an event could exceed the Group's insurance coverage, or fall outside its insurance coverage or could result in the cancellation of its insurance coverage. Moreover, the Group may be forced to bear substantial costs irrespective of insurance coverage. Any such accident could tarnish the Group's reputation, thus resulting in a significant, and possibly sustained, decline in demand for its services. Any of these events could have a material adverse effect on its business, cash flows, financial condition and results of operations.

In addition, some of the services the Group offers in its business put its employees and others in close proximity with heavy equipment, moving vehicles and combustible materials, as well as dangerous cargo and materials. Applicable law generally renders the Group responsible for the safety and well being of its personnel and imposes a duty of care on the Group for third parties in close proximity. If the Group fails to implement safety procedures or if the procedures implemented are ineffective, its employees and third parties may be injured. Unsafe work sites also have the potential to increase employee turnover, increase the cost of service to the Group's customers and raise its operating costs. Many of the Group's customers require that it meets certain safety criteria to be eligible to bid for contracts. The introduction of new technology, procedures, services, tools and machinery may have unforeseen negative effects on the working conditions of its employees and may subject the Group to liability based on allegations of illness or injury resulting from exposure. Any of the foregoing could result in financial losses, which could have a material adverse effect on the Group's cash flows, financial condition and results of operations.

Further, the Group is also vulnerable to unsafe conduct of its customers. As a significant portion of the services provided by the Group are below-the-wing services, including apron services and air cargo processing, the Group's employees who work in these services areas are susceptible to the risk of poor aircraft conditions and customer compliance with safety procedures. If any of the Group's customers are not compliant with aircraft safety, the Group's employees will be at risk of injury, including fatal injury, or the Group may face delays in performing its services for other customers down the service chain.

***The Group is exposed to risks associated with food safety, which may subject the Group to liability claims, damage the Group's reputation or affect the Group's relationship with its customers***

The food preparation, manufacturing and processing operations of the Food Solutions business are subject to periodic checks by the relevant authorities, which may withdraw or suspend the manufacturing licence or activities, or impose penalties as a result of health and hygiene issues. Further, the Group is particularly susceptible to harm arising from actual or perceived issues regarding the safety or quality of the food that it serves. In the event that the food materials or food products contain foreign materials, defects in the products or in the containers of the products, and these defects are caused by flaws in product design or process design and control, or by negligence, omission, wilful action or sabotage, the Group may be subject to lawsuits and product liability claims for any accidental death, bodily injury or illness to any person. Claims of illness or injury relating to contaminated, spoiled, mislabelled or adulterated food can also require costly measures to investigate and remediate, such as withdrawing or recalling products from sale or destroying supplies and inventory that are unfit for consumption. The occurrence of these events, or any withdrawal or suspension of any of the licences granted by the relevant authorities, may materially and adversely affect the Group's business, results of operations, financial condition and prospects.

The Group's in-flight catering and commercial catering businesses rely on strict adherence by employees to standards for food handling. Claims related to food quality or food handling are common in the food service industry and a number of these claims affecting the Group's in-flight catering and commercial catering businesses may exist at any given time. If the Group is found to be negligent in ensuring food safety, the Group could be exposed to significant liability, which could have a material and adverse impact on its business, results of operations, financial condition and prospects. Even if any such claims are without merit, any negative publicity that the Group receives as a result of allegations of unsafe food service can have a significant impact on its reputation and could negatively impact the Group's in-flight catering and commercial catering businesses.

In addition, the Group's in-flight catering and commercial catering businesses expose it to risks relating to the food industry generally, such as widespread contamination, nutritional and other health-related concerns. From time to time, food suppliers may be forced to recall products. This may result in the Group having to remove certain products from its inventory and source inventory from other providers, and adversely impact the Group's business and reputation. Such events can be highly disruptive to the Group's business.

If any of the above were to occur, it could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects.

***The Group's Food Solutions business is reliant on key suppliers in certain niche markets and a disruption of their supply chain could materially and adversely affect the Group's business, results of operations, financial condition and prospects***

The Group relies on its relationships with suppliers for both food and non-food items in the operation of its Food Solutions business. Although the Group obtains supplies from a range of sources, the Group is particularly reliant on a handful of key suppliers in certain markets in which it operates. If the Group were to lose the ability to purchase from such suppliers, it would be difficult to find substitute suppliers or to activate alternative suppliers in a timely fashion to fully meet the Group's supply needs. Consolidation among suppliers can further reduce the number of suppliers that the Group typically relies on and potentially increase their bargaining power, leading to less favourable purchasing terms. The Group's business and operations can also be significantly impacted by supplier disputes, late or non-delivery of products and failure by a supplier to meet its contractual obligations, any of which event can lead to knock-on effects on the Group's ability to fulfil its own obligations to its customers.

In addition, a number of factors beyond the Group's control and the control of the Group's suppliers can damage or disrupt the Group's supply chain. Such factors include adverse weather conditions or natural disasters, government action, fire, terrorism, the outbreak or escalation of armed hostilities, disease pandemics, industrial accidents or other occupational health and safety issues, labour actions or customs or import restrictions. If such events occur, they could materially and adversely affect the Group's business, results of operations, financial condition and prospects, as well as require additional resources to restore the Group's supply chain.

In addition, the Group may not be able to ensure that its suppliers maintain the quality and safety of the raw materials they supply to the Group which may in turn affect the quality of the Group's food products. Price fluctuations in imported raw materials may also have an impact on the margins of the manufactured goods of the Group's Food Solutions business. These in turn may materially and adversely affect the Group's business, results of operations, financial condition and prospects.

***There may be disruptions in the Group's operations as a result of failure, inadequacies or obsolescence in its facilities, equipment, IT systems and other assets which may not be adequately compensated by the Group's insurance***

The Group's operations result in the normal wear and tear of its machinery. The Group's facilities, equipment, IT systems and other assets may also break down. Consequently, the Group's machinery, facilities, equipment, IT systems and other assets used in its operations require periodic downtime for repairs and maintenance, and may affect our performance of services which are reliant on such machinery, facilities, equipment, IT systems or other assets, or may even cause damage to aircraft or airport facilities.

If any extraordinary or extensive repairs to the Group's machinery, facilities, equipment, IT systems or other assets are required due to any catastrophic event or otherwise, the Group's machinery, facilities, equipment, IT systems or other assets would not be available for use or deployment. While insurance proceeds may cover the costs associated with such repairs, they would only compensate for the loss of use of some of the assets to a limited degree. In the event of any such extraordinary or extensive repairs, the Group's operations could experience major disruptions. The loss of its machinery, facilities, equipment, IT systems or other assets or the inability to use its machinery, facilities, IT systems or other assets may materially and adversely affect the Group's business, results of operations, financial condition and prospects.

***The Group is dependent on its IT systems for the provision of services and is subject to disruptions in its IT systems, including cybersecurity attacks, which may be beyond the Group's control***

The Group is dependent on its IT systems to provide integrated services to its customers. The Group conducts regular checks on its IT systems to mitigate any foreseeable compromise to its IT systems. A significant portion of the communication between our personnel, customers and suppliers depends on our IT systems and we depend on our IT systems to enable us to operate efficiently and to interface with customers. We also collect and store personal data of our customers and suppliers from time to time in the ordinary course of business. The provision of the Group's services depends on the stability of its IT systems. The Group's IT systems may be vulnerable to damages or interruptions in operation due to fires, power losses, telecommunications systems failures, break-ins (whether physical or into its systems), compromises in internal controls, fraudulent activities, computer viruses, the failure of security measures or back-up systems, or other events beyond the Group's control. Despite the Group's implementation of cybersecurity measures, the Group may not detect or prevent all attempts to compromise its IT systems, including but not limited to distributed denial-of-service attacks, viruses, malicious software, phishing attacks, ransomware attacks or other attacks that could result in unauthorised access to its IT and other systems, misappropriation of information or data

(including personal data), deletion or modification of client information, or a denial-of-service or other interruption to its business operations. While the Group has disaster recovery and business continuity plans in place, any disruption in its IT systems may result in the loss of important data, increased costs, incur damages and may materially and adversely affect its business including loss of reputation, results of operations, financial condition and prospects.

Details on WFS Group's risk in relation to disruption of IT systems are set out in the section in Appendix H of this Offer Information Statement titled "*Risk Factors – We could be adversely affected by a failure or disruption of our computer, communications or other technology systems*".

Details on WFS Group's risk in relation to personal data protection and cybersecurity are set out in the section in Appendix H of this Offer Information Statement titled "*Risk Factors – We handle personal data including in the ordinary course of our business, and any failure to comply with applicable data protection laws or to maintain the confidentiality of that data could result in fines, legal liability for us and reputational harm to our business*".

***The Group relies on its reputation, brand image and brand name for its business, and is exposed to inherent risk from its joint ventures and associates which the Group does not wholly control***

The Group's brand name and those with which it is associated have significant commercial value. We do not have total control over all of our joint ventures and associates. We are not able to ensure that a joint venture partner of the Group always fulfils its contractual obligations or maintains its creditworthiness, and we are also not able to control the change in ownership of our joint venture partners, all of which may materially and adversely affect the performance of the Group's joint venture entity and in turn materially and adversely affect the Group's reputation. Damage to these brand names and/or the Group's wider reputation could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects. For example, the Group relies on positive brand recognition to attract customers and investors. Any damage to the Group's reputation, brand image or brand name, and damage to other brands with which it is associated, whether through a single event or a series of events, could have a material and adverse effect on the Group's ability to market its services and attract and retain customers. Failure to manage reputational risk effectively could also materially and adversely affect the Group's business, results of operations, financial condition and prospects.

The Group's joint ventures may, from time to time, enter into obligations and incur liabilities in the course of its business activities. Such obligations and liabilities may continue notwithstanding the termination of, or disposal by the Group of its interest in, the joint venture. Disagreements may occur between the Group and a joint venture partner regarding the business and operations of the joint venture which may not be resolved amicably. In addition, a joint venture partner of the Group may (i) have economic or business interests or goals that are not aligned with those of the Group; (ii) take actions contrary to the Group's instructions, requests, policies or objectives; (iii) be unable or unwilling to fulfil their obligations; (iv) have financial difficulties; or (v) have disputes with the Group as to the scope of their responsibilities and obligations.

If a joint venture partner of the Group is unable to fulfil its contractual obligations or experiences a decline in creditworthiness, the performance of the Group's joint venture entity may be materially and adversely affected which in turn may materially and adversely affect the Group's business, results of operations, financial condition and prospects.

***The Group may be adversely affected by fraud or other misconduct committed by its employees and external third parties***

Fraud or other misconduct by employees (such as unauthorised business transactions and breaches of the Group's internal policies and procedures including its anti-bribery and anti-corruption policies) or third parties (such as breach of law) may be difficult to detect and prevent and could subject the Group to financial loss, loss of commercially sensitive data, sanctions imposed by governmental authorities and seriously harm the Group's reputation. The Group aims to mitigate this risk through the Group's risk management systems, IT systems, and internal control procedures which are designed to monitor the Group's operations and overall compliance. However, the Group may not be able to identify non-compliance matters in a timely manner or at all. Furthermore, it is not always possible to detect and prevent fraud or other misconduct and the precautions that the Group takes to prevent and detect such activities may not be effective. Consequently, there exists the risk that fraud or other misconduct may have previously occurred but remains undetected, or may occur in the future. This could materially and adversely affect the Group's business, results of operations, financial condition and prospects.

***The Group's operations are subject to evolving government laws, regulations and licensing requirements***

The Group is exposed to the risks of regulatory and compliance proceedings in the jurisdictions in which it operates. Safety, personal data protection, trade sanctions, anti-bribery, anti-trust and other regulations impose significant requirements and compliance costs on the Group's business. Governments across the world have also become more active in regulatory intervention on issues ranging from anti-corruption, anti-trust to consumer welfare. Changes in such regulations, or the administration of such regulations can significantly increase compliance costs and restrict market access. In some instances, governments may adopt restrictive policies with respect to the issuance of certain permits and approvals or the way business is conducted. The Group's facilities are subject to inspection at any time, and allegations of non-compliance with regulations can result in lengthy and costly investigations. Such regulations in Singapore and overseas have tended to become broader and stricter over time, and enforcement has become more stringent. If regulations in the countries in which the Group operates are strengthened in the future, the extent and timing of investments required to maintain compliance may differ from the Group's internal planning and may limit the availability of funding for other investments. In addition, if the costs of regulatory compliance continue to increase and it is not possible for the Group to integrate these additional costs into the price of its services, any such changes could reduce the Group's profitability. Changes in regulations or evolving interpretations thereof may result in increased compliance costs, capital expenditures and other financial obligations which could affect the Group's profitability.

In addition, such laws and regulations may be ambiguous and their interpretations and applications may potentially be detrimental to the Group. Differences in regulations across the various jurisdictions in which the Group has operations may also risk the Group not being fully compliant with all the applicable regulations in a particular jurisdiction. In the event that the Group does not fully comply with such laws and regulations in the conduct of its business or operations, there can be no assurance that any such non-compliance would not have a material and adverse effect on the Group's business, results of operations, financial condition and prospects.

***The Group may not be sufficiently responsive to environmental and safety regulations and risks***

The Group is subject to international and local environmental and safety regulations and risks. The Group's operations are subject to various international and local environmental protection and safety laws and regulations. For example, the Group is subject to a variety of laws and governmental regulations in Singapore and overseas relating to the use, discharge and disposal

of waste materials produced by its Food Solutions business. Such laws and regulations are becoming increasingly complex and stringent and compliance may become increasingly difficult and costly. While the Group believes that it is currently in compliance in all material respects with these laws and regulations, if it fails to dispose of these waste materials appropriately, it could be subject to liability or could be required to suspend or modify operations relating to its Food Solutions business. Presently, the Group has insurance coverage in place to mitigate the financial exposure to such risks which the Group believes to be adequate. Nonetheless, there is no assurance that any losses arising from non-compliance will be fully recoverable thereunder and any renewals of policy coverage can be concluded on similar or more favourable terms. Furthermore, some of these environmental laws and regulations may expose the Group to liability for the conduct of or conditions caused by others including airport infrastructure, or for its own acts, even if such acts had complied with all applicable laws at the time of performance. For instance, the Group may be required to pay significant fines and penalties for non-compliance.

Environmental protection laws and regulations may also have the effect of indirectly having an adverse impact on the Group's business, financial performance and financial condition. The airline industry is a highly regulated industry that may require significant costs to be incurred in meeting existing and new regulations and policies. Safety, environmental and similar regulations impose significant requirements and compliance costs on the Group's airline clients. Changes in regulations and policies relating to the airline industry, or the administration of such regulations and policies, could have an adverse impact on the Group's airline customers' business by increasing costs. When the Group's airline customers experience and increase in cost, there would be less leeway for the Group to negotiate more favourable handling rates with these airline customers, thereby adversely affecting the Group's ability to pass on any of its costs to be borne by such airline customers, and consequently affecting the Group's ability to be responsive to its own increase in costs arising from increasing compliance cost or even just inflation.

***The Group may inadvertently not have sufficient insurance coverage for its operations***

The Group maintains different insurance policies covering all foreseeable risks in the various aspects of its business to mitigate the risk of having to pay out of pocket costs in the event of unforeseeable situation in the course of business. However, there is no assurance that such insurance can be obtained on commercially reasonable terms or at all, or that any such coverage will sufficiently cover any losses suffered by the Group. The Group's insurance policies are generally renewed on an annual basis and there can be no assurance that it will be able to renew all its policies or obtain new policies on similar or more favourable terms. Liabilities may exceed the Group's available insurance coverage or arise from claims outside the scope of its insurance coverage. In the event that the amount of such claims exceeds the coverage of the general insurance policies which the Group has taken up, the Group may be liable for shortfalls in the amounts claimed and its business, results of operations, financial condition and prospects may be materially and adversely affected.

Details on WFS Group's insurance coverage are set out in the section in Appendix H of this Offer Information Statement titled "*Risk Factors – We are exposed to the risk of losses from damage caused to aircraft, airports or cargo and from injury to individuals*".

***The Group may experience limited availability of funds and be exposed to liquidity risks and prolonged indebtedness risks***

The Group may require additional financing to fund future working capital requirements, to fund capital expenditure to support the growth of the business and/or to refinance debt obligations. The Group may not be able to fulfil all its funding requirements from the resources available to it. Liquidity risks may adversely affect the Group's net operating cash flow and level of cash and cash equivalents, thereby causing it to be unable to reduce or meet its financial obligations. The Group's working capital requirements may be adversely affected due to the effects of fluctuations in cash flow and operating environment.



The Group's ability to finance its capital expenditure plans is subject to a number of risks, contingencies and other factors, some of which are beyond its control, including tariff regulations, borrowing or lending restrictions imposed by applicable government regulations and general economic and capital market conditions. While the Group has unutilised facilities and funds available for use, the costs of financing and the availability of such facilities and funds also depends on a number of factors that are beyond the Group's control, including general economic conditions, availability of liquidity in the market, and changes in government policies, laws and regulations, which may affect the terms on which financial institutions are willing to extend credit to it.

The development of additional facilities and expansion projects are required to support the future and sustainable growth of its business. These developments and projects are capital intensive and require significant capital expenditure. The Group is also required to incur capital expenditures to maintain, upgrade and expand its facilities to keep pace with competitive developments, technological advances and evolving safety standards in the industries in which the Group operates. In addition, the pursuit of business opportunities may require it to have access to a significant amount of capital. If adequate funding is not available to us when needed, or available only on unfavourable terms, meeting our capital needs or otherwise taking advantage of business opportunities or responding to competitive pressures may become challenging. No assurance can be given that the Group will be able to raise sufficient funds required by its businesses on commercially acceptable terms or at all, or experiences any delays in raising such funds, there could be a material and adverse effect on its ability to complete its projects and on the Group's profitability.

Any significant change in the contemplated financial requirements and development costs may also have a material and adverse effect on the Group's business, results of operations, financial condition and prospects. If the Group decides to incur more debt, its interest payment obligations will increase and it may be subject to additional restrictive conditions from lenders. At such time, the Group may need to look for additional sources of finance, which may not be readily available, or may not be available on commercially reasonable terms.

Further, any consolidation in the Singapore and/or global banking industry may also reduce the availability of credit as the merged banks seek to reduce their combined exposure to one company or sector. Accordingly, there can be no assurance that the Group will be able to refinance its indebtedness as they become due on commercially reasonable terms or at all. The Group's level of indebtedness means that a portion of its expected cash flow may be required to be dedicated to the payment of interest on its indebtedness, thereby reducing the funds available to the Group for use in its general business operations. The Group's level of indebtedness could accordingly restrict its ability to obtain additional financing for capital expenditure, acquisitions or general corporate purposes and may cause it to be particularly vulnerable in the event of a general economic downturn. There can be no assurance that additional financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained on commercially reasonable terms or at all.

Post-SPA Closing, the financial indebtedness and aggregate leverage of the Group is expected to increase. Although the Group aims to use its best efforts to deleverage quickly by refinancing the existing debts of the WFS Group at lower interest rates and to repay costs of the WFS Acquisition through cash flows generated by the combined group, in the event of an economic downturn, the combined group's businesses may be affected and have a materially adverse effect on the combined group's ability to satisfy its debts within prescribed timeframes. Accordingly, the combined group may remain in an elevated debt position for a longer time than envisaged.

Details on how liquidity concerns adversely affect WFS Group are set out in the section in Appendix H of this Offer Information Statement titled "*Risk Factors – We are exposed to currency instability risks in the Eurozone that could have an adverse impact on our liquidity, financial condition and cash flows*", and "*Risk Factors – Economic downturns, disruptions in the financial markets or other factors could adversely affect our liquidity and ability to post performance bonds*".

Details on how the WFS Group's indebtedness adversely affects its business and operations are set out in the section in Appendix H of this Offer Information Statement titled "*Risk Factors – Our substantial indebtedness and debt service obligations could materially adversely affect our business, financial condition and results of operations*".

***The Group is exposed to interest rate risks***

The Group's exposure to changes in interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed on an on-going basis with the primary objective of limiting the extent to which net interest expenses could be affected by an adverse movement in interest rates. Surplus cash balances are placed with reputable banks and financial institutions on varying maturities and interest rate terms. The Group has also incurred indebtedness to finance its operations. The interest cost to be borne by the Group for its floating interest rate borrowings (if any) will be subject to fluctuations in interest rates. In addition, the Group is subject to market disruption clauses contained in its loan agreements with banks which may result in the banks passing on higher cost of funds to the borrower. Where appropriate, the Group may seek to minimise its cash flow interest rate exposure by entering into interest rate swap contacts to swap floating interest rates to fixed interest rates over the duration of the borrowings. However, there can be no assurance that the hedging policy will adequately cover the exposure to interest fluctuations. As a result, the Group's financial condition, results of operations, and prospects may be materially and adversely affected.

Details on how the WFS Group is affected by interest rate risks are set out in the sections in Appendix H of this Offer Information Statement titled "*Risk Factors – The loans under our Revolving Credit Facility and the Floating Rate Notes bear interest at floating rates that could rise significantly, increasing our costs and reducing our cash flow*" and "*Risk Factors – Certain of our indebtedness bears interest at a variable rate, which could rise significantly, increasing our costs and reducing our cash flow, or could otherwise be adverse to the interests of holders of the Notes*".

***The Group is exposed to foreign exchange rate fluctuations and foreign exchange translation risks***

The Group's revenue, costs, debts, capital expenditure and investments are mainly denominated in Singapore Dollars and several other currencies such as Japanese Yen, Chinese Renminbi and Hong Kong Dollars. The Group is also exposed to currencies such as Australian Dollars, Malaysian Ringgit, Indian Rupees, Indonesian Rupiah, Philippines Pesos, Maldives Rufiyaa, New Taiwan Dollars, Vietnamese Dong, Saudi Riyal and British Pound. Consequently, portions of the Group's costs, profit margins and asset values are affected by fluctuations in the exchange rates among the above-mentioned currencies. To mitigate this risk, the Group may enter into foreign exchange contracts to hedge its foreign currency exposure where appropriate, the impact of future exchange rate fluctuations on the Group's cost, profit margins and asset values cannot be accurately predicted and there is no guarantee that the hedging measures can adequately protect the Group from material adverse effects due to the impact of fluctuations in the relative values of the Singapore dollar and foreign currencies, which may result in a financial loss. Some of the currencies may also not be convertible or exchangeable or may be subject to exchange controls.

The reporting currency for the Group is Singapore Dollars. Exchange rate gains or losses will arise when the assets and liabilities in foreign currencies are translated or exchanged into Singapore Dollars for financial reporting or repatriation purposes. The fluctuation of the foreign currencies vis-à-vis the Singapore Dollar may materially and adversely affect the consolidated financial statements of the Group.

Post-SPA Closing, the foreign exchange exposure is expected to increase with the increased geographic diversification of the Group. Details on how the WFS Group is affected by exchange rate fluctuations are set out in the section in Appendix H of this Offer Information Statement titled "*Risk Factors – Investors may face foreign exchange risks by investing in the Notes*".

***The Group may be adversely affected by proceedings arising from claims from external third parties***

The Group's operations involve inherent risks to a person's property. For instance, poor management or services on the Group's part could result in the loss of cargo or delay in processing or delivering cargo. Defending private actions can be costly and time-consuming. If a judgment against the Group were to be rendered, the Group may be exposed to substantial financial liabilities, which may not be covered or adequately covered by insurance.

Due to risks of litigation, the Group is also exposed to liability arising from its normal operations. To meet the cost of such contingencies, the Group is presently insured against liability towards customers, passengers and third parties arising in connection with its operations.

***The Group may be adversely affected by its counterparties' failure to fulfil contractual obligations and decline in creditworthiness***

The Group may be exposed to the risk of monetary loss if any of its counterparties, such as its suppliers or customers, encounters difficulty in meeting their obligations under the terms of their respective agreements. While the Group manages such risk by limiting the aggregate exposure to any individual counterparty, this may not always be possible. Any such increase in counterparty risk could adversely affect the Group. If the counterparties of the Group are unable to fulfil their contractual obligations or experiences a decline in creditworthiness, this may materially and adversely affect the Group's business, results of operations, financial condition and prospects.

**RISKS RELATING TO AN INVESTMENT IN THE RIGHTS, THE RIGHTS SHARES AND THE SHARES**

***The Rights or the Rights Shares cannot be freely resold in the U.S.***

The offering and delivery of the Rights or the Rights Shares in the U.S. is being made to certain Entitled QIBs in reliance on one or more exemptions from the registration requirements of the Securities Act. None of the Rights or the Rights Shares have been, or will be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the U.S.. Accordingly, investors who are acquiring the Rights or the Rights Shares in the Rights Issue should note that the Rights or the Rights Shares may not be freely resold or transferred in the U.S.. The Rights or the Rights Shares may only be resold, renounced, pledged, or otherwise transferred or delivered (as applicable) in an "offshore transaction" in accordance with Rule 904 of Regulation S.

***An active trading market in the Rights may not develop***

An active trading market in the Rights may not develop on the SGX-ST during the trading period for such Rights. Even if an active trading market develops, because the trading price of the Rights depends on the trading price of the Shares, the price may be volatile and subject to the same risks as noted elsewhere in this Offer Information Statement.

Shareholders should also note that the Shares trade in board lots of 100 Shares. Following the Rights Issue, Shareholders who hold odd lots of the Shares and who wish to trade in odd lots on the SGX-ST should note that there is no assurance that they will be able to acquire such number of Shares to make up one board lot of 100 Shares or to dispose their odd lots (whether in part or whole) on the SGX-ST. Further, Shareholders who hold odd lots of less than 100 Rights Shares may experience difficulty and/or have to bear disproportionate transaction costs in disposing of odd lots of their Shares.

***Shareholders who do not or are not able to accept their Rights will experience a dilution in their ownership of the Company***

If Shareholders do not or are not able to accept their Rights, their proportionate ownership of the Company will be reduced. They may also experience a dilution in the value of their Shares. Even if a Shareholder sells his Rights, or such Rights are sold on his behalf, the consideration he receives may not be sufficient to compensate him fully for the dilution of his ownership of the Company as a result of the Rights Issue.

***Investors may experience future dilution in the value of their Shares***

The Company may need to raise additional funds in the future and if such additional funds are raised through the issuance by the Company of new Shares other than on a *pro rata* basis to existing Shareholders, the percentage ownership of existing Shareholders may be reduced and existing Shareholders may experience dilution in the value of their Shares.

***The Issue Price is not an indication of the underlying value of the Shares. Further, the Rights Issue may cause the price of the Shares to fluctuate or decrease***

The Issue Price represents a discount of approximately (i) 20.0 per cent. to the last transacted price of the Shares on the Main Board of the SGX-ST of S\$2.75 on the Last Trading Day; and (ii) 16.0 per cent. to the TERP of S\$2.62<sup>6</sup> per Share. The Issue Price does not bear a direct relationship to the book value of the Company's assets, past operations, cash flow, earnings, financial condition or any other established criteria for value, and Shareholders should not consider the Issue Price to be any indication of the Share's underlying value.

The market price for the Shares on the SGX-ST (including the Rights and the Rights Shares) could be subject to significant fluctuations. Any fluctuation may be due to the market's perception of the likelihood of completion of the Rights Issue and/or be in response to various factors some of which are beyond the Company's control. Examples of such factors include but are not limited to: (a) variation in its operating results; (b) changes in securities analysts' estimates of the Group's financial performance; (c) fluctuations in stock market prices and volume; (d) general changes in rules/regulations with regard to the industries that the Group operates in, including those that affect the demand for the Group's products and services; and (e) economic, stock and credit market conditions.

Any of these events could result in a decline in the market price of the Shares (including the Rights and the Rights Shares) during and after the Rights Issue. There is no assurance that the market price of the Rights Shares, upon or subsequent to the listing thereof and quotation therefor on the SGX-ST, will remain at or above the Issue Price, or that the Rights Shares can be disposed of at or above the Issue Price. Further, the discount, along with the number of Rights Shares, may result in a decrease in the trading price of the Shares and this decrease may continue after the completion of the Rights Issue.

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<sup>6</sup> Such TERP is the theoretical market price of each Share assuming the completion of the Rights Issue, and is calculated based on the last transacted price of the Shares on the Main Board of the SGX-ST on the Last Trading Day of S\$2.75, and the number of Shares following the completion of the Rights Issue.

## ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

### Entitled Shareholders

Entitled Shareholders are entitled to participate in the Rights Issue, access and download this Offer Information Statement from the Company's corporate website at <https://www.sats.com.sg/investors/going-global>, or the SGX-ST's website at <https://www.sgx.com/securities/company-announcements>, and to receive the OIS Notification Letter, the Gatefold, together with the ARE and/or PAL, as the case may be, and other accompanying documents at their respective Singapore addresses.

Entitled Depositors who do not receive the OIS Notification Letter, the Gatefold or ARE may obtain them from CDP, the Share Registrar or any stockbroking firm during the period from the date the Rights Issue commences up to the Closing Date. Entitled Scripholders who do not receive the OIS Notification Letter, the Gatefold or PAL may obtain them from the Share Registrar during the period from the date the Rights Issue commences up to the Closing Date.

Entitled Shareholders will be provisionally allotted Rights Shares under the Rights Issue on the basis of their shareholdings in the Company as at the Record Date. Entitled Shareholders are at liberty to accept (in full or in part), decline, renounce or (in the case of Entitled Depositors only) trade on the SGX-ST (during the Rights trading period prescribed by the SGX-ST) their Rights and are eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue. Fractional entitlements to the Rights Shares will be disregarded in arriving at the Shareholders' entitlements and will, together with such Rights Shares that are not validly taken up by Entitled Shareholders or their respective renounee(s) or Purchaser(s), any unsold Rights of Foreign Shareholders and any Rights Shares that are not otherwise allotted for whatever reason in accordance with the terms and conditions contained in this Offer Information Statement, the OIS Notification Letter, the Gatefold, ARE, PAL and (if applicable) the Constitution, be aggregated and used to satisfy Excess Rights Shares applications (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company. In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board of Directors, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. For the avoidance of doubt, only Entitled Shareholders (and not Purchasers or renounees) shall be entitled to apply for Excess Rights Shares in excess of their provisional allotments.

**All dealings in and transactions of the Rights through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs, which will be issued to Entitled Scripholders, will not be valid for delivery pursuant to trades done on the SGX-ST.**

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the Rights and for the applications for Excess Rights Shares, including the different modes of acceptance or application and payment, are contained in Appendices E, F and G to this Offer Information Statement and in the ARE, ARS and PAL.

Entitled Scripholders and their renounees will be issued physical share certificates in their own names for the Rights Shares allotted to them and if applicable, the Excess Rights Shares allotted to them.

Entitled Depositors should note that all notices and documents will be sent to their last registered addresses with CDP as at the Record Date.

**Notwithstanding the foregoing, investors should note that the offer and sale of, or exercise or acceptance of, or subscription for, and Rights Shares to or by persons located or resident in jurisdictions other than Singapore may be restricted or prohibited by the laws of the relevant jurisdiction. Crediting of Rights to any Securities Account, the receipt of any Rights, or receipt of this Offer Information Statement, the OIS Notification Letter and the Gatefold and/or any of its accompanying documents (including the ARE, ARS and PAL), will not constitute an offer or sale in those jurisdictions in which it will be illegal to make such offer or sale, or where such offer or sale will otherwise violate the securities laws of such jurisdictions or be restricted or prohibited. The Company reserves absolute discretion in determining whether any person may participate in the Rights Issue. Investors are cautioned to note the offering, selling and transfer restrictions set forth in the section titled “Offering, Selling and Transfer Restrictions” of this Offer Information Statement.**

### **Foreign Shareholders**

This Offer Information Statement as well as the OIS Notification Letter, the Gatefold and accompanying documents (including the ARE, ARS and PAL), have not been and will not be lodged, registered or filed in any jurisdiction other than Singapore. The dissemination of this Offer Information Statement and the distribution of the OIS Notification Letter, the Gatefold and accompanying documents (including the ARE, ARS and PAL), and the purchase, exercise of or subscription for Rights and/or the Rights Shares by any persons who have registered addresses outside Singapore, or who are resident in, or citizens of countries other than Singapore, may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, this Offer Information Statement, the OIS Notification Letter, the Gatefold and accompanying documents (including the ARE, ARS and PAL), will not be despatched or disseminated to Foreign Shareholders.

**Subject to certain limited exceptions, Foreign Shareholders will not be entitled to participate in the Rights Issue. Accordingly, no provisional allotment of Rights Shares will be made to Foreign Shareholders and no purported acceptance or application for the Rights Shares by Foreign Shareholders will be valid.**

Subject to certain limited exceptions, this Offer Information Statement, the OIS Notification Letter, the Gatefold and accompanying documents (including the ARE, ARS and PAL), will not be despatched or disseminated to Foreign Purchasers. Foreign Purchasers who wish to accept the Rights credited to their Securities Accounts should make the necessary arrangements with their respective Depository Agents or stockbrokers in Singapore.

The Company reserves the right, but shall not be obliged, to treat as invalid any ARE, ARS or PAL which (i) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore or which the Company believes may violate any applicable legislation of such jurisdiction; (ii) provides an address outside Singapore for the receipt of the share certificate(s) for the Rights Shares or which requires the Company to despatch the share certificate(s) to an address in any jurisdiction outside Singapore; (iii) is not accompanied by a signed Investor Representation Letter (for persons located or resident in the U.S.); or (iv) purports to exclude any deemed representation, warranty or confirmation. The Company further reserves the right to reject any acceptances of the Rights Shares and/or applications for Excess Rights Shares where it believes, or has reason to believe, that such acceptances and/or applications may violate any applicable legislation of any jurisdiction.

If it is practicable to do so, the Company may, at its absolute discretion, arrange for the Rights, which would otherwise have been provisionally allotted to Ineligible Shareholders to be sold “nil-paid” on the SGX-ST as soon as practicable after commencement of trading in the Rights. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the expenses expected to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Ineligible Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Record Date and sent to them **AT THEIR OWN RISK** by ordinary post, **provided that** where the amount of net proceeds to be distributed to any single Ineligible Shareholder or persons acting to the account or benefit of any such persons is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Ineligible Shareholder or persons acting for the account or benefit of any such persons shall have any claim whatsoever against the Company, the Financial Advisers and Joint Underwriters, the Co-Lead Managers, CDP, the CPF Board or the Share Registrar or any of their respective officers in connection therewith.

Where such Rights are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Ineligible Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Financial Advisers and Joint Underwriters, the Co-Lead Managers, CDP, the CPF Board, the Share Registrar or any of their respective officers in respect of such sales or the proceeds thereof, the Rights or the Rights Shares represented by such Rights.

If such Rights cannot be or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the Rights, the Rights Shares represented by such Rights will be issued to satisfy excess applications or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Ineligible Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Financial Advisers and Joint Underwriters, the Co-Lead Managers, CDP, the CPF Board, the Share Registrar or any of their respective officers in connection therewith.

Shareholders should note that the special arrangements described above will apply only to Ineligible Shareholders.

**Notwithstanding the foregoing, the Rights and Rights Shares are not intended to be offered or sold to persons in the U.S., except for offers and sales to Entitled QIBs, pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the Securities Act.**

**The Rights and Rights Shares are being offered and sold outside the U.S. in “offshore transactions” as defined in, and in reliance on, Regulation S.**

**Please refer to the section titled “*Offering, Selling and Transfer Restrictions*” of this Offer Information Statement for further information. The Company, the Financial Advisers and Joint Underwriters and the Co-Lead Managers reserve absolute discretion in determining whether to allow such participation as well as the identity of the persons who may be allowed to do so.**

**Notwithstanding the above, Shareholders and any other person having access to the electronic version of this Offer Information Statement and/or possession of the OIS Notification Letter, the Gatefold and/or accompanying documents (including the ARE, ARS and PAL) are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any territory outside Singapore receiving and/or accessing this Offer Information Statement, the OIS Notification Letter, the Gatefold and/or accompanying documents (including the ARE, ARS and PAL), may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or other regulatory or legal requirements in such territory.**

## OFFERING, SELLING AND TRANSFER RESTRICTIONS

No action has been taken or will be taken to permit a public offering of the Rights or the Rights Shares to occur in any jurisdiction, or the possession, circulation, distribution or dissemination of this Offer Information Statement, the OIS Notification Letter, the Gatefold and accompanying documents (including the ARE, ARS and PAL), or any other materials relating to the Company, the Rights or the Rights Shares in any jurisdiction where action for such purpose is required, except that this Offer Information Statement has been lodged with the MAS. Accordingly, the Rights and the Rights Shares may not be offered or sold, directly or indirectly, and none of this Offer Information Statement, the OIS Notification Letter, the Gatefold and accompanying documents (including the ARE, ARS and PAL), or any offering materials or advertisements in connection with the Rights or the Rights Shares may be distributed, disseminated or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Investors are advised to consult their legal counsel prior to accepting any Rights, applying for Excess Rights Shares or making any offer, sale, resale, pledge or other transfer of the Rights or the Rights Shares.

**This Offer Information Statement, the OIS Notification Letter, the Gatefold and accompanying documents (including the ARE, ARS and PAL), are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.**

### FOR INVESTORS IN THE U.S.

**The Rights and the Rights Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the U.S. or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights or the Rights Shares or the accuracy or adequacy of this Offer Information Statement. Any representation to the contrary is a criminal offence in the U.S..** This Offer Information Statement is not for distribution, directly or indirectly, into the U.S. and is not an offer of securities for sale in the U.S. or in any other jurisdiction. The Rights and the Rights Shares have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the U.S., and are being offered and sold only (i) in the U.S. in transactions exempt from the registration requirements of the Securities Act to Entitled QIBs; and (ii) outside the U.S. in “offshore transactions” as defined in, and in reliance on, Regulation S.

In addition, until 40 days after the settlement, an offer or sale of Rights and the Rights Shares within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

Neither receipt of this Offer Information Statement, the OIS Notification Letter, the Gatefold nor any of the accompanying documents (including the ARE, ARS and PAL), constitutes an offer of the Rights or the Rights Shares to any Shareholder other than the Entitled Shareholder which has received this Offer Information Statement and its accompanying documents directly from the Company.

Further, if you are in the U.S., you may not exercise any Rights and/or acquire any Rights Shares offered hereby unless you are an Entitled QIB and have been invited to participate directly by the Company. In addition, in order to exercise your Rights and/or acquire any Rights Shares offered hereby, you must have completed, duly executed and delivered to the Company (with a copy thereof to your Depository Agent, financial intermediary or nominee) prior to 6 March 2023 an Investor Representation Letter (which the Company must have accepted).



In addition, each person in the U.S., by accepting the delivery of this Offer Information Statement, the OIS Notification Letter, the Gatefold and/or any of the accompanying documents (including the ARE, ARS and PAL), any Rights or Rights Shares, will be deemed to have represented, warranted and agreed as follows:

- (a) It is a beneficial holder of (or acting on account of shareholders beneficially holding) Shares in the Company.
- (b) It is a QIB which has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein, and, if it is acquiring the Rights or the Rights Shares as a fiduciary or agent for one or more investor accounts, each owner of such account is a QIB, it has sole investment discretion with respect to each such account, and it has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein on behalf of each owner of such account.
- (c) To the extent it exercises the Rights and subscribes for the Rights Shares, or applies for Excess Rights Shares, it will acquire such Rights and Rights Shares for its own account, or for the account of one or more QIB(s) as to which it has full investment discretion, in each case for investment purposes, and not with a view to any resale, distribution or other disposition (within the meaning of U.S. securities laws) of the Rights or the Rights Shares.
- (d) It understands that none of the Company, placement agent(s) or any global co-ordinator(s), bookrunner(s), lead Company(s) and/or any underwriting bank(s) in relation to the Rights Issue and/or the private placement of the Shares to Entitled QIBs in the United States will provide it with any disclosure or offering document in connection with the offer and sale of the Rights or Rights Shares.
- (e) It is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights or the Rights Shares involves a considerable degree of risk and that the Rights and the Rights Shares are a speculative investment, and further, that no U.S. federal or state or other agency has made any finding or determination as to the fairness of any such investment or any recommendation or endorsement of any such investment.
- (f) It acknowledges and agrees that it will not hold the Company, the Financial Advisers and Joint Underwriters and the Co-Lead Managers, any of their respective affiliates or any person acting on their behalf responsible for any misstatements in or omissions from any publicly available information, concerning the Company, the Rights Issue (including the private placement of the Shares to Entitled QIBs in the United States by the Company), the Shares or the Rights and Rights Shares, and it will not look to the Company, the Financial Advisers and Joint Underwriters or the Co-Lead Managers for all or part of any such loss or losses it may suffer.
- (g) It understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights or the Rights Shares in any jurisdiction (other than the lodgement of the Offer Information Statement with the MAS); and it will not offer, resell, pledge or otherwise transfer any of the Rights or Rights Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations.

- (h) Without limiting the generality of the foregoing, it is aware and understands (and each account for which it is acting has been advised and understands) that (i) the Rights and the Rights Shares have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the U.S.; (ii) any offer and sale of the Rights or the Rights Shares to it (and to each account for which it is acting) is being made solely by the Company pursuant to an exemption from the registration requirements of the Securities Act, and (iii) the Rights and the Rights Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act; and it agrees, on its own behalf and on behalf of any accounts for which it is acting, that it will not offer, resell, pledge or otherwise transfer any Rights or Rights Shares which it may acquire, or any beneficial interest therein, except in an “offshore transaction” complying with Rule 904 of Regulation S.
- (i) To the extent it exercises the Rights and subscribes for the Rights Shares, or applies for Excess Rights Shares, it acknowledges and agrees that it is not acquiring or subscribing for the Rights or the Rights Shares as a result of any “general solicitation or general advertising” (as those terms are defined in Regulation D under the Securities Act). It understands and agrees that although offers and sales of the Rights and the Rights Shares are being made in the U.S. to QIBs, such offers and sales are not being made under Rule 144A under the Securities Act.
- (j) To the extent it exercises the Rights and subscribes for the Rights Shares, or applies for Excess Rights Shares, it agrees not to deposit any Rights or the Rights Shares into any unrestricted depository facility maintained by any depository bank unless and until such time as the Rights or the Rights Shares are no longer “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act.
- (k) It is aware that no analysis has been undertaken to determine if the Company is a “passive foreign investment company” (a “**PFIC**”) within the meaning of Section 1297 of the United States Income Tax Code. It understands that if the Company is determined to be a passive foreign investment company, there would be adverse tax consequences for a U.S. holder of the Rights Shares, and it has obtained independent tax and advice and evaluated the tax consequences in relation to the Rights Shares. It understands that a separate determination must be made each year as to the Company’s PFIC status and it is seeking its own advice on this matter. In addition, it understands that the Company has not analysed any potential tax consequences under U.S. tax law or any other relevant tax law resulting from the receipt, exercise or disposition of the Rights or the ownership of the Rights Shares. It understands that it should consult its own tax adviser regarding such tax consequences.
- (l) It is aware that no analysis has been undertaken to determine if the Company is an “investment company” as defined in the United States Investment Company Act of 1940, as amended, or a “covered fund” under Section 13 of the U.S. Bank Holding Company Act of 1956, as amended.
- (m) Prior to making any investment decision to exercise the Rights and subscribe for the Rights Shares, or apply for Excess Rights Shares, it (i) has consulted or will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) possesses or will have possessed all information relating to the Company, the Group, the Rights Issue (including the private placement of the Shares to Entitled QIBs in the United States by the Company), the Shares, the Rights and the Rights Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below); (iii) has reviewed or will have reviewed all information that it believes is necessary or appropriate in connection with an investment in the Rights and the Rights Shares; and (iv) has conducted or will have conducted its own due diligence on the Company, the Group and the Rights Issue, and will have made its own

investment decisions based upon its own judgment, due diligence and advice from such advisers as it has deemed necessary, and is not and will not be relying upon any investigation that the Company, the Financial Advisers and Joint Underwriters, or the Co-Lead Managers or any of their respective affiliates or any person acting on their behalf may have conducted with respect to the Company, the private placement of the Shares to Entitled QIBs in the United States, or the Shares, or upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of the Company, the Financial Advisers and Joint Underwriters, the Co-Lead Managers or their respective affiliates (including any research reports).

- (n) Without limiting the generality of the foregoing, it acknowledges that (i) the Rights Shares are listed on the SGX-ST and the Company is therefore required to publish certain business, financial and other information concerning the Company in accordance with the rules and practices of the SGX-ST (the “**Exchange Information**”), which includes, but is not limited to, a description of the nature of the Group’s business and its most recent consolidated balance sheet and profit and loss account, and similar statements for preceding years, and that it has reviewed such Exchange Information as it has deemed necessary or that it is able to obtain or access the Exchange Information without undue difficulty; and (ii) none of the Company, the Financial Advisers and Joint Underwriters, the Co-Lead Managers nor any of their respective affiliates, employees, officers, directors, or representatives has made any recommendation, promise, representation or warranty to it, express or implied, with respect to the Company, the Group, the Rights Issue (including the private placement of the Shares to Entitled QIBs in the United States by the Company), the Shares, the Rights or the Rights Shares or the accuracy, completeness or adequacy of the Exchange Information.
- (o) It understands that the Exchange Information has been prepared in accordance with content, format and style which is either prescribed by the SGX-ST or under Singapore laws or is customary in Singapore, which differs from the content, format and style customary in the U.S. In particular, (i) the Company’s financial information contained in the Exchange Information has been prepared in accordance with Singapore Financial Reporting Standards (International) issued by the Accounting Standards Council Singapore (as amended); and (ii) with respect to the financial information contained in this Offer Information Statement, such financial information has not been prepared for an offering registered with the U.S. Securities and Exchange Commission.
- (p) It acknowledges that (i) any information that it has received or will receive relating to or in connection with the Rights Issue, and the Rights or the Rights Shares and the Exchange Information (collectively, the “**Information**”), has been prepared solely by the Company; (ii) none of the Financial Advisers and Joint Underwriters, the Co-Lead Managers or any of their respective affiliates has verified or will verify such Information, and no recommendation, promise, representation or warranty (express or implied) is, has been or will be made or given by the Financial Advisers and Joint Underwriters, the Co-Lead Managers or any of their respective affiliates as to the accuracy, completeness or sufficiency of the Information; and (iii) nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by any of the Financial Advisers and Joint Underwriters, the Co-Lead Managers or their respective affiliates. It understands that the Information contains forward-looking statements and assumptions which may or may not ultimately prove to be correct and that there can be no assurances that any such forward-looking statements or assumptions are accurate. None of the Financial Advisers and Joint Underwriters, the Co-Lead Managers or any of their respective affiliates are under any obligation to provide it with any amendment, update or replacement information with respect to the Information.

- (q) It understands that, to the extent the Rights Shares are delivered in certificated form, the certificate delivered in respect of the Rights Shares will bear a legend substantially to the following effect for so long as the Rights Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATIONS UNDER THE SECURITIES ACT. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THESE SECURITIES MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE COMPANY’S SHARES, ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK FOR SO LONG AS THESE SECURITIES REMAIN “RESTRICTED SECURITIES” WITHIN THE MEANING OF RULE 144(a)(3) UNDER THE SECURITIES ACT.”

- (r) It will not hold the Financial Advisers and Joint Underwriters, the Co-Lead Managers or any of their respective affiliates responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by the Company to it. It acknowledges that no written or oral information relating to the Rights Issue, the Rights or the Rights Shares has been or will be provided by the Company, the Financial Advisers and Joint Underwriters, the Co-Lead Managers or any of their respective affiliates to it.
- (s) It is a highly sophisticated investor and has such knowledge and experience in financial, business and international investment matters as to be capable of evaluating the merits and risks of an investment in the Rights and the Rights Shares. It, or any account for which it is acting, has the financial ability to bear the economic risk of investment in the Rights and the Rights Shares, has adequate means of providing for its current and contingent needs, has no need for liquidity with respect to any investment it (or such account for which it is acting) may make in the Rights and the Rights Shares, and is able to sustain a complete loss in connection therewith and it will not look to the Company, the Financial Advisers and Joint Underwriters, the Co-Lead Managers or any of their respective affiliates, for all or part of any such loss or losses it may suffer. It has no reason anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of any Shares it may decide to invest in. If it is resident or located in California, it is also an entity which falls within one or more of the various classes of investors described in §25102(i) of the California Corporation Securities Law and Rules §260.102.10 and §260.105.14 promulgated thereunder. It has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of any Rights or Rights Shares it may decide to invest in.
- (t) It understands and acknowledges that the Financial Advisers and Joint Underwriters and the Co-Lead Managers are assisting the Company in respect of the Rights Issue only and will not be acting in relation to the offer and sale of rights or shares to any shareholders in the United States and that the Financial Advisers and Joint Underwriters, the Co-Lead Managers and their respective affiliates are acting solely for the Company and no one else in connection with the Rights Issue and, in particular, are not providing any service to it, making any recommendations to it, advising it regarding the suitability of any transactions it may enter into to subscribe or purchase any Rights or Rights Shares nor providing advice to it in relation to the Company, the Rights Issue or the Rights or the Rights Shares. Further, to the extent permitted by law, it waives any and all claims, actions, liabilities, damages or demands it may have against the Financial Advisers and Joint Underwriters, the Co-Lead Managers and their respective affiliates arising from its participation in the Rights Issue and its engagement with the Company.

- (u) It has full power and authority to execute and deliver the Investor Representation Letter, which constitutes its valid and legally binding obligation and is enforceable against it in accordance with its terms.
- (v) It understands that the foregoing representations and acknowledgments have been provided in connection with U.S., Singapore and other securities laws. It acknowledges that the Company, the Financial Advisers and Joint Underwriters, the Co-Lead Managers, their respective affiliates and others (including legal counsels to each of the Company, the Financial Advisers and Joint Underwriters and the Co-Lead Managers) will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agree that, if at any time before the closing of the Rights Issue (including the private placement of the Shares to Entitled QIBs in the United States by the Company) or the issuance of the Rights Shares, any of the acknowledgements, representations, warranties and agreements made in connection with its exercise of Rights and subscription for Rights Shares or application for Excess Rights Shares is no longer accurate, it shall promptly notify the Company in writing.
- (w) It will, on demand, indemnify and keep indemnified the Company, the Financial Advisers and Joint Underwriters, the Co-Lead Managers and their respective affiliates, and each of them and their respective directors, officers, agents and employees to the fullest extent lawful, for all losses, claims, damages or liabilities (including for the avoidance of doubt, legal expenses) incurred by any of them arising out of or in connection with any breach by it of the oral contract to purchase or subscribe for the Rights and Rights Shares, any breach of the selling or transfer restrictions relating to or connected with the sale or subscription of the Rights Shares, or any other breach of its obligations hereunder.
- (x) It represents and agrees that it satisfies any and all relevant standards for investors in investment of the type of securities subscribed for herein imposed by the jurisdiction of its residence or otherwise, it has obtained or will obtain all consents, approvals or authorisations required for its agreement to subscribe for or purchase and accept delivery of the Rights and the Rights Shares and it is in compliance with all relevant laws and regulations in connection with its subscription for or purchase of the Rights and the Rights Shares. It acknowledges that no action has been or will be taken to permit an offering of the Rights or the Rights Shares in any jurisdiction; and it will not offer, resell, pledge or otherwise transfer any of the Rights or the Rights Shares which it may acquire, or any beneficial interests therein, in any jurisdiction in any circumstances in breach of any applicable laws and/or regulations. It will not engage in hedging or short-selling or place simultaneous sell and buy orders or engage in similar kinds of transactions involving the Rights and the Rights Shares that have the purpose or effect of evading any applicable laws and/or regulations restricting the resale of the Rights and the Rights Shares.
- (y) It acknowledges that the Company will not accept subscription monies for the Rights Shares by natural persons or entities acting, directly or indirectly, in contravention of all applicable financial recordkeeping and reporting requirements, money laundering and terrorism financing statutes (including all applicable rules and regulations thereunder), and all applicable related or similar rules, regulations or guidelines, including and without limitation, the Currency and Foreign Transactions Reporting Act of 1970, as amended, modified or supplemented from time to time, the Bank Secrecy Act of 1970, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act) and those of all the United States, United Kingdom, European Union (or any member of the European Union), Singapore, Taiwan, PRC, Hong Kong, Japan, Malaysia, Korea, Thailand or any similar anti-money laundering laws and regulations of any other applicable jurisdiction to which the Company and/or the Subsidiaries of the Company may be subject ("**Money Laundering Laws**"), any applicable anti-bribery, anti-corruption (including, but not limited to, the U.S. Foreign Corrupt Practices Act of 1977), economic sanctions, narcotics trafficking, terrorism or terrorist financing laws,

regulations, rules or orders of the U.S., Singapore or other international jurisdictions, or on behalf of terrorists, terrorist organisations or narcotics traffickers, including those persons or entities that are included on any relevant lists maintained by the United Nations, the North Atlantic Treaty Organisation, the Organisation for Economic Cooperation and Development, the Financial Action Task Force, the U.S. Office of Foreign Assets Control, the U.S. Securities and Exchange Commission, the U.S. Federal Bureau of Investigation, the U.S. Central Intelligence Agency, and the U.S. Internal Revenue Service, all as may be amended from time to time (“**Prohibited Investment**”).

- (z) To its knowledge, the proposed subscription for the Rights Shares is not directly derived from illegal or illegitimate activities (including, but not limited to, any prohibited activity in breach of any Money Laundering Laws) and is not a Prohibited Investment, and it further represents and warrants that it will promptly notify the Company of any change in its status with respect to its representations and warranties regarding Prohibited Investments.

This Offer Information Statement shall not constitute an offer to sell or a solicitation of an offer to buy Shares or other securities, including the Rights and the Rights Shares where such offer or solicitation would be unlawful. This Offer Information Statement may not be sent to any person or any jurisdiction in which it would not be permissible to deliver the Rights and the Rights Shares or make an offer of the Rights and the Rights Shares and the Rights and the Rights Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, to any such person or in any such jurisdiction. The distribution of this Offer Information Statement and/or the transfer of the Rights and the Rights Shares into jurisdictions other than Singapore may be prohibited or restricted by law. Persons into whose possession this Offer Information Statement comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

In addition, until 40 days after the settlement of the Rights and the Rights Shares, any offer, sale or transfer of the Rights or the Rights Shares in or into the U.S. by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Any person in the U.S. who obtains a copy of this Offer Information Statement or its accompanying documents and who has not been specifically invited by the Company to participate or who is not an Entitled QIB is required to disregard it.

#### **Procedures for Exercising the Rights by QIBs in the U.S.**

If you are a QIB:

- (A) you may receive this Offer Information Statement and its accompanying documents from the Company by completing and delivering to the Company prior to 6 March 2023 a duly executed Investor Representation Letter;
- (B) you may exercise your Rights, subscribe for Rights Shares and apply for Excess Rights Shares by instructing your Depository Agent, financial intermediary or nominee that you have been invited by the Company to participate in this Rights Issue, and that the Depository Agent, financial intermediary or nominee should contact the Company if such Depository Agent, financial intermediary or nominee wishes to confirm you have been invited to participate; and

- (C) in order to participate in this Rights Issue, you must forward to your Depository Agent, financial intermediary or nominee a copy of the properly completed and executed Investor Representation Letter you have previously delivered to the Company prior to 6 March 2023 or at the time of such instruction to your Depository Agent, financial intermediary or nominee, as the case may be.

The Company and its receiving agent have the discretion to refuse any PAL, ARE, ARS or other request to exercise Rights, subscribe for Rights Shares or apply for Excess Rights Shares that is incomplete, unexecuted or not accompanied by any required documentation or that otherwise does not comply with the terms and conditions of the Rights Issue, including the receipt and acceptance by the Company of an executed Investor Representation Letter.

#### **FOR INVESTORS OUTSIDE THE U.S.**

Each purchaser of the Rights and/or the Rights Shares offered and sold in reliance on Regulation S will be deemed to have represented and agreed as follows (terms defined in Regulation S have the same meanings when used herein):

- (a) the purchaser (i) is, and the person, if any, for whose account it is acquiring Rights and/or the Rights Shares is, outside the U.S.; and (ii) is acquiring the Rights and/or the Rights Shares in an “offshore transaction” meeting the requirements of Regulation S;
- (b) the purchaser is aware that the Rights and the Rights Shares have not been and will not be registered under the Securities Act and are being distributed and offered outside the U.S. in reliance on Regulation S; and
- (c) the purchaser acknowledges that the Company, the Financial Advisers and Joint Underwriters, the Co-Lead Managers, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.

Each person who exercises Rights and subscribes for Rights Shares or Excess Rights Shares, or who purchases Rights or Rights Shares shall do so in accordance with the restrictions set out below:

#### **Australia**

This Offer Information Statement and the Rights Issue is only made available in Australia to persons to whom a disclosure document is not required to be given under chapter 6D of the Corporations Act 2001. This Offer Information Statement is not a prospectus, product disclosure statement or any other form of formal “disclosure document” for the purposes of the Corporations Act 2001, and is not required to, and does not, contain all the information that would be required in a disclosure document under the Corporations Act 2001. If you are in Australia, this document is made available to you, provided you are a person to whom an offer of securities can be made without a disclosure document such as a professional investor or sophisticated investor for the purposes of Chapter 6D of the Corporations Act 2001.

This Offer Information Statement has not been, and will not be, lodged with the Australian Securities and Investments Commission (“**ASIC**”) as a disclosure document for the purpose of the Corporations Act 2001. No Rights or Rights Shares may be offered for sale (or transferred, assigned or otherwise alienated) to investors in Australia for at least 12 months after this issue, except in circumstances where disclosure to investors is not required under chapter 6D of the Corporations Act 2001 or unless a disclosure document that complies with the Corporations Act 2001 is lodged with the ASIC. Each investor acknowledges the above and, by applying for Rights and Rights Shares under this Offer Information Statement, gives an undertaking not to sell those shares (except in the circumstances referred to above) for 12 months after their issue.

The persons referred to in this Offer Information Statement may not hold Australian financial services licenses and may not be licensed to provide financial product advice in relation to the Rights and Rights Shares. No “cooling-off” regime will apply to an acquisition of any interest in the Company.

This Offer Information Statement does not take into account the investment objectives, financial situation or needs of any particular person. Accordingly, before making any investment decision in relation to this Offer Information Statement, you should assess whether the acquisition of any interest in the Company is appropriate in light of your own financial circumstances or seek professional advice.

## **European Union**

In relation to each Member State of the European Economic Area (each a “**Relevant State**”), no Rights or Rights Shares have been offered or will be offered pursuant to the offer of the Rights and Rights Shares to the public in that Relevant State prior to the publication of a prospectus in relation to the Rights and Rights Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that the Rights and Rights Shares may be offered to the public in that Relevant State:

- (a) to any legal entity which is a qualified investor as defined under Article 2 of the EU Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the EU Prospectus Regulation), subject to obtaining the prior consent of the Financial Advisers and Joint Underwriters and the Co-Lead Managers for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation, provided that no such offer of Rights and Rights Shares shall require the Company or any underwriter to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to any Rights and Rights Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Rights and Rights Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Rights and Rights Shares, and the expression “EU Prospectus Regulation” means Regulation (EU) 2017/1129.

## **Hong Kong**

The contents of this Offer Information Statement have not been reviewed or approved by any regulatory authority in Hong Kong. In particular, this Offer Information Statement has not been, and will not be, registered as a “prospectus” in Hong Kong under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (“**C(WUMP)O**”) nor has it been authorized by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**Securities and Futures Ordinance**”). You are advised to exercise caution in relation to the offer of the Rights and Rights Shares. If you are in any doubt about any of the contents of this Offer Information Statement, you should obtain independent professional advice.

This Offer Information Statement does not constitute an offer or invitation to the public in Hong Kong to acquire Rights or Rights Shares nor an advertisement of Rights or Rights Shares in Hong Kong. The Rights and Rights Shares are not being and may not be offered or sold in Hong Kong and each of the Financial Advisers and Joint Underwriters and the Co-Lead Managers has



represented and agreed that it has not offered or sold and will not offer or sell any Rights and Rights Shares in Hong Kong, by means of any document, other than (a) to “professional investors” as defined in the Securities and Futures Ordinance and any rules made thereunder; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the C(WUMP)O or which do not constitute an offer to the public within the meaning of that ordinance; and it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Rights and Rights Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Rights and Rights Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made thereunder. This Offer Information Statement is confidential and is being issued to the person to whom it is addressed, and may not be circulated, distributed, published, reproduced or disclosed (in whole or in part) to any other person. No person allotted Rights or Rights Shares may sell, or offer to sell, such securities to the public in Hong Kong within six months following the date of issue of such securities.

### **Malaysia**

This Offer Information Statement has not been and will not be registered as a prospectus with the Securities Commission Malaysia (“**SC**”) and the approval of the SC has not been and will not be sought, under the Malaysian Capital Markets and Services Act 2007 (“**CMSA**”). Accordingly, this Offer Information Statement and any other document or material in connection with the making available, offer for subscription or purchase, or invitation to subscribe for or purchase the Nil Paid Rights and/or the Rights and Rights Shares shall not be circulated nor distributed, nor shall the Nil Paid Rights and/or the Rights and Rights Shares be made available, offered for subscription or purchase, or be made subject of an invitation to subscribe for or purchase, whether directly or indirectly, to any person in Malaysia, other than to the persons exempted under sections 212(8), 229(I) and or 230(I), read in conjunction with or schedules 5, 6 and 7, of the CMSA.

### **United Kingdom**

No Rights or Rights Shares have been offered or will be offered to the public in the United Kingdom prior to the publication of a prospectus in relation to the Rights and Rights Shares which has been approved by the Financial Conduct Authority, except that the Rights and Rights Shares may be offered to the public in the United Kingdom at any time:

- (a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Financial Advisers and Joint Underwriters and the Co-Lead Managers for any such offer; or
- (c) in any other circumstances falling within Section 86 of the Financial Services and Markets Act 2000 (the “**FSMA**”), provided that no such offer of the Rights and Rights Shares shall require the Company or any of the Financial Advisers and Joint Underwriters or the Co-Lead Managers to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to any Rights and Rights Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Rights or Rights Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Rights or Rights

Shares and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018.

## **General**

The electronic dissemination of this Offer Information Statement and the distribution of the OIS Notification Letter, the Gatefold and/or accompanying documents (including the ARE, ARS and PAL), may be prohibited or restricted by law (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of these jurisdictions. Shareholders or any other person having access to the electronic version of this Offer Information Statement and/or possession of the OIS Notification Letter and/or its accompanying documents are advised to keep themselves informed of and to observe such prohibitions and restrictions. No person in any territory outside Singapore receiving and/or accessing this Offer Information Statement, the OIS Notification Letter and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares or purchase any Rights unless such offer, invitation or solicitation could lawfully be made without violating any regulation or legal requirements in such territory.

The Company, the Financial Advisers and Joint Underwriters, and the Co-Lead Managers have not taken any action, nor will the Company, the Financial Advisers and Joint Underwriters, and the Co-Lead Managers take any action, in any jurisdiction other than Singapore that would permit a public offering of the Rights Shares or the Rights, or the possession, circulation, distribution or dissemination of this Offer Information Statement, the OIS Notification Letter, the Gatefold or any other material relating to the Company, the Rights Shares or the Rights in any jurisdiction other than Singapore where action for that purpose is required.

Accordingly, each purchaser of the Rights and/or the Rights Shares may not offer or sell, directly or indirectly, any Rights Shares or Rights and may not distribute, disseminate or publish this Offer Information Statement or any other offering material or advertisements in connection with the Rights Shares or the Rights in or from any country or jurisdiction except in compliance with any applicable rules and regulations of such country or jurisdiction.

## TRADING

### Listing of and Quotation for the Rights Shares

Approval in-principle has been obtained from the SGX-ST on 21 February 2023 for the listing of and quotation for the Maximum Rights Shares to be allotted and issued pursuant to the Rights Issue on the Main Board of the SGX-ST, subject to the following conditions:

- (i) compliance with the SGX-ST's listing requirements;
- (ii) a written undertaking from the Company that it will comply with Rules 704(30), 877(8) and 1207(20) of the Listing Manual in relation to the use of proceeds from the Rights Issue and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;
- (iii) a written undertaking from Venezia to subscribe for its pro rata entitlements of Rights Shares; and
- (iv) a written confirmation from financial institution(s) as required under Rule 877(9) of the Listing Manual that Venezia has sufficient financial resources to fulfil its obligations under the Undertaking.

The approval in-principle of the SGX-ST for the listing of and quotation for the Maximum Rights Shares on the Main Board of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Rights, the Company, its subsidiaries and/or the Shares. The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained (if any) or opinions expressed in this Offer Information Statement.

Upon the listing of and quotation for the Rights Shares on the Main Board of the SGX-ST, the Rights Shares will be traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) in relation to the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "*Terms and Conditions for Operation of Securities Account with The Central Depository (Pte) Limited*", as the same may be amended from time to time. Copies of the above are available from CDP.

### Share Certificates and Arrangements for Scripless Trading

Entitled Scripholders and their renounees will be issued physical share certificates in their own names for the Rights Shares allotted to them and if applicable, the Excess Rights Shares allotted to them. Such physical share certificates, if issued, will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title.

A holder of physical share certificate(s) or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but wishes to trade on the SGX-ST must deposit his share certificate(s) with CDP, together with the duly executed instrument(s) of transfer in favour of CDP, and payment of S\$10.00 plus goods and services tax at the prevailing rate, and have his Securities Account credited with the number of Rights Shares and/or existing Shares, as the case may be, before he can effect the desired trade.

### Trading of Odd Lots

For the purposes of trading on the Main Board of the SGX-ST, each board lot of Shares will comprise 100 Shares. Shareholders who hold odd lots of Shares (that is, lots other than board lots of 100 Shares) are able to trade odd lots of Shares in board lots of one Share on the Unit Share Market. Shareholders who hold odd lots of Shares may have difficulty and/or have to bear disproportionate transaction costs in realising the fair market price of such Shares.

## SHAREHOLDING LIMITS

The Company wishes to draw to the attention of Shareholders that the allotment of Rights Shares to a Shareholder pursuant to his application for Excess Rights Shares may cause such Shareholder to reach or exceed the applicable shareholding limits referred to below. Shareholders who are in doubt as to the actions they should take should consult their stockbroker, bank manager, solicitor or other professional adviser immediately.

The Directors reserve the right not to allot any Rights Shares where such allotment will be in breach of the shareholding limits referred to below or otherwise as required by any relevant legal and regulatory authorities.

### **The Take-over Code**

The Take-over Code regulates the acquisition of ordinary shares of, *inter alia*, corporations with a primary listing on the SGX-ST, including the Company. Except with the consent of the SIC, where:

- (i) any person acquires whether by a series of transactions over a period of time or not, Shares which (taken together with Shares held or acquired by parties acting in concert with him) carry 30.0% or more of the voting rights of the Company; or
- (ii) any person who, together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights of the Company and such person, or any person acting in concert with him, acquires in any period of six months additional Shares carrying more than 1.0% of the voting rights,

such person must extend a mandatory take-over offer, in accordance with the provisions of the Take-over Code, immediately to the holders of any class of share capital of the Company which carries votes and in which such person, or persons acting in concert with him, hold Shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any acquisition of Rights Shares pursuant to the Rights Issue should consult the SIC and/or their stockbroker, bank manager, solicitor or other professional adviser.

## TAXATION

The statements made herein regarding taxation are general in nature and based on certain aspects of the tax laws of Singapore and administrative guidelines and circulars issued by the relevant authorities in force as at the date of this Offer Information Statement and are subject to any changes in such laws, administrative guidelines or circulars, or in the interpretation of these laws, guidelines or circulars, occurring after such date, which changes could be made on a retrospective basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offer Information Statement are intended or are to be regarded as advice on the tax position of any holder of the Rights Shares or of any person acquiring, selling, converting or otherwise dealing with the Rights Shares or on any tax implications arising from the acquisition, sale, conversion or other dealings in respect of the Rights Shares. The statements made herein do not purport to be a comprehensive or exhaustive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Rights Shares and do not purport to deal with all of the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Entitled Shareholders are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of, conversion or disposition of the Rights Shares, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that neither the Company nor any other persons involved in this Offer Information Statement accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding, conversion or disposal of the Rights Shares.

### **General**

#### ***Individual Taxpayers***

An individual is tax resident in Singapore in a year of assessment if in the preceding year he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if the individual is a Singapore citizen or Singapore Permanent Resident who only travels out of Singapore on a temporary basis.

Individual taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore. All foreign-sourced income received in Singapore on or after 1 January 2004 by a Singapore tax resident individual (except for income received through a partnership in Singapore) is exempt from Singapore income tax if the Comptroller of Income Tax in Singapore is satisfied that the tax exemption would be beneficial to the individual.

A Singapore tax resident individual is taxed at progressive rates ranging from 0% to 22% prior to year of assessment (“YA”) 2024, and from 0% to 24% thereafter. Non-resident individuals, subject to certain exceptions and conditions, are subject to Singapore income tax on income accruing in or derived from Singapore at the higher of flat rate of 15% or the progressive resident tax rates on employment income. Non-employment income of non-resident individual is subject to tax at the rate of 22% prior to YA 2024, and 24% thereafter.

#### ***Corporate Taxpayers***

A company is regarded as tax resident in Singapore if the control and management of its business is exercised in Singapore.

Corporate taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore and, subject to certain exceptions, on foreign-sourced income received or deemed to be received in Singapore.

However, foreign-sourced income in the form of dividends, branch profits and service income received or deemed to be received in Singapore by Singapore tax resident companies on or after 1 June 2003 is exempt from tax if certain prescribed conditions are met, including the following:

- (i) such income is subject to tax of a similar character to income tax under the law of the jurisdiction from which such income is received; and
- (ii) at the time the income is received in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called) levied under the law of the territory from which the income is received on any gains or profits from any trade or business carried on by any company in that territory at that time is not less than 15%.

Certain concessions and clarifications have also been announced by the Inland Revenue Authority of Singapore (“**IRAS**”) with respect to such conditions.

Non-resident corporate taxpayers, with certain exceptions, are subject to Singapore income tax on income accruing in or derived from Singapore, and on foreign-sourced income received or deemed to be received in Singapore.

The corporate tax rate in Singapore is currently 17%. In addition, three-quarters of up to the first S\$10,000 of a company’s annual normal chargeable income, and one-half of up to the next S\$190,000, is exempt from corporate tax from YA 2020 onwards. The remaining chargeable income (after the tax exemption) will be fully taxable at the prevailing corporate tax rate.

New companies will also, subject to certain conditions and exceptions, be eligible for tax exemption on three-quarters of up to the first S\$100,000 of a company’s annual normal chargeable income, and one-half of up to the next S\$100,000, a year for each of the company’s first three YAs from YA 2020 onwards. The remaining chargeable income (after the tax exemption) will be taxed at the applicable corporate tax rate.

## **Rights Shares**

### ***Dividend Distributions***

Dividends received in respect of the Rights Shares by either a resident or non-resident of Singapore are not subject to Singapore income tax and Singapore withholding tax, on the basis that the Company is tax resident in Singapore.

With effect from 1 January 2008, all Singapore-resident companies are under the one-tier corporate tax system (“**one-tier system**”). Under the one-tier system, the tax on corporate profits is final and dividends paid by a Singapore resident company will be tax exempt in the hands of a shareholder, regardless of whether the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident.

### ***Gains on Disposal of the Rights Shares***

Singapore does not impose tax on capital gains (i.e. gains which are considered to be capital in nature) but imposes tax on income. There are no specific laws or regulations which deal with the characterisation of whether a gain is income or capital in nature. Gains arising from the disposal of the Rights Shares may be construed to be of an income nature and subject to Singapore income tax, especially if they arise from activities which are regarded as the carrying on of a trade or business in Singapore.

Holders of the Rights Shares who apply or are required to apply FRS 39, FRS 109 or SFRS(I) 9 (as the case may be) for Singapore income tax purposes may be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Rights Shares, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be).

Section 34A of the Income Tax Act 1947 of Singapore (the “**ITA**”) provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and “opt-out” provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued a circular entitled “Income Tax Implication Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement”.

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued a circular entitled “Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments”.

Holders of the Rights Shares who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding, conversion or disposal of the Rights Shares.

### **Stamp Duty**

There is no stamp duty payable in respect of the issuance and holding of the Rights Shares.

Singapore stamp duty is payable on a transfer of the Rights Shares if there is an instrument of transfer executed in Singapore or if there is an instrument of transfer executed outside Singapore which is received in Singapore. In such situations, stamp duty is payable on the instrument of transfer of the Rights Shares at the rate of 0.2% of the consideration for, or market value of, the Rights Shares, whichever is higher.

The stamp duty is borne by the purchaser unless there is an agreement to the contrary. Where an instrument of transfer is executed outside Singapore or no instrument of transfer is executed, no stamp duty is payable on the acquisition of the Rights Shares. However, stamp duty may be payable if the instrument of transfer is executed outside Singapore and is received in Singapore.

Stamp duty is not applicable to electronic transfers of the Rights Shares through the scripless trading system operated by CDP.

### **Estate Duty**

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018**

**PART 2 – IDENTITY OF DIRECTORS, ADVISERS AND AGENTS**

**Directors**

1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.

<b>Names of Directors</b>	<b>Addresses</b>	<b>Designation</b>
Euleen Goh Yiu Kiang	c/o 20 Airport Boulevard, SATS Inflight Catering Centre 1, Singapore 819659	Non-Executive Chairman and Independent Director
Kerry Mok Tee Heong	c/o 20 Airport Boulevard, SATS Inflight Catering Centre 1, Singapore 819659	President and Chief Executive Officer Executive Director
Achal Agarwal	c/o 20 Airport Boulevard, SATS Inflight Catering Centre 1, Singapore 819659	Non-Executive and Independent Director
Vinita Bali	c/o 20 Airport Boulevard, SATS Inflight Catering Centre 1, Singapore 819659	Non-Executive and Independent Director
Chia Kim Huat	c/o 20 Airport Boulevard, SATS Inflight Catering Centre 1, Singapore 819659	Non-Executive and Independent Director
Michael Kok Pak Kuan	c/o 20 Airport Boulevard, SATS Inflight Catering Centre 1, Singapore 819659	Non-Executive and Independent Director
Jenny Lee Hong Wei	c/o 20 Airport Boulevard, SATS Inflight Catering Centre 1, Singapore 819659	Non-Executive and Independent Director
Deborah Tan Yang Sock (Mrs Deborah Ong)	c/o 20 Airport Boulevard, SATS Inflight Catering Centre 1, Singapore 819659	Non-Executive and Independent Director
Jessica Tan Soon Neo	c/o 20 Airport Boulevard, SATS Inflight Catering Centre 1, Singapore 819659	Non-Executive and Independent Director
Tan Soo Nan	c/o 20 Airport Boulevard, SATS Inflight Catering Centre 1, Singapore 819659	Non-Executive and Independent Director
Yap Kim Wah	c/o 20 Airport Boulevard, SATS Inflight Catering Centre 1, Singapore 819659	Non-Executive and Independent Director



## Advisers

### 2. Provide the names and addresses of –

#### (a) the issue manager to the offer, if any;

<b>Name of Lead Financial Adviser</b>	<b>Address</b>
DBS	12 Marina Boulevard Level 46 Marina Bay Financial Centre Tower 3 Singapore 018982

<b>Names of Joint Financial Advisers</b>	<b>Addresses</b>
BofA Securities	50 Collyer Quay #14-01 OUE Bayfront Singapore 049321
Citi	8 Marina View #21-00 Asia Square Tower 1 Singapore 018960

#### (b) the underwriter to the offer, if any; and

<b>Names of Joint Underwriters</b>	<b>Addresses</b>
DBS	12 Marina Boulevard Level 46 Marina Bay Financial Centre Tower 3 Singapore 018982

BofA Securities	50 Collyer Quay #14-01 OUE Bayfront Singapore 049321
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Citi	8 Marina View #21-00 Asia Square Tower 1 Singapore 018960
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<b>Names of Co-Lead Managers</b>	<b>Addresses</b>
OCBC	63 Chulia Street #10-00, OCBC Centre East Singapore 049514

UOB	80 Raffles Place UOB Plaza Singapore 048624
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**(c) the legal adviser for or in relation to the offer, if any.**

**Legal Adviser to the Company as to Singapore law**

Allen & Gledhill LLP

**Address**

One Marina Boulevard  
#28-00  
Singapore 018989

**Legal Adviser to the Company as to U.S. federal securities laws**

Latham & Watkins LLP

**Address**

9 Raffles Place  
#42-02 Republic Plaza  
Singapore 048619

**Legal Adviser to the Financial Advisers and Joint Underwriters and the Co-Lead Managers as to Singapore law**

Rajah & Tann Singapore LLP

**Address**

9 Straits View  
#06-07, Marina One West Tower  
Singapore 018937

**Legal Adviser to the Financial Advisers and Joint Underwriters and the Co-Lead Managers as to U.S. federal securities laws**

Linklaters Singapore Pte. Ltd.

**Address**

One George Street  
#17-01  
Singapore 049145

**Registrars and Agents**

- 3. Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities or securities-based derivatives contracts being offered, where applicable.**

**Share Registrar**

M & C Services Private Limited

**Address**

112 Robinson Road  
#05-01  
Singapore 068902

**Receiving Bank**

DBS

**Address**

12 Marina Boulevard  
Level 46  
Marina Bay Financial Centre Tower 3  
Singapore 018982

## PART 3 – OFFER STATISTICS AND TIMETABLE

### Offer Statistics

1. **For each method of offer, state the number of the securities or securities-based derivatives contracts being offered.**

Renounceable underwritten Rights Issue of 363,111,486 Rights Shares, at an Issue Price of S\$2.20 for each Rights Share, on the basis of 323 Rights Shares for every 1,000 existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded.

### Method and Timetable

2. **Provide the information mentioned in paragraphs 3 to 7 of this Part to the extent applicable to:**

(a) **the offer procedure; and**

(b) **where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.**

Please refer to paragraphs 3 to 7 of this Part below.

3. **State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgement of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period must be made public.**

Please refer to the section titled “*Indicative Timetable of Key Events*” of this Offer Information Statement.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the Rights and for the applications for Excess Rights Shares, including the different modes of acceptance or application and payment, are contained in Appendices E, F and G to this Offer Information Statement and in the ARE, the ARS and the PAL.

As at the date of this Offer Information Statement, the Company does not expect the timetable under the section titled “*Indicative Timetable of Key Events*” of this Offer Information Statement to be modified. However, the Company may, in consultation with the Financial Advisers and Joint Underwriters and the Co-Lead Managers and with the approval of the SGX-ST and/or CDP, modify the timetable subject to any limitation under any applicable laws. In that event, the Company will publicly announce the same through a SGXNET announcement to be posted on the internet at the SGX-ST’s website at <https://www.sgx.com/securities/company-announcements>.

**4. State the method and time limit for paying up for the securities or securities-based derivatives contracts and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.**

The Rights Shares and if applicable, the Excess Rights Shares, are payable in full upon acceptance and/or application. Details of the methods of payment for the Rights Shares and if applicable, the Excess Rights Shares, are contained in Appendices E, F and G to this Offer Information Statement and the ARE, ARS and PAL.

Please refer to the section titled “*Indicative Timetable of Key Events*” of this Offer Information Statement for the last date and time for payment for the Rights Shares and, if applicable, Excess Rights Shares.

**5. State, where applicable, the methods of and time limits for –**

**(a) the delivery of the documents evidencing title to the securities or securities-based derivatives contracts being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**

**(b) the book-entry transfers of the securities or securities-based derivatives contracts being offered in favour of subscribers or purchasers.**

The Rights Shares will be provisionally allotted to Entitled Shareholders by crediting the Rights to Entitled Depositors so that the Rights are available for trading on or about 7 March 2023 or through the despatch of the PALs to Entitled Scripholders on or about 7 March 2023, based on their respective shareholdings in the Company as at the Record Date.

In the case of Entitled Scripholders and their renounees with valid acceptances of and successful applications for Excess Rights Shares, share certificates representing such number of Rights Shares will be despatched to such Entitled Scripholder by ordinary post, at their own risk, to their mailing addresses in Singapore as maintained in the records of the Share Registrar, within ten (10) Market Days after the Closing Date.

In the case of Entitled Depositors with valid acceptances of and/or successful applications for Excess Rights Shares, share certificate(s) representing such number of Rights Shares will be registered in the name of CDP or its nominee and despatched to CDP within ten (10) Market Days after the Closing Date and CDP will thereafter credit such number of Rights Shares to their relevant Securities Accounts. CDP will then send a notification letter to the relevant subscribers stating the number of Rights Shares that have been credited to their Securities Accounts.

Please refer to Appendices E, F and G to this Offer Information Statement and the ARE, ARS and PAL for further details.

**6. In the case of any pre-emptive rights to subscribe for or purchase the securities or securities-based derivatives contracts being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.**

Save for the Rights Issue, none of the Shareholders have pre-emptive rights to subscribe for the Rights Shares. Please refer to Appendices E, F and G to this Offer Information Statement and the ARE, ARS and PAL for details on the procedure for the acceptance of the Rights, application for Excess Rights Shares, trading of the Rights on the SGX-ST and the treatment of the Rights which are not accepted.

7. **Provide a full description of the manner in which results of the allotment or allocation of the securities or securities-based derivatives contracts are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).**

#### **Results of the Rights Issue**

As soon as practicable after the Closing Date, the Company will announce the results of the Rights Issue through an SGXNET announcement to be posted on the internet at the SGX-ST's website at <https://www.sgx.com/securities/company-announcements>.

#### **Manner of Refund**

When any acceptance for Rights Shares and/or excess application is invalid or unsuccessful, the amount paid on acceptance and/or application will be returned or refunded to such applicants without interest or any share of revenue or other benefit arising therefrom within three (3) Market Days after the commencement of trading of the Rights Shares, by any one or a combination of the following:

- (i) where the acceptance and/or application had been made through CDP, by crediting their designated bank accounts via CDP's Direct Crediting Service or in the case where refunds are to be made to Depository Agents, by means of telegraphic transfer. In the event that an applicant is not subscribed to CDP's Direct Crediting Service, any monies to be paid shall be credited to his/their Cash Ledger and subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions (Cash Ledger and Cash Distribution are as defined therein), as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP);
- (ii) where the acceptance and/or application had been made through the Share Registrar, by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent by ordinary post at their own risk to their mailing address in Singapore as maintained in the records of the Share Registrar; and
- (iii) where the acceptance and/or application had been made through Electronic Applications through an ATM of a Participating Bank or through an Accepted Electronic Service (in the case of invalid acceptances and/or applications), by crediting their bank accounts with the relevant Participating Banks at their own risk, the receipt by such bank being a good discharge of the obligations of each of the Company, the Financial Advisers and Joint Underwriters, the Co-Lead Managers and CDP.

Please refer to Appendices E, F and G to this Offer Information Statement and the ARE, ARS and PAL for details of refunding excess amounts paid by applicants.

## PART 4 – KEY INFORMATION

### Use of Proceeds from Offer and Expenses Incurred

1. **In the same section, provide the information set out in paragraphs 2 to 7 of this Part.**

Please refer to paragraphs 2 to 7 of this Part below.

2. **Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (called in this paragraph and paragraph 3 of this Part the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.**

The net proceeds from the Rights Issue are approximately S\$789.7 million (the “**Net Proceeds**”) (after deducting underwriting commission of approximately S\$9.1 million (inclusive of applicable taxes) (the “**Underwriting Fees**”) incurred in connection with the Rights Issue). The Net Proceeds will go to the Company and will be applied towards partially financing the WFS Acquisition (in cash and/or as repayment of the Bridge Loan, if drawn). The other expenses incurred in connection with the Rights Issue, which amount to approximately S\$6.9 million (inclusive of applicable taxes), will be funded out of the Company’s internal resources.

3. **Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities or securities-based derivatives contracts.**

As stated above in paragraph 2 of this section, the Company will apply the Net Proceeds towards partially financing the WFS Acquisition (in cash and/or as repayment of the Bridge Loan, if drawn) and the other expenses incurred in connection with the Rights Issue will be funded out of the Company’s internal resources. For completeness, the remainder of the total acquisition cost of the WFS Acquisition will be funded using the Euro equivalent of approximately S\$700 million of the Term Loan, and the remainder from the Company’s existing cash balance. It is intended that the Term Loan will be varied and amended to a €500 million three-year term loan.

4. **For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.**

For each dollar of the Gross Proceeds of approximately S\$798.8 million due to the Company from the Rights Issue, the Company will use:

- (i) approximately 98.9 cents to partially finance the WFS Acquisition (in cash and/or as repayment of the Bridge Loan, if drawn); and
- (ii) approximately 1.1 cents to pay for the Underwriting Fees of approximately S\$9.1 million (inclusive of applicable taxes).

Please refer to paragraph 5 of this section for information on the WFS Acquisition.

5. **If any material part of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of any asset, business or entity, briefly describe the asset, business or entity and state its purchase price. Provide information on the status of the acquisition and the estimated completion date. Where funds have already been expended for the acquisition, state the amount that has been paid by the relevant entity, or, if the relevant entity is the holding company or holding entity of a group, the amount that has been paid by the relevant entity or any other entity in the group as at the latest practicable date. If the asset, business or entity has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined and whether the acquisition is on an arm's length basis.**

#### WFS Acquisition

On 28 September 2022, the Company and SATS International, its indirect wholly owned subsidiary, entered into the SPA with Promontoria 52 Coöperatie U.A. and certain management sellers to acquire all of the issued shares of the Target. The Target is a holding company which indirectly owns 100% of the shares in WFS. Save for the shares in WFS held indirectly by the Target, the Target does not hold any other assets or businesses of substance.

WFS is a global aviation services company principally focused on cargo handling. As of 31 December 2022, the WFS Group is active at 158 airport stations in 18 countries on five continents. The WFS Group serves a diversified blue-chip customer base which includes approximately 300 customers globally spread across over 1,500 contracts, with approximately 58% revenue contribution from North America, 34% from EMEA and the remaining 8% from South America and Asia for the 12 months ended 31 December 2022. The WFS Group operates at some of the busiest airports in the world, and it is one of the leading cargo handlers active at most of the major European and U.S. airports. In addition to its broader cargo handling capabilities, the WFS Group offers specialist handling services implemented for dedicated integrators, eCommerce and freight forwarder players.

The Company will create a pre-eminent global air cargo handling platform with a global footprint of 201 cargo and ground stations in 23 countries to drive future growth and secure greater earnings resilience.

The total acquisition cost of the WFS Acquisition is approximately €1,313 million (approximately equivalent to S\$1,820 million) if the closing of the WFS Acquisition takes place on 31 March 2023, among others. As the last of the regulatory conditions under the SPA have been satisfied as of 20 February 2023, the closing of the WFS Acquisition is, in accordance with the terms of the SPA, expected to take place on 3 April 2023. The final total acquisition cost for the WFS Acquisition will be computed, in accordance with the terms of the SPA, on the basis of the actual closing date but such amount is not expected to be materially different from the amount disclosed herein.

The WFS Acquisition constitutes a major transaction for the Company for the purposes of Rule 1014 of the Listing Manual and accordingly, the approval of Shareholders for the WFS Acquisition was sought and obtained at the Company's extraordinary general meeting held on 18 January 2023.

Completion of the WFS Acquisition is expected to be on 3 April 2023 and, as at the Latest Practicable Date, no part of the consideration has been paid for the WFS Acquisition. The Company intends to finance the WFS Acquisition using the Net Proceeds of the Rights Issue, the Euro equivalent of approximately S\$700 million by way of the Term Loan, and the

remainder from the Company's existing cash balance. It is intended that the Term Loan will be varied and amended to a €500 million three-year term loan.

- 6. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.**

As disclosed above, the Company intends to use the Net Proceeds to partially finance the WFS Acquisition (in cash and/or as repayment of the Bridge Loan, if drawn).

The Company previously obtained the Acquisition Bridge Facility for a Singapore Dollar equivalent amount of up to €1,200 million (approximately equivalent to S\$1,657 million<sup>7</sup>) to fund and complete the WFS acquisition, if required. The Acquisition Bridge Facility has been amended to the Bridge Loan and the Term Loan. As disclosed above, it is intended that the Term Loan will be varied and amended to a €500 million three-year term loan. The Net Proceeds generated from the Rights Issue will be applied towards partially financing the WFS Acquisition (in cash and/or as repayment of the Bridge Loan, if drawn). Any amounts outstanding under the Bridge Loan would be due for repayment six months after the date the Bridge Loan is utilised, or to the extent the Bridge Loan is extended at the Company's request, 12 months after the Bridge Loan is utilised.

- 7. In the section containing the information mentioned in paragraphs 2 to 6 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters, or other placement or selling agents in relation to the offer, and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.**

Pursuant to the Management and Underwriting Agreement, the Company will pay the Financial Advisers and Joint Underwriters and the Co-Lead Managers an aggregate underwriting commission of approximately S\$8.4 million (or approximately S\$9.1 million inclusive of applicable taxes).

#### **Information on the Relevant Entity**

- 8. Provide the following information:**

- (a) the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office), and the email address of the relevant entity or a representative of the relevant entity;**

Registered Office and Principal Place of Business	:	20 Airport Boulevard SATS Inflight Catering Centre 1 Singapore 819659
Telephone Number	:	+65 6542 5555
Facsimile Number	:	+65 6546 0455
Email Address	:	info_enquiry@sats.com.sg

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<sup>7</sup> Based on a € to S\$ exchange rate of 1:1.3809, which was the exchange rate as at 27 September 2022.



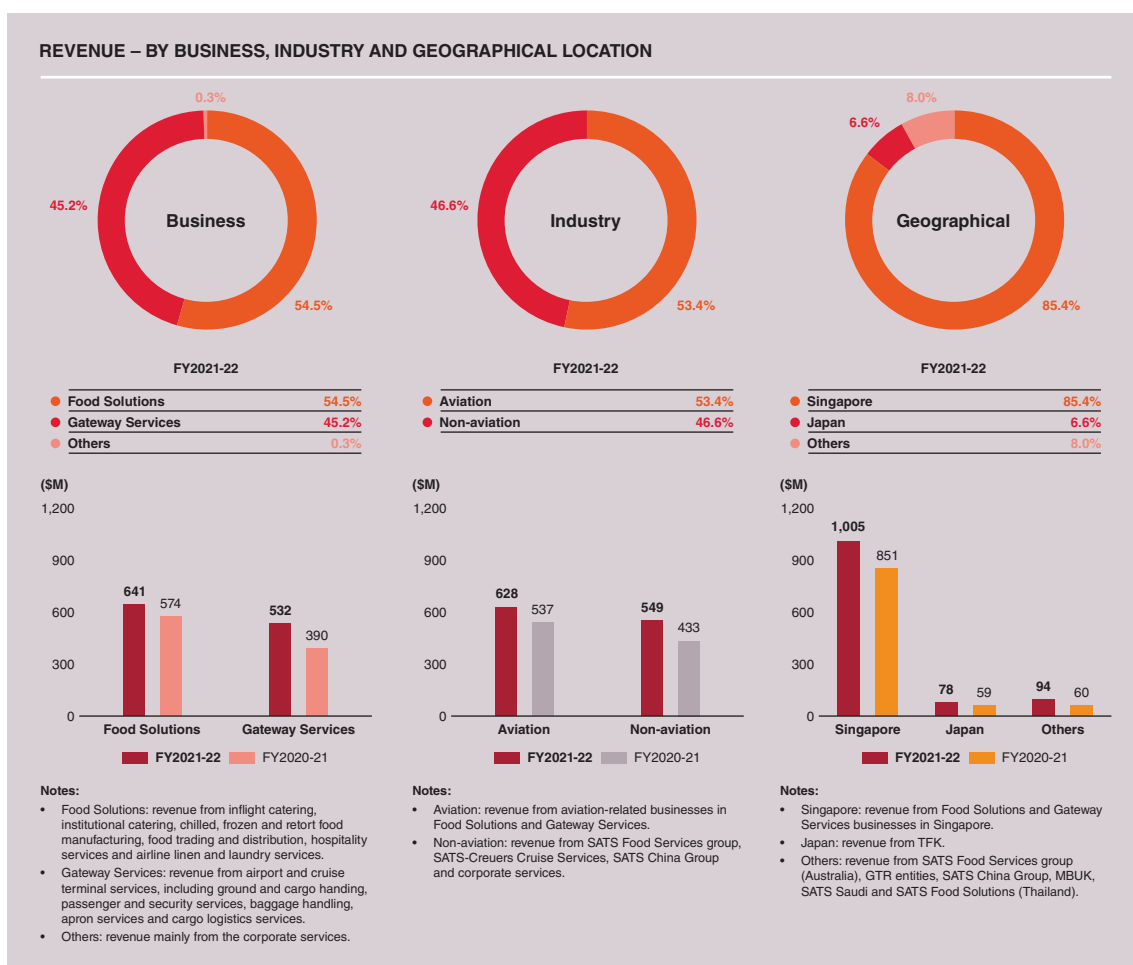
**(b) the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group;**

The Group provides Gateway Services and Food Solutions to customers in over 60 locations and 14 countries across the Asia Pacific, United Kingdom and the Middle East.

The Group's Gateway Services business encompasses ground handling services, airfreight handling services (including cargo handling), security services and cruise terminal services. The ground handling services include passenger services and apron services (including ramp handling, baggage handling and aircraft interior cleaning) to the Group's airline customers. The airfreight handling services include handling of general cargo, perishable cargo, mail and eCommerce shipments. The security services comprise aviation security services to the Group's airline customers and non-aviation related security services to agencies across Singapore. On the provision of cruise terminal services, the Group manages and operates the Marina Bay Cruise Centre Singapore.

The Group's Food Solutions business comprises mainly in-flight catering services, commercial catering services (including institutional catering services), food processing, chilled, frozen and retort food manufacturing, food logistics and distribution services, and airline linen and laundry services.

The breakdown in revenue contribution by each of the Group's principal business segments, industry and geographical location expressed as a percentage of total revenue of the Group for FY2022 as at 31 March 2022 is set out in the diagram below:



## **Gateway Services**

Since the opening of Singapore Changi Airport in 1981, the Group's Gateway Services has played a pivotal role in establishing Singapore as a leading aviation hub.

Besides the Group's Gateway Services described above, the Group also has a low-cost carrier handling unit, SATS Asia-Pacific Star Pte. Ltd. ("**APS**"), that offers service propositions to meet the differentiated needs of low-cost carriers by offering an alternative platform without compromising on quality. APS also provides buy-on-board F&B services to its customers.

The Group also supports an integrated end-to-end business solution including multimodal, air-ocean-air connections, offering ready infrastructure, warehousing and hub support across its Gateway business functions. Other services include consolidation and deconsolidation, quality control checks, express logistics for ship and aircraft spare parts as well as management of specialised event logistics (e.g. handling of Formula 1 shipments).

As at the Latest Practicable Date, the Group serves 93 out of 121 passenger and freighter airlines operating at Singapore Changi Airport.

The Company also operates a cruise terminal, Marina Bay Cruise Centre Singapore, together with its partner Creuers del Port de Barcelona, the terminal operator of Europe's leading cruise homeport.

Globally, the Company runs ground handling operations in over 60 airports across Asia Pacific, and the Middle East. Besides its operations in Singapore, the Group has also established a network in Asia principally through joint ventures in Greater China, India, Indonesia, Oman, Saudi Arabia, Vietnam and Malaysia.

## ***Ground Handling Services***

### *Passenger and terminal management services*

The passenger services business unit provides a full range of processes, products and services to its airline clients at all passenger terminals at Singapore Changi Airport.

These services include:

- the operation of check-in, transfer, boarding gate and airline service counters. Fast and Seamless Travel ("**FAST**") check-in with Passenger Services FAST Ambassadors for an enhanced customer experience;
- the provision of staff assistance to arriving, departing, transferring and transiting passengers at each service touchpoint, where passengers are given the necessary information and details required to facilitate their arrival, departure, transfer or transit;
- the provision of personalised special assistance to passengers with special needs. The Group is the only ground handler which provides a lounge environment for passengers with special needs and reduced mobility. These SATS Special Services lounges are available in Terminals 1, 2 and 3;
- the provision of foreign language interpreters to assist non-English speaking passengers;

- the provision of delay and disruption handling services where the team ensures hub transfer is executed on a timely basis for passengers and baggage from late inbound flights and off-scheduled operations;
- the provision of early check-in services (“**ECI**”) for the majority of its airline clients. The Group’s ECI facilities provided by the airport at the terminals and Jewel are able to serve passengers up to 18 hours prior to their flights;
- the operation of the SATS Premier Check-in Lounge (“**PCIL**”) for first class and business class passengers travelling on SATS-handled airlines. Passengers can proceed directly to immigration through private access upon checking-in. The Group is the only PCIL service provider at Singapore Changi Airport;
- the operation of SATS Premier Lounges for premium passengers in Terminals 1, 2, 3 and 4;
- the provision of lounge services to DBS Treasures Lounges in Terminals 2 and 3, and airline lounges in various terminals;
- the operation of the SATS Integrated Operations Command (“**SIOC**”) round-the-clock under the command of SATS Duty Terminal Managers to oversee operations across all areas (both above and below the wing) where it serves as a single point of contact for SATS airline customers to facilitate swift information sharing and provide quick and decisive responses to ensure departure punctuality and seamless handling of disruptions, prolonged delays and unanticipated crises. The Group is the only ground handler in Singapore Changi Airport which is co-located with key airport agencies at the Airport Operations Control Centre;
- the deployment of technology which allows the Group to minimise resources and improve productivity, such as the Smart Wheelchair System (Follow-Me Wheelchairs pioneered for SIA flights in both Terminal 2 and 3). The Smart Wheelchair System uses vision-based technology which enables one staff to handle three wheelchairs at the same time;
- arrival and departure handling and crew handling for non-commercial and private flights, chartered flights as well as commercial and revenue flights; and
- arrival and departure handling of VIP and/or VVIP passengers at the VIP complex.

#### *Apron services*

The Group provides a host of apron services to passenger and freighter airlines operating at Singapore Changi Airport.

Such services include:

- Ramp services for the loading and unloading of baggage and cargo, docking of passenger loading bridges/passenger steps, baggage handling services, aircraft interior cleaning services, technical ramp support services, aircraft weight and balance functions, flight operations and provision of specialised ground support equipment.
- Technical ramp support services include aircraft marshalling, Aircraft Docking Guidance System, headset communications, water servicing, lavatory servicing, and providing full ground support services such as ground power units, air conditioning units, air starter units, aircraft pushback and towing services.

- Baggage handling services involve the sorting and loading of checked-in baggage at passenger terminals and the sorting and transferring of transit passengers' baggage within the minimum connecting times, in preparation for loading onto departing flights and the unloading and segregation of baggage of arriving flights.
- A Baggage Reconciliation System is used to track baggage uplift on the right flights, perform passenger-bag matching and baggage offloading sequence. Our Customer Care Unit assists passengers with items inadvertently left behind in the aircraft cabin, recover their missing bags, repair or replace their damaged bags. The department is supported by a call centre to attend to passenger enquiries.
- Aircraft interior cleaning services involve the cleaning, tidying and dressing up of the aircraft cabin, crew compartments, toilets, the replacement of seat pocket items and head rest covers, and the supply of freshly laundered blankets, pillow covers, towels and other amenities.

SATS leverages technology to optimise its operations and resources. A digital control tower, including sub-control centres at Apron Services, provides visibility of key operational activities for any one particular flight, and this is centrally monitored by SIOC.

### ***Airfreight handling services***

The Group provides airfreight handling services at Singapore Changi Airport for the export, import and transshipment of general cargo, perishables, mail and eCommerce shipments, high value goods and approved dangerous goods. As at the Latest Practicable Date, the Group operates six airfreight terminals which includes SATS Coolport and the SATS e-Hub at Singapore Changi Airport.

In Singapore, SATS continues to work closely with partners in the airport ecosystem to strengthen Changi Airport as a trusted hub. The Group instituted the International Air Transport Association (“IATA”) Dangerous Goods AutoCheck system to facilitate digital verification for compliance with regulations and upgraded our aviation operations system to digitally integrate all ground handling operations for better rostering, deployment and coordination of ground activities. These efforts highlighted the importance of the new cargo and security control centre, which houses SATS' aviation security and cargo operations command in one location to track mission-critical tasks in real-time for faster response rates and service fulfilment. In addition, on 29 September 2022, SATS announced that in a world first, together with its Hong Kong subsidiary, Asia Airfreight Terminal Co. Ltd. (“AAT”) and its Indonesian joint venture PT Jasa Angkasa Semesta Tbk (“PT JAS”), at the World Cargo Symposium 2022, SATS was conferred industry accreditation from the Centre of Excellence for Independent Validators Lithium Batteries (the “CEIV Li-batt”) certification programme established by IATA. The CEIV Li-batt certification certifies that SATS, AAT and PT JAS are compliant with the applicable transport regulations in relation to the supply chain of lithium battery products.

### ***Perishables cargo handling centres***

SATS Coolport is Asia's first on-airport perishables handling centre. It is dedicated to the cold chain handling of perishables and pharmaceutical airfreight for import, export and transshipment. The 8,000 square metres facility is strategically located in the Free Trade Zone within Singapore Changi Airport, so that customers transshipping goods may do so with minimum document formalities. Its direct airside access also allows cargo shipments to be processed within a secured cold chain, from the facility to the aircraft and vice versa. It has multi-tiered zones comprising 18 cold rooms maintained at four main temperatures ranging from -28°C to 0°C, 2°C to 8°C, 8°C to 15°C and 15°C to 25°C respectively to handle a wide

range of commodities such as ornamental fish, seafood, meats, fresh produce, vaccines, pharmaceuticals, fruit and flowers. A host of value-added propositions including warehousing and regional redistribution services, multi-modal transportation, replenishment of dry ice and inventory management and control facilities are offered as components of a comprehensive cool chain logistics solution. Certified by the IATA as the world's first Centre of Excellence for Independent Validators in Pharmaceutical Handling since November 2014, SATS Coolport complements Singapore's efforts to grow as Asia's leading biomedical hub.

SATS Coolport was designed in accordance with internationally recognised Hazard Analysis and Critical Control Points guidelines for food safety and in compliance with the highest international standards of cool chain integrity. It is also the first Halal-certified air cargo hub for perishables in the Asia-Pacific region. SATS Coolport is also the world's first ground handling facility to be authorised by the European Union to carry out meat transshipment services between New Zealand and the European Union.

In Hong Kong, AAT developed AAT Coolport, Hong Kong's first on-airport cold chain centre that offers a complete temperate-controlled environment for handling perishables and pharmaceuticals.

Both SATS Coolport and AAT Coolport have achieved the IATA Center of Excellence for Independent Validators in Pharmaceutical Logistics (**CEIV Pharma**) certification, the IATA Centre for Excellence for Perishable Logistics (**CEIV Fresh**) certification and the SGS Good Distribution Practices (**GDP**) Certification for Pharmaceutical Industry.

#### *eCommerce shipments handling*

Pursuing eCommerce opportunities, SATS has deepened partnerships with national postal services, airlines, key eCommerce movers, integrators and third-party logistics players across our cargo hubs in Greater China, Singapore, and Malaysia, and gained momentum in the eCommerce business. In Malaysia, the Company's subsidiary, Ground Team Red Sdn. Bhd. ("**GTR**") is gaining traction in the fast-growing eCommerce logistics business, handling nearly 8,000 tonnes of eCommerce shipments in less than a year since establishing the GTR eCommerce Hub within Cainiao Aeropolis eWTP Hub at Kuala Lumpur International Airport.

#### **Security Services**

The Group provides aviation and non-aviation related security services through SATS Security Services Private Limited ("**SSS**").

Aviation security services include passenger screening, cargo and catering security, fraudulent document checks, guard and escort services, anti-sabotage checks and aircraft protection services. These security services complement the Group's ground handling and airfreight handling operations and the Group is the only ground handling agency which owns an auxiliary police force in Singapore.

SSS is expected to grow its market share in non-aviation security services. It has been granted the third auxiliary police academy training licence in Singapore and, adding to its capability, has established an outrider service.

#### **Cruise Terminal Services**

The Group manages and operates the Marina Bay Cruise Centre Singapore through SATS-Creuers Cruise Services Pte. Ltd., a 60:40 Joint Venture between SATS and Creuers del Port de Barcelona. Cruise terminal operations includes passenger and baggage facilitation, VIP lounge management and home porting services.

## **Food Solutions**

The Group's Food Solutions business is one of the largest integrated food service businesses in Singapore, with a wide portfolio of food-related businesses including in-flight catering, commercial catering and the sale of various food products. Outside Singapore, it has several joint-venture overseas airline catering operations across Asia. Further, in line with the Group's strategy of feeding and connecting communities, it is also expanding its geographical presence in key regional markets. As a leading food solutions provider in Asia, the Company combines technology with the passion, creativity, and talent of its people to develop quality food products and services for a wide range of customers across a multitude of industries.

### ***In-flight catering services***

The Group is an established in-flight caterer with over 60 years of experience. With two large-scale airline catering centres that can produce up to 115,000 meals a day, state-of-the-art food technologies and an in-house team of chefs from around the world – Japan, France, India, UK, Malaysia, etc., the Group believes it is well-equipped to deliver quality and innovative food solutions that meet the needs of its full-service airline customers. The Group uses a digital integrated supply chain, which provides a secure and sustainable platform to offer airlines comprehensive and holistic food solutions from strategic sourcing and procurement to warehousing and logistics. This includes the use of an automated rice line capable of producing about 4,000 rice portions an hour, auto-fryers with the capacity to cook approximately 120 kilograms of rice or noodles in an hour, and a thermoforming packing line.

Through joint ventures, the Group also provides inflight catering services at the major international airports including Beijing, in Greater China, Manila, in the Philippines, and Male, in the Maldives.

### ***Commercial Catering***

The Group offers convenient and essential food solutions for both large-scale markets such as the military, foodservice, institutions and food retail stores as well as individual consumers.

#### *Large-scale event catering solutions*

The Group provides quality food and service solutions for large-scale events and caters to the needs for all occasions (including corporate events, social functions, indoor and outdoor celebrations).

#### *Institutional catering*

With a number of catering facilities, a large pool of catering personnel and logistics support staff, the Group is one of the leading institutional caterers in Singapore. Further, through SATS Food Services Pte. Ltd. ("**SFS**") (formerly known as Singapore Food Industries Pte. Ltd.), the Group is able to grow its institutional catering business by tapping on its expertise in running large central kitchens to provide high quality and safe food.

The Group has been appointed to supply pre-schools with centralised catering services. For schools, this raises productivity and lowers manpower and operational costs as there is no longer a need for dedicated space and staff to prepare meals on-site. The Group also caters to acute, intermediate and long-term care hospitals. In Singapore, SFS was awarded the contract to supply food catering services for the new 1,400-bed Sengkang General and Community Hospitals which has commenced operations in August 2018.

On 19 November 2018, the Group announced that its wholly-owned subsidiary, SATS China Co., Ltd. ("**SATS China**") entered into (a) a Share Transfer Agreement with SFS to acquire SFS' 60% equity interest in SATS Yihai Kerry Kunshan Food Co., Ltd. ("**Kunshan FoodCo**") for a purchase consideration of RMB120.0 million; and (b) a Share Transfer Agreement with Yihai Kerry Investments Co., Ltd. ("**YKI**") to acquire YKI's 40% equity interest in Kunshan FoodCo for a purchase consideration of RMB80.0 million (collectively the "**Kunshan Acquisitions**"). Upon completion, the Group's effective interest in Kunshan FoodCo was increased from 60% to 100%. The Group subsequently announced on 3 April 2019 that the Kunshan Acquisitions have been completed. Kunshan FoodCo has been renamed "SATS (Kunshan) Food Co., Ltd."

On 19 November 2018, the Group announced that SFS has entered into a Share Transfer Agreement with WI Kitchen (Tianjin) Investment Co., Ltd. to transfer its 60% equity interest in SATS Yihai Kerry (Langfang) Food Co., Ltd ("**Langfang**") for a sale consideration of RMB1.0 ("**Langfang Divestment**"). Upon completion, the Group ceased to have any interest in Langfang. On 9 January 2019, the Group announced the completion of the Langfang Divestment.

### ***Food Products***

The Group through its wholly-owned subsidiary, Country Foods Pte. Ltd. ("**CFPL**") (previously known as SATS BRF Food Pte. Ltd. ("**SATS BRF**")), brings to its customers a wide range of food products from around the world. An expanded sourcing and distribution network through CFPL, one of Singapore's largest food importers, distributors and manufacturers, provides valuable access to markets across the region.

The Group's other wholly-owned subsidiary, Monty's Bakehouse UK Limited ("**MBUK**") specialises in product and packaging innovation, producing tasty and sustainably packaged handheld snacks that are distributed to premium airlines and other customer segments around the world.

In terms of technological solution, with a digital integrated supply chain, which provides turnkey solutions with end-to-end logistics, warehousing, sourcing and procurement capabilities, the Group believes it is able to serve as the ideal one-stop, go-to-market platform for food-service solutions in Asia.

Operating one of Singapore's largest cold storage facilities spanning 35,000 cubic meters, the Group handles and distribute thousands of dried, chilled and frozen food products from around the world.

On 19 November 2021, the Group announced its latest collaborations with alternative protein brands and food tech startups to drive consumer adoption of sustainable foods in Asia through CFPL. CFPL has been partnering food tech startups such as Impossible Foods, v2food, and Fable Food since end-2019 when it presented Asia's largest showcase of alternative proteins to local and regional trade partners, and Singapore's first alternative protein company Growthwell Foods in 2020, in addition to multinational corporations such as Tyson Foods, the world's second largest processor and marketer of traditional proteins in 2021.

- (c) **the general development of the business from the beginning of the period comprising the 3 most recently completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since –**
- (i) **the end of the most recently completed financial year for which financial statements of the relevant entity have been published; or**
  - (ii) **the end of any subsequent period covered by interim financial statements, if interim financial statements have been published;**

#### **General business developments in FY2020**

In April 2019, SATS China, a wholly-owned subsidiary of the Company acquired 100% equity interest in Kunshan FoodCo, following which Kunshan FoodCo became ultimately owned by the Company through its wholly-owned subsidiary SATS China, Kunshan FoodCo was also renamed as “SATS (Kunshan) Food Co., Ltd.”.

In April 2019, SIA and the Company reviewed a suite of aviation services contracts for a further five-year period. Following 1 April 2019, contracts with SIA and SilkAir had a five-year tenure with an option to extend for a further five years, encompassing in-flight catering and cabin handling, passenger and ramp handling, cargo handling, aircraft interior cleaning, aviation security and laundry services, and included the provision of aviation security services for Scoot.

In May 2019, PSA International Pte Ltd. and the Company signed a memorandum of understanding to provide cargo owners and logistics service providers with seamless connectivity for greater supply chain efficiency, and to boost Singapore’s status as a key multimodal transport hub.

In July 2019 and October 2019, SATS China cumulatively acquired and subscribed for an aggregate of 50% of the issued shares in the capital of Nanjing Weizhou Airline Food Corp., Ltd (“**NWA**”), a 50% owned joint venture company of the Company. In November 2019, a new subsidiary in the People’s Republic of China, Ganzhou SATS Aviation Food Co., Ltd, was incorporated, being a direct 100% owned subsidiary of NWA.

In August 2019, SATS Investments Pte. Ltd. (“**SIPL**”), a wholly-owned subsidiary of the Company, disposed 51% of the issued shares in the capital of Food and Allied Support Services Corporation Pte. Ltd. to Planet Foods Pte. Ltd.

In September 2019, SFS, a wholly-owned subsidiary of the Company acquired the remaining 49% equity interest in SATS BRF. Accordingly, SATS BRF is now a wholly-owned subsidiary of SFS, and an indirect wholly-owned subsidiary of the Company. SATS BRF had also executed agreements with BRF Global GmbH on the distribution and licensing of brands owned by BRF S.A. After the completion of such acquisition, SATS BRF was renamed to ‘Country Foods Pte. Ltd.’ as the Company invests in its supply chain capabilities across Asia.

In October 2019, pursuant to a corporate restructuring exercise, the Company had sold its 30% shareholding of the total issued shares in the capital of Taj Madras Flight Kitchen Private Limited (“**TMFK**”) to Taj SATS Air Catering Limited (“**TAJSATS**”), following which the Company had ceased to have any direct interests in TMFK. However, as the Company continued to own 49% of the total issued shares in the capital of TAJSATS, the Company’s effective interests in TMFK had increased from 30% to 49%.

In December 2019, the Company’s 50% owned indirect subsidiary, NWA had entered into a joint venture agreement with Guangzhou Guanglian Aviation Services Co. Ltd. and Shenzhen Shunhe Tiancheng Trading Co., Ltd to incorporate a joint venture company known as Huizhou Weilian Airline Food Co., Ltd. in Huizhou City, People’s Republic of China.



In January 2020, the Company's subsidiary, SATS Saudi Arabia Company, won a 25-year cargo terminal concession in King Khalid International Airport in Riyadh, Saudi Arabia. The Riyadh cargo terminal was the Company's second cargo operation in Saudi Arabia, after its first win in King Fahd International Airport in Dammam in 2016. Upon full completion in December 2022, the cargo terminal was expected to have the capacity to handle up to 600,000 tonnes of cargo annually and have a purpose-built cold-chain facility for the special handling of temperature sensitive perishables and a dedicated lane for pharmaceutical products.

In February 2020, SIPL acquired 100% of the share capital of MBUK from its existing shareholders.

In March 2020, the Company issued S\$200,000,000 in aggregate principal amount of 2.88 per cent. notes due 2025, issued pursuant to the S\$500,000,000 multicurrency medium term note programme (the "**Existing MTN Programme**").

#### **General business developments in FY2021**

In April 2020, the Company issued S\$100,000,000 in aggregate principal amount of 2.60 per cent. notes due 2025, issued pursuant to the Existing MTN Programme. In December 2020, the Company updated and upsized the Existing MTN Programme to increase the maximum aggregate principal amount of all notes which may be outstanding from time to time under the Existing MTN Programme from S\$500,000,000 to S\$2,000,000,000.

In January 2021, the Company's dormant indirect joint venture company, DFASS SATS II Pte. Ltd., had been voluntarily struck off.

In March 2021, SIPL incorporated a wholly-owned subsidiary known as SATS (Thailand) Co., Ltd. ("**SATS Thailand**").

#### **General business developments in FY2022**

In April 2021, SIPL incorporated a wholly-owned subsidiary known as Real Tasty Pte. Ltd.

In June 2021, SIPL and SATS (India) Co. Private Limited, both wholly-owned subsidiaries of the Company, incorporated a wholly-owned subsidiary known as SATS Food Solutions India Private Limited.

In July 2021, the Company made its first major investment of S\$37 million in India to establish a central kitchen in India, where the Company signed a deal for a 27,000 sqm plot with Bengaluru Airport City Limited. The central kitchen will be located at Kempegowda International Airport, Bengaluru. The central kitchen would produce ready-to-eat meals to Indian consumers and take authentic Indian cuisine overseas.

In July 2021, SIPL and SATS Thailand acquired 85% interest in the capital of Food City Company Limited (currently known as SATS Food Solutions (Thailand) Co., Ltd. ("**SFST**")), a food production facility in Pathumthani, Thailand, which facility covers a land area of 30,000 square metres. The remaining 15% interest in the capital of SFST is held by Bangkok Ranch Public Company Limited.

In October 2021, the Company's dormant indirect wholly-owned subsidiary, Monty's Bakehouse GCC and Asia General Trading FZE were voluntarily liquidated.

In October 2021, NWA incorporated a wholly-owned subsidiary known as Shenzhen Weilian Air Catering Co., Ltd.

In November 2021, the Company rolled out a series of ventures to accelerate growth in its non-travel food business in partnership with Singapore Economic Development Board (“EDB”) and local food and beverage (“F&B”) brands to serve its growing network and customer base. SATS has committed over S\$3 million with support from EDB to create and pivot new business ventures with strong global potential and ability to scale. Through corporate venturing, the Company has initiated a hybrid kitchen model to support new F&B concepts, launched ready-to-cook Farmpride Signatures products that feature collaborations with SMEs like Keng Eng Kee Seafood and brought F&B brands such as Bismillah Biryani Restaurant and Boon Tong Kee’s signature dishes to the skies for SIA’s Singapore Showcase menu, which launched in September 2021.

In November 2021, FoodFlix, a brand accelerator programme under the Company’s venture arm has sparked collaboration with local hawkers, F&B brands and start-ups in Singapore to help them internationalise while expanding SATS’s portfolio of branded food solutions and non-travel food business. SATS has helped homegrown brands such as Song Fa Bak Kut Teh, Bismillah Biryani Restaurant, Kok Kee Wonton Noodle, Qiu Lian Ban Mian, Beach Road Prawn Noodle House and Boon Tong Kee to bring their signature dishes to the skies by adapting and producing them at scale for Singapore Airlines’ Singapore Showcase. SATS is also working with brands such as Chew Kee Soy Sauce Chicken, Killiney Group, Soon Heng Pork Noodles, Keng Eng Kee Seafood, Ponggol Nasi Lemak and White Restaurant to extend their reach into retail, aviation and institutional catering channels.

In December 2021, NWA, a 50% owned joint venture company of the Company, had incorporated a wholly-owned subsidiary known as Zhanjiang Wuchuan Weilian Air Catering Co., Ltd.

In January 2022, NWA, a 50% owned joint venture company of the Company, had incorporated a wholly-owned subsidiary known as Zhoushan Weilian Air Catering Co., Ltd.

In January 2022, SATS Catering Pte. Ltd., a wholly-owned subsidiary of the Company, had incorporated a wholly-owned subsidiary limited by guarantee and not having a share capital, known as The Aviation Sustainability Forum Pte. Ltd. (“ASF”). With additional members, ASF has ceased to be a subsidiary of the Company.

In January 2022, the Company obtained ISO 37001 certification, the international standard for anti-bribery management systems. Obtaining this certification fortifies the Company’s commitment to conducting business ethically and with the highest level of integrity.

In February 2022, the Company’s dormant indirect wholly-owned subsidiaries, SATS Investments Turkey Havacılık Yatırımları Anonim Şirketi and SATS Food Turkey Gıda Hizmetleri Anonim Şirketi were voluntarily liquidated.

In February 2022, the Company became a signatory of the United Nations Global Compact demonstrating the Company’s commitment to human rights, labour, environment and anti-corruption.

In March 2022, the Company acquired an additional 16.4% stake in AAT, a cargo terminal operator operating in Hong Kong International Airport, following which AAT became a subsidiary of the Company, with the Company owning 65.4% of AAT’s issued share capital. The Company also announced the development of the SATS Food Hub and had accepted an offer from JTC Corporation for a 30-year lease term of a property at Bulim Lane, located within the Jurong Innovation District.

## General business developments from 1 April 2022 to the Latest Practicable Date

In April 2022, the Company commenced a lease agreement with JTC to build an innovative food hub in Singapore's Jurong Innovation District. The move aligns with SATS' strategy to strengthen its Singapore core while growing international and non-travel businesses. The project will bring together all of SATS' expertise in food production – culinary, food technology, supply chain, innovation, sustainability, digitalisation, food safety and nutrition to transform current food production processes. The Company will deploy automation and robotics to achieve operational efficiency and hone vital new skills for the future.

In June 2022, SATS Group Services Sdn. Bhd., a wholly-owned subsidiary of the Company incorporated in Malaysia, had been struck off from the Register of the Companies Commission of Malaysia and dissolved. In July 2022, NWA incorporated a subsidiary in China known as Jiangxi Weilian Air Catering Co., Ltd. ("**Jiangxi Weilian**"), with NWZ holding 66% of Jiangxi Weilian's registered capital, with Jiangxi Airport.

In July 2022, SIPL entered into a share purchase agreement with Dewina Brahim's Holdings Sdn. Bhd. ("**Dewina**") and Brahim's Holdings Berhad to dispose of SIPL's total shareholdings in the capital of Brahim's SATS Investment Holdings Sdn. Bhd. ("**BSIH**") to Dewina. Following the completion of such disposal, BSIH ceased to be an associated company of SIPL and an indirect associated company of the Company. Accordingly, the Company ceased to have any interest in BSIH and its 70%-owned subsidiary, Brahim's Food Services Sdn. Bhd. In September 2022, such disposal of SIPL's total shareholdings in the capital of BSIH was completed.

In September 2022, the Company incorporated a wholly-owned subsidiary in Singapore known as SATS Investments (III) Pte. Ltd. ("**SIPL III**"). Subsequently, SIPL III incorporated SATS International, a wholly-owned subsidiary in France on 23 September 2022.

On 28 September 2022, the Company and SATS International entered into a sale and purchase agreement with Promontoria 52 Coöperatie U.A. and certain management sellers to acquire all of the issued shares of the Target for the WFS Acquisition. The Target is a holding company which indirectly owns 100% of the shares in WFS.

On 10 January 2023, the Company undertook a consent solicitation exercise in connection with the S\$200,000,000 2.88 per cent. notes due 2025 and the S\$100,000,000 2.60 per cent. notes due 2025 issued pursuant to the Existing MTN Programme, where the Company sought and obtained, *inter alia*: (i) noteholders' approval to amend certain financial covenants applicable to the aforementioned notes such that all goodwill and other intangible assets of the Company will not be deducted from the consolidated net worth component of its financial covenant ratio; (ii) as a precautionary measure to avoid any non-compliance or potential non-compliance with the amended financial covenants, noteholders' consent to waive any non-compliance or any potential non-compliance with certain financial covenants in the event that the Acquisition Bridge Facility is utilised for a limited period as set out in the Company's announcement dated 10 January 2023 (the "**CSE Announcement**"); and (iii) noteholders' approval for the continued subsistence of any and all security over the assets of the WFS Group existing as at the date of SPA Closing, and any security created over the assets of the Target and/or its subsidiaries after the SPA Closing for the sole purpose of refinancing the Secured Transactions (as defined in the CSE Announcement), provided that the amount secured by any such security may not exceed the total commitment under the Secured Transactions as at the date of SPA Closing.

On 13 February 2023, the Company announced that AISATS has been selected by Yamuna International Airport Private Limited ("**YIAPL**") to design, build, finance and operate an integrated Multi-Modal Cargo Hub ("**MMCH**") at the upcoming Noida International Airport in Jewar, Uttar Pradesh. As at the Latest Practicable Date, AISATS is in the process of finalising and concluding the terms of a concession agreement with YIAPL. The five-tier MMCH is the first of its kind in India, and it will include integrated facilities with airside access for general cargo, eCommerce, temperature-controlled goods for perishables and pharmaceuticals, and express courier shipments, as well as trucking facilities to support road-to-road, road-to-air, and air-to-road movements.

(d) the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing –

(i) in the case of the equity capital, the issued capital; or

(ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon;

As at the Latest Practicable Date, the issued share capital of the Company is approximately S\$368.4 million comprising 1,124,184,170 Shares (excluding 198,305 Shares held in treasury).

As at the Latest Practicable Date, the Company has issued certain medium term notes (as further described below) under the Existing MTN Programme. The Company may issue additional series of medium term notes under its Existing MTN Programme for the purposes of funding future working capital needs and requirements.

Securities	Amount issued	Amount outstanding	Coupon per annum
Medium term notes due 2025	S\$200,000,000	S\$200,000,000	2.88%
Medium term notes due 2025	S\$100,000,000	S\$100,000,000	2.60%

(e) where –

(i) the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or

(ii) the relevant entity is not a corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date;

The interests of the Substantial Shareholders as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date are set out below:

Substantial Shareholder	Direct Interest		Deemed Interest	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
Temasek	–	–	449,279,349 <sup>(2)</sup>	39.96
Tembusu Capital Pte. Ltd.	–	–	449,006,923	39.94
Napier Investments Pte. Ltd.	–	–	446,123,158	39.68
Venezio	446,123,158	39.68	–	–

**Notes:**

(1) Based on 1,124,184,170 Shares in issue (excluding 198,305 treasury shares) as at the Latest Practicable Date.

(2) Other than the Shares held through Venezia, Temasek has a deemed interest in 3,156,191 Shares held through independently managed portfolio companies.

- (f) any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgement of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group;**

As at the date of this Offer Information Statement, the Directors are not aware of any legal or arbitration proceedings to which any member of the Group is a party or which is pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgement of this Offer Information Statement, a material effect on the financial position or profitability of the Group.

- (g) where any securities, securities-based derivatives contracts or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date –**

- (i) if the securities, securities-based derivatives contracts or equity interests have been issued for cash, state the prices at which the securities or securities-based derivatives contracts have been issued and the number of securities, securities-based derivatives contracts or equity interests issued at each price; or**

Not applicable. The Company did not issue any securities, securities-based derivatives contracts or equity interests for cash in the 12 months immediately preceding the Latest Practicable Date.

- (ii) if the securities, securities-based derivatives contracts or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities, securities-based derivatives contracts or equity interests;**

Not applicable. The Company has not issued any securities, securities-based derivatives contracts or equity interests in return for services (in the sense of services provided by a service provider as opposed to services provided in the course of employment) within the 12 months immediately preceding the Latest Practicable Date.

For the avoidance of doubt, the Company has from time to time granted awards under the SATS Restricted Share Plan to management level employees of the Group as well as awards under the SATS Performance Share Plan to key senior executives of the Group, and has allotted and issued Shares pursuant to the release of such awards.

- (h) a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgement of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.**

Save as disclosed below, the members of the Group have not entered into any material contracts outside the ordinary course of business for the period of two years immediately preceding the date of lodgement of this Offer Information Statement:

- (i) the sale and purchase agreement dated 28 September 2022 between the Company, SATS International, Promontoria 52 Coöperatie U.A. and certain management sellers in respect of the WFS Acquisition;**

- (ii) the warranty deed dated 28 September 2022 entered into between SATS International and the following warrantors:
  - (a) Craig Smyth;
  - (b) François Mirallié;
  - (c) Barry Nassberg;
  - (d) John Batten; and
  - (e) Michael Simpson;
- (iii) the facility agreement dated 11 November 2022 (as amended and restated pursuant to an amendment and restatement agreement dated 27 December 2022) entered into between the Company and DBS in respect of the Bridge Loan and the Term Loan;
- (iv) the Management and Underwriting Agreement, the details of which are set out under paragraph 7 of the section titled “*Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 6 – The Offer and Listing*” of this Offer Information Statement; and
- (v) the Undertaking, the details of which are set out under paragraph 1(f) of the section titled “*Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 10 – Additional Information Required for Offer of Securities or Securities-based Derivatives Contracts by way of Rights Issue*” of this Offer Information Statement.

## **PART 5 – OPERATING AND FINANCIAL REVIEW AND PROSPECTS OPERATING RESULTS**

### **1. Provide selected data from –**

- (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recently completed financial years) for which that statement has been published; and**
- (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.**

### **2. The data mentioned in paragraph 1 of this Part must include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and must in addition include the following items:**

- (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;**
- (b) earnings or loss per share;**
- (c) earnings or loss per share, after any adjustment to reflect the sale of new securities or securities-based derivatives contracts.**

Please refer to Appendix A to this Offer Information Statement for the audited consolidated income statements of the Group for FY2020, FY2021 and FY2022 and the unaudited consolidated income statements of the Group for 1H2022 and 1H2023. Please also refer to Appendix D to this Offer Information Statement for the Group's business update for 3Q2023 and 9M2023 (unaudited) announced by the Company on 2 March 2023.

### **3. Despite paragraph 1 of this Part, where –**

- (a) unaudited financial statements of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the unaudited consolidated financial statements of the relevant entity or unaudited combined financial statements of the group, have been published in respect of the most recently completed financial year; and**
- (b) the audited financial statements for that year are unavailable,**

**the data mentioned in paragraph 1 of this Part in respect of the most recently completed financial year may be provided from such unaudited financial statements, if the directors or equivalent persons of the relevant entity include a statement in the offer information statement that to the best of their knowledge, they are not aware of any reason which could cause the unaudited financial statements to be significantly different from the audited financial statements for the most recently completed financial year.**

Not applicable.

**4. In respect of –**

- (a) each financial year (being one of the 3 most recently completed financial years) for which financial statements have been published; and**
- (b) any subsequent period for which interim financial statements have been published,**

**provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.**

A review of the past performance of the Group from FY2020 to 1H2023 is set out below.

**FY2021 compared to FY2020**

*Group Revenue*

Group revenue for the year declined by S\$971.2 million (or 50%) to S\$970.0 million. The Group's performance was significantly impacted by the sharp fall in demand for air travel and border restriction due to the COVID-19 outbreak. Driven by sharp decline in aviation volumes, revenue from Food Solutions decreased by S\$496.7 million (or 46.4%) to S\$573.8 million while revenue of Gateway Services decreased by S\$479.1 million (or 55.1%) to S\$389.7 million. This was mitigated by revenue contributions from newly consolidated entities, namely CFPL, NWA and MBUK, amounting to S\$118.9 million.

*Group Expenditure*

Group operating expenditure decreased by S\$734.9 million (or 42.9%) year-on-year at S\$980.1 million after accounting for government reliefs, lower aviation volumes as well as continuing management efforts to reshape the cost base of the Group.

Staff costs decreased by S\$497.2 million due to government reliefs and workforce reduction in line with the management of lower aviation volumes. The reduction in cost of raw materials was due to the decrease in aviation volume, partly offset by the consolidation of CFPL, NWA and MBUK.

Licence fees dropped by S\$64.7 million in tandem with the lower aviation revenue recorded for FY2021. Depreciation and amortisation rose by S\$12.8 million mainly due to new investments, systems acquired in FY2020 and an increase in right-of-use assets. Group-wide cost containment measures have resulted in a decrease in company premises and utilities expenses. Other costs were also lower, partly offset by the higher provision for doubtful debts of S\$9.7 million made in FY2021. Excluding the consolidation of CFPL, NWA and MBUK, Group expenditure would have recorded a further reduction of S\$120.1 million.

*Group Operating Profit/Loss*

Group operating profit for FY2021 decreased by S\$236.3 million (or 104.5%) to an operating loss of S\$10.1 million, compared to an operating profit of S\$226.2 million in FY2020.



### *Share of Results from Associates/Joint Ventures*

Profit contribution from associates/joint ventures was similarly impacted by the pandemic, decreasing by S\$59.8 million from a profit of S\$11.8 million in FY2020 to a loss of S\$48.0 million in FY2021.

### *Other Non-operating Loss (Net)*

The non-operating loss of S\$71.7 million was in relation to impairment made for investment in associates and joint ventures, long-term investment, intangible assets and property, plant and equipment due to the Covid-19 pandemic.

Since the start of 2020 when the pandemic began, the Group has taken an aggregated credit losses and impairment charges of S\$160 million, of which, approximately S\$51 million was accounted for in FY2020 and S\$109 million was charged in FY2021. The Group will continue to evaluate and monitor the recoverability of all investments and receivables and will make further impairment as and when required.

### *Group Net Profit Attributable to Owners of the Company*

Group net profit attributable to owners of the Company (“PATMI”) fell by S\$247.3 million (or 146.9%) to a net loss of S\$78.9 million year-on-year. Excluding one-off items, core PATMI would have been a net loss of S\$23.9 million. Without government reliefs, Group PATMI would have been a net loss of S\$320.8 million.

## **FY2022 compared to FY2021**

### *Group Revenue*

Group revenue grew by S\$206.8 million (or 21.3%) year-on-year to S\$1,176.8 million, with growth in both Food Solutions and Gateway Services. The volume increase across both aviation and non-aviation markets for Food Solutions contributed to an increase in revenue by S\$67.1 million (or 11.7%) to S\$640.9 million. Gateway Services revenue grew by S\$142.8 million (or 36.6%) to S\$532.5 million, driven by stable cargo growth, increased flights handled, resumption of ship calls and expansion of security services.

### *Group Expenditure*

Group expenditure increased by S\$239.3 million (or 24.4%) year-on-year to S\$1,219.4 million. Staff costs increased by S\$168.3 million due to reduced government reliefs and higher staff deployment arising from higher business volume. Raw materials costs grew in tandem with the higher business volume in Food Solutions. Lower licence fee was due to adjustment for rebates. Depreciation and amortisation fell by S\$10.7 million mainly due to impaired assets in FY2021. Company premises and utilities expenses rose by S\$8.6 million mainly due to higher utilities usage and increased tariffs. Other costs rose by S\$35.4 million from higher fuel costs and lower government grants, partly offset by lower provision for doubtful debts.

### *Group Operating Profit/Loss*

Operating loss for the Group increased by S\$32.5 million (or 321.8%) from S\$10.1 million in FY2021 to S\$42.6 million in FY2022.

### *Share of Results from Associates/Joint Ventures*

Profit contribution from associates/joint ventures grew by S\$65.1 million to a profit of S\$17.1 million, compared to a loss of S\$48.0 million in FY2021. The stronger performance of the associates and joint ventures was attributable to the improvement in the aviation sector as borders continue to reopen.

### *Other Non-operating Gain (Net)*

The non-operating gain of S\$12.2 million recorded in FY2022 was related to the accounting gain of S\$28.9 million as a result of the revaluation of the existing stake in AAT from the step-up acquisition in AAT. This gain was partly offset by impairment of property, plant and equipment in FY2022.

### *Group Net Profit Attributable to Owners of the Company*

Group PATMI improved by S\$99.3 million to a net profit of S\$20.4 million year-on-year. Excluding one-off items, core PATMI was reduced to a net loss of S\$8.5 million, showing an improvement of S\$15.4 million compared to net loss of S\$23.9 million in FY2021. Without government reliefs, Group PATMI would have been a loss of S\$112.2 million, a marked improvement from the loss of S\$320.8 million in FY2021.

## **1H2023 compared to 1H2022**

### *Group Revenue*

Group revenue increased by S\$235.0 million (or 41.3%) year-on-year to S\$804.5 million, driven primarily by growth in cargo volume and recovery in travel demand. The revenue of Food Solutions increased by S\$92.3 million (or 29.7%) to S\$402.6 million while the revenue of Gateway Services grew by S\$144.6 million (or 56.2%) to S\$401.9 million in 1H2023 over 1H2022. The consolidation of AAT contributed S\$62.1 million to the revenue of Gateway Services.

### *Group Expenditure*

Group expenditure increased by S\$281.3 million (or 49.7%) year-on-year to S\$846.8 million arising from increased business activities as well as the consolidation of AAT. Staff costs increased by S\$183.3 million due to the ramp-up of hiring ahead of demand in support of the higher volume of passenger operations and meal production, coupled with lower government grants. The rise in cost of raw materials, licence fees, company premises and utilities expenses, was in line with higher revenue growth and increased utility tariffs and consumption. Depreciation and amortisation increased by S\$23.2 million mainly due to the consolidation of AAT in 1H2023. Other costs increased by S\$43.9 million mainly due to higher fuel costs and maintenance expenses as well as lower government grants. Excluding the consolidation of AAT, Group expenditure would have recorded a lower increase of S\$214.0 million.

### *Group Operating Profit/Loss*

The Group recorded operating loss of S\$42.3 million in 1H2023, which was lower by S\$46.3 million compared to the operating profit of S\$4.0 million recorded in 1H2022.

### *Share of Results from Associates/Joint Ventures*

Share of results from associates/joint ventures increased from S\$0.9 million to S\$17.6 million in 1H2023. The majority of the Group's aviation associates and joint ventures saw improvements in their performance on the back of the continued post-pandemic recovery.

### *Other Non-operating Loss (Net)*

Non-operating loss of S\$15.9 million was mainly due to professional fees incurred.

### *Group Net Profit Attributable to Owners of the Company*

Group PATMI was at a net loss of S\$32.5 million in 1H2023, a decrease of S\$45.7 million from a net profit of S\$13.2 million year-on-year. Excluding government reliefs, Group PATMI would be a loss of S\$51.7 million for the period compared to a loss of S\$65.5 million in 1H2022.

## **Financial Position**

- 5. Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of –**
  - (a) the most recently completed financial year for which audited financial statements have been published; or**
  - (b) if interim financial statements have been published for any subsequent period, that period.**

Please refer to Appendix B to this Offer Information Statement for the audited consolidated statements of financial position of the Group as at 31 March 2022 and the unaudited consolidated statements of financial position of the Group as at 30 September 2022. Please also refer to Appendix D to this Offer Information Statement for the Group's business update for 3Q2023 and 9M2023 (unaudited) announced by the Company on 2 March 2023.

- 6. The data mentioned in paragraph 5 of this Part must include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and must in addition include the following items:**
  - (a) number of shares after any adjustment to reflect the sale of new securities or securities-based derivatives contracts;**
  - (b) net assets or liabilities per share;**
  - (c) net assets or liabilities per share after any adjustment to reflect the sale of new securities or securities-based derivatives contracts.**

<b>NAV</b>	<b>As at 31 March 2022</b>	<b>As at 30 September 2022</b>
Number of Shares (excluding treasury shares) before the Rights Issue	1,122,087,870	1,124,184,170
NAV per Share before the Rights Issue (cents) <sup>(1)</sup>	142.8	140.0
Number of Shares (excluding treasury shares) after the Rights Issue based on issuance of 363,111,486 Rights Shares <sup>(2)</sup>	1,485,199,356	1,487,295,656
NAV per Share after the Rights Issue (cents) <sup>(2)</sup>	161.7	159.5

**Notes:**

(1) NAV per Share = Equity attributable to owners/Number of Shares outstanding (excluding treasury shares).

(2) Assuming that (i) the Rights Shares had been allotted and issued on 31 March 2022 and 30 September 2022 in calculating the NAV per Share after the Rights Issue as at 31 March 2022 and 30 September 2022 respectively; (ii) the amount of Gross Proceeds from the issue of the Rights Shares is approximately S\$798.8 million; and (iii) all of the expenses from the Rights Issue are capitalised.

## **Liquidity and Capital Resources**

### **7. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of –**

- (a) the most recently completed financial year for which financial statements have been published; and**
- (b) if interim financial statements have been published for any subsequent period, that period.**

Please refer to Appendix C to this Offer Information Statement for the audited consolidated statement of cash flows of the Group for FY2022 and the unaudited consolidated statement of cash flows of the Group for 1H2023. Please also refer to Appendix D to this Offer Information Statement for the Group's business update for 3Q2023 and 9M2023 (unaudited) announced by the Company on 2 March 2023.

A review of the cash flow and liquidity of the Group for FY2022 and 1H2023 is set out below.

#### **FY2022**

The Group's cash and cash equivalents was S\$786.0 million as at 31 March 2022.

Net cash from operating activities for FY2022 amounted to S\$62.3 million, which was lower as compared to FY2021, mainly due to lower grant receipt during FY2022 partially offset by improved business performance as seen in higher EBITDA excluding government grant.

Net cash from investing activities amounted to S\$31.1 million, which was an increase from FY2021, due to the consolidation of SFST and AAT net of payment made for the acquisitions offset by higher capital expenditure.

Net cash used in financing activities comprised of cash outflows of S\$189.3 million attributable mainly to the repayment of S\$150.0 million term loan ahead of its maturity whilst the cash inflows in FY2021 was mainly due to the drawdown of credit facilities.

### **1H2023**

The Group's cash and cash equivalents was S\$689.3 million as at 30 September 2022.

Net cash used in operating activities for 1H2023 amounted to S\$26.7 million, which was higher as compared to 1H2022, mainly due to lower EBITDA.

Net cash used in investing activities increased to S\$38.2 million for 1H2023, mainly due to higher capital expenditure and lower dividend received from associates in 1H2023 offset by absence of investment in subsidiary compared to 1H2022.

Net cash used in financing activities for 1H2023 was lower at S\$34.2 million, attributable mainly to the absence of term loan repayment in 1H2023, compared to 1H2022.

- 8. Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgement of the offer information statement, is sufficient for at least the next 12 months and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided. When ascertaining whether working capital is sufficient, any financing facilities which are not available as at the date of lodgement of the prospectus must not be included, but net proceeds from the offer may be taken into account if the offer is fully underwritten. Where the offer is not fully underwritten, minimum net proceeds may be included only if it is an express condition of the offer that minimum net proceeds are to be raised and that the application moneys will be returned to investors if the minimum net proceeds are not raised.**

Pursuant to the Undertaking and the entry into the Management and Underwriting Agreement, the Rights Issue is effectively fully underwritten and all of the Rights Shares to be allotted and issued by the Company under the Rights Issue will be fully subscribed and paid for. The Company will receive the Net Proceeds of S\$789.7 million. The other expenses incurred in connection with the Rights Issue, which amount to approximately S\$6.9 million (inclusive of applicable taxes), will be funded out of the Company's internal resources.

In the reasonable opinion of the Directors, as at the date of lodgement of this Offer Information Statement, taking into consideration the Group's internal resources, present bank facilities and the Net Proceeds of the Rights Issue and barring any unforeseen circumstances, the working capital available to the Group is sufficient for at least the next 12 months.

9. **If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities or securities-based derivatives contracts in the relevant entity, provide –**
- (a) a statement of that fact;**
  - (b) details of the credit arrangement or bank loan; and**
  - (c) any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).**

To the best of the Directors' knowledge, at the date of lodgement of this Offer Information Statement, none of the entities in the Group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the Group's financial position and results or business operations, or the investments by holders of securities or securities-based derivatives contracts in the Company.

#### **Trend Information and Profit Forecast or Profit Estimate**

10. **Discuss –**

- (a) the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, for the next 12 months from the latest practicable date; and**
- (b) any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources for at least the current financial year, or that may cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.**

The discussion on the business and financial prospects of the Group as set out herein may contain forward-looking statements, and are subject to certain risks. Please refer to the section titled "*Cautionary Note on Forward-Looking Statements*" of this Offer Information Statement for further details. Please also refer to the section titled "*Risk Factors*" of this Offer Information Statement for further information on the risks relating to the Group's business.

The outbreak of COVID-19 resulted in an unprecedented drop in demand for air travel globally and a correspondingly substantial adverse impact on revenue and profitability of the Company.

However, the global rebound in passenger travel has been evident and the positive trend is expected to continue through the winter travel season into 2023, underpinning earnings growth across SATS' network of operations. Ahead of the continuing recovery in travel as China's borders reopen, SATS has been and will continue ramping up capacity and capabilities, which are essential to maintaining Singapore Changi Airport's leading air hub status and providing customers with excellent service quality during this critical period.

Whilst air cargo demand has been impacted by macro headwinds, and the conflict in Ukraine, the trends for air cargo demand remains broadly positive in the medium to long term. To meet global customer demand, and tap into longer-term industry trends, the WFS Acquisition is expected to position SATS at the heart of global trade flows for air cargo and create a business that is geographically diversified across EMEAA and the Americas, and to provide SATS with an earnings resilience against structural industry dynamics and competitive forces.

In this regard, given current market conditions, the Group believes that the funding plan for the total acquisition cost of the WFS Acquisition, which includes the Rights Issue, provides a prudent and balanced mix of sources, and presents Shareholders with an optimal value proposition for the WFS Acquisition.

Please also refer to Appendix D to this Offer Information Statement for the Group's business update for 3Q2023 and 9M2023 (unaudited) announced by the Company on 2 March 2023, Appendix I for financial information of the WFS Group, Appendix J for the unaudited key financial highlights of the WFS Group for its financial year ended 31 December 2022 which was announced by the WFS Group on 13 February 2023, and Appendix K for the combined *pro forma* financial effects of the WFS Acquisition on the Group.

- 11. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.**

No profit forecast is disclosed in this Offer Information Statement.

- 12. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.**

No profit forecast or profit estimate is disclosed in this Offer Information Statement.

- 13. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions mentioned in paragraph 12 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.**

No profit forecast is disclosed in this Offer Information Statement.

- 14. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement mentioned in paragraph 13 of this Part –**

**(a) a statement by the issue manager to the offer, or by any other person whose profession or reputation gives authority to the statement made by that person, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or**

**(b) a statement by an auditor of the relevant entity, prepared on the basis of the auditor's examination of the evidence supporting the assumptions mentioned in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority to the effect that no matter has come to the auditor's attention which gives the auditor reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.**

No profit forecast is disclosed in this Offer Information Statement.

**15. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement mentioned in paragraph 13 of this Part –**

- (a) a statement by the issue manager to the offer, or by any other person whose profession or reputation gives authority to the statement made by that person, prepared on the basis of an examination by that issue manager or person of the evidence supporting the assumptions mentioned in paragraph 12 of this Part, to the effect that no matter has come to the attention of that issue manager or person which gives that issue manager or person reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or**
- (b) a statement by an auditor of the relevant entity, prepared on the basis of the auditor’s examination of the evidence supporting the assumptions mentioned in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority to the effect that no matter has come to the auditor’s attention which gives the auditor reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.**

No profit forecast is disclosed in this Offer Information Statement.

#### **Significant Changes**

**16. Disclose any event that has occurred from the end of –**

- (a) the most recently completed financial year for which financial statements have been published; or**
- (b) if interim financial statements have been published for any subsequent period, that period,**

**to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate statement to that effect.**

Save as disclosed in this Offer Information Statement, there is no event that has occurred from 30 September 2022 to the Latest Practicable Date which may have a material effect on the Group’s financial position and results.

#### **Meaning of “published”**

**17. In this Part, “published” includes publication in a prospectus, in an annual report or on the SGXNET.**

Noted.



## PART 6 – THE OFFER AND LISTING

### Offer and Listing Details

- 1. Indicate the price at which the securities or securities-based derivatives contracts are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgement of the offer information statement, state the method by which the offer price is to be determined and explain how the relevant entity will inform investors of the final offer price.**

The Issue Price is S\$2.20 for each Rights Share, payable in full on acceptance and/or application.

The expenses incurred in the Rights Issue will not be specifically charged to subscribers of the Rights Shares. The Company will apply the Net Proceeds towards partially financing the WFS Acquisition (in cash and/or as repayment of the Bridge Loan, if drawn) and the other expenses incurred in connection with the Rights Issue will be funded out of the Company's internal resources.

For Electronic Applications made through ATMs of the Participating Bank, a non-refundable administrative fee of S\$2.00 for each application will be charged by the Participating Bank at the point of application. No administrative fee will be borne by the subscribers of the Rights Shares for each successful Electronic Application made through an Accepted Electronic Service.

- 2. If there is no established market for the securities or securities-based derivatives contracts being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**

The Shares are, and the Rights Shares will be, traded on the Main Board of the SGX-ST.

- 3. If –**
  - (a) any of the relevant entity's shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities or securities-based derivatives contracts being offered; and**
  - (b) the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived,**

**indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.**

Save for the Rights Issue, none of the Shareholders have pre-emptive rights to subscribe for the Rights Shares.

As there may be prohibitions or restrictions against the offering of Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the sections titled "*Eligibility of Shareholders to Participate in the Rights Issue*" and "*Offering, Selling and Transfer Restrictions*" of this Offer Information Statement for further information.

**4. If securities or securities-based derivatives contracts of the same class as those securities or securities-based derivatives contracts being offered are listed for quotation on any approved exchange –**

- (a) in a case where the firstmentioned securities or securities-based derivatives contracts have been listed for quotation on the approved exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the firstmentioned securities or securities-based derivatives contracts –**
- (i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and**
- (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or**

The highest and lowest market prices and the volume of the Shares traded on the SGX-ST during each of the last 12 calendar months immediately preceding the calendar month in which the Latest Practicable Date falls and for the period from 1 February 2023 to the Latest Practicable Date are as follows:

<b>Month</b>	<b>Price Range</b>		<b>Volume of Shares traded</b>
	<b>High (S\$)<sup>(1)</sup></b>	<b>Low (S\$)<sup>(2)</sup></b>	<b>(‘000)<sup>(3)</sup></b>
February 2022	4.24	3.94	67,993
March 2022	4.38	3.81	73,607
April 2022	4.67	4.25	59,333
May 2022	4.56	4.27	43,833
June 2022	4.26	3.90	62,629
July 2022	4.05	3.85	35,567
August 2022	4.21	3.96	40,254
September 2022	4.11	3.01	152,121
October 2022	2.99	2.54	158,539
November 2022	2.77	2.55	125,241
December 2022	3.03	2.67	99,270
January 2023	3.07	2.81	65,143
1 February 2023 to the Latest Practicable Date	3.15	2.72	89,711

Source: Bloomberg Finance L.P. Bloomberg Finance L.P. has not consented for the purposes of Sections 249 and 277 of the SFA to the inclusion of the information referred to above and is thereby not liable for such information under Sections 253 and 254 of the SFA. While the Company and the Financial Advisers and Joint Underwriters and the Co-Lead Managers have taken reasonable actions to ensure that the above information has been reproduced in its proper form and context, neither the Company, the Financial Advisers and Joint Underwriters, nor the Co-Lead Managers have conducted an independent review of this information nor verified the accuracy of such information.

**Notes:**

- (1) High price was based on the highest closing price for the Shares in a particular month/period.
- (2) Low price was based on the lowest closing price for the Shares in a particular month/period.
- (3) Volume was based on the total volume of the Shares traded in a particular month/period.

- (b) in a case where the first-mentioned securities or securities-based derivatives contracts have been listed for quotation on the approved exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities or securities-based derivatives contracts –**
- (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and**
  - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;**

Not applicable, as the Shares have been listed for quotation on the Main Board of the SGX-ST for more than 12 months immediately preceding the Latest Practicable Date.

- (c) disclose any significant trading suspension that has occurred on the approved exchange during the 3 years immediately preceding the latest practicable date or, if the securities or securities-based derivatives contracts have been listed for quotation for less than 3 years, during the period from the date on which the securities or securities-based derivatives contracts were first listed to the latest practicable date; and**

With the exception of trading halts on 21 September 2022, 28 September 2022 and 21 February 2023, and a half-day trading halt on 22 February 2023, no trading suspension of the Shares has occurred on the SGX-ST during the three years immediately preceding the Latest Practicable Date.

- (d) disclose information on any lack of liquidity, if the securities or securities-based derivatives contracts are not regularly traded on the approved exchange.**

Not applicable. Please refer to paragraph 4(a) of the section titled “*Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 6 – The Offer and Listing*” of this Offer Information Statement for the volume of Shares traded during each of the last 12 calendar months immediately preceding the calendar month in which the Latest Practicable Date falls and for the period from 1 February 2023 to the Latest Practicable Date.

- 5. Where the securities or securities-based derivatives contracts being offered are not identical to the securities or securities-based derivatives contracts already issued by the relevant entity, provide –**

- (a) a statement of the rights, preferences and restrictions attached to the securities or securities-based derivatives contracts being offered; and**
- (b) an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities or securities-based derivatives contracts, to rank in priority to or equally with the securities or securities-based derivatives contracts being offered.**

The Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, except that they will not rank for any dividends, rights, allotments or other distributions the record date for which falls before the date of allotment and issue of the Rights Shares.

The issue of the Rights Shares is made pursuant to the authority granted under the General Mandate. Approval in-principle was obtained from the SGX-ST for the listing of and quotation of up to 562,048,585 new Shares on the Main Board of the SGX-ST, which represents the maximum number of Shares that can be issued under the General Mandate.

## **Plan of Distribution**

- 6. Indicate the amount, and outline briefly the plan of distribution, of the securities or securities-based derivatives contracts that are to be offered otherwise than through underwriters. If the securities or securities-based derivatives contracts are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.**

## **Basis of Provisional Allotment**

The Rights Issue is made on a renounceable underwritten basis to Entitled Shareholders on the basis of 323 Rights Shares for every 1,000 existing Shares held by Entitled Shareholders as at the Record Date at the Issue Price, fractional entitlements to be disregarded. The Rights Shares are payable in full upon acceptance and/or application and will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, except that they will not rank for any dividends, rights, allotments or other distributions the record date for which falls before the date of allotment and issue of the Rights Shares.

Based on the issued share capital (excluding treasury shares) of the Company as at the Latest Practicable Date of 1,124,184,170 Shares, 363,111,486 Rights Shares will be issued.

## **Entitled Shareholders**

Entitled Shareholders are at liberty to accept, decline or renounce their Rights and are eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue. Entitled Depositors are also able to trade their Rights on the SGX-ST during the Rights trading period prescribed by the SGX-ST.

Fractional entitlements to the Rights Shares will be disregarded in arriving at the Entitled Shareholders' entitlements and will, together with such Rights Shares that are not validly taken up by Entitled Shareholders or their respective renounee(s) or Purchaser(s), any unsold Rights of Foreign Shareholders and any Rights Shares that are not otherwise allotted for whatever reason in accordance with the terms and conditions contained in this Offer Information Statement, ARE, ARS, PAL and (if applicable) the Constitution, be aggregated and used to satisfy Excess Rights Shares applications (if any) or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board of Directors, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares.

The Rights Shares are not offered through the selling efforts of any broker or dealer other than the Financial Advisers and Joint Underwriters and the Co-Lead Managers. Please refer to paragraph 7 of this Part below for further information on the Management and Underwriting Agreement.

## Foreign Shareholders

Subject to certain limited exceptions, Foreign Shareholders will not be entitled to participate in the Rights Issue. Accordingly, no provisional allotment of Rights Shares will be made to Foreign Shareholders and no purported acceptance or application for the Rights Shares by Foreign Shareholders will be valid.

As there may be prohibitions or restrictions against the offering of Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the sections titled “*Eligibility of Shareholders to Participate in the Rights Issue*” and “*Offering, Selling and Transfer Restrictions*” of this Offer Information Statement for details on the eligibility of Shareholders to participate in the Rights Issue.

Notwithstanding the foregoing, the Rights and Rights Shares are not intended to be offered or sold to persons in the U.S. except to Entitled QIBs in transactions exempt from the registration requirements of the Securities Act. The Rights and Rights Shares are being offered and sold outside the U.S. in “offshore transactions” as defined in, and in reliance on, Regulation S. The Company, the Financial Advisers and Joint Underwriters and the Co-Lead Managers reserve absolute discretion in determining whether to allow such participation as well as the identity of the persons who may be allowed to do so.

**7. Provide a summary of the features of the underwriting relationship together with the amount of securities or securities-based derivatives contracts being underwritten by each underwriter.**

As a result of the entry into the Undertaking and the Management and Underwriting Agreement, the Rights Issue is effectively fully underwritten and all of the Rights Shares to be allotted and issued by the Company under the Rights Issue will be fully subscribed and paid for.

## Underwriting

The Financial Advisers and Joint Underwriters and the Co-Lead Managers have agreed to underwrite the Underwritten Rights Shares at the Issue Price on the terms and subject to the conditions of the Management and Underwriting Agreement.

The underwriting obligations of the Financial Advisers and Joint Underwriters and the Co-Lead Managers are subject to, *inter alia*, Venezia having subscribed and paid in full for (or procured the subscription and payment in full of) all the Undertaken Rights Shares at the Issue Price pursuant to the Undertaking.

Pursuant to the Management and Underwriting Agreement, the Company will pay the Financial Advisers and Joint Underwriters and the Co-Lead Managers Underwriting Fees of approximately S\$8.4 million (or approximately S\$9.1 million inclusive of applicable taxes).

## Subscription by Directors

The Directors who are also Shareholders have indicated to the Company that they intend to subscribe and pay for all their respective entitlements of Rights Shares in accordance with the terms and conditions of the Rights Issue.

## PART 7 – ADDITIONAL INFORMATION

### Statements by Experts

- 1. Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.**

Not applicable. No statement or report made by an expert is included in this Offer Information Statement other than a statement attributed to an expert to which the exemption under regulation 33(2) applies.

- 2. Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert –**

- (a) state the date on which the statement was made;**
- (b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and**
- (c) include a statement that the expert has given, and has not withdrawn, his or her written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.**

Not applicable. No statement or report made by an expert is included in this Offer Information Statement other than a statement attributed to an expert to which the exemption under regulation 33(2) applies.

- 3. The information mentioned in paragraphs 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 33(2) applies.**

Not applicable. No statement or report made by an expert is included in this Offer Information Statement other than a statement attributed to an expert to which the exemption under regulation 33(2) applies.

### Consents from Issue Managers and Underwriters

- 4. Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his or her written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.**

DBS has given, and has not, before the lodgement of this Offer Information Statement with the MAS, withdrawn its written consent to being named in this Offer Information Statement as the Lead Financial Adviser and one of the Joint Underwriters for the Rights Issue.

BofA Securities has given, and has not, before the lodgement of this Offer Information Statement with the MAS, withdrawn its written consent to being named in this Offer Information Statement as one of the Joint Financial Advisers and one of the Joint Underwriters for the Rights Issue.

Citi has given, and has not, before the lodgement of this Offer Information Statement with the MAS, withdrawn its written consent to being named in this Offer Information Statement as one of the Joint Financial Advisers and one of the Joint Underwriters for the Rights Issue.

OCBC has given, and has not, before the lodgement of this Offer Information Statement with the MAS, withdrawn its written consent to being named in this Offer Information Statement as one of the Co-Lead Managers for the Rights Issue.

UOB has given, and has not, before the lodgement of this Offer Information Statement with the MAS, withdrawn its written consent to being named in this Offer Information Statement as one of the Co-Lead Managers for the Rights Issue.

#### **Other Matters**

- 5. Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly –**
- (a) the relevant entity's business operations or financial position or results; or**
  - (b) investments by holders of securities or securities-based derivatives contracts in the relevant entity.**

Save as disclosed below and in this Offer Information Statement, the Directors are not aware of any other matter which could materially affect, directly or indirectly, the Company's business operations, financial position or results or investments by holders of securities or securities-based derivatives contracts in the Company.

**PART 10 – ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES OR SECURITIES-BASED DERIVATIVES CONTRACTS BY WAY OF RIGHTS ISSUE**

**1. Provide –**

**(a) the particulars of the rights issue;**

Please refer to the section titled “*Summary of the Rights Issue*” of this Offer Information Statement for particulars of the Rights Issue.

**(b) the last day and time for splitting of the provisional allotment of the securities or securities-based derivatives contracts to be issued pursuant to the rights issue;**

15 March 2023 at 5.00 p.m.

Please refer to the section titled “*Indicative Timetable of Key Events*” of this Offer Information Statement for more details.

**(c) the last day and time for acceptance of and payment for the securities or securities-based derivatives contracts to be issued pursuant to the rights issue;**

21 March 2023 at 5.30 p.m. (9.30 p.m. for Electronic Applications through ATMs of the Participating Banks or through an Accepted Electronic Service).

Please refer to the section titled “*Indicative Timetable of Key Events*” of this Offer Information Statement for more details.

**(d) the last day and time for renunciation of and payment by the renounee for the securities or securities-based derivatives contracts to be issued pursuant to the rights issue;**

21 March 2023 at 5.30 p.m. (9.30 p.m. for Electronic Applications through ATMs of the Participating Banks or through an Accepted Electronic Service).

Entitled Depositors who wish to renounce their Rights in favour of a third party should note that CDP requires three (3) Market Days to effect such renunciation. As such, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for the renounee to accept his Rights.

**(e) the terms and conditions of the offer of securities or securities-based derivatives contracts to be issued pursuant to the rights issue;**

The allotment and issue of the Rights Shares pursuant to the Rights Issue is governed by the terms and conditions as set out in this Offer Information Statement, in particular Appendices E, F and G to this Offer Information Statement and in the ARE, the ARS and the PAL.

**(f) the particulars of any undertaking from the substantial shareholders or substantial equity interest-holders, as the case may be, of the relevant entity to subscribe for their entitlements; and**

Venezio, which owns 446,123,158 Shares as at the Latest Practicable Date, representing approximately 39.68 per cent. of the Shares in issue (excluding treasury shares), has given the Undertaking to the Company to, by way of acceptance, *inter alia*, subscribe and pay in full for, or procure the subscription and payment in full of, the Undertaken Rights Shares, the aggregate value of which is S\$317,015,116 based on the Issue Price, by the Closing Date (or such later date as the Company may consent, such consent not to be reasonably withheld or delayed).



In addition, the Directors who are also Shareholders have indicated to the Company that they intend to subscribe and pay for all their respective entitlements of Rights Shares in accordance with the terms and conditions of the Rights Issue.

**(g) if the rights issue is or will not be underwritten, the reason for not underwriting the issue.**

As a result of the Undertaking and the entry into the Management and Underwriting Agreement, the Rights Issue is effectively fully underwritten and all of the Rights Shares to be allotted and issued by the Company under the Rights Issue will be fully subscribed and paid for.

## ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES UNDER APPENDIX 8.2 OF THE LISTING MANUAL

### Review of Working Capital

1. Provide a review of the working capital for the last three financial years and the latest half year, if applicable.

The working capital position of the Group as at 31 March 2020, 31 March 2021, 31 March 2022 and 30 September 2022 were as follows:

(in S\$' million)	← Audited →			Unaudited
	As at 31 March 2020	As at 31 March 2021	As at 31 March 2022	As at 30 September 2022
Total current assets	1,028.4	1,322.7	1,296.0	1,328.6
Total current liabilities	561.3	565.3	630.6	722.7
Net current assets	467.1	757.4	665.4	605.9

#### 31 March 2021 compared to 31 March 2020

The Group's current assets increased year-on-year by S\$294.3 million from S\$1,028.4 million as at 31 March 2020 to S\$1,322.7 million as at 31 March 2021 largely due to higher cash and cash equivalents and inventories, partly offset by lower trade and other receivables. The higher cash and cash equivalents were attributed to drawdown of credit facilities and cash inflows from operating activities, while higher inventory balance was mainly due to the increased business activities of CFPL. Lower trade and other receivables were mainly due to lower revenue from reduced business volumes. The Group's current liabilities increased year-on-year by S\$4.0 million from S\$561.3 million as at 31 March 2020 to S\$565.3 million as at 31 March 2021 mainly due to higher term loans, partly offset by lower trade payables and income tax payables.

#### 31 March 2022 compared to 31 March 2021

The Group's current assets decreased year-on-year by S\$26.7 million from S\$1,322.7 million as at 31 March 2021 to S\$1,296.0 million as at 31 March 2022 due to lower inventories and cash and short-term deposits, partially offset by higher trade and other receivables. The lower cash and short-term deposits are largely due to the repayment of term loans offset by the net cash from the acquisition of new subsidiaries. The Group's current liabilities increased year-on-year by S\$65.3 million from S\$565.3 million as at 31 March 2021 to S\$630.6 million as at 31 March 2022 mainly from higher trade and other payables and lease liabilities. The higher lease liabilities was due to the consolidation of AAT. These were partly offset by lower income tax payable and lower term loan due to reclassification of loan to non-current liabilities upon refinancing.

#### 30 September 2022 compared to 31 March 2022

The Group's current assets increased by S\$32.6 million from S\$1,296.0 million as at 31 March 2022 to S\$1,328.6 million as at 30 September 2022 largely due to higher trade and other receivables from higher business volume, partly offset by lower cash and short-term deposits. The Group's current liabilities increased by S\$92.1 million from S\$630.6 million as at 31 March 2022 to S\$722.7 million as at 30 September 2022 mainly due to higher trade and other payables arising from higher business volume.

## **Manager's Responsibility Statement**

- 2. A statement by the issue manager that, to the best of its knowledge and belief, the document constitutes full and true disclosure of all material facts about the issue, the issuer and its subsidiaries, and that the issue manager is not aware of any facts the omission of which would make any statement in the document misleading; and where the document contains a profit forecast, that it is satisfied that the profit forecast has been stated by the directors after due and careful enquiry and consideration.**

As provided in Appendix 8.2 of the Listing Manual, this requirement is not applicable if an issuer has to comply with the offer information statement requirements in the SFA.

**AUDITED CONSOLIDATED INCOME STATEMENTS OF THE GROUP FOR  
FY2020, FY2021 AND FY2022 AND UNAUDITED CONSOLIDATED INCOME  
STATEMENTS OF THE GROUP FOR 1H2022 AND 1H2023**

(in S\$ million)	← Audited →	← Audited →	← Audited →	← Audited →	← Audited →
	FY2020	FY2021	FY2022	Unaudited 1H2022	Unaudited 1H2023
<b>REVENUE</b>	1,941.2	970.0	1,176.8	569.5	804.5
<b>EXPENDITURE</b>					
Staff costs	(879.5)	(382.3)	(550.6)	(243.4)	(426.7)
Cost of raw materials	(346.1)	(269.8)	(311.1)	(153.4)	(157.7)
Licence fees	(84.6)	(19.9)	(16.3)	(12.4)	(18.2)
Depreciation and amortisation	(117.6)	(130.4)	(119.7)	(60.8)	(84.0)
Company premise and utilities expenses	(93.4)	(65.3)	(73.9)	(33.4)	(54.2)
Other costs	(193.8)	(112.4)	(147.8)	(62.1)	(106.0)
	(1,715.0)	(980.1)	(1,219.4)	(565.5)	(846.8)
<b>OPERATING PROFIT/(LOSS)</b>	226.2	(10.1)	(42.6)	4.0	(42.3)
Interest on borrowings	(7.6)	(20.5)	(17.1)	(8.5)	(10.7)
Interest income	3.9	4.8	3.3	1.5	3.1
Share of results of associates/ joint ventures, net of tax	11.8	(48.0)	17.1	0.9	17.6
Other non-operating (loss)/gain, net	(20.4)	(71.7)	12.2	(0.8)	(15.9)
<b>PROFIT/(LOSS) BEFORE TAXATION</b>	213.9	(145.5)	(27.1)	(2.9)	(48.2)
Income tax (expense)/credit	(38.3)	36.2	31.4	8.9	7.6
<b>PROFIT/(LOSS)</b>	175.6	(109.3)	4.3	6.0	(40.6)
Profit/(loss) attributable to:					
Owners of the Company	168.4	(78.9)	20.4	13.2	(32.5)
Non-controlling interests	7.2	(30.4)	(16.1)	(7.2)	(8.1)
	175.6	(109.3)	4.3	6.0	(40.6)
<b>Earnings/(loss) per Share (cents)</b>					
Basic	15.1	(7.1)	1.8	1.2	(2.9)
Diluted	15.0	(7.0)	1.8	1.2	(2.9)
<b>Dividends per Share (cents)</b>					
Interim dividend	6.0	–	–	–	–
Final and special dividends	–	–	–	N/A	N/A
<b>After the Rights Issue</b>					
<b>Earnings/(loss) per Share (cents)<sup>(1)</sup></b>					
Basic	11.4	(5.3)	1.4	0.9	(2.2)
Diluted	11.3	(5.3)	1.4	0.9	(2.2)

**Note:** (1) Adjusted for 363,111,486 Rights Shares that were assumed to have been issued on the first day of the financial year/period

**AUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF  
THE GROUP AS AT 31 MARCH 2022 AND UNAUDITED CONSOLIDATED  
STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT  
30 SEPTEMBER 2022**

(in S\$ million)	(Audited) As at 31 March 2022	(Unaudited) As at 30 September 2022
<b>Equity attributable to owners of the Company</b>		
Share capital	367.9	369.2
Treasury shares	(8.5)	(0.9)
Share-based compensation reserve	4.9	2.4
Statutory reserve	13.5	13.9
Foreign currency translation reserve	(119.5)	(122.0)
Revenue reserve	1,368.8	1,336.0
Other reserves	(24.5)	(24.7)
	1,602.6	1,573.9
<b>Non-controlling interests</b>	231.1	205.7
<b>Total equity</b>	1,833.7	1,779.6
<b>Non-current assets</b>		
Property, plant and equipment	589.6	595.0
Right-of-use assets	312.8	325.1
Intangible assets	553.2	544.6
Investment in associates	393.8	386.0
Investment in joint ventures	60.2	64.0
Long-term investments	14.6	14.8
Loan to associate	2.2	3.8
Deferred tax assets	57.4	57.1
Other non-current assets	12.5	11.0
	1,996.3	2,001.4
<b>Current assets</b>		
Trade and other receivables	387.8	511.9
Prepayments and deposits	36.7	42.0
Amounts due from associates/joint ventures	2.3	3.1
Inventories	83.2	82.3
Cash and cash equivalents	786.0	689.3
	1,296.0	1,328.6

<b>(in S\$ million)</b>	<b>(Audited) As at 31 March 2022</b>	<b>(Unaudited) As at 30 September 2022</b>
<b>Current liabilities</b>		
Trade and other payables	457.9	539.3
Amounts due to associates/joint ventures	11.4	11.4
Income tax payable	18.2	19.6
Term loans	101.7	108.5
Lease liabilities	41.4	43.9
	630.6	722.7
<b>Net current assets</b>	665.4	605.9
<b>Non-current liabilities</b>		
Deferred tax liabilities	90.4	86.7
Term loans	109.1	107.2
Notes payable	300.0	300.0
Lease liabilities	285.7	294.6
Other payables	42.8	39.2
	828.0	827.7
<b>Net assets</b>	1,833.7	1,779.6

**AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS OF  
THE GROUP FOR FY2022 AND UNAUDITED CONSOLIDATED STATEMENT  
OF CASH FLOWS OF THE GROUP FOR 1H2023**

(in S\$ million)	(Audited) FY2022	(Unaudited) 1H2023
<b>Cash flows from operating activities</b>		
Loss before tax	(27.1)	(48.2)
Adjustments for:		
Interest expenses, net	13.8	7.6
Depreciation and amortisation charges	119.7	84.0
Unrealised foreign exchange gain	0.0	(0.1)
Share of results of associates/joint ventures, net of tax	(17.1)	(17.6)
Gain on disposal of property, plant and equipment	(0.2)	(0.7)
Gain on deemed disposal of associate/sale of associate	(28.9)	(1.9)
Impairment loss on property, plant and equipment	16.9	–
Share-based payment expense	7.6	6.1
Provision for doubtful debts	11.1	–
Other non-cash items	0.8	0.4
Operating cash flows before working capital changes	96.6	29.6
Changes in working capital:		
(Increase) in receivables	(79.3)	(86.4)
(Increase) in prepayments and deposits	(15.7)	(5.3)
Decrease in inventories	47.2	0.4
Increase in payables	48.0	47.2
(Increase) in amounts due from/to associates/joint ventures, net	(0.5)	(2.4)
<b>Cash generated from/(used in) operations</b>	<b>96.3</b>	<b>(16.9)</b>
Interest paid to third parties	(17.0)	(10.7)
Income taxes (paid)/refund	(17.0)	0.9
<b>Net cash from/(used in) operating activities</b>	<b>62.3</b>	<b>(26.7)</b>
<b>Cash flows from investing activities</b>		
Capital expenditure	(77.9)	(60.7)
Dividends from associates/joint ventures	26.6	13.9
Net proceeds from sale of investments	0.3	–
Proceeds from disposal of property, plant and equipment	0.3	2.6
Proceeds from disposal of interest in associate	–	3.1
Investments in subsidiaries, net of cash acquired	80.7	–
Investment in joint ventures	–	(0.1)
Interest received from deposits	3.3	3.0
Loan to associated companies	(2.2)	–
<b>Net cash from/(used in) investing activities</b>	<b>31.1</b>	<b>(38.2)</b>

<b>(in S\$ million)</b>	<b>(Audited) FY2022</b>	<b>(Unaudited) 1H2023</b>
<b>Cash flows from financing activities</b>		
Repayment of term loans	(182.0)	–
Repayment of lease liabilities	(26.0)	(31.7)
Proceeds from borrowings	21.1	16.1
Dividends paid to non-controlling interests	(2.4)	(18.6)
<b>Net cash (used in) financing activities</b>	<b>(189.3)</b>	<b>(34.2)</b>
Net (decrease) in cash and cash equivalents	(95.9)	(99.1)
Effect of exchange rate changes	2.1	2.4
Cash and cash equivalents at beginning of financial year/period	879.8	786.0
<b>Cash and cash equivalents at end of financial year/period</b>	<b>786.0</b>	<b>689.3</b>



**BUSINESS UPDATE FOR THE GROUP FOR 3Q2023 AND 9M2023  
(UNAUDITED)**

Further to the media release entitled “SATS Posts 3Q Earnings of \$0.5m with Revenue Growing 54.5% YoY” and presentation slides entitled “3Q FY23 Performance Review”, each dated 13 February 2023 (together, the “**Media Release**”), SATS Ltd. wishes to provide additional unaudited condensed consolidated financial information for the third quarter and nine months ended 31 December 2022, as set out below. Such additional financial information is being voluntarily provided to assist shareholders and investors in understanding the information set out in the Media Release, and is not intended to be construed as the release of quarterly or interim financial statements for the purposes of the Singapore Exchange Securities Trading Limited listing rules.

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT OF THE GROUP FOR THE  
THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2022**

(in S\$ million)	← Unaudited →			
	3rd Quarter		9 Months	
	2022-23	2021-22	2022-23	2021-22
<b>REVENUE</b>	475.7	307.8	1,280.2	877.3
<b>EXPENDITURE</b>				
Staff costs	(222.4)	(140.1)	(649.1)	(383.5)
Cost of raw materials	(87.8)	(83.9)	(245.5)	(237.3)
Licence fees	(18.9)	(1.1)	(37.1)	(13.5)
Depreciation and amortisation charges	(46.1)	(29.1)	(130.1)	(89.9)
Company premise and utility expenses	(31.6)	(18.8)	(85.8)	(52.2)
Other costs	(70.0)	(44.3)	(176.0)	(106.4)
	(476.8)	(317.3)	(1,323.6)	(882.8)
<b>OPERATING LOSS</b>	(1.1)	(9.5)	(43.4)	(5.5)
Interest on borrowings	(3.3)	(4.4)	(14.0)	(12.9)
Interest income	3.5	0.8	6.6	2.3
Share of results of associates/joint ventures, net of tax	10.2	12.1	27.8	13.0
Other non-operating loss, net	(11.3)	(6.1)	(27.2)	(6.9)
<b>LOSS BEFORE TAX</b>	(2.0)	(7.1)	(50.2)	(10.0)
Income tax (expense)/credit	(1.3)	5.8	6.3	14.7
<b>(LOSS)/PROFIT FOR THE PERIOD</b>	(3.3)	(1.3)	(43.9)	4.7
<b>Profit/(Loss) attributable to:</b>				
Owners of the Company	0.5	5.1	(32.0)	18.3
Non-controlling interests	(3.8)	(6.4)	(11.9)	(13.6)
	(3.3)	(1.3)	(43.9)	4.7
Earnings/(loss) per Share (cents)				
Basic	–	0.5	(2.9)	1.6
Diluted	–	0.5	(2.8)	1.6
<b>EBITDA<sup>(1)</sup></b>	55.2	31.7	114.5	97.4

**Note:** (1) EBITDA refers to earnings (including share of results of associates/joint ventures) before interest, tax, depreciation and amortisation; and excludes one-off items. Excluding share of results of associates/joint ventures, EBITDA for 9M2023 and 9M2022 would be S\$86.7 million and S\$84.4 million respectively while EBITDA for 3Q2023 and 3Q2022 would be S\$45.0 million and S\$19.6 million respectively.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31 DECEMBER 2022**

<b>(in S\$ million)</b>	<b>(Unaudited) As at 31 December 2022</b>	<b>(Audited) As at 31 March 2022</b>
<b>Equity attributable to owners of the Company</b>		
Share capital	369.2	367.9
Treasury shares	(0.9)	(8.5)
Share-based compensation reserve	4.0	4.9
Statutory reserve	13.9	13.5
Foreign currency translation reserve	(166.2)	(119.5)
Revenue reserve	1,336.3	1,368.8
Other reserves	(24.8)	(24.5)
	1,531.5	1,602.6
<b>Non-controlling interests</b>	202.2	231.1
<b>Total equity</b>	1,733.7	1,833.7
<b>Non-current assets</b>		
Property, plant and equipment	566.8	589.6
Right-of-use assets	325.1	312.8
Intangible assets	534.4	553.2
Investment in associates	361.3	393.8
Investment in joint ventures	61.5	60.2
Long-term investments	14.3	14.6
Loan to associate	4.1	2.2
Deferred tax assets	62.7	57.4
Other non-current assets	10.5	12.5
	1,940.7	1,996.3
<b>Current assets</b>		
Trade and other receivables	521.5	387.8
Prepayments and deposits	30.7	36.7
Amounts due from associates/joint ventures	2.1	2.3
Inventories	91.0	83.2
Cash and short-term deposits	590.1	786.0
	1,235.4	1,296.0
<b>Current liabilities</b>		
Trade and other payables	513.1	457.9
Amounts due to associates/joint ventures	11.4	11.4
Income tax payable	25.9	18.2
Term loans	10.6	101.7
Lease liabilities	44.5	41.4
	605.5	630.6
<b>Net current assets</b>	629.9	665.4

<b>(in S\$ million)</b>	<b>(Unaudited) As at 31 December 2022</b>	<b>(Audited) As at 31 March 2022</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	87.0	90.4
Term loans	109.2	109.1
Note payables	300.0	300.0
Lease liabilities	296.4	285.7
Other payables	44.3	42.8
	836.9	828.0
<b>Net assets</b>	1,733.7	1,833.7

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS OF THE GROUP  
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2022**

(in S\$ million)	← Unaudited →			
	3rd Quarter		9 Months	
	2022-23	2021-22	2022-23	2021-22
<b>Cash flows from operating activities</b>				
Loss before tax	(2.0)	(7.1)	(50.2)	(10.0)
Adjustments for:				
Interest (income)/expense, net	(0.2)	3.6	7.4	10.6
Depreciation and amortisation charges	46.1	29.1	130.1	89.9
Unrealised foreign exchange (gain)/loss	(1.8)	0.5	(1.9)	0.2
Share of results of associates/joint ventures, net of tax	(10.2)	(12.1)	(27.8)	(13.0)
Gain on disposal of property, plant and equipment	(0.4)	(0.1)	(1.1)	–
Impairment loss on property, plant and equipment	–	6.1	–	6.8
Share-based payment expense	1.6	–	7.7	6.3
Gain from sale of an associate	–	–	(1.9)	–
Provision for doubtful debts	0.1	11.1	0.1	10.8
Other non-cash items	5.6	0.2	6.0	0.2
Operating cash flows before working capital changes	38.8	31.3	68.4	101.8
Changes in working capital:				
Increase in receivables	(40.2)	(52.7)	(126.6)	(116.1)
Decrease/(increase) in prepayments and deposits	11.3	(7.8)	6.0	(8.1)
(Increase)/decrease in inventories	(14.3)	26.0	(13.9)	37.5
Increase in payables	18.4	24.6	65.6	20.6
Decrease/(increase) in amounts due from associates/joint ventures, net	0.6	(2.1)	(1.8)	(1.1)
<b>Cash generated from/(used in) operations</b>	14.6	19.3	(2.3)	34.6
Interest paid to third parties	(4.2)	(4.4)	(14.9)	(12.9)
Income taxes paid	(2.8)	(0.8)	(1.9)	(16.7)
<b>Net cash from/(used in) operating activities</b>	7.6	14.1	(19.1)	5.0

	← Unaudited →			
	3rd Quarter		9 Months	
(in S\$ million)	2022-23	2021-22	2022-23	2021-22
<b>Cash flows from investing activities</b>				
Capital expenditure	(24.9)	(22.5)	(85.6)	(54.0)
Dividends from associates/joint ventures	9.5	–	23.4	21.4
Proceeds from disposal of property, plant and equipment	20.0	–	22.6	0.1
Proceeds from disposal of interest in subsidiary	–	–	–	0.3
Proceeds from disposal of interest in associate	–	–	3.1	–
Investment in subsidiaries, net of cash acquired	–	–	–	(20.2)
Investment in joint venture	–	–	(0.1)	–
Loan to associate	–	(2.1)	–	(2.1)
Interest received from deposits	3.5	0.8	6.5	2.2
<b>Net cash from/(used in) investing activities</b>	8.1	(23.8)	(30.1)	(52.3)
<b>Cash flows from financing activities</b>				
Repayments of term loans	(112.3)	–	(112.3)	(150.0)
Repayments of lease liabilities	(12.3)	(5.1)	(44.0)	(17.2)
Proceeds from borrowings	14.2	8.0	30.3	16.2
Dividends paid to non-controlling interest	–	–	(18.6)	(2.4)
<b>Net cash (used in)/from financing activities</b>	(110.4)	2.9	(144.6)	(153.4)
Net decrease in cash and cash equivalents	(94.7)	(6.8)	(193.8)	(200.7)
Effect of exchange rate changes	(4.5)	(0.4)	(2.1)	(0.8)
Cash and cash equivalents at beginning of financial period	689.3	685.5	786.0	879.8
<b>Cash and cash equivalents at end of financial period</b>	590.1	678.3	590.1	678.3

## Review of Group Performance

### Third Quarter ended 31 December 2022

Business activities increased on the back of the continued aviation recovery with flight volume reaching 71% of pre-pandemic levels. As such, Group revenue grew S\$167.9 million, or 54.5% year-on-year (“YoY”), to S\$475.7 million. Revenue from Food Solutions rose S\$66.4 million, or 39.9% YoY, to S\$232.9 million, while revenue from Gateway Services increased S\$102.4 million, or 73.0% YoY, to S\$242.7 million in 3Q2023 over the same period last year. The consolidation of AAT, a subsidiary of the Group effective March 2022, contributed S\$30.5 million to Gateway Services’ revenue.

Group expenditure increased S\$159.5 million, or 50.3% YoY, to S\$476.8 million arising from increased business activities and inflation. Staff costs rose S\$82.3 million YoY due to the ramp up of hiring in support of increased business activities, coupled with a S\$23.9 million YoY reduction in government grant support. The rise in the cost of raw materials, licence fees, and company premise and utility expenses were in line with greater business volume, inflation and increased utility tariffs. Depreciation and amortisation in 3Q 2023 increased S\$17.0 million YoY mainly due to the consolidation of AAT compared to the same period last year. Other costs rose S\$25.7 million mainly due to higher fuel costs and maintenance expenses and foreign exchange translation losses, coupled with lower government grants.

As a result, the Group recorded an operating loss of S\$1.1 million. This was an improvement of S\$8.4 million as compared to the operating loss of S\$9.5 million in 3Q2022.

Share of results from associates/joint ventures was at S\$10.2 million, a decline of S\$1.9 million from S\$12.1 million in 3Q2022.

Other non-operating loss of S\$11.3 million comprised mainly the one-off acquisition expenses the Group incurred.

PATMI was S\$0.5 million, a YoY decrease of S\$4.6 million from PATMI of S\$5.1 million in 3Q2022. Excluding government reliefs, Group PATMI would have been a loss of S\$13.7 million, compared to a loss of S\$33.0 million recorded for the same period last year.

### Nine Months ended 31 December 2022

Group revenue grew S\$402.9 million, or 45.9% YoY, to S\$1,280.2 million on the back of continued aviation recovery and cargo volume growth. Revenue from Food Solutions rose S\$158.7 million, or 33.3% YoY, to S\$635.5 million, while revenue from Gateway Services increased S\$246.9 million, or 62.1% YoY, to S\$644.5 million in 9M2023 over the same period last year. The consolidation of AAT effective March 2022, contributed S\$92.6 million to Gateway Services’ revenue.

Group expenditure increased S\$440.8 million, or 49.9% YoY, to S\$1,323.6 million arising from increased business activities and inflation. Staff costs rose S\$265.6 million YoY due to the ramp up of hiring in support of passenger operations and meal production, coupled with a reduction in government grant support. The rise in the cost of raw materials, licence fees, and company premise and utility expenses were in line with greater business volume, inflation and increased utility tariffs and consumption. Depreciation and amortisation increased S\$40.2 million YoY mainly due to the consolidation of AAT in 9M2023. Other costs rose S\$69.6 million YoY mainly due to higher fuel costs and maintenance expenses, coupled with lower government grants. Excluding the consolidation of AAT, Group expenditure would have recorded a lower increase of S\$335.4 million.

The Group recorded an operating loss of S\$43.4 million, a YoY increase of S\$37.9 million.

Share of results from associates/joint ventures was at S\$27.8 million, an increase of S\$14.8 million from S\$13.0 million in 9M2022 largely due to aviation recovery offset by AAT consolidation.

Other non-operating loss of S\$27.2 million comprised mainly the one-off acquisition expenses the Group incurred.

Group net profit attributable to owners of the Company (“PATMI”) was a loss of S\$32.0 million, a YoY decrease of S\$50.3 million from Group PATMI of S\$18.3 million in 9M2022. Excluding government reliefs, Group PATMI would have been a loss of S\$65.4 million for the period, an improvement of S\$33.2 million compared to a loss of S\$98.6 million in 9M2022.

## **GROUP FINANCIAL POSITION REVIEW**

Total equity of the Group decreased by S\$100.0 million to S\$1,733.7 million as at 31 December 2022, compared to 31 March 2022. The lower equity was attributable to loss in 9M2023 and foreign currency translation losses.

Non-current assets decreased S\$55.6 million due to lower property, plant and equipment mainly due to disposal of buildings and depreciation expense. The lower investment in associates was attributable to foreign currency revaluation losses and dividend received, partly offset by share of profits. The reduction was partly offset by higher right-of-use assets.

Current assets of the Group decreased S\$60.6 million largely due to lower cash and short-term deposits partly offset by higher trade and other receivables due to higher business volume. The lower cash and short-term deposits was due to capital expenditure and repayment of term loans amounting to S\$112.3 million.

Current liabilities decreased S\$25.1 million mainly due to repayment of term loan partly offset by higher trade and other payables due to increased business activities.

Non-current liabilities of the Group increased by S\$8.9 million mainly due to higher lease liabilities.

## PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

### 1. INTRODUCTION

- 1.1 Entitled Depositors are entitled to access and download this Offer Information Statement electronically and receive the OIS Notification Letter, the Gatefold and the ARE which forms part of this Offer Information Statement. This Offer Information Statement (including the Gatefold and ARE) will not be despatched or disseminated to Ineligible Shareholders. For the purposes of this Offer Information Statement, any reference to an application by way of an Electronic Application without reference to such an Electronic Application being made through an ATM of a Participating Bank or an Accepted Electronic Service shall, where the Entitled Depositor is a Depository Agent, be taken to include an application made via the SGX-SFG Service.
- 1.2 The provisional allotments of Rights Shares are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Constitution of the Company and the instructions in the ARE.

The number of Rights Shares provisionally allotted to each Entitled Depositor is indicated in the ARE (fractional entitlements (if any) having been disregarded).

The Securities Accounts of Entitled Depositors have been credited by CDP with the provisional allotments of Rights Shares as indicated in the ARE. Entitled Depositors may accept their provisional allotments of Rights Shares in full or in part and are eligible to apply for Rights Shares in excess of their provisional allotments under the Rights Issue. Full instructions for the acceptance of and payment for the provisional allotments of Rights Shares and the application and payment for Excess Rights Shares are set out in this Offer Information Statement as well as the ARE.

- 1.3 If an Entitled Depositor wishes to accept his provisional allotment of Rights Shares specified in the ARE, in full or in part, and (if applicable) apply for Excess Rights Shares in addition to the Rights Shares which have been provisionally allotted to him, he may do so by way of an Electronic Application or by completing and signing the relevant sections of the ARE. An Entitled Depositor should ensure that the ARE is accurately completed and signed, failing which the acceptance of the provisional allotment of Rights Shares and (if applicable) application for Excess Rights Shares may be rejected.

For and on behalf of the Company, CDP reserves the right to refuse to accept any acceptance(s) and (if applicable) excess application(s) if the ARE is not accurately completed and signed or if the "Free Balance" of your Securities Account is not credited with, or is credited with less than the relevant number of Rights Shares accepted as at the last time and date for acceptance, (if applicable) application and payment or for any other reason(s) whatsoever the acceptance and (if applicable) the excess application is in breach of the terms of the ARE or this Offer Information Statement, at CDP's absolute discretion, and to return all monies received to the person(s) entitled thereto **BY CREDITING HIS/THEIR BANK ACCOUNT(S) WITH THE RELEVANT PARTICIPATING BANK** (if he/they accept and (if applicable) apply through an ATM of a Participating Bank or through an Accepted Electronic Service) or **BY CREDITING HIS/THEIR DESIGNATED BANK ACCOUNT VIA CDP'S DIRECT CREDITING SERVICE AT HIS/THEIR OWN RISK**; in the event he/they are not subscribed to CDP's Direct Crediting Service, any monies to be paid shall be credited to his/their Cash Ledger and subject to the same terms and conditions as Cash Distributions



under the CDP Operation of Securities Account with the Depository Terms and Conditions (Cash Ledger and Cash Distribution are as defined therein), as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP).

**AN ENTITLED DEPOSITOR MAY ACCEPT HIS PROVISIONAL ALLOTMENT OF RIGHTS SHARES SPECIFIED IN HIS ARE AND (IF APPLICABLE) APPLY FOR EXCESS RIGHTS SHARES EITHER THROUGH CDP AND/OR BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK OR AN ACCEPTED ELECTRONIC SERVICE. WHERE AN ENTITLED DEPOSITOR IS A DEPOSITORY AGENT, IT MAY MAKE ITS ACCEPTANCE AND EXCESS APPLICATION (IF APPLICABLE) VIA THE SGX-SFG SERVICE.**

Where an acceptance, (if applicable) application and/or payment does not conform strictly to the terms set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Rights Shares and/or Excess Rights Shares in relation to the Rights Issue or which does not comply with the instructions for an Electronic Application, or in the case of an application by the ARE, the ARS, the PAL, and/or any other application form for the Rights Shares and/or Excess Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, the Company and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, (if applicable) application, payment and/or other process of remittances at any time after receipt in such manner as they/it may deem fit.

The Company and CDP shall be authorised and entitled to process each application submitted for the acceptance of the provisional allotments of Rights Shares and (if applicable) application for Excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Depositor, on its own, without regard to any other application and payment that may be submitted by the same Entitled Depositor. For the avoidance of doubt, insufficient payment for an application may render the application invalid, and evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid acceptance of the provisional allotments of Rights Shares and (if applicable) application for Excess Rights Shares.

- 1.4 For CPFIS Members, SRS Investors and investors who hold Shares through finance companies or Depository Agents, acceptance of the Rights Shares and (if applicable) application for Excess Rights Shares must be done through the respective finance companies or Depository Agents. Any acceptance and/or application made directly through CDP, Electronic Applications at any ATM of a Participating Bank or an Accepted Electronic Service, the Share Registrar and/or the Company will be rejected.
- 1.5 Unless expressly provided to the contrary in this Offer Information Statement, the ARE and/or the ARS with respect to enforcement against Entitled Depositors or their renounees, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the ARE or the ARS has no rights under the Contracts (Rights of Third Parties) Act 2001 of Singapore to enforce any term of such contracts. Notwithstanding any term contained therein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

- 1.6 Details on the acceptance for provisional allotment of Rights Shares and (if applicable) application for Excess Rights Shares are set out in paragraphs 2 to 4 of this Appendix E. By subscribing in the Rights Issue, an Entitled Depositor, a renounee or a Purchaser will be deemed to warrant, represent, agree and acknowledge that (i) he, and any account on whose behalf he is subscribing, are, (a) outside the United States (within the meaning of Regulation S under the Securities Act) and (b) acquiring the Rights, the Rights Shares and/or the Excess Rights Shares in an “offshore transaction” as defined in, and in reliance on, Regulation S; (ii) the Rights, the Rights Shares, and/or the Excess Rights Shares have not been and will not be registered under the Securities Act and are being distributed and offered outside the United States in reliance on Regulation S; and (iii) the Company, the Company’s advisers and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.

## **2. MODE OF ACCEPTANCE AND APPLICATION**

### **2.1 Acceptance/Application by way of Electronic Application through an ATM of a Participating Banks or an Accepted Electronic Service**

Instructions for Electronic Applications through an ATM of a Participating Banks or an Accepted Electronic Service to accept the Rights Shares provisionally allotted or (if applicable) to apply for Excess Rights Shares will appear on the ATM screens of the Participating Banks. Please refer to Appendix F of this Offer Information Statement for the additional terms and conditions for Electronic Applications through an ATM of a Participating Bank.

Instructions for Electronic Applications through an Accepted Electronic Service are set out in the ARE.

**IF AN ENTITLED DEPOSITOR MAKES AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK OR THROUGH AN ACCEPTED ELECTRONIC SERVICE, HE WOULD HAVE IRREVOCABLY AUTHORISED THE RELEVANT PARTICIPATING BANK TO DEDUCT THE FULL AMOUNT PAYABLE FROM HIS BANK ACCOUNT WITH SUCH PARTICIPATING BANK IN RESPECT OF SUCH APPLICATION. IN THE CASE OF AN ENTITLED DEPOSITOR WHO HAS ACCEPTED THE RIGHTS SHARES PROVISIONALLY ALLOTTED TO HIM BY WAY OF THE ARE AND/OR THE ARS AND/OR HAS APPLIED FOR EXCESS RIGHTS SHARES BY WAY OF THE ARE AND ALSO BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK OR AN ACCEPTED ELECTRONIC SERVICE, THE COMPANY AND/OR CDP SHALL BE AUTHORISED AND ENTITLED TO ACCEPT HIS INSTRUCTIONS IN WHICHEVER MODE OR COMBINATION AS THE COMPANY AND/OR CDP MAY, IN THEIR ABSOLUTE DISCRETION, DEEM FIT.**

### **2.2 Acceptance/Application through CDP**

If the Entitled Depositor wishes to accept the provisional allotment of Rights Shares and (if applicable) apply for Excess Rights Shares through CDP, he must:

- (a) complete and sign the ARE. In particular, he must state in Part C(i) of the ARE the total number of Rights Shares provisionally allotted to him which he wishes to accept and (if applicable) the number of Excess Rights Shares applied for and in Part C(ii) of the ARE the 6 digits of the Cashier’s Order/Banker’s Draft; and

- (b) deliver the duly completed and original signed ARE accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for by post, **AT THE SENDER'S OWN RISK**, in the self-addressed envelope provided, to **SATS LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**, so as to arrive not later than **5.30 P.M. ON 21 MARCH 2023** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The payment for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for at the Issue Price must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to **"CDP – SATS RIGHTS ISSUE ACCOUNT"** and crossed **"NOT NEGOTIABLE, A/C PAYEE ONLY"** with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

**NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS WILL BE ACCEPTED. NO OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

### **2.3 Acceptance through the SGX-SFG Service (for Depository Agents only)**

Depository Agents may accept the provisional allotment of Rights Shares and (if applicable) apply for Excess Rights Shares through the SGX-SFG service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents. CDP has been authorised by the Company to receive acceptances and (if applicable) applications on its behalf. Such acceptances and (if applicable) applications will be deemed irrevocable and are subject to each of the terms and conditions contained in the ARE and this Offer Information Statement as if the ARE had been completed, signed and submitted to CDP.

### **2.4 Insufficient Payment**

If no remittance is attached or the remittance attached is less than the full amount payable for the provisional allotment of Rights Shares accepted by the Entitled Depositor and (if applicable) the Excess Rights Shares applied for by the Entitled Depositor, the attention of the Entitled Depositor is drawn to paragraph 1.3 and 5.2 of this Appendix E which set out the circumstances and manner in which the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf whether under the ARE, the ARS or any other application form for Rights Shares in relation to the Rights Issue.

### **2.5 Acceptance of Part of Provisional Allotments of Rights Shares and Trading of Provisional Allotments of Rights Shares**

An Entitled Depositor may choose to accept his provisional allotment of Rights Shares specified in the ARE in full or in part. If an Entitled Depositor wishes to accept part of his provisional allotment of Rights Shares and trade the balance of his provisional allotment of Rights Shares on the SGX-ST, he should:

- (a) complete and sign the ARE for the number of Rights Shares provisionally allotted which he wishes to accept and submit the duly completed and original signed ARE together with payment in the prescribed manner as described in paragraph 2.2 above to CDP; or

- (b) accept and subscribe for that part of his provisional allotment of Rights Shares by way of Electronic Application(s) in the prescribed manner as described in paragraph 2.1 or 2.3 above.

The balance of his provisional allotment of Rights Shares may be sold as soon as dealings therein commence on the SGX-ST.

Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST during the provisional allotment trading period should note that the provisional allotments of Rights Shares will be tradable in board lots, each board lot comprising provisional allotments of 100 Rights Shares, or any other board lot size which the SGX-ST may require. Such Entitled Depositors may start trading in their provisional allotments of Rights Shares as soon as dealings therein commence on the SGX-ST. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST during the provisional allotment trading period.

## **2.6 Sale of Provisional Allotments of Rights Shares**

The ARE need not be forwarded to the Purchasers as arrangements will be made by CDP for a separate ARS to be issued to the Purchasers whose mailing addresses maintained with CDP are in Singapore. Purchasers should note that CDP will, for and on behalf of the Company, send the ARS, accompanied by the OIS Notification Letter, the Gatefold and other accompanying documents, **BY ORDINARY POST AND AT THE PURCHASERS' OWN RISK**, to their respective Singapore addresses as maintained in the records of CDP. Purchasers should ensure that their ARSs are accurately completed and signed, failing which their acceptances of the provisional allotments of Rights Shares may be rejected. Purchasers who do not receive the ARS, accompanied by the OIS Notification Letter, the Gatefold and other accompanying documents, may obtain the same from CDP or the Share Registrar, for the period up to **5.30 p.m. on 21 March 2023** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Purchasers should also note that if they make any purchase on or around the last trading day of the provisional allotments of the Rights Shares, the ARS, the OIS Notification Letter, the Gatefold and its accompanying documents might not be despatched in time for the subscription of the Rights Shares. Purchasers may obtain a copy from CDP. Alternatively, Purchasers may accept and subscribe by way of Electronic Applications in the prescribed manner as described in paragraph 2.1 above.

This Offer Information Statement, the OIS Notification Letter, the Gatefold and the other accompanying documents will not be despatched to Foreign Purchasers. Foreign Purchasers who wish to accept the provisional allotments of Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. Foreign Purchasers are advised that their participation in the Rights Issue may be restricted or prohibited by the laws of the jurisdiction in which they are located or resident.

**PURCHASERS SHOULD INFORM THEIR FINANCE COMPANIES OR DEPOSITORY AGENTS IF THEIR PURCHASES OF SUCH PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ARE SETTLED THROUGH THESE INTERMEDIARIES. IN SUCH INSTANCES, IF THE PURCHASERS WISH TO ACCEPT THE RIGHTS SHARES REPRESENTED BY THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES PURCHASED, THEY WILL NEED TO GO THROUGH THESE INTERMEDIARIES, WHO WILL THEN ACCEPT THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ON THEIR BEHALF.**

## 2.7 Renunciation of Provisional Allotments of Rights Shares

Entitled Depositors who wish to renounce in full or in part their provisional allotments of Rights Shares in favour of a third party should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of provisional allotments of Rights Shares which they wish to renounce. Such renunciation shall be made in accordance with the “Terms and Conditions for Operations of Securities Accounts with CDP”, as the same may be amended from time to time, copies of which are available from CDP. As CDP requires at least 3 Market Days to effect such renunciation, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for CDP to send the ARS and other accompanying documents, for and on behalf of the Company, to the renounee by ordinary post and **AT HIS/THEIR OWN RISK**, to his Singapore address as maintained in the records of CDP and for the renounee to accept his provisional allotments of Rights Shares. The last time and date for acceptance of the provisional allotments of Rights Shares and payment for the Rights Shares by the renounee is **5.30 p.m. on 21 March 2023** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) (if acceptance is made through CDP) or **9.30 p.m. on 21 March 2023** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) (if acceptance is made by way of an Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service).

## 3. COMBINATION APPLICATION

In the event that the Entitled Depositor or the Purchaser accepts his provisional allotments of Rights Shares by way of the ARE and/or the ARS and also by way of Electronic Application(s) and/or has applied for Excess Rights Shares by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor or the Purchaser shall be regarded as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and (if applicable) any other acceptance of Rights Shares provisionally allotted to him and/or application for Excess Rights Shares (including an Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

**4. ILLUSTRATIVE EXAMPLES (ASSUMPTION: ON THE BASIS OF 323 RIGHTS SHARES FOR EVERY 1,000 EXISTING ORDINARY SHARES AT AN ISSUE PRICE OF S\$2.20)**

As an illustration, if an Entitled Depositor has 10,000 Shares standing to the credit of his Securities Account as at the Record Date, the Entitled Depositor will be provisionally allotted 3,230 Rights Shares as set out in his ARE. The Entitled Depositor's alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

**Alternatives**

- (a) Accept his entire provisional allotment of 3,230 Rights Shares and (if applicable) apply for Excess Rights Shares.

**Procedures to be taken**

**By way of Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service**

- (1) Accept his entire provisional allotment of 3,230 Rights Shares and (if applicable) apply for Excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service as described herein not later than **9.30 p.m. on 21 March 2023** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

**Through CDP**

- (2) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance in full of his provisional allotment of 3,230 Rights Shares and (if applicable) the number of Excess Rights Shares applied for and forward the original signed ARE together with a single remittance for S\$7,106.00 (or, if applicable, such higher amount in respect of the total number of Rights Shares accepted and Excess Rights Shares applied for) by way of a Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore, and made payable to "**CDP – SATS RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" for the full amount due on acceptance and (if applicable) application, by post, at his own risk, in the self-addressed envelope provided to **SATS LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** so as to arrive not later than **5.30 p.m. on 21 March 2023** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) and with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

## Alternatives

## Procedures to be taken

**NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

- (b) Accept a portion of his provisional allotment of Rights Shares, for example 1,000 provisionally allotted Rights Shares, not apply for Excess Rights Shares and trade the balance on the SGX-ST.

### **By way of Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service**

- (1) Accept his provisional allotment of 1,000 Rights Shares by way of an Electronic Application through any ATM of a Participating Bank or an Accepted Electronic Service as described herein not later than **9.30 p.m. on 21 March 2023** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

### **Through CDP**

- (2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance of his provisional allotment of 1,000 Rights Shares, and forward the original signed ARE, together with a single remittance for S\$2,200.00, in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than **5.30 p.m. on 21 March 2023** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 2,230 Rights Shares which is not accepted by the Entitled Depositor may be traded on the SGX-ST during the provisional allotment trading period. Entitled Depositors should note that the provisional allotments of Rights Shares would be tradable in the ready market in board lots, each board lot comprising provisional allotments size of 100 Rights Shares or any other board lot size which the SGX-ST may require.

## Alternatives

- (c) Accept a portion of his provisional allotment of Rights Shares, for example 1,000 provisionally allotted Rights Shares, and reject the balance.

## Procedures to be taken

### **By way of Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service**

- (1) Accept his provisional allotment of 1,000 Rights Shares by way of an Electronic Application through any ATM of a Participating Bank or an Accepted Electronic Service as described herein not later than **9.30 p.m. on 21 March 2023** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

### **Through CDP**

- (2) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotment of 1,000 Rights Shares and forward the original signed ARE, together with a single remittance for S\$2,200.00, in the prescribed manner described in alternative (a)(2) above to CDP so as to arrive not later than **5.30 p.m. on 21 March 2023** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 2,230 Rights Shares which is not accepted by the Entitled Depositor will automatically lapse and cease to be available for acceptance by that Entitled Depositor if an acceptance is not made through an ATM of a Participating Bank or through an Accepted Electronic Service by **9.30 p.m. on 21 March 2023** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or if an acceptance is not made through CDP by **5.30 p.m. on 21 March 2023** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).



## 5. TIMING AND OTHER IMPORTANT INFORMATION

### 5.1 Timing

**THE LAST TIME AND DATE FOR ACCEPTANCES AND (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES IN RELATION TO THE RIGHTS ISSUE IS:**

- (A) **9.30 P.M. ON 21 MARCH 2023 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH AN ATM OF A PARTICIPATING BANK OR THROUGH AN ACCEPTED ELECTRONIC SERVICE; OR**
- (B) **5.30 P.M. ON 21 MARCH 2023 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH CDP OR SGX-SFG SERVICE.**

If acceptance of and (if applicable) excess application and payment for, the Rights Shares in the prescribed manner as set out in the ARE, the ARS, or the PAL (as the case may be) and this Offer Information Statement is not received through an ATM of a Participating Bank or an Accepted Electronic Service by **9.30 p.m. on 21 March 2023** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or through CDP by **5.30 p.m. on 21 March 2023** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) from any Entitled Depositor or Purchaser the provisional allotments of Rights Shares shall be deemed to have been declined and shall forthwith lapse and become void, and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. All unsuccessful application monies received by CDP in connection therewith will be returned by CDP for and on behalf of the Company to the Entitled Depositors or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom, by crediting their designated bank accounts with the Participating Bank (if he/they accept and (if applicable) apply through an ATM of a Participating Bank) or through an Accepted Electronic Service or by crediting his/their designated bank account via CDP's Direct Crediting Service **AT THE ENTITLED DEPOSITOR'S OR THE PURCHASER'S OWN RISK (AS THE CASE MAY BE)**. In the event that he is not subscribed to the CDP's Direct Crediting Service, any monies to be paid shall be credited to his/their Cash Ledger and subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions (Cash Ledger and Cash Distribution are as defined therein), as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP).

**IF AN ENTITLED DEPOSITOR OR PURCHASER (AS THE CASE MAY BE) IS IN ANY DOUBT AS TO THE ACTION HE SHOULD TAKE, HE SHOULD CONSULT HIS STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

## 5.2 Appropriation

Without prejudice to paragraph 1.3 of this Appendix E, an Entitled Depositor should note that:

- (a) by accepting his provisional allotment of Rights Shares and/or (if applicable) applying for Excess Rights Shares, he acknowledges that, in the case where the amount of remittance payable to the Company in respect of his acceptance of the Rights Shares provisionally allotted to him and (if applicable) in respect of his application for Excess Rights Shares as per the instructions received by CDP whether under the ARE, the ARS and/or in any other application form for Rights Shares in relation to the Rights Issue differs from the amount actually received by CDP, the Company and/or CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf for each application on its own whether under the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue as follows: firstly, towards payment of all amounts payable in respect of his acceptance of the Rights Shares provisionally allotted to him; and secondly, (if applicable) towards payment of all amounts payable in respect of his application for Excess Rights Shares. The determination and appropriation by the Company and/or CDP shall be conclusive and binding;
- (b) if the Entitled Depositor has attached a remittance to the ARE, the ARS and/or any other application form for Rights Shares and/or Excess Rights Shares in relation to the Rights Issue made through CDP, he would have irrevocably authorised the Company and CDP, in applying the amounts payable for his acceptance of the Rights Shares and (if applicable) his application for Excess Rights Shares, to apply the amount of the remittance which is attached to the ARE, the ARS and/or any other application form for Rights Shares and/or Excess Rights Shares in relation to the Rights Issue made through CDP; and
- (c) in the event that the Entitled Depositor accepts the Rights Shares provisionally allotted to him by way of the ARE and/or the ARS and/or has applied for Excess Rights Shares by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor shall be deemed as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and/or any other acceptance and/or application for Excess Rights Shares (including Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

## 5.3 Availability of Excess Rights Shares

The Excess Rights Shares available for application are subject to the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Constitution of the Company. Applications for Excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renouncee(s) or the Purchaser(s) of the provisional allotments of Rights Shares together with the aggregated fractional entitlements to the Rights Shares (if any), any unsold "nil-paid" provisional allotment of Rights Shares (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Constitution of the Company. In the event that applications are received by the Company for more Excess Rights Shares than are available, the Excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. **CDP**

**TAKES NO RESPONSIBILITY FOR ANY DECISION THAT THE DIRECTORS MAY MAKE.**

In the allotment of any Excess Rights Shares, preference will be given to the rounding of odd lots, and the Directors and the Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation on the Board (whether direct or through a nominee) will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company reserves the right to refuse any application for Excess Rights Shares, in whole or in part, without assigning any reason whatsoever. In the event that the number of Excess Rights Shares allotted to an Entitled Depositor is less than the number of Excess Rights Shares applied for, the Entitled Depositor shall be deemed to have accepted the number of Excess Rights Shares actually allotted to him.

If no Excess Rights Shares are allotted or if the number of Excess Rights Shares allotted is less than that applied for, the amount paid on application or the surplus application moneys, as the case may be, will be refunded to such Entitled Depositors, without interest or any share of revenue or other benefit arising therefrom, within three (3) Market Days after the commencement of trading of the Rights Shares, by crediting their bank accounts with a Participating Bank **AT THEIR OWN RISK** (if they had applied for Excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service), the receipt by such banks being a good discharge to the Company and CDP of their obligations, if any, thereunder, or by crediting their designated bank account via CDP's Direct Crediting Service at their own risk; in the event they are not subscribed to CDP's Direct Crediting Service, any monies to be paid shall be credited to his/their Cash Ledger and subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions (Cash Ledger and Cash Distribution are as defined therein), as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP).

#### **5.4 Deadlines**

It should be particularly noted that unless:

- (a) acceptance of the provisional allotment of Rights Shares is made by the Entitled Depositors or the Purchasers (as the case may be) by way of an Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service and payment of the full amount payable for such Rights Shares is effected by **9.30 p.m. on 21 March 2023** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (b) the duly completed and original signed ARE or ARS accompanied by a single remittance for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for at the Issue Price, made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP – SATS RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the names and Securities Account numbers of the Entitled Depositors or the Purchasers (as the case may be) clearly written in block letters on the reverse side of the Cashier's order or Banker's Draft is submitted by post in the self-addressed envelope provided, **AT THE SENDER'S OWN RISK**, to **SATS LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** by **5.30 p.m. on 21 March 2023** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

- (c) acceptance is made by a Depository Agent via the SGX-SFG Service and payment in Singapore currency by way of telegraphic transfer by the Depository Agent/(s) for the Rights Shares is effected by **5.30 p.m. on 21 March 2023** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company),

the provisional allotment of Rights Shares will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance.

All monies received in connection therewith will be returned to the Entitled Depositors or the Purchasers (as the case may be) without interest or any share of revenue or other benefit arising therefrom by crediting their designated bank accounts with the relevant participating bank (if he/they accept and (if applicable) apply through an ATM of the Participating Banks) or through an Accepted Electronic Service or by crediting his/their designated bank account via CDP's Direct Crediting Service ("**DCS**") at his/their own risk; in the event that the Entitled Depositor or Purchaser is not subscribed to CDP's DCS, any moneys to be returned or refunded shall be credited to his/their Cash Ledger and subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions (Cash Ledger and Cash Distribution are as defined therein) or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP).

**ACCEPTANCES AND/OR APPLICATIONS ACCOMPANIED BY ANY OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.**

## **5.5 Certificates**

The certificates for the Rights Shares and Excess Rights Shares will be registered in the name of CDP or its nominee. Upon the crediting of the Rights Shares and Excess Rights Shares, CDP will send to you, **BY ORDINARY POST AND AT YOUR OWN RISK**, a notification letter showing the number of Rights Shares and Excess Rights Shares credited to your Securities Account.

## **5.6 General**

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Rights Shares provisionally allotted and credited to your Securities Account. You can verify the number of Rights Shares provisionally allotted and credited to your Securities Account online if you have registered for CDP Internet Access Service. Alternatively, you may proceed personally to CDP with your identity card or passport to verify the number of Rights Shares provisionally allotted and credited to your Securities Account.

It is your responsibility to ensure that the ARE and/or ARS is accurately completed in all respects and signed in its originality. The Company and/or CDP will be authorised and entitled to reject any acceptance and/or application which does not comply with the terms and instructions contained therein and in the ARE and/or ARS, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject the ARE and/or the ARS on the grounds that it has been signed but not in its originality, incompletely, incorrectly or invalidly signed, completed or submitted will be final and binding, and neither CDP nor the Company accepts any responsibility or liability for the consequences of such a decision.

**EXCEPT AS SPECIFICALLY PROVIDED FOR IN THIS OFFER INFORMATION STATEMENT, ACCEPTANCE OF THE PROVISIONAL ALLOTMENT OF RIGHTS SHARES AND (IF APPLICABLE) YOUR APPLICATION FOR EXCESS RIGHTS SHARES IS IRREVOCABLE.**

No acknowledgement will be given for any submissions sent by post, deposited into boxes located at CDP's premises or submitted by hand at CDP's counters.

All communications, notices, documents and remittances to be delivered or sent to you will be sent **BY ORDINARY POST** to your mailing address as maintained in the records of CDP, and **AT YOUR OWN RISK**.

## 5.7 Personal Data Privacy

By completing and delivering an ARE or an ARS and in the case of an Electronic Application, by pressing the "Enter" or "OK" or "Confirm" or "Yes" key, an Entitled Depositor, a renounee or a Purchaser (i) consents to the collection, use and disclosure of his personal data by the Relevant Persons for the purpose of facilitating his application for the Rights Shares, and in order for the Relevant Persons to comply with any applicable laws, listing rules, regulations and/or guidelines; (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law; and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

## 6. PROCEDURE TO COMPLETE THE ARE/ARS

### 6.1 Know your holdings and entitlement

#### **A. KNOW YOUR HOLDINGS & ENTITLEMENT**

Number of Shares  
currently held by  
you

**XX,XXX**

This is your  
shareholdings as at  
Record Date.

Shares as at  
**5.00 p.m. on 2 March 2023**  
(Record Date)

This is the date to  
determine your Rights  
Shares entitlements.

Number of Rights  
Shares provisionally  
Allotted

**XX,XXX**

This is your number of  
Rights Shares  
entitlement.

Issue Price

**S\$2.20** per Rights Share

This is price that you  
need to pay when you  
subscribe for every one  
(1) Rights Share.

## 6.2 Select your application options

### B. SELECT YOUR APPLICATION OPTIONS

- 1. PayNow** Scan the above QR code using your banking app or pay to UEN198003912MCAS. **You must include your PayNow Reference provided above.** Payment amount must correspond to the number of rights shares subscribed, including excess. Make payment by **9.30 p.m. on 21 March 2023**. You do not need to return this form.
- 2. ATM** Follow the procedures set out on the ATM screen of a Participating Bank. Submit your application by **9.30 p.m. on 21 March 2023**. Participating Bank are DBS Bank Ltd. (including POSB), Overseas Banking Corporation Limited and United Overseas Bank Limited.
- 3. Form** Complete section C below and submit this form by **5.30 p.m. on 21 March 2023**, together with **BANKER'S DRAFT/CASHIER'S ORDER** payable to "**CDP – SATS RIGHTS ISSUE ACCOUNT**". Write your name and securities account number on the back of the Banker's Draft/Cashier's Order. Applications using a **PERSONAL CHEQUE, POSTAL ORDER or MONEY ORDER** will be rejected.

This is the last date and time to subscribe for the Rights Shares through an Accepted Electronic Service, ATMs of the Participating Banks and CDP.

You can apply for your Rights Shares through ATMs of the Participating Banks.

This is the payee name to be issued on your Cashier's Order where SATS is the name of the issuer.

#### Note:

Please refer to the ARE/ARS for the actual holdings, entitlements, Record Date, Issue Price, Closing Date for subscription, PayNow reference, list of the Participating Banks and payee name on the Cashier's Order or Banker's Draft.

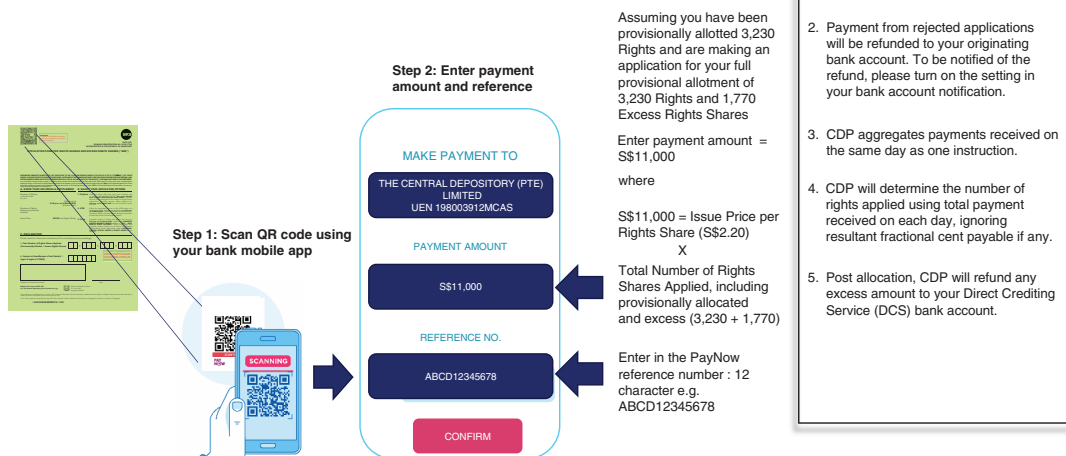
## 6.3 Application via PayNow

### Guide

Before you proceed to subscribe for rights via PayNow, please make sure you have set up/have the following:

1. Daily limit to meet your transfer request (up to S\$200,000 per transaction, capped at a daily fund transfer limit set with your bank, whichever is lower)
2. Notification to alert you on the transfer and refund status (Please turn on the setting in your bank account notifications)
3. 12-character PayNow reference pre-printed on top right-hand corner of the form
4. Payment amount = Issue Price per Rights Share X Total Number of Rights Shares Applied (including provisionally allocated and excess), rounded down to the nearest cent

\*Please ensure that the security code and the last 8 digits of your securities account number are entered correctly. CDP will reject the application if the information entered is invalid.



6.4 Application via Form

C. DECLARATION

Please read the instructions overleaf and fill in the blanks below accordingly.

i. Total Number of Rights Shares Applied:  
(Provisionally Allotted+Excess Rights Shares)   ,    ,     ,

ii. Cashier's Order/Banker's Draft Details\*:  
(Input last 6 digits of CO/BD)

**For guidance on completing this form, please refer to Appendix E of the Offer Information Statement (PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS).**

Date \_\_\_\_\_

Signature of Entitled Depositor(s)

Fill in the total number of the Rights Shares and Excess Rights Shares (for ARE)/ number of Rights Shares (for ARS) that you wish to subscribe within the boxes.

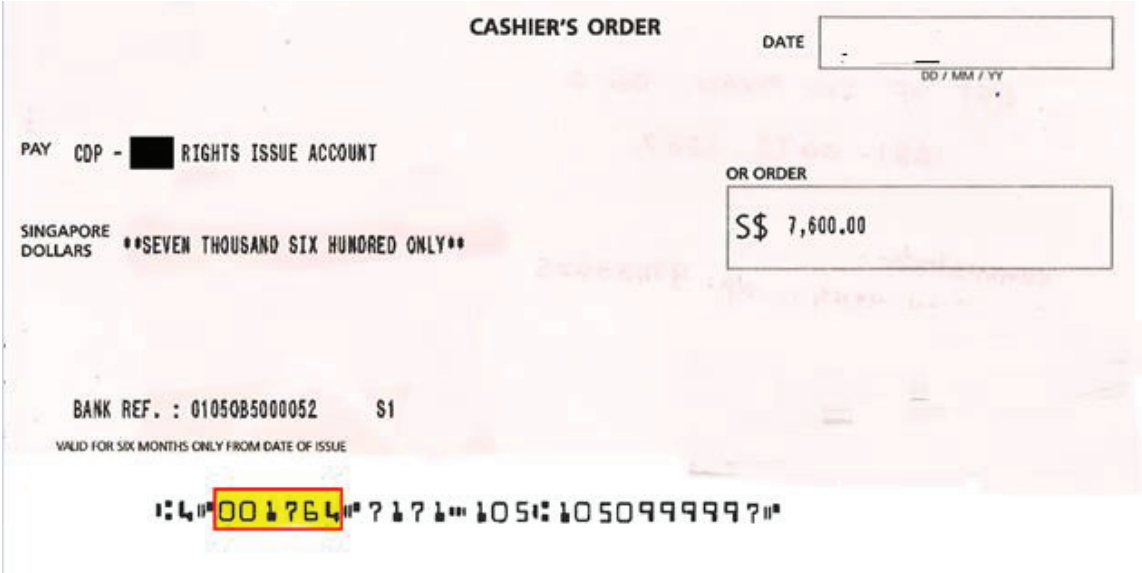
Fill in the 6 digits of the Cashier's Order/ Banker's Draft number (eg.001764)

Sign within the box.

Notes:

- (i) If the total number of Rights Shares applied exceeds the provisional allotted holdings in your CDP Securities Account as at the Closing Date, the remaining application will be put under excess and subjected to the excess allocation basis.
- (ii) The total number of Rights Shares applied will be based on cash amount stated in your Cashier's Order/Banker's Draft. The total number of Rights Shares will be appropriated accordingly if the applied quantity exceeds this amount.
- (iii) Please note to submit one (1) Cashier's Order or Banker's Draft per application form.

6.5 Sample of a Cashier's Order



## **ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM OF A PARTICIPATING BANK**

The procedures for Electronic Applications through ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks. Please read carefully the terms and conditions of this Offer Information Statement, the procedures for Electronic Applications on the ATM screens of the relevant Participating Banks and the terms and conditions for Electronic Applications through an ATM of a Participating Bank set out below before making an Electronic Application through an ATM of a Participating Bank. An ATM card issued by one Participating Bank cannot be used to accept provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares at an ATM belonging to other Participating Banks. Any Electronic Application through an ATM of a Participating Bank which does not strictly conform to the instructions set out on the screens of the ATM of a Participating Bank through which the Electronic Application is made will be rejected.

**All references to “Rights Issue” and “Rights Application” on the ATM screens of the Participating Banks shall mean the offer of Rights Shares under the Rights Issue and the acceptance of provisional allotments of Rights Shares and (if applicable) the application for Excess Rights Shares, respectively. All references to “Document” on the ATM screens of the Participating Banks shall mean this Offer Information Statement.**

Any reference to the “**Electronic Applicant**” in the terms and conditions for Electronic Applications through an ATM of a Participating Bank and the procedures for Electronic Applications on the ATM screens of the relevant Participating Banks shall mean the Entitled Depositor or his renounee or the Purchaser of the provisional allotments of Rights Shares who accepts the provisional allotments of Rights Shares or (as the case may be) who applies for the Excess Rights Shares through an ATM of a Participating Bank. An Electronic Applicant must have an existing bank account with, and be an ATM cardholder of, one of the Participating Banks before he can make an Electronic Application through an ATM of that Participating Bank. The actions that the Electronic Applicant must take at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks. Upon the completion of his Electronic Application transaction through an ATM of a Participating Bank, the Electronic Applicant will receive an ATM transaction slip, confirming the details of his Electronic Application. The ATM transaction slip is for retention by the Electronic Applicant and should not be submitted with any ARE and/or ARS.

An Electronic Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM card issued to him by that Participating Bank in his own name. Using his own Securities Account number with an ATM card which is not issued to him by that Participating Bank in his own name will render his acceptance or (as the case may be) excess application liable to be rejected.

**For CPFIS Members, SRS Investors and investors who hold Shares through finance companies or Depository Agents, acceptances of the provisional allotments of Rights Shares and (if applicable) applications for Excess Rights Shares must be done through their respective approved CPF agent banks with whom they hold their CPF Investment Accounts, their respective SRS Approved Banks with whom they hold their SRS accounts, and their respective finance companies or Depository Agents, respectively. ANY ACCEPTANCE AND/OR (IF APPLICABLE) APPLICATION MADE DIRECTLY BY THE ABOVE-MENTIONED PERSONS THROUGH CDP, ELECTRONIC APPLICATIONS THROUGH ATMS OF THE PARTICIPATING BANKS OR THROUGH AN ACCEPTED ELECTRONIC SERVICE, THE SHARE REGISTRAR AND/OR THE COMPANY WILL BE REJECTED. The abovementioned persons, where applicable, will receive notification letter(s) from their respective approved**



CPF agent banks with whom they hold their CPF Investment Accounts, their respective SRS Approved Banks with whom they hold their SRS accounts, and their respective finance companies or Depository Agents, as the case may be, and should refer to such notification letter(s) for details of the last date and time to submit acceptances of the provisional allotments of Rights Shares and (if applicable) applications for Excess Rights Shares to their respective approved CPF agent banks with whom they hold their CPF Investment Accounts, their respective SRS Approved Banks with whom they hold their SRS accounts, and their respective finance companies or Depository Agents, as the case may be. CPFIS Members, SRS Investors and investors who hold Shares through finance companies or Depository Agents should refer to the section “*Important Notice to (A) CPFIS Members, (B) SRS Investors and (C) Investors who hold Shares through a Finance Company and/or Depository Agent*” for important details relating to the offer procedure for them.

For renounees of Entitled Shareholders or Purchasers whose purchases are settled through finance companies or Depository Agents, acceptances of the Rights Shares represented by the provisional allotments of Rights Shares must be done through their respective finance companies or Depository Agents, as the case may be. **ANY ACCEPTANCE MADE DIRECTLY BY SUCH RENOUNCEES AND PURCHASERS THROUGH CDP, ELECTRONIC APPLICATIONS THROUGH ATMS OF THE PARTICIPATING BANKS OR THROUGH AN ACCEPTED ELECTRONIC SERVICE, THE SHARE REGISTRAR AND/OR THE COMPANY WILL BE REJECTED.** Such renounees and Purchasers will receive notification letter(s) from their respective finance companies or Depository Agents, as the case may be, and should refer to such notification letter(s) for details of the last date and time to submit acceptances of the provisional allotments of Rights Shares to their respective finance companies or Depository Agents, as the case may be.

The Electronic Application through an ATM of a Participating Bank shall be made on, and subject to, the terms and conditions of this Offer Information Statement including, but not limited to, the terms and conditions appearing below:

- (1) In connection with his Electronic Application for the Rights Shares, the Electronic Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:
  - (a) that he has access to the electronic version of this Offer Information Statement and/or possession of the OIS Notification Letter and/or its accompanying documents and has read, understood and agreed to all the terms and conditions of acceptance of and (as the case may be) application for the Rights Shares under the Rights Issue and this Offer Information Statement prior to effecting the Electronic Application and agrees to be bound by the same; and
  - (b) that he authorises CDP to give, provide, divulge, disclose or reveal information pertaining to his Securities Account maintained in CDP’s record, including, without limitation, his name(s), his NRIC number(s) or passport number(s), Securities Account number(s), address(es), nationality, the number of Shares standing to the credit of his Securities Account, the number of provisional allotments of Rights Shares allotted to him, his acceptance and (if applicable) application for Excess Rights Shares and any other information (the “**Relevant Particulars**”) to the Company and any other relevant parties (the “**Relevant Parties**”) as CDP may deem fit for the purpose of the Rights Issue and his acceptance and (if applicable) application.

His application will not be successfully completed and cannot be recorded as a completed transaction in the ATM unless he presses the “**Enter**” or “**OK**” or “**Confirm**” or “**Yes**” key, as the case may be. By doing so, the Electronic Applicant shall be treated as signifying his confirmation of each of the two (2) statements above. In respect of statement 1(b) above, his

confirmation, by pressing the “**Enter**” or “**OK**” or “**Confirm**” or “**Yes**” key, as the case may be, shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(2) and the Third Schedule of the Banking Act 1970 of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars to the Relevant Parties.

- (2) An Electronic Applicant may make an Electronic Application through an ATM of a Participating Bank for the Rights Shares using cash only by authorising the Participating Bank to deduct the full amount payable from his account with such Participating Bank.
- (3) The Electronic Applicant irrevocably agrees and undertakes to subscribe for and to accept up to the aggregate of the number of the Rights Shares provisionally allotted and Excess Rights Shares applied for as stated on the Transaction Record or the number of Rights Shares represented by the provisional allotment of the Rights Shares as may be standing to the credit of the “Free Balance” of his Securities Account as at the Closing Date. In the event that the Company decides to allot any lesser number of such Excess Rights Shares or not to allot any number of Excess Rights Shares to the Electronic Applicant, the Electronic Applicant agrees to accept the decision as conclusive and binding.
- (4) If the Electronic Applicant’s Electronic Application is successful, his confirmation (by his action of pressing the “**Enter**” or “**OK**” or “**Confirm**” or “**Yes**” key, as the case may be, on the ATM screen) of the number of Rights Shares accepted and/or Excess Rights Shares applied for shall signify and shall be treated as his acceptance of the number of Rights Shares accepted and/or Excess Rights Shares applied that may be allotted to him.
- (5) In the event that the Electronic Applicant accepts the Rights Shares and (if applicable) instructions to apply for Excess Rights Shares together with payment therefor both by way of the ARE and/or ARS (as the case may be) and/or by way of acceptance through Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service, the Company and/or CDP shall be authorised and entitled to accept the Electronic Applicant’s instructions in whichever mode or combination thereof as they may, in their absolute discretion, deem fit. In determining the number of Rights Shares which the Electronic Applicant has validly given instructions to accept, the Electronic Applicant shall be deemed to have irrevocably given instructions to accept the lesser of the aggregate number of provisionally allotted Rights Shares which have been accepted by the Electronic Applicant by way of the ARE and/or the ARS (as the case may be) and by Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service, and the number of Rights Shares represented by the provisional allotment of the Rights Shares standing to the credit of the “Free Balance” of his Securities Account which is available for acceptance and payment as at the Closing Date. The Company and/or CDP, in determining the number of Rights Shares for which the Electronic Applicant has given valid instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of the Rights Shares, whether by way of Cashier’s Order or Banker’s Draft in Singapore currency drawn on a bank in Singapore accompanying the ARE and/or the ARS or by way of acceptance by Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service, which the Electronic Applicant has authorised or is deemed to have authorised to be applied towards the payment in respect of his acceptance.
- (6) If applicable, in the event that the Electronic Applicant applies for Excess Rights Shares both by way of ARE and by way of an application through Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service, the Company and/or CDP shall be authorised and entitled to accept the Electronic Applicant’s instructions in whichever mode or a combination thereof as they may, in their absolute discretion, deem fit. In determining the number of Excess Rights Shares which the Electronic Applicant has validly given instructions to apply for, the Electronic Applicant shall be deemed to have irrevocably given instructions

to apply for and agreed to accept such number of Excess Rights Shares not exceeding the aggregate number of Excess Rights Shares for which he has applied by way of the ARE and/or by Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service. The Company and/or CDP, in determining the number of Excess Rights Shares which the Electronic Applicant has given valid instructions to apply for, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application for the Excess Rights Shares, whether by way of Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore accompanying the ARE or by way of application by Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service, which the Electronic Applicant has authorised or is deemed to have authorised to be applied towards the payment in respect of his application.

- (7) The Electronic Applicant irrevocably requests and authorises the Company to:
- (a) register or procure the registration of the Rights Shares and (if applicable) the Excess Rights Shares allotted to the Electronic Applicant in the name of CDP for deposit into his Securities Account;
  - (b) return or refund (without interest or any share of revenue or other benefit arising therefrom) the acceptance/application monies, should his Electronic Application in respect of the Rights Shares not be accepted and/or Excess Rights Shares applied for not be accepted by the Company for any reason, by automatically crediting the Electronic Applicant's bank account with his Participating Bank with the relevant amount within three (3) Market Days after the commencement of trading of the Rights Shares; and
  - (c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should his Electronic Application for Excess Rights Shares be accepted in part only, by automatically crediting the Electronic Applicant's bank account with his Participating Bank with the relevant amount within three (3) Market Days after the commencement of trading of the Rights Shares.
- (8) **BY MAKING AN ELECTRONIC APPLICATION, THE ELECTRONIC APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING/APPLYING FOR THE RIGHTS SHARES AS NOMINEE OF ANY OTHER PERSON.**
- (9) By making an Electronic Application through an ATM of a Participating Bank and subscribing in the Rights Issue, the Electronic Applicant will be deemed to warrant, represent, agree and acknowledge that (i) he, and any account on whose behalf he is subscribing, are, (a) outside the United States (within the meaning of Regulation S under the Securities Act) and (b) acquiring the provisional allotments of Rights Shares, the Rights Shares and/or the Excess Rights Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S; (ii) the provisional allotments of Rights Shares, the Rights Shares, and/or the Excess Rights Shares have not been and will not be registered under the Securities Act and accordingly, are being offered and sold only outside the United States in an "offshore transaction" as defined in, and in reliance on, Regulation S; and (iii) the Company, the Company's advisers and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.
- (10) The Electronic Applicant irrevocably agrees and acknowledges that the submission of his Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses, theft (in each case whether or not within the control of the Company, the Financial Advisers and Joint Underwriters, the Co-Lead Managers, CDP, the Share Registrar and/or the Participating Banks) and any other events whatsoever beyond the control of the Company, the Financial

Advisers and Joint Underwriters, the Co-Lead Managers, CDP, the Share Registrar and/or the Participating Banks and if, in any such event, the Company, the Financial Advisers and Joint Underwriters, the Co-Lead Managers, CDP, the Share Registrar and/or the Participating Banks do not record or receive the Electronic Applicant's Electronic Application by **9.30 p.m. on 21 March 2023** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), or such data or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Electronic Applicant shall be deemed not to have made an Electronic Application and the Electronic Applicant shall have no claim whatsoever against the Company, the Financial Advisers and Joint Underwriters, the Co-Lead Managers, CDP, the Share Registrar and/or the Participating Banks in respect of any purported acceptance thereof and (if applicable) excess applications therefor, or for any compensation, loss or damages in connection therewith or in relation thereto.

- (11) **ELECTRONIC APPLICATIONS MAY ONLY BE MADE THROUGH AN ATM OF THE PARTICIPATING BANK FROM MONDAY TO SATURDAYS (EXCLUDING PUBLIC HOLIDAYS) BETWEEN 7.00 A.M. TO 9.30 P.M..**
- (12) Electronic Applications shall close at **9.30 p.m. on 21 March 2023** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).
- (13) All particulars of the Electronic Applicant in the records of his Participating Bank at the time he makes his Electronic Application shall be deemed to be true and correct and the Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Electronic Applicant after the time of the making of his Electronic Application, the Electronic Applicant shall promptly notify his Participating Bank.
- (14) The Electronic Applicant must have sufficient funds in his bank account(s) with his Participating Bank at the time he makes his Electronic Application, failing which his Electronic Application will not be completed. Any Electronic Application made through the ATMs of the Participating Bank that does not strictly conform to the instructions set out on the ATM screens of the Participating Bank will be rejected.
- (15) Where an Electronic Application is not accepted, it is expected that the full amount of the acceptance/application monies will be refunded in the S\$ (without interest or any share of revenue or other benefit arising there from) to the Electronic Applicant by being automatically credited to the Electronic Applicant's account with the Participating Bank within three (3) Market Days after the commencement of trading of the Rights Shares. An Electronic Application may also be accepted in part, in which case the balance amount of acceptance/application monies will be refunded on the same terms.
- (16) In consideration of the Company arranging for the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Rights Issue at **9.30 p.m. on 21 March 2023** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), and by making and completing an Electronic Application, the Electronic Applicant agrees that:
  - (a) his Electronic Application is irrevocable (whether or not, to the extent permitted by law, any supplementary or replacement document referred to in Section 241 of the Securities and Futures Act is lodged with the Authority);
  - (b) he warrants, represents, agrees and acknowledges that (a) he, and any account on whose behalf he is subscribing, are, (A) outside the United States (within the meaning of Regulation S under the Securities Act) and (B) acquiring the Rights, the Rights

Shares and/or the Excess Rights Shares in an “offshore transaction” as defined in, and in reliance on, Regulation S; (b) the Rights, the Rights Shares, and/or the Excess Rights Shares have not been and will not be registered under the Securities Act and accordingly, are being offered and sold only outside the United States in an “offshore transaction” as defined in, and in reliance on, Regulation S; and (c) the Company, the Company’s advisers and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements;

- (c) he represents, warrants and undertakes that he can subscribe for the Rights Shares in accordance with all applicable laws and regulations;
- (d) his Electronic Application, the acceptance by the Company and the contract resulting there from shall be governed by and construed in accordance with the laws of Singapore and he irrevocably submits to the exclusive jurisdiction of the Singapore courts;
- (e) none of the Company, the Financial Advisers and Joint Underwriters, the Co-Lead Managers, CDP, the Share Registrar, or the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to his Electronic Application to the Company, the Financial Advisers and Joint Underwriters, the Co-Lead Managers, CDP or the Participating Banks due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective control;
- (f) any interest, share of revenue or other benefit accruing on or arising from in connection with any acceptance and (if applicable) application monies shall be for the benefit of the Company and none of the Company, CDP, the Financial Advisers and Joint Underwriters, the Co-Lead Managers, or any other persons involved in the Rights Issue shall be under any obligation to account for such interest, share of revenue or other benefit to him or any other person;
- (g) in accepting his provisional allotments of Rights Shares, reliance has been placed solely on the information contained in this Offer Information Statement and that none of the Company, CDP, the Financial Advisers and Joint Underwriters, the Co-Lead Managers, or any other person involved in the Rights Issue shall have any liability in respect of any information not so contained, except for any liability which cannot by law be excluded;
- (h) he has not relied on any information, representation or warranty supplied or made by or on behalf of the Relevant Persons;
- (i) he has access to all information he believes is necessary or appropriate in connection with this subscription of Rights Shares;
- (j) he has not relied on any investigation that any of the Relevant Persons may have conducted with respect to the Rights Shares or the Company, and none of such persons has made any representation to him, express or implied, with respect to the Rights Shares or the Company;
- (k) except for any liability which cannot by law be excluded, he will not hold any of the Relevant Persons responsible for any misstatements or omissions from any publicly available information concerning the Company and none of the Relevant Persons owes or accepts any duty, liability or responsibility to him, whether in contract or in tort

(including, without limitation, negligence and breach of statutory duty) or otherwise and shall not be liable in respect of any loss, damage or expense whatsoever in relation to the Rights Issue;

- (l) he will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of the provisionally allotted Rights Shares or and (if applicable) application for Excess Rights Shares;
  - (m) in respect of the Rights Shares and/or Excess Rights Shares for which his Electronic Application has been successfully completed and not rejected, acceptance of the Electronic Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Company and not otherwise, notwithstanding any payment received by or on behalf of the Company; and
  - (n) unless expressly provided to the contrary in this Offer Information Statement or the Electronic Application with respect to enforcement against the Electronic Applicant, a person who is not a party to any contract made pursuant to this Offer Information Statement and/or the Electronic Application has no right under the Contracts (Rights of Third Parties) Act 2001 of Singapore to enforce any term of such contracts. Notwithstanding any term contained therein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of liability) or terminate such contracts. Where the third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- (17) The Electronic Applicant should ensure that his personal particulars as recorded by both CDP and the Participating Bank are correct and identical. Otherwise, his Electronic Application may be liable to be rejected. The Electronic Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment and/or other correspondence will be sent to his address last registered with CDP.
- (18) The existence of a trust will not be recognised. Any Electronic Application by an Electronic Applicant must be made in his own name and without qualification. The Company will reject any application by any person acting as nominee.
- (19) In the event that the Electronic Applicant accepts or subscribes for the provisionally allotted Rights Shares or (if applicable) applies for Excess Rights Shares, as the case may be, by way of ARE or ARS and/or by way of Electronic Application through the ATMs of a Participating Bank and/or through an Accepted Electronic Service, the provisionally allotted Rights Shares and/or Excess Rights Shares will be allotted in such manner as the Company and/or CDP may, in their absolute discretion, deem fit and the surplus acceptance and (if applicable) application monies, as the case may be, will be returned or refunded without interest or any share of revenue or other benefit arising there from within three (3) Market Days after the commencement of trading of the Rights Shares by any one (1) or a combination of the following:
- (a) by crediting the Electronic Applicant's designated bank account via CDP's Direct Crediting Service **AT HIS OWN RISK** if he accepts and (if applicable) applies through CDP. In the event that such Electronic Applicant is not subscribed to CDP's Direct Crediting Service, any monies to be paid shall be credited to his/their Cash Ledger and subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions (Cash Ledger and Cash Distribution are as defined therein), as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed

with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP); and/or

- (b) by crediting the Electronic Applicant's bank account with the Participating Bank at his **OWN RISK** if he accepts and (if applicable) applies through an ATM of that Participating Bank, the receipt by such bank being a good discharge to the Company, the Financial Advisers and Joint Underwriters, the Co-Lead Managers and CDP of their obligations, if any, thereunder.
- (20) The Electronic Applicant acknowledges that, in determining the total number of Rights Shares represented by the provisional allotment of Rights Shares which he can validly accept, the Company and CDP are entitled and the Electronic Applicant authorises the Company and CDP to take into consideration:
- (a) the total number of Rights Shares represented by the provisional allotment of Rights Shares that the Electronic Applicant has validly accepted, whether under the ARE and/or ARS or any other form of application (including Electronic Applications through an ATM of a Participating Bank or through an Accepted Electronic Service) for the Rights Shares;
  - (b) the total number of Rights Shares represented by the provisional allotment of Rights Shares standing to the credit of the "Free Balance" of the Electronic Applicant's Securities Account which is available for acceptance; and
  - (c) the total number of Rights Shares represented by the provisional allotment of Rights Shares which has been disposed of by the Electronic Applicant.

The Electronic Applicant acknowledges that the Company's and CDP's determination shall be conclusive and binding on him.

- (21) The Electronic Applicant irrevocably requests and authorises the Company and/or CDP to accept instructions from the Participating Bank through whom the Electronic Application is made in respect of the provisional allotment of Rights Shares accepted by the Electronic Applicant and (if applicable) the Excess Rights Shares which the Electronic Applicant has applied for.
- (22) With regard to any application which does not conform strictly to the instructions set out under this Offer Information Statement, the PAL, the ARE, the ARS, (if applicable) the Constitution of the Company and/or other application form for the Rights Shares in relation to the Rights Issue or which does not comply with the instructions for Electronic Application or with the terms and conditions of this Offer Information Statement, or in the case of an application by the PAL, the ARE, the ARS and/or any other application form for the Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, or where the "Free Balance" of the Electronic Applicant's Securities Account is not credited with, or is credited with less than the relevant number of Rights Shares subscribed as at the Closing Date, the Company and/or CDP may, at their absolute discretion, reject or treat as invalid any such acceptance, (if applicable) application, payment and/or other process of remittance at any time after receipt in such manner as it may deem fit.

(23) The Company and/or CDP shall be entitled to process each application submitted for the acceptance of Rights Shares, and where applicable, application of Excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Applicant, on its own, without regard to any other application and payment that may be submitted by the same Entitled Applicant. For the avoidance of doubt, insufficient payment for an application may render the application invalid and evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for Excess Rights Shares.



## PROCEDURES FOR APPLICATION, SPLITTING, RENUNCIATION, EXCESS APPLICATION AND PAYMENT BY ENTITLED SCRIPHOLDERS

### 1. INTRODUCTION

- 1.1 Entitled Scripholders are entitled to access and download this Offer Information Statement electronically and receive the OIS Notification Letter, the Gatefold with the following documents which are enclosed with the OIS Notification Letter and the Gatefold, and are deemed to constitute a part of, this Offer Information Statement:

#### **PAL incorporating:**

Form of Acceptance	Form A
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Request for Splitting	Form B
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Form of Renunciation	Form C
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Form of Nomination	Form D
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Excess Rights Shares Application Form	Form E
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- 1.2 The provisional allotment of the Rights Shares is governed by the terms and conditions of this Offer Information Statement, the PAL and (if applicable) the Constitution of the Company. The number of Rights Shares provisionally allotted to Entitled Scripholders is indicated in the PAL (fractional entitlements, if any, having been disregarded). Entitled Scripholders may accept their provisional allotments of Rights Shares, in full or in part, and are eligible to apply for Rights Shares in excess of their provisional allotments of Rights Shares under the Rights Issue.
- 1.3 Full instructions for the acceptance of and payment for the Rights Shares provisionally allotted to Entitled Scripholders and the procedures to be adopted should they wish to renounce, transfer or split their provisional allotments of Rights Shares are set out in this Offer Information Statement as well as the PAL.
- 1.4 With regard to any acceptance of the provisional allotments of Rights Shares, (if applicable) application for Excess Rights Shares and/or payment which does not conform strictly to the instructions set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Rights Shares and/or Excess Rights Shares in relation to the Rights Issue or which does not comply with the terms and conditions of this Offer Information Statement, or in the case of an acceptance and/or application by the ARE, the ARS, the PAL and/or any other application form for the Rights Shares and/or Excess Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, the Company and/or the Share Registrar may, at their/its absolute discretion, accept, reject, treat as valid and/or treat as invalid any such acceptance, (if applicable) application, payment and/or other process of remittance at any time after receipt in such manner as they/it may deem fit.

- 1.5 The Company and/or the Share Registrar shall be entitled to process each application submitted for the acceptance of the provisional allotments of Rights Shares and (if applicable) application for Excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Scripholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Scripholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid and evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid acceptance of the provisional allotments of Rights Shares and (if applicable) application for Excess Rights Shares.
- 1.6 **Entitled Scripholders who intend to trade any part of their provisional allotments of Rights Shares on the SGX-ST should note that all dealings in and transactions of the provisional allotments of Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs will not be valid for delivery pursuant to trades done on the SGX-ST.**
- 1.7 Unless expressly provided to the contrary in this Offer Information Statement and/or the PAL, a person who is not a party to any contracts made pursuant to this Offer Information Statement and/or the PAL has no rights under the Contracts (Rights of Third Parties) Act 2001 of Singapore, to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties thereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- 1.8 By subscribing in the Rights Issue, an Entitled Scripholder or a renounee will be deemed to warrant, represent, agree and acknowledge that (i) he, and any account on whose behalf he is subscribing, are, (a) outside the United States (within the meaning of Regulation S under the Securities Act) and (b) acquiring the Rights, the Rights Shares and/or the Excess Rights Shares in an “offshore transaction” as defined in, and in reliance on, Regulation S; (ii) the Rights, the Rights Shares, and/or the Excess Rights Shares have not been and will not be registered under the Securities Act and are being distributed and offered outside the United States in reliance on Regulation S; and (iii) the Company, the Company’s advisers and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.

## **2. FORM OF ACCEPTANCE (FORM A)**

### **2.1 Acceptance**

An Entitled Scripholder who wishes to accept his entire provisional allotment of Rights Shares or to accept any part of it and decline the balance should:

- (a) complete and sign the Form A of the PAL for the number of Rights Shares which he wishes to accept; and
- (d) forward the PAL at his own risk, in its entirety, duly completed and signed, together with payment in the prescribed manner to **SATS LTD. C/O THE SHARE REGISTRAR, M & C SERVICES PRIVATE LIMITED, 112 ROBINSON ROAD, #05-01, SINGAPORE 068902** so as to arrive not later than **5.30 p.m. on 21 March 2023** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

## 2.2 Insufficient payment

If:

- (a) no remittance is attached for the full amount that is payable for the provisional allotment of Rights Shares accepted by the Entitled Scripholder and (if applicable) the Excess Rights Shares applied for by the Entitled Scripholder; or
- (b) the remittance submitted together with the PAL, is less than the full amount that is payable for the provisional allotment of Rights Shares accepted by the Entitled Scripholder and (if applicable) the Excess Rights Shares applied for by the Entitled Scripholder,

in each case, the attention of the Entitled Scripholder is drawn to paragraph 2.3 of this Appendix F entitled "Appropriation" which sets out the circumstances and manner in which the Company and the Share Registrar shall be authorised and entitled to determine the number of Rights Shares which the Entitled Scripholder has given instructions to accept.

## 2.3 Appropriation

An Entitled Scripholder should note that by accepting his provisional allotment of Rights Shares, he acknowledges that, the Company and the Share Registrar, in determining the number of Rights Shares which the Entitled Scripholder has given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Shares, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore to be applied towards the payment of his acceptance of Rights Shares.

## 3. REQUEST FOR SPLITTING (FORM B), RENUNCIATION (FORM C) AND FORM OF NOMINATION (FORM D)

- 3.1 Entitled Scripholders who wish to accept a portion of their provisional allotment of Rights Shares and renounce the balance of their provisional allotment of Rights Shares, or who wish to renounce all or part of their provisional allotments in favour of more than one (1) person, should first, using Form B, request to have their provisional allotments under the PAL split into separate PALs ("**Split Letters**") according to their requirements.
- 3.2 The duly completed and signed Form B together with the PAL, in its entirety, should be returned to **SATS LTD. C/O M & C SERVICES PRIVATE LIMITED, 112 ROBINSON ROAD, #05-01, SINGAPORE 068902** so as to arrive not later than **5.00 p.m. on 15 March 2023** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Split Letters will then be issued to Entitled Scripholders in accordance with their request. No Split Letters will be issued to Entitled Scripholders if Form B is received after **5.00 p.m. on 15 March 2023** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).
- 3.3 The Split Letters, representing the number of Rights Shares which Entitled Scripholders intend to renounce, may be renounced by completing and signing Form C before delivery to the renounee(s). Entitled Scripholders should complete and sign Form A of the Split Letter(s) representing that part of their provisional allotments they intend to accept, if any, and forward the said Split Letter(s) together with payment in the prescribed manner to **SATS LTD. C/O THE SHARE REGISTRAR, M & C SERVICES PRIVATE LIMITED, 112 ROBINSON ROAD, #05-01, SINGAPORE 068902** so as to arrive not later than **5.30 p.m. on 21 March 2023** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

- 3.4 Entitled Scripholders who wish to renounce their entire provisional allotment of Rights Shares in favour of one (1) person, or renounce any part of it in favour of one (1) person and decline the balance, should complete Form C for the number of provisional allotment of Rights Shares which they wish to renounce and deliver the PAL in its entirety to the renounee(s). **Entitled Scripholders are to deliver the OIS Notification Letter, the Gatefold to the renounees together with the PAL.**
- 3.5 The renounee(s) should complete and sign Form D and send Form D together with the PAL in its entirety, duly completed and signed, together with payment in the prescribed manner, to reach **SATS LTD. C/O THE SHARE REGISTRAR, M & C SERVICES PRIVATE LIMITED, 112 ROBINSON ROAD, #05-01, SINGAPORE 068902** so as to arrive not later than **5.30 p.m. on 21 March 2023** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).
- 3.6 Each Entitled Scripholder may consolidate the Rights Shares provisionally allotted in the PAL together with those comprised in any PALs and/or Split Letters renounced in his favour by completing and signing Form A and the Consolidated Listing Form in Form D of the PAL and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed and with the serial number of the Principal PAL (as hereinafter defined) stated on each of them. A renounee who is not an Entitled Scripholder and who wishes to consolidate the provisional allotments of Rights Shares comprised in several renounced PALs and/or Split Letters in one name only or in the name of a joint Securities Account should complete the Consolidated Listing Form in Form D of only one PAL or Split Letter ("**Principal PAL**") by entering therein details of the renounced PALs and/or Split Letters and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed, and with the serial number of the Principal PAL stated on each of them. **ALL THE RENOUNCED PALS AND SPLIT LETTERS, EACH DULY COMPLETED AND SIGNED, MUST BE ATTACHED TO FORM A OR FORM D (AS THE CASE MAY BE).**

#### **4. PAYMENT**

- 4.1 Payment in relation to the PALs for Rights Shares must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**SATS RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and address of the Entitled Scripholder or accepting party clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft. The completed and signed PAL and remittance should be addressed to and forwarded at the sender's own risk to **SATS LTD. C/O M & C SERVICES PRIVATE LIMITED, 112 ROBINSON ROAD, #05-01, SINGAPORE 068902** by **5.30 p.m. on 21 March 2023** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**
- 4.2 If acceptance and (if applicable) excess application and payment in the prescribed manner as set out in this Offer Information Statement and the PAL is not received by **5.30 p.m. on 21 March 2023** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), the provisional allotment of Rights Shares shall be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance and such provisional allotment of Rights Shares not so accepted will be used to satisfy excess applications, if any, or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company subject to applicable laws and the SGX-ST rules. The Company will return or refund all unsuccessful application monies received in connection therewith **BY ORDINARY POST** and at the risk of the Entitled Scripholders or their renounee(s), as the case may be, without interest or any share of revenue or other benefit arising therefrom within three (3) Market Days after the commencement of trading of the Rights Shares.

## 5. APPLICATION FOR EXCESS RIGHTS SHARES (FORM E)

Form E contains full instructions with regard to Excess Rights Shares application, and payment and the procedures to be followed if you wish to apply for Rights Shares in excess of your provisional allotment of Rights Shares. Entitled Scripholders who wish to apply for Excess Rights Shares in addition to those which have been provisionally allotted to them may do so by completing, signing the Form E of the PAL and forwarding it together with the PAL for Rights Shares in its entirety with a **SEPARATE SINGLE REMITTANCE** for the full amount payable in respect of the Excess Rights Shares applied for in the form and manner set out above to **SATS LTD. C/O M & C SERVICES PRIVATE LIMITED, 112 ROBINSON ROAD, #05-01, SINGAPORE 068902** so as to arrive not later than **5.30 p.m. on 21 March 2023** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

Applications for Excess Rights Shares are subject to the terms and conditions contained in the PAL, Form E and this Offer Information Statement and (if applicable) the Constitution of the Company. Applications for Excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Scripholders, the original allottee(s) or their respective renounee(s), or the Purchaser(s) of the provisional allotment of Rights Shares, the unsold "nil-paid" provisional allotments (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in this Offer Information Statement, the PAL, Form E and (if applicable) the Constitution of the Company.

In the event that applications are received by the Company for more Excess Rights Shares than are available, the Excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. In the allotment of Excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots. Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation on the Board (whether direct or through a nominee) will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company reserves the right to reject, in whole or in part, any application for Excess Rights Shares without assigning any reason whatsoever. For the avoidance of doubt, only Entitled Shareholders (and not Purchasers or renounees) shall be entitled to apply for Excess Rights Shares in excess of their provisional allotments.

In the event that the number of the Excess Rights Shares allotted to Entitled Scripholders is less than the number of Excess Rights Shares applied for, Entitled Scripholders shall be deemed to have accepted the number of Excess Rights Shares actually allotted to them. If no Excess Rights Shares are allotted to Entitled Scripholders or if the number of Excess Rights Shares allotted to them is less than that applied for, it is expected that the amount paid on application or the surplus of the application monies for Excess Rights Shares received by the Company, as the case may be, will be returned or refunded to them by the Company without interest or any share of revenue or other benefit arising therefrom, within three (3) Market Days after the commencement of trading of the Rights Shares, by means of a crossed cheque drawn on a bank in Singapore and sent, **BY ORDINARY POST** to their mailing addresses as maintained with the Share Registrar at their **OWN RISK**.

## 6. GENERAL

- 6.1 No acknowledgements or receipts will be issued in respect of any acceptances, remittances, applications or payments received.
- 6.2 **Entitled Scripholders who are in any doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser(s) immediately.**
- 6.3 Upon listing and quotation on the SGX-ST, the Rights Shares, when issued will be traded under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "**Operation of Securities Accounts with the Depository – Terms and Conditions**", as the same may be amended from time to time. A copy of the above is available from CDP.
- 6.4 Entitled Scripholders will be issued physical share certificates in their own names for the Rights Shares allotted to them and if applicable, the Excess Rights Shares allotted to them. Such physical share certificates, if issued, will not be valid for delivery pursuant to trades done on the SGX-ST under the book entry (scripless) settlement system, although they will continue to be prima facie evidence of legal title. These physical share certificates will be sent **BY ORDINARY POST** to person(s) entitled thereto **AT HIS/THEIR OWN RISK**.
- 6.5 A holder of physical share certificate(s), or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but who wishes to trade on the SGX-ST, must deposit with CDP his existing share certificate(s), together with the duly executed instrument(s) of transfer in favour of CDP and payment of S\$10.00 plus goods and services tax at the prevailing rate, and have his Securities Account credited with the number of Rights Shares and/or existing Shares, as the case may be, before he can effect the desired trade.
- 6.6 **THE FULL AMOUNT PAYABLE FOR THE RELEVANT NUMBER OF RIGHTS SHARES ACCEPTED/APPLIED FOR WILL BE ROUNDED UP TO THE NEAREST WHOLE CENT, IF APPLICABLE.**
- 6.7 **THE FINAL TIME AND DATE FOR ACCEPTANCES AND/OR APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES UNDER THE RIGHTS ISSUE IS 5.30 P.M. ON 21 MARCH 2023 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY).**

## 7. PERSONAL DATA PRIVACY

By completing and delivering the PAL, an Entitled Scripholder or a renounee (i) consents to the collection, use and disclosure of his personal data by the Relevant Persons for the purpose of facilitating his application for the Rights Shares, and in order for the Relevant Persons to comply with any applicable laws, listing rules, regulations and/or guidelines; (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law; and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

## RISK FACTORS RELATING TO THE WFS GROUP

*The risk factors below have been extracted from the Final Offering Memorandum of the Senior Secured Notes dated 3 February 2022 (the “Offering Memorandum”), with updates made to certain risk factor(s) as at the date of this Offer Information Statement. Although these risk factors had originally be prepared in the context of the Notes (as defined in the Offering Memorandum), they are reproduced here for completeness, and Entitled Shareholders and prospective investors should carefully consider and evaluate the risks relating to the WFS Group given that, following the completion of the WFS Acquisition, the risks relating to the WFS Group will become relevant to the enlarged Group. References to “we”, “our”, “us”, and “Issuer” in this Appendix H mean, as the context requires, WFS (as defined in this Offer Information Statement) or the relevant entity or entities in the WFS Group (as defined in this Offer Information Statement).*

### RISK FACTORS

An investment in the Notes involves risks. Before purchasing the Notes, you should consider carefully the specific risk factors set forth below, as well as the other information contained in this offering memorandum. Any of the risks described below could have a material adverse impact on our cash flows, financial condition or results of operations and could therefore have a negative effect on the trading price of the Notes and our ability to pay all or part of the interest or principal on the Notes. Additional risks not currently known to us or that we now deem immaterial may also harm us and affect your investment in the Notes.

This offering memorandum also contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this offering memorandum.

#### Risks Related to the Industry and Our Business

***The rapid spread of the COVID-19 virus, the persistence of the resulting pandemic and measures implemented to combat it have had, and will continue to have, a material adverse effect on our business. It is likely that there will be future negative effects that we cannot presently predict, including as a result of further restrictions implemented to combat new strains of the virus.***

The rapid spread of COVID-19 beginning in December 2019 and the persistence of the resulting pandemic, as well as the measures governments and private parties have implemented in order to stem the spread of this pandemic, have had, and are continuing to have a material adverse effect on the aviation business, and upon our business. Numerous travel advisories and restrictions have been implemented, including as a result of the Omicron variant, some of which remain in place, and many governments have placed restrictions or quarantines on citizens of other countries flying into their countries as well as travel restrictions and screening measures for travelers domestically. In addition, large-scale events have been cancelled, closed, curtailed or held with reduced or no spectators. As a result, demand for both business and leisure air travel has declined. Although the air travel market has partially recovered, this has been uneven and is still subject to great uncertainty. In addition, the effectiveness of the available vaccines against certain of these new variants, including the Omicron variant, is also uncertain.

While the air freight market continues to be impacted by capacity reductions due to the decrease in long haul air passenger traffic, the corresponding reduction in belly capacity has been offset by the increase in load factors, the high utilization rate of available freighters, and the usage of some passenger aircrafts for freight transportation only. However, some countries continue to be

negatively impacted and ground handling activity remains well below pre-pandemic levels. Our revenue from ground handling declined by 54.5% between 2019 and 2020, with an overall decline in our revenue of 24.2%, as a result of the impact of COVID on the aviation market. Among our over 1,500 total contracts, in 2020 we lost 23 contracts and in 2021 we lost 11 contracts as a result of customers moving to a different airport due to COVID, ceasing service at a particular location or entering bankruptcy. In addition, several of our customers, including Avianca, Alitalia, Flybe, Air Mauritius, Interjet and LATAM declared bankruptcy at least in part as a result of COVID.

Our operations have been, and could in the future be, negatively affected further if our employees are quarantined or sickened as a result of exposure to COVID-19, or if they are subject to additional governmental COVID-19 curfews or “shelter in place” health orders or similar restrictions. The COVID pandemic has had a direct effect on absenteeism among our workforce because employees were personally affected or were prohibited from working as a result of government restrictions. Measures restricting the ability of our employees to come to work may cause a further deterioration in our service or operations, all of which could negatively affect our business.

As a result of COVID-19, we bore additional costs related to sanitary equipment and other protective measures to reduce COVID risks to our employees and customers and comply with health and safety regulations in our operating geographies. These mainly involved sanitary and protective measures required to reduce potential exposure risk such as frequent disinfection and cleaning, purchase of PPE and disinfectant, and social distancing. In addition, we also incurred one-off advisory and consultancy costs, expenses related to our PSP grant, provisions for bad debt and other one-off costs. For example, in 2020 we incurred costs for non-recurring items of €26.6 million that were mostly driven by COVID-related challenges, including €8.3 million of provisions for bad debts (notably related to the airline failures of LATAM, Avianca, Interjet and Flybe), €6.2 million of COVID related PPE costs and €9.2 million of advisory and consultancy costs incurred to address the impact of COVID-19.

We are unable to predict how long conditions related to the pandemic will persist, when the air travel business will fully recover and what additional measures may be introduced by governments or private parties or what effect any such additional measures may have on our business. The overall situation remains fluid, and it is impossible to predict the timing and duration of future material developments and whether they will occur in the near, medium or long term.

Collectively, the foregoing circumstances have had, and may have in the future, a material adverse effect on our business, results of operations and financial condition. Future disease outbreaks or similar public health threats could have similar effects.

***Adverse economic conditions can have a significant adverse effect on the airline industry and our business by reducing demand for our services or increasing price pressure.***

Weak or negative economic growth or economic shocks have a substantial effect on the airline industry, including as a result of the COVID-19 pandemic. Adverse economic conditions tend to reduce the number of business and leisure travelers as well as the volume of cargo being shipped by air. In addition, a general economic downturn could affect consumer sentiment which could weigh negatively on demand for air freight. The condition of the airline industry has a substantial effect on our business, since our customers consist of passenger airlines, airports and freight carriers. Generally, when economic factors adversely affect the airline industry, airlines reduce their overall demand for the cargo handling, ground handling and technical services that we provide. We may therefore experience declines in our volumes of business (such as cargo shipped) and downward pressure on prices. Difficulties in the airline industry may also increase the credit risks associated with doing business with airlines.



Air cargo transport volumes decreased considerably in the second quarter of 2020 as a result of COVID-19 and reduced demand for air travel, resulting in a significant decrease in utilization of cargo handling services, before improving due to increase in load factors, the high utilization rate of available freighters, and the usage of some passenger aircrafts for freight transportation only, along with the easing of certain of these restrictions. The uneven nature of economic growth worldwide, including the recovery from COVID-19, has led to shifting trade patterns, reducing demand for cargo transportation in certain markets. It is difficult to predict when an economic downturn will end or when one will occur. If current conditions deteriorate or if another economic crisis occurs, including as a result of a pandemic, it could negatively affect the demand for cargo handling and ground handling services, which would have an adverse effect on our cash flows, financial condition and results of operations.

In addition to a decline in demand for cargo shipment and passenger traffic, and consequently a decline in the demand for our cargo handling and ground handling services, economic volatility typically causes our customers to seek ways to cut costs. One way in which our airline customers have sought to reduce their costs is by reducing the amount they spend on outsourced ground handling services, including the services that we provide. Certain of our customers may seek to renegotiate lower prices for our services, both under existing contracts and when our contracts are up for renewal. This trend could continue or even intensify in the future, which could lead to a drop in profitability or to losses. In addition, the measures we have taken to optimize income by reducing operating costs may not be successful if market conditions change. All of these factors could have a material adverse effect on our cash flows, financial condition and results of operations.

***We are exposed to the risk of airline consolidation.***

The airline industry has experienced significant airline consolidations in the last ten years, and we expect this trend to continue. Additional consolidation in the industry, including as a result of the COVID-19 pandemic, may reduce both the number of customers and flights we handle. If any of our customers consolidates with another airline, especially an airline that is not our customer, we risk losing that customer's business. Similarly, if any of our customers consolidates with another airline that offers similar services to ours, such as cargo and ground handling, that customer may no longer require our services and we may lose that business. Further, airline consolidation could reduce the number of overall flights as airlines eliminate redundant flight schedules and routes. Any of these occurrences could have a material adverse effect on our cash flows, financial condition and results of operations.

***We face high levels of competition in the cargo handling and ground handling services industry generally and, in particular, at many of the airports where we operate.***

The cargo handling and ground handling services industry and the markets for our services are extremely competitive, and we face competition from a number of sources. The decision to opt for an outsourced provider of cargo handling, ground handling and/or the other technical services that we provide is often based on the circumstances and strategic plans of a particular potential customer, which we cannot necessarily influence with our value propositions. Our competitors include a limited number of well-capitalized independent companies that offer a broad range of services across several markets, a large number of smaller, regional or specialized companies and subsidiaries established by major airlines to provide certain services. The level of competition in our markets depends primarily on the number and size of the other services providers operating at the airports where we operate. At many of these airports, the service market is highly competitive and we compete against a number of operators. If a significant number of our existing customers, or one or more of our larger customers, were to begin purchasing cargo handling or ground handling services from our competitors or were to procure them internally, our cash flows, financial condition and results of operations could be adversely affected.

***Our global operations in diverse locations expose us to various economic, political, social and legal risks that are beyond our control.***

As of December 31, 2021, we were present at 165 airport stations in 17 countries on five continents, which included operations in Brazil, Thailand and Hong Kong. Due to the international scope of our operations, we are subject to a number of political, social and economic risks and challenges associated with operating in foreign countries, many of which are beyond our control. These risks include some or all of the following:

- restrictions related to public health crises, including the COVID-19 pandemic;
- political, social and economic instability, including as a result of public corruption investigations such as the Lava Jato investigation in Brazil;
- war and civil disturbance such as widespread demonstrations, coups or acts of terrorism;
- natural disasters, including tsunamis, earthquakes, fires, floods, drought and similar events;
- taking of property by nationalization or expropriation without fair compensation;
- changes in government policies and regulations and political intervention in the economy, notably those related to interest rates, foreign exchange, wage and price controls, or international trade, taxation or security measures;
- economic slowdowns, currency fluctuations or other disruptions of the economic environment;
- devaluation and fluctuations in currency exchange rates;
- imposition of limitations on conversions of foreign currencies or remittance of dividends and other payments by foreign subsidiaries and other capital controls;
- imposition or increase of withholding and other taxes on remittance and other payments by foreign subsidiaries;
- boycotts or other restrictions on our ability to perform and render our services;
- hyperinflation in certain foreign countries;
- political considerations that may affect contract bidding; and
- imposition or increase of investment and other restrictions or requirements by foreign governments.

Most of our operations are in Western Europe and North America. However, we also have a presence in developing countries in Asia, the Middle East, Africa and South America, and we may increase our presence there and in other developing countries in the future. The political systems in the countries where we operate may be vulnerable to the public's dissatisfaction with reforms, social and ethnic unrest and other factors that are beyond our control. Our operations in developing countries may also be more susceptible to government acts of nationalization, expropriation or civil unrest.

Any disruption or volatility in the political, social or economic environment in the countries where we operate may have a material adverse effect on our cash flows, financial condition and results of operations.

***An increase in trade barriers, tariffs and trade tensions may adversely affect our operations.***

In 2018, the United States and China implemented tariffs on various goods and the United States also implemented tariffs on steel and aluminum from a number of countries, including the EU, Mexico, Canada and Turkey. China, the European Union, Mexico, Canada and Turkey implemented retaliatory tariffs against U.S. products. While certain of these tariffs have been eased as a result of the Phase One Agreement between the U.S. and China in 2020 and bilateral agreements between the U.S. and other countries, overall tariffs covering U.S. trade remain materially higher than before 2018. We have significant operations in the EU and the United States. While the currently implemented tariffs largely do not cover items transported by air, an escalation of trade disputes may impact other products that are transported by air. An increase in trade tensions, retaliatory measures and other trade barriers, including as a result of the COVID-19 pandemic, could reduce and disrupt the flow of international trade and adversely affect global markets more generally. We cannot predict the effect of such trade escalations, and it is unclear how supply chains may change as a result of trade barriers and a reduction in trade volumes. Any trade disruptions may have negative macroeconomic impact and result in trade volatility, which could have a material adverse effect on our cash flows, financial condition and results of operations.

***Our operations may be adversely affected by the withdrawal of the United Kingdom from the EU.***

On 29 March 2017, the UK formally notified the European Council of its intention to leave the European Union (“**Brexit**”). After a number of iterations, negotiators for the European Commission and the UK reached agreement on the terms of the UK’s withdrawal from the European Union, and these terms were approved by the UK and European Parliament. The UK formally left the European Union on 31 January 2020 at 11:00 pm (London time) after which it entered the transition period specified in the withdrawal agreement, which expired on 31 December 2020. On 24 December 2020, the EU and the UK announced that they had reached the EU–UK Trade and Cooperation Agreement, which was implemented on 31 December 2020 and was applied provisionally on 1 January 2021 until its entry into force on 1 May 2021. Despite the implementation of the EU–UK Trade and Cooperation Agreement, there remains significant uncertainty as to how the agreement will affect relations between the UK and the EU. For example, the Northern Ireland Protocol covering the special status of Northern Ireland remains controversial, and developments surrounding its application may affect businesses that conduct operations both in the UK and Ireland. While the EU and the UK agreed a comprehensive, zero-tariff, zero-quota free trade pursuant to the EU–UK Trade and Cooperation Agreement, the end of the transition period on that date has, among other things, led to increased customs, health and safety checks at the border, which has delayed and disrupted the movement of goods between the EU and the UK and may undermine bilateral cooperation in key policy areas, significantly disrupt trade between the UK and the EU and cause political instability in other countries of the EU. Additionally, following the end of the transition period, the UK has ceased to be a member of the EU single market, which has ended the free movement of services and workers between the UK and the EU.

The headquarters of our Group are in Europe and we maintain a significant presence in various European markets. We also have a strong presence in the United Kingdom. It is difficult to identify specific impacts as a result of Brexit given that the disruptions occurring as a result of the COVID pandemic occurred largely concurrently. However, Brexit has been disruptive to the supply chain and transportation between the UK and the European Union and has likely impacted our UK operations as a result. Brexit may lead to a downturn in the UK or other European economies and could undermine bilateral cooperation in key policy areas and significantly disrupt trade and notably air freight in the United Kingdom and in the EU markets in which we operate. Changes in respect of the UK legal and regulatory regime as the UK determines which EU laws to replace or replicate could also cause disruptions.

***Our success and operations are dependent on hiring and retaining our employees as well as our senior management.***

Our business is labor intensive and requires highly trained cargo handling and ground handling personnel. Although we believe we have competitive compensation, as well as the right working environment for our staff, there is no assurance we can continue to attract, hire, train and retain qualified personnel. Our success depends, to a large degree, upon the continued service and skills of our existing management team and our regional senior managers, who play a key role in developing and maintaining our customer relationships around the world. If we are unable to hire sufficient qualified employees to meet our requirements or retain existing employees, or if we face a significant increase in personnel turnover or the departure of members of our senior management team that we are unable to replace in a timely manner, our cash flows, financial condition and results of operations could be adversely affected.

***Labor disputes could disrupt our operations or lead to higher labor costs.***

We are subject to the risk of labor disputes, which may disrupt our operations. Labor laws applicable to our business in certain countries, particularly France and Germany, are relatively rigorous. In numerous cases, labor laws provide for the strong protection of employees' interests. In addition, employees at certain airports are members of unions or, based on applicable regulations, represented by works councils or other bodies. In many cases, we must inform, consult with and request the consent or opinion of union representatives or works councils in managing, developing or restructuring certain aspects of our business. These labor laws and consultative procedures could limit our flexibility with respect to employment policy or economic reorganization and could limit our ability to respond to market changes efficiently. Even where consultative procedures are not mandatory, important strategic business decisions could be negatively received by some employees and employees' representative bodies, which could lead to labor actions that could disrupt our business.

Our operations may be materially affected by strikes, work stoppages, employee litigation, work slowdowns or other labor-related developments in the future, which could disrupt our operations and adversely affect our business, financial condition and results of operations. We have experienced strikes at certain of our locations, particularly in France, from time to time. Our employees in certain countries benefit from collective bargaining agreements, and we may not be able to periodically renegotiate collective agreements on acceptable terms. Settlement of actual or threatened labor disputes or an increase in the number of our employees covered by collective bargaining agreements may adversely affect our labor costs, productivity and flexibility. In addition, our operations and services rely heavily upon various aviation industry personnel who are not employed by us, and any labor strikes, work stoppages and other labor disputes involving them could have a negative impact on our operations. For example, air traffic controllers in French airports, have staged periodic strikes which have resulted in significant flight disruptions and cancellations, including a strike in December 2019 in a dispute over the retirement age. In Germany, the Verdi Union has also called strikes that have disrupted flights, including in January 2019. Pilots and flight crews could also cause cancellations and delays by staging similar strikes. Such labor strikes, work stoppages and other labor disputes are beyond our control and they could have a material adverse effect on our cash flows, financial condition and results of operations.

Further, we have been and may in the future be subject to employee, customer and other claims based on, among other things, mismanagement, unfair or unequal treatment, discrimination, harassment, violations of privacy and consumer credit laws, wrongful termination, and wage, rest break and meal break issues, including those relating to overtime compensation. We have been subject to these types of claims in the past and if one or more of these claims were to be successful or if there is a significant increase in the number of these claims, our business, results of operations and financial condition could be harmed. Our ability to manage our labor costs is primarily dependent upon provisions of collective bargaining agreements applicable to us. Any

future labor law reforms, renegotiation of collective bargaining agreements with trade unions and other parties and/or new case law could hinder or significantly reduce our ability to manage our labor costs, which could have a material adverse effect on our cash flows, financial condition and results of operations.

***We may not be able to obtain new licenses and leases or renew or retain our existing licenses and leases which we require to conduct our business at various airports.***

We operate our ground handling business under licenses usually granted by local civil aviation authorities and occasionally the operators of various airports. We also lease land under concessions granted by such authorities or operators and lease facilities, such as warehouses, necessary to conduct our businesses. If we were unable to maintain or renew our existing licenses, concessions or leases or obtain new licenses, concessions or leases from those authorities or operators on acceptable terms, we could be unable to provide our services for our customers at those airports and our cash flows, financial condition and results of operations would be adversely affected. Even if we are successful in obtaining, maintaining or renewing a license or concession, we may not achieve the results we had expected from our operations under such license or concession, and in some cases these licenses or concessions may require us to make minimum payments to the aviation authority or airport even when our activities there are not profitable. In addition, if we were to fail to comply with the performance standards required by such authorities or operators over an extended period of time, our reputation could be harmed and we could lose existing customers or fail to attract new customers and, as a result, our cash flows, financial condition and results of operations could be adversely affected or our licenses or concession from such authorities or operators could be revoked.

***Deregulation of ground handling services could negatively affect our business.***

Our industry has traditionally been subject to strict public regulation of access to airports. Although the cargo handling sector in Europe, where we generate a majority of our revenue, has been fully open to competition since 1999, ground handling activities are still protected at many airports. However, airports and ground handling service providers have increasingly been subject to deregulation, opening the market to a greater number of potential competitors. In airports where we are already established, deregulation may increase ground handling competition and put downward pressure on our prices. Losses of existing ground handling contracts or decreases in prices for ground handling services may have a material adverse effect on our cash flows, financial condition and results of operations.

***Terrorist attacks, geopolitical instability, epidemics, threats, natural calamities or other “acts of God” may unexpectedly disrupt our business.***

Any attack, military action, epidemic, including the COVID-19 pandemic, or threat of any of these could have a negative impact on the number of airline passengers, the availability of airports and the health of the airline industry as a whole and our business in particular. Our ground handling services business is exposed to the risk of airport closures and variations in passenger volumes as a result of unexpected events, whereas cargo volumes (and demand for cargo handling services) are more closely linked to economic conditions.

Terrorism and war (and threats of terrorism and war) and civil or political strife may contribute to a fear of travelling by air, or visiting particular destinations, resulting in a sharp fall in demand for air travel and may correspondingly cause an adverse impact on our ground services business. Similarly, the outbreak of any contagious disease with human-to-human airborne or contact propagation effects that escalates into a regional or global pandemic may have an adverse impact on all airlines that operate to/from the affected areas/regions. Our business would be adversely affected even though international and national response plans to address such events have been developed or are in development. For example, the COVID-19 resulted in a sharp fall in passenger traffic in 2020 which has not yet fully recovered to date and the events of the “Arab Spring” resulted in shifting vacation habits of many European consumers in 2011 and 2012.

Natural disasters such as earthquakes, volcanoes, floods or tsunamis may devastate destinations and significantly reduce travel to those areas for a period of time, thereby causing our ground handling and cargo handling business to be adversely affected. For example, the volcanic ash cloud that resulted in the closing of large portions of European airspace several times during the spring of 2010 had an effect on our cash flows, financial condition and results of operations during the relevant period ended 31 December 2010. Natural calamities could have a material adverse effect on our cash flows, financial condition and results of operations in the future.

The occurrence of such events may also result in the closure or restriction of access to airspace or airports. Given that our services depend on the availability of these facilities, our cash flows, financial condition and results of operations could be adversely affected by the occurrence of such events. If an airport where we carry out a significant portion of our business, such as Paris Charles de Gaulle or New York JFK, were shut down, be nationalized or experience a catastrophic property loss as a result of terrorism, war, natural disaster, political instability or other events, we could face financial losses and a significant and potentially permanent disruption to our business. Even after the airport resumes operations, we may be unable to win back lost business or re-establish our market share in the affected region.

***We are exposed to the risk of losses from damage caused to aircraft, airports or cargo and from injury to individuals.***

We operate in and around aircraft and airports and, as such, we face the inherent risk that we may inadvertently damage aircraft or aircraft equipment, which could in turn lead to flight delays or possibly crashes. For example, the unbalanced loading of cargo within an aircraft, improper de-icing of an aircraft or damage to an aircraft caused by our employees could lead to delays or accidents resulting in the loss of an aircraft or a loss of life. If we mishandle cargo or baggage, or otherwise cause damage to equipment or facilities or cause injury to individuals in the course of carrying out our activities, we could be liable for that damage or injury. Any claim against us as a result of such an event could exceed our insurance coverage, fall outside our insurance coverage or could result in the cancellation of our insurance coverage. Moreover, we may be forced to bear substantial losses irrespective of insurance coverage. Any such accident could tarnish our reputation, thus resulting in a significant, and possibly sustained, decline in demand for our services. Any of these events could have a material adverse effect on our business, cash flows, financial condition and results of operations.

In addition, some of the services we offer in our business put our employees and others in close proximity with heavy equipment, moving vehicles and combustible materials (namely airline fuel). Applicable law generally renders us responsible for the safety and wellbeing of our personnel and imposes a duty of care on us for third parties who may be nearby. If we fail to implement safety procedures or if the procedures we implement are ineffective, our employees and others may be injured. Unsafe work sites also have the potential to increase employee turnover, increase the cost of service to our customers and raise our operating costs. Many of our customers require that we meet certain safety criteria to be eligible to bid for contracts. The introduction of new technology, procedures, services, tools and machinery may have unforeseen negative effects on the working conditions of our employees and may subject us to liability based on allegations of illness or injury resulting from exposure. Any of the foregoing could result in financial losses, which could have a material adverse effect on our cash flows, financial condition and results of operations.

***We could be adversely affected by a failure or disruption of our computer, communications or other technology systems.***

We are heavily and increasingly dependent on technology to operate our business. The computer and communications systems on which we rely could be disrupted due to various events, some of which are beyond our control, including natural disasters, power failures, terrorist attacks, equipment failures, software failures and computer viruses and hackers. The measures we have taken to prevent or remedy disruptions or failures of these systems may not be adequate. Any substantial or repeated failure of these systems could impact our operations and customer service, result in the loss of important data, loss of revenue and increased costs, and generally harm our business.

***We are subject to exchange rate fluctuations.***

Our revenue, costs, debts, capital expenditure and investments are mainly denominated in euros and U.S. dollars. We are also exposed to currencies such as the British pound sterling, the Thai baht, the Brazilian real, the Canadian dollar, the Hong Kong dollar (linked to the U.S. dollar) and the Danish krone, among others. Consequently, portions of our revenue, costs, profit margins and asset values are affected by fluctuations in the exchange rates among the above-mentioned currencies. We seek to achieve a measure of natural hedging by aligning the revenue and operating costs of our subsidiaries that have a functional currency other than the euro. However, we always retain a measure of exposure to exchange rate fluctuations, and our cash flows, financial condition and results of operations could be materially adversely affected by such fluctuations. In addition, some of the currencies we are exposed to may not be fully convertible or exchangeable or may be subject to exchange controls, which may limit our ability to use or transmit funds within our group.

Our reporting currency is the euro. Exchange rate gains or losses will arise when the assets and liabilities in foreign currencies are translated or exchanged into euros for financial reporting or repatriation purposes. If one or more of the foreign currencies to which we are exposed fluctuates against the euro, it may adversely affect our reported consolidated financial results.

***We are exposed to customer concentration risk as well as the risk of payment default by our contractual partners.***

We generate a significant portion of our revenue from a comparatively small number of customers. Our services are also geographically concentrated, with our operations in America, the Netherlands, France and the United Kingdom accounting for significant proportions of our revenue. We perform the majority of our work for customers under contracts with a fixed term, and the IATA model contract, upon which the majority of our customer contracts are based, provides that the contract may be canceled at any time by the customer upon an agreed notice period. While we strive to maintain long-term ties with our customers, they may exercise their rights to terminate their contracts prior to expiration, and we may not obtain compensation under applicable laws for terminated contracts or replace the lost revenue through new contracts with customers. Contract terminations or dissatisfaction with our services may damage our reputation and make it more difficult for us to obtain similar contracts with other customers. A reduction or elimination of demand for our services by a key customer or at a key location could have a material adverse effect on our cash flows, financial condition and results of operations. In addition, we face the risk that accrued receivables could be uncollectable in whole or in part if contractual partners fail to pay or experience a temporary inability to pay or become insolvent. For example, the bankruptcies of our clients LATAM, Avianca, Interjet and Flybe resulted in an increase in our bad debt provisions in 2020. In our businesses, the advance performance of services to customers is significant. As a result, total receivables in respect of individual customers, banks and financial institutions sometimes accrue in considerable amounts. If large contractual partners were to become insolvent, including due to an economic crisis, or if key customers were to halt or curtail their business operations, this could have a material adverse effect on our cash flows, financial condition and results of operations.

***Economic downturns, disruptions in the financial markets or other factors could adversely affect our liquidity and ability to post performance bonds.***

Our business depends on access to capital funding and the success of financial markets. We may require additional financing to fund future working capital requirements, to support the growth of our business and/or to refinance debt obligations. We may require additional funding due to a variety of reasons, for example, for funding working capital, to make capital expenditures, to seize favorable bolt-on acquisition opportunities or to invest in new assets useful to our business. Customers may delay paying their receivables due to economic factors or other factors beyond our control which may immobilize additional funds in our working capital since our payables generally tend to be settled on a shorter basis (for example, payroll costs). In order to finance our working capital needs, we sell a significant proportion of our trade receivables on a recourse or non-recourse basis through factoring transactions.

Our ability to access the capital markets may be restricted at a time when we would like, or need, to access them. Additional financing, either on a short-term or a long-term basis, and factoring arrangements may not be available to us or, if available, may not be on terms favorable to us. Only some of our factoring agreements are committed financing and our Revolving Credit Facility may not be sufficient to meet our needs. Factors that could affect our ability to procure financing include general economic conditions, changes in demand for airline services and market disruption risks which could adversely affect the liquidity, interest rates and the availability of funding sources. Following the global financial crisis and the initial outbreak of COVID-19, financial markets experienced extreme disruptions and volatility, including, among other things, diminished liquidity and credit availability. In addition, any consolidation in the banking industry may reduce the availability of credit as the merged banks seek to reduce their combined exposure to one company or sector.

In addition, in our technical services business, we are typically required to post performance bonds to our airport customers to guarantee our performance. Our ability to obtain such performance bonds from financial institutions depends on such institutions' assessment of our overall financial condition, the risks of the services we provide and our experience. If we are unable to obtain performance bonds for these contracts, or if we are unable to obtain them on acceptable terms, we will be unable to continue to do business with these customers, and our business, cash flows, financial condition and results of operations could be adversely affected.

***To win new contracts, we must dedicate time and financial resources to complex tender procedures with uncertain outcomes.***

Contracts for cargo handling, ground handling and other technical services are often awarded following a competitive tender procedure based on lengthy evaluation periods and highly specific requests for proposal. To secure such contracts, we must invest significant resources, in both time and money, to prepare a tender offer. It is generally very difficult to predict whether or when we will be awarded such contracts because of the complexity of the bidding and selection process. This process is affected by a number of factors, such as operational capabilities, market conditions, financing arrangements and governmental approvals. If, after the competitive tender process, we are not awarded the contract, we cannot recover this cost and may fail to increase or maintain our market share and revenue, which may have a material adverse effect on our cash flows, financial condition and results of operations.



***We may not accurately estimate the cost components of our contracts.***

Historically, a portion of our total revenue has been derived from multi-year contracts containing a fixed price component, for example, based on the volume of cargo or luggage handled. In such cases, the fixed price component is set on the date a bid is either tendered or awarded, although it usually allows for a certain increase in price over time. In many cases, fixed-price components cannot subsequently be altered or our ability to adjust the price is restricted by applicable clauses in the contract, which may provide only for certain limited cases of pass-through adjustments or automatic adjustments in case of variations affecting the underlying contract. Therefore, if cost estimates made at the time the relevant contract is signed prove to be inaccurate (due to increases in the cost of labor or fuel, for example), our business, cash flows, financial condition and results of operations could be adversely affected.

***We are exposed to litigation risks, including audits and inspections by regulators.***

We are involved in lawsuits relating to claims that arise in the ordinary course of our business. These lawsuits include, but are not limited to, allegations of breach of contract, breach of warranty, property damage, and violation of employment rights and similar causes of action. A large number of these lawsuits relate to aircraft damage, damage to other property or injury to individuals (which is partially covered by our insurance) in the course of providing our services to customers, or employment-related issues. For example, we and our acquired subsidiary Pinnacle, have been named as defendants in putative class actions in the United States alleging violations of wage and hour laws which we are defending. The results of pending or future litigation and regulatory proceedings are inherently difficult to predict, and we can provide no assurance that we will not incur losses in connection with current or future litigation or regulatory proceedings that exceed any provision we may set aside in respect of such proceedings or actions or that exceed any insurance coverage available. We are also subject to risks that our activities and records may be audited by competent regulatory authorities in the jurisdictions in which we do business, including tax authorities. There are currently several claims and proceedings pending against us in connection with these disputes. It is generally not possible to predict the outcome of pending or threatened legal proceedings. This is particularly true of lawsuits in the United States, in light of the large amounts of damages that may be claimed in some of these proceedings.

We may be ordered to make substantial payments in one or more of the lawsuits in which we are or may be involved. A negative outcome in one or more of the pending or threatened high-value lawsuits, or in several relatively low-value lawsuits, could have a material adverse effect on our cash flows, financial condition and results of operations.

***We may be subject to investigations from competition authorities.***

Before any potential future acquisition may be consummated, if the relevant merger control or foreign investment thresholds are met, we may need to seek approvals and consents from competition authorities and/or governmental agencies or, in certain jurisdictions, there may be applicable waiting periods that will need to expire. In order to obtain such competition-law related approvals, if the target companies have strong positions in the market, we may be required to divest assets or take other remedies that could have the effect of reducing our cash flows. Even if competition authorities or governmental agencies do not require divestments or other remedies, the merger control or foreign investment approval process may have the effect of delaying potential acquisitions, as, in most jurisdictions, the transaction cannot be closed before the relevant clearances have been obtained. In addition, the risk of antitrust investigations may increase in the event we acquire companies that have strong market position in France or any of the other countries in which we operate, as a competition authority could open an investigation either on its own, if it suspects potential anti-competitive practices, or as a result of a complaint from another market player (e.g. a competitor). In 2011, the French Competition Authority (the "FCA") began an investigation into alleged anticompetitive practices in the freight handling

services market at Paris Charles de Gaulle Airport, which included an investigation of three Group companies. While the FCA formally dropped the investigation, any such investigations in the future could adversely affect our reputation, potentially result in legal proceedings and/or sanctions that could have an impact on our business, financial condition and results of operations and may lead to significant costs of investigating and defending any such investigations. Negative publicity from competition-related investigations or sanctions may harm existing or potential business relationships with customers, which could have a material adverse effect on our cash flows, results of operations or financial condition. Finally, in the event of a decision from a competition authority finding the existence of anticompetitive practices, there may also be a risk of follow-on damages claims lodged by market players potentially adversely affected by the practices at stake.

***We are subject to laws and regulations, especially in relation to the environment, that could impose significant costs on us, and the failure to comply could subject us to sanctions and fines.***

Air transport and aircraft ground activities are subject to a high degree of regulation, notably with respect to maintenance, security and operating standards. Additional laws and regulations and tax increases (aeronautical, shipping and airport) could reduce our revenue or increase our operating expenses. For example, the U.S. Federal Aviation Administration and the European Aviation Safety Agency from time to time issue directives and other regulations relating to the management, maintenance and operation of aircraft and facilities. We are also subject to certain other regulatory regimes applicable in the jurisdictions where we operate, including those applying to export controls, as well as requirements set by regulators from time to time. For example, from time to time we get ordinary course complaints related to safety matters (including in the COVID-19 context). We rely on our employees, directors, officers, managers and their agents to comply with and implement such programs. Compliance with those requirements may cause us to incur significant expenditures and non-compliance may lead to enforcement actions or fines, which may be material. In addition, the ability of carriers to operate international routes depends in most cases on bilateral agreements between governments. As such, changes to laws or regulations could have a negative impact on our activity and may adversely affect our cash flows, financial condition and results of operations. For example, the global responses to terrorist threats have resulted in a proliferation of cargo security regulations which have created a marked difference in the security arrangements required to move shipments around the globe, and we expect regulations to become more stringent in the future.

We are also subject to a broad range of international, national and local environmental laws and regulations, including those governing the discharge of pollutants into the air or water, the uses, transport, storage, processing, discharge, management and disposal of hazardous substances and wastes and the responsibility to investigate and clean up contaminated sites that are or were owned, leased, operated or used by us or our predecessors. Some of these laws and regulations require us to obtain permits, which can contain terms and conditions that impose limitations on our ability to emit and discharge hazardous materials into the environment and periodically may be subject to modification, renewal and revocation by issuing authorities. Substantial fines and penalties may be imposed for non-compliance with applicable environmental laws and regulations and the failure to have or to comply with the terms and conditions of required permits. We periodically review our procedures and policies for environmental compliance.

In our operations, environmental damage can occur due to spills or releases of harmful or hazardous substances, including aviation fuel or other oil products, which could contaminate real estate owned by us or by third parties, or pollute waterways or groundwater. This is particularly applicable with regard to the facilities where hazardous substances are used, transported, stored, processed, discharged, managed and disposed, as well as the other facilities and storage areas used by us. Such contamination or pollution could result not only in possible fines or other public law sanctions, but also in considerable costs for removal, restoration and disposal, as well as

further liability risks. For example, in 2014 there was a spill of 14,000 gallons of fuel from one of the underground storage tanks operated by Maytag (a division of Mercury) at Fort Hood. Maytag paid \$1.9 million as part of a settlement agreement to release it from civil liability in relation to this incident. Public knowledge of such environmental damage caused by us could also damage our reputation significantly. These events could therefore have material adverse effects on our cash flows, financial condition and results of operations. We may also be subject to environmental liability in relation to our cargo handling services, primarily because we store and ship potentially hazardous materials, including de-icing fluid. However, our exposure to such activities regarding hazardous materials is limited because certain substances, including explosives, are not allowed to be transported by aircraft.

Historically, the costs of achieving and maintaining compliance with environmental requirements, and curing any non-compliance, have not been material for WFS; however, the operation of our business entails risks in these areas, and a failure by us to comply with applicable environmental laws, regulations, or permits could result in civil or criminal fines, penalties, enforcement actions, third-party claims for property damage and personal injury, requirements to clean up property or to pay for the costs of clean-up or regulatory or judicial orders enjoining or curtailing operations or requiring corrective measures. Moreover, if applicable environmental laws and regulations, or the interpretation or enforcement thereof, become more stringent in the future, we could incur capital or operating costs beyond those currently anticipated.

***Our business is subject to compliance risks under applicable anti-corruption laws and export control, import and economic sanctions laws. Any investigations, prosecutions, and/or criminal or civil sanctions and/or penalties imposed under these laws could have a material adverse effect on our business.***

We are subject to various anti-corruption laws, including the United States Foreign Corrupt Practices Act of 1977, as amended (the “**FCPA**”), the United Kingdom Bribery Act 2010 (the “**Bribery Act**”) and Law “Sapin II” No. 2016-1691 (“**Sapin II**”) (collectively, the “**Anti-corruption Laws**”). These laws generally prohibit direct or indirect payments or offers of financial or other advantages to (a) government officials (including officers or employees of majority state-owned or controlled entities) with the intent of influencing any act or decision of the official or inducing the official to use his influence to affect an act or decision of a government entity for the purpose of obtaining or retaining business, or (b) any person, where the payment is intended to, or does, influence that person to act or reward that person for acting in breach of an expectation of good faith, impartiality or trust or where the payment would otherwise be improper for the recipient to accept.

We are also subject to the applicable import, export controls, and trade and economic sanctions laws and regulations (collectively, “**Trade Controls**”) in the countries and territories in which we operate. Our failure to successfully comply with Trade Controls may result in potentially significant penalties, and compliance therewith, including investigations of alleged violations, can be costly and disruptive to the business. Further, changes to Trade Controls may require corresponding changes to our compliance functions and/or business operations, including, *inter alia*, the possible termination of certain business activities in particular countries or with particular parties (e.g. countries or parties that are the subject of prohibitions or restrictions under applicable sanctions-related laws and regulations). While we do not expect that the aggregate direct effect of such actions will be material to our operations, such actions may nonetheless negatively impact our relationship with the counterparties to such contracts and/or other stakeholders, including those located outside the affected jurisdictions. From time to time, we may be subject to investigations and inquiries alleging wrongdoing under various anti-corruption laws.

Any investigation, enforcement action and/or judgment under Anti-corruption Laws and/or Trade Controls may carry high financial and reputational costs and could result in severe criminal or civil sanctions and penalties, including fines, the imposition of a corporate monitor, loss of authorizations needed to conduct aspects of our international business and our ability to enter into contracts with our customers who have contracts with the U.S. and other governments. Further, a violation of the laws and regulations set out above could have a material adverse effect on our cash flows, financial condition and results of operations.

We have established a robust compliance program across the Group. In connection with this process, a third-party consultant conducted a corruption risk assessment and identified a number of potential areas which could be susceptible to corruption and in respect of which measures are being taken to mitigate any risks related to corruption.

Although we have implemented policies and procedures designed to prevent and detect violations of Anticorruption Laws and Trade Controls, we cannot assure full compliance by our employees, representatives, or counterparties to our agreements which may be outside our direct control or knowledge, and for which we may be held responsible, and any such violation could materially adversely affect our reputation, business, financial condition and results of operations. Our exposure under Anti-corruption Laws and Trade Controls is heightened due to the degree to which we conduct business with governmental or quasi-governmental entities (such as airport authorities) and work in countries and regions that have a reputation for heightened corruption- and sanctions-related risks.

For example, in the past, one of our non-US subsidiaries was party to a contract with an airport authority pursuant to which it handled all baggage of any airline arriving at a particular terminal and identified that from time to time its services to the airport authority include the handling of baggage relating to two airlines that are the subject of sanctions by the U.S. Treasury Department's Office of Foreign Assets Control ("**OFAC**"), the provision of services to one of which was permitted under an OFAC general license and the other of which was identified on the List of Specially Designated Nationals and Blocked Persons ("**SDN List**") maintained by OFAC. The relevant contract was assigned to a third party in 2018 and we no longer provide services to either of the two mentioned airlines. Nonetheless, we voluntarily disclosed the provisions of services to the airline on the SDN List to OFAC through an initial disclosure in 2018, with a full report (including with respect to certain other sanctions-related issues, including provision of services to or for the benefit of a sanctioned Cuban airline, and in relation to certain shipments to Cuba and Iran) following in 2019. Although OFAC formally closed out the matter without a penalty in 2021, the provision of services (including in the past) to any person on the SDN List could result in a range of enforcement responses by OFAC or other regulators in the United States, including civil or criminal liability as well as potential designation by, or other sanctions from, OFAC.

In addition, in 2020 and 2021, our cargo and ground teams inadvertently handled shipments which were affiliated with a sanctioned Cuban airline. Our internal automatic controls, which would ordinarily have flagged these violations, failed to do so in the relevant jurisdiction due to a lack of local implementation of said automatic controls. Furthermore, in the five years prior to the Mercury Acquisition, Mercury Air Cargo, Inc. handled cargo for a limited number of shipments between the United States and Cuba, Iran and Venezuela. In response to the situations described above, we have implemented said automatic controls in the relevant jurisdiction and have reinforced this with training and local poster campaigns. We also intend to ensure that policies and procedures which would prevent the breach of relevant sanctions are implemented within the Mercury Air Group.

***We may become subject to regulatory actions or other legal proceedings relating to our transactions, the violation of trade control and sanctions laws and regulations or other aspects of our operations, which may restrict or prevent us from doing business in certain countries or jurisdictions, require us to incur additional costs in operating our business, cause damage to our reputation or otherwise materially adversely affect our business.***

Air transport and aircraft ground activities are subject to a high degree of regulation, notably with respect to maintenance, security and operating standards. Additional laws and regulations and tax increases (aeronautical, shipping and airport) could reduce our revenue or increase our operating expenses. The U.S. Federal Aviation Administration and the European Aviation Safety Agency from time to time issue directives and other regulations relating to the management, maintenance and operation of aircraft and facilities. Compliance with those requirements may cause us to incur significant expenditures. For example, we are required to comply with security directives of the U.S. Transportation Security Administration (“TSA”) in relation to our U.S. business, and from time to time we may be required to make additional capital expenditures to invest in security infrastructure and equipment. As a result of instances of historical cargo screening noncompliance (predominantly by CAS prior to its acquisition) at U.S. airports, the WFS Group entered into a settlement agreement (which expired on 30 April 2020) with the TSA which required WFS to implement a program which has significantly strengthened the security organization, resources and processes in place. Any future instances of non-compliance with relevant TSA directives, may subject us to future settlement agreements, which may cause us to incur substantial expenditures. If we fail to abide by the terms of any settlement agreement or otherwise breach regulations, the costs of any fines, programs and other remedial measures could be significantly higher and could have a material adverse effect on our cash flows, financial condition or results of operations.

In addition, the ability of carriers to operate international routes depends in most cases on bilateral agreements between governments. As such, changes to laws or regulations could have a negative impact on our activity and may adversely affect our cash flows, financial condition and results of operations.

***We rely upon our subsidiaries and regional management to comply with various laws and internal policies.***

We delegate considerable operational responsibility to our subsidiaries. We believe that this has the advantage of allowing our management to remain close to clients and abreast of market developments, but our decentralized model also exposes us to certain risks. For example, local, regional and national managers may not comply with our internal policies, may not communicate information adequately to our top management, may make unintended accounting errors or may breach local and national regulations and legislation. Problems that occur may not be detected as readily or as quickly as they would be in a less decentralized organization. In addition, the tender process for new contracts involves risks associated with fraud, bribery and corruption. Despite monitoring compliance with our internal policies and updating such policies to comply with applicable legislation, we may nonetheless be unable to detect or prevent all instances of fraud, bribery and corruption involving our employees, agents or franchisees in the future, which could subject us to civil, administrative or criminal penalties as well as reputational damage. If any of these events were to occur, they could, individually or collectively, have a material adverse effect on our cash flows, financial condition and results of operations.

***Recent and future acquisitions may result in significant transaction expenses and integration risks.***

We have historically expanded our business through organic and external growth, most recently through our acquisitions of Pinnacle and Mercury. We plan to continue this strategy by selectively identifying acquisition candidates. We cannot assure you that we will be able to identify attractive acquisition candidates or complete the acquisition of any identified candidates at favorable prices

and upon advantageous terms. We expect to face competition for acquisition candidates, which may limit the number of acquisition opportunities and lead to higher acquisition costs. We may not have the financial resources necessary to consummate any acquisitions or the ability to obtain the necessary funds on satisfactory terms. Furthermore, general economic conditions or unfavorable global capital and credit markets could affect the timing and extent to which we successfully acquire new businesses.

Risks associated with acquisitions, which could materially adversely affect our business, cash flows, financial condition and results of operations, include the following:

- we may lose sales and incur substantial costs, delays or other operational or financial problems in integrating acquired businesses and integration may take longer than expected;
- we may not achieve financial and operational synergies on a timely basis, if at all;
- acquisitions may divert our management's attention from the operation of existing businesses;
- the assumptions underlying the business plans supporting the valuations may prove inaccurate, in particular with respect to the future performance of the acquired businesses;
- we may be forced to divest or reduce the scope of certain businesses so as to obtain the necessary regulatory authorizations, in particular with respect to antitrust authorizations;
- we may need to write down goodwill and certain other intangible assets from our balance sheet if our initial estimates of the value of an acquired business are higher than actual results;
- we may not be able to retain key personnel or customer contracts of acquired businesses; and
- we may encounter unanticipated events, circumstances or legal liabilities related to the acquired businesses.

In the short-term, the disruptive effects of an acquisition can result in lower employee productivity and an increase in the efforts of competitors to lure away customers, which may cause a drop in revenue from the acquired business. In the longer term, there can be no assurance that, following integration into our group, an acquired business will be able to maintain its customer base consistent with expectations or generate the expected margins or cash flows. Although we thoroughly analyze each acquisition target, our assessments are subject to a number of assumptions concerning profitability, growth, interest rates and company valuations. In addition, we may have difficulties in implementing our business model within an acquired company due to various factors, including corporate culture. Our assessments of, and assumptions regarding, acquisition targets may not prove to be correct and actual developments may differ significantly from our expectations.

Furthermore, acquisitions of companies expose us to the risk of unforeseen obligations with respect to employees, customers, suppliers and subcontractors of acquired businesses, public authorities and other parties. Although we engage in diligence while analyzing an acquisition opportunity, we cannot ensure that there will not be unexpected risks, liabilities or obligations that could have a material adverse effect on our cash flows, financial condition and results of operations.

Our ability to manage our growth and integrate operations, technologies, services and personnel depends on our administrative, financial and operational controls and our ability to create the infrastructure necessary to exploit market opportunities, as well as our financial resources. In order to compete effectively and to grow our business profitably, we will need, on a timely basis, to maintain and improve our financial and management controls, reporting systems and procedures, implement new systems as necessary, attract and retain adequate management personnel, and hire, retain and train a highly qualified workforce. Furthermore, we expect that as we continue to enter new markets, we will be required to manage an increasing number of relationships with various customers and other third parties (offset to some degree by airline consolidation). The failure or delay of our management in responding to these challenges could have a material adverse effect on our cash flows, financial condition and results of operations.

***Certain of the contracts and licenses of Mercury contain change of control provisions, which may allow the counterparties or airports or other authorities, as the case may be, to terminate the contract or license as a result of the acquisition of Mercury.***

Certain of the contracts of Mercury, such as lease agreements, customer agreements and financing agreements, and certain of its licenses and approvals, contain “change of control” provisions that require Mercury to notify the counterparty or licensor, as the case may be, of a potential change of control or contain language that could be interpreted as allowing, subject to certain conditions, the counterparty to terminate the contract or license or increase the rent or license fee payable. At the time of the signing of the purchase agreement to acquire Mercury, we performed a risk analysis of the change of control provisions in its contracts and licenses, as well as its relationships with the various counterparties. However, we may have failed to identify and send notices of the acquisition to all counterparties and licensors to whom Mercury is contractually required to notify of the acquisition, and we may fail to seek formal consent from every counterparty or licensor that might have a termination or other right under a change of control provision. We have not received any formal notice or inquiry from any counterparty or licensor regarding a termination or other right arising from a change of control. Nevertheless, there can be no assurance that counterparties and licensors will not seek to exercise termination or other relevant rights in the future. If a substantial number of these contracts or licenses were terminated or materially altered as a result of the acquisition of Mercury, we may be forced to enter into new contracts or licenses. We may be unable to renegotiate contracts or licenses or enter into new contracts or licenses on terms acceptable to us or comparable to the terms in place prior to the acquisition of Mercury. Any of these events could have a material adverse effect on our business, financial condition and results of operations.

***We participate in certain joint ventures where we do not have full control.***

We hold interests in several joint ventures, including our cargo handling joint venture in Thailand, WFS PG Cargo, and our cargo handling venture in Germany, FCS. We consolidate these entities on a proportionate basis because we do not have full control under our accounting rules. Joint ventures involve special risks associated with the possibility that the joint venture partners may:

- have economic or business interests or goals that are inconsistent with our own;
- take action contrary to our instructions or requests or contrary to our policies or objectives with respect to distribution operations;
- seek to transfer all or part of their interests to third parties;
- be unable or unwilling to fulfil their obligations under the joint venture agreement; or
- experience financial or other difficulties.

If any of our joint venture partners fail to perform its obligations, this could have a material adverse effect on our cash flows, financial condition and results of operations.

In addition, although we own 51% of WFS PG Cargo, the shareholders' agreement and bylaws of WFS PG Cargo require consent of the minority shareholder for many key decisions, including any transaction representing more than 10 million Thai baht (approximately €260,000) and payments of dividends. Although we believe relations with the minority shareholder of WFS PG Cargo are good, if we cannot obtain its consent for key decisions, our ability to carry out our activities in Thailand could be negatively impacted.

***We have a significant amount of goodwill and if our goodwill is impaired, we may be required to record a significant charge to earnings.***

We have accrued a significant amount of goodwill on our balance sheet, which as of 30 September 2022, stood at €790 million (net), representing 40% of our total assets as of such date. In 2020, we had a goodwill impairment of €72.3 million, mainly related to changes in the assessment of our business plan with regard to the prospective economic environment and the COVID-19 pandemic. Under the Group's accounting policies (selected in accordance with French GAAP), the carrying amount of goodwill is subject to impairment testing annually or, for the purpose of interim financial reporting, more often when there are signs of potential impairment. The recoverable amount is compared to the carrying amount to determine whether an impairment is warranted. The recoverable amount of each cash generating unit ("CGU") is based on the lesser of value in use (i.e., projected discounted cash flows from each CGU) or the fair value of the assets in the CGU, less costs to sell, both of which are inherently difficult to determine. Changes in projected cash flows caused by future events or changes in market conditions, which we cannot now foresee, could negatively affect the projected value in use of any given CGU and result in an impairment charge. Any impairment of goodwill would require us to record a corresponding charge in our income statement.

***We are exposed to currency instability risks in the Eurozone that could have an adverse impact on our liquidity, financial condition and cash flows.***

Our operations are subject to macroeconomic and political risks that are outside of our control. For example, high levels of sovereign debt in the U.S., Japan and certain European countries, combined with weak growth and high unemployment, could lead to fiscal policy reforms (including further austerity measures), sovereign debt restructurings, currency instability, increased counterparty credit risk, high levels of volatility and, potentially, disruptions in the credit and equity markets, as well as other outcomes that might adversely impact us. Some observers have questioned the stability of the euro and the suitability of a single currency for all Eurozone countries. These concerns could lead to the exit of one or more countries from the Eurozone and the re-introduction of national currencies in the affected countries or, in more extreme circumstances, the possible dissolution of the euro entirely. In that case, some or all of our euro-denominated assets, liabilities and cash flows may be re-denominated in other currencies.

The financial market disruption that would likely accompany any such redenomination event could have a material adverse impact on our liquidity and financial condition. Furthermore, any redenomination event would likely be accompanied by significant economic dislocation, particularly within the Eurozone countries, which in turn could have an adverse impact on demand for our services and, accordingly, on our revenue and cash flows. Moreover, any changes from euro to non-euro currencies within the countries in which we operate would require us to modify our billing and other financial systems. Any required modifications may delay our billings to customers or our preparation and filing of required financial reports. In light of the significant exposure that we have to the euro through our euro-denominated cash balances and cash flows, a redenomination event could have a material adverse impact on our cash flows, financial condition and results of operations.



***We are subject to tax risks.***

We must structure our organization and operations appropriately while respecting the various tax laws and regulations of the jurisdictions in which we operate. Such laws and regulations are generally very complex. Additionally, because tax laws may not provide clear-cut or definitive doctrines, the tax regime applied to our operations and intragroup or third-party transactions or reorganizations is sometimes based on our interpretations of tax laws (including case law) and regulations at a given point in time. We cannot guarantee that such interpretations will not be questioned by the relevant tax authorities, which may adversely affect our financial condition or results of operations and/or mobilise resources to conduct a tax audit. Tax laws and regulations are subject to change, and new laws and regulations may make it difficult to maintain or restructure our operations in a consistently favourable manner. More generally, any failure to comply with the tax laws or regulations of the countries in which we operate may result in reassessments, and the payment of taxes, interest on late payments, fines and penalties and/or increase the costs incurred to track and collect such taxes, which could in turn increase our costs of operations and have a negative effect on our cash flows, financial condition and results of operations.

Furthermore, we may record deferred tax assets on our balance sheet, reflecting future tax savings resulting from discrepancies between the tax and accounting valuation of the assets and liabilities or in respect of carry forward tax losses from our entities.

The actual realization of these assets in future years depends on tax laws and regulations, the outcome of potential tax audits and the future results of the relevant entities. In particular, pursuant to Article 209, I, paragraph 3 of the French tax code (*Code général des impôts*) (the “**French Tax Code**”), the fraction of French tax loss carry-forwards that may be used to offset the taxable profit with respect to a given fiscal year is limited to €1.0 million plus 50% of the portion of taxable profit exceeding €1.0 million. Any limitation in our ability to use these assets due to changes in laws and regulations, potential tax reassessments, or lower than expected results could have a negative impact on our business, results of operations and financial condition.

Finally, the services we provide to our clients are sometimes subject to value added taxes, sales taxes or other similar taxes. Tax rates may increase at any time, and any such increase could affect our business and the demand for our services, and thereby reduce our operating profit, negatively affecting our business, results of operations and financial condition.

***The adoption by the Council of the European Union of an EU list of non-cooperative jurisdiction for tax purposes and the use of this list in the jurisdictions where we operate may impact our financial results.***

The Council of the European Union adopted on 5 December 2017 its conclusions on the EU list of non-cooperative jurisdictions for tax purposes (the “**Council Conclusions**”) which is composed of two sub-lists (respectively the “**Black List**” and the “**Grey List**”, together referred to as the “**EU List**”). The EU List was established following a screening and a dialogue conducted by a code of conduct working group appointed by the Council during 2017 with a large number of third country jurisdictions to improve tax good governance globally, and to ensure that the EU’s international partners respect the same standards as EU Member States do. The Black List, which shall be updated at least once a year, is currently (according to the list as amended by the Council of the European Union on 14 February 2023) composed of the following sixteen jurisdictions: American Samoa, Anguilla, the Bahamas, the British Virgin Islands, Costa Rica, Fiji, Guam, the Marshall Islands, Palau, Panama, Russian Federation, Samoa, Trinidad and Tobago, the Turks and Caicos Islands, the United States Virgin Islands and Vanuatu. Furthermore, the Council published a Grey List of screened jurisdictions that committed to introduce changes in their tax legislation in order to comply with the European Union screening criteria. Though there is no applicable sanction yet, EU Member States are encouraged by the Council Conclusions to agree on coordinated sanctions to apply at national level against these listed jurisdictions, such as increased monitoring and audits, withholding taxes, special documentation requirements and anti-abuse provisions.

A French law that aims to fight tax fraud (Law 2018-898 of 23 October 2018) and expands, under certain conditions, the French tax regime regarding non-cooperative states or territories (*États ou territoires non coopératifs*) as defined under Article 238-0 A of the French *Code général des impôts* (the “**French Tax Code**”) (“**Non-Cooperative States**”) to certain jurisdictions included on the Black List. As a result, interest paid or accrued to persons domiciled or established in certain jurisdictions included on the Black List or paid on an account opened in a financial institution located in such jurisdictions may be subject to withholding tax in France and not be deductible for purposes of the computation of the debtor’s corporate income tax liability. The French list of Non-Cooperative States which is, in principle, updated each year, was on 5 February 2023 and notably contains the jurisdictions included on the former version of the Black List (*i.e.*, *the one adopted on 4 October 2022 and that includes the above mentioned jurisdictions save for Costa Rica, the Marshall Islands and Russian Federation*) (Ministerial Order dated 3 February 2023 published on 5 February 2023 and amending ministerial order dated 12 February 2010). Such list of Non-Cooperative States thus currently includes the following jurisdictions: American Samoa, Anguilla, the Bahamas, the British Virgin Islands, Fiji, Guam, Palau, Panama, Samoa, Seychelles, Trinidad and Tobago, the Turks and Caicos Islands, the United States Virgin Islands and Vanuatu. These provisions apply to such jurisdictions as from the first day of the third month following the publication of the order (*arrêté*) including such states or territories on the list of Non-Cooperative States.

***We rely on certifications from industry standards-setting bodies.***

Applicable law and certain of our customers require us to obtain and maintain certifications from internationally recognized organizations. We may also obtain such certifications on a voluntary basis because the terms of public tenders confer advantages on bidders who are so certified. We incur significant expenses to maintain these certifications, including training and upgrades to our fixed assets. If we fail to maintain any such certifications, customers that prefer or require them may terminate existing contracts or fail to award new contracts, which in turn could have a material adverse effect on our cash flows, financial condition and results of operations.

***We handle personal data including in the ordinary course of our business, and any failure to comply with applicable data protection laws or to maintain the confidentiality of that data could result in fines, legal liability for us and reputational harm to our business.***

We process personal data in our business, and therefore we must comply with strict data protection and privacy laws in all the jurisdictions in which we operate. For example, we are subject to extensive European laws and regulations on privacy, information security and data protection, the most relevant of which relate to the collection, protection and use of personal and business data, including the EU Regulation 2016/679 (“**European Data Protection Regulation**”). Our failure to comply with privacy, data protection and information security laws, such as the European Data Protection Regulation, could result in potentially significant regulatory and/or governmental investigations and/or actions, litigation, fines, sanctions and damage to our reputation.

Moreover, data protection laws and rules impose certain standards of protection and safeguarding of personal information and could make us liable in the event of a loss of control of such data or as a result of unauthorized third-party access. Unauthorized data disclosure could occur through cyber security breaches as a result of human error, external hacking, malware infection, malicious or accidental user activity, internal security breaches and physical security breaches due to unauthorized personnel gaining physical access. A misuse of such data or a cybersecurity breach could harm our reputation, increase our operating expenses in order to correct the breaches or failures, expose us to uninsured liability, increase our risk of regulatory scrutiny, subject us to lawsuits, result in the imposition of material penalties and fines under any applicable international laws or regulations, and adversely affect our business and results of operations.

***Changes in tax laws or challenges to our tax position could adversely affect our results of operations and financial condition.***

We are subject to complex tax laws and evolving tax legislation in the countries in which we operate, as well as international tax laws. Changes in tax laws or regulations or in their interpretation could adversely affect our tax position, including our effective tax rate or tax payments.

The European Union continues to harmonize the tax legislation of the Member States. In this respect, the Council of the European Union (the “**Council of the European Union**”) adopted a directive “laying down rules against tax avoidance practices that directly affect the functioning of the internal market” on 12 July 2016 (Council Directive 2016/1164) (the “**ATAD**”). The ATAD was later amended on 29 May 2017, by the Council Directive (EU) 2017/952 (the “**ATAD II**”), which, *inter alia*, extends the scope of the ATAD to hybrid mismatches involving third countries, noting that its provisions shall apply (subject to certain exceptions), as from 1 January 2020. Among the set of proposed measures, the ATAD provides, in particular, for a general interest limitation rule pursuant to which the tax deduction of net financial expenses is limited to 30% of the taxpayer’s earnings before interest, tax, depreciation and amortization (EBITDA) or to a maximum amount of €3 million, whichever is higher (subject to several exceptions). A proposed ATAD III Directive is targeted to come into force on the 1 January 2024, potentially 1 January 2025. Its primary objective is to mitigate the misuse of shell companies with limited or no economic activity, in order to limit the tax advantages they may be benefitting from.

In addition, the French Finance Law for 2019 introduced under French tax law, the anti-abuse provision provided for by the ATAD with respect to French corporate income tax, which aims to address abusive tax practices that are not dealt with by specifically targeted provisions. Pursuant to this provision, which is set forth by Article 205 A of the French Tax Code, the French tax authorities might ignore an arrangement, or a series of arrangements, which, having been put into place for the main purpose or one of the main purposes of obtaining a tax advantage that defeats the object or purpose of the applicable tax law, are not genuine taking into account all relevant facts and circumstances. The condition relating to the absence of genuineness of the arrangement or series of arrangements would be met if such arrangement or series of arrangements were established for invalid commercial reasons.

The European Commission also published a corporate reform package proposal on 25 October 2016, including three new proposals that aim at (i) re-launching the Common Consolidated Corporate Tax Base (“**CCCTB**”) which is a single set of rules to compute companies’ taxable profits in the EU, (ii) avoiding loopholes associated with profit-shifting for tax between EU countries and non-EU countries, and (iii) providing new dispute resolution rules to relieve problems with double taxation for businesses. In this respect, in a communication to the European Parliament and the Council of 18 May 2021 and denominated “Business Taxation for the 21st Century”, the European Commission announced additional measures in the field of corporate taxation to take into account the evolution of the context of the EU business taxation policy. In particular, the European Commission announced that it would propose a new framework for income taxation for businesses in Europe (“Business in Europe: Framework for Income Taxation” or “**BEFIT**”) to replace the pending proposals under the CCCTB. BEFIT is based mainly on the framework of the OECD’s international tax reform project, and would involve the consolidation of the profits of the EU members of a multinational group into a single tax base, which will then be allocated to Member States using a formula, to be taxed at national corporate income tax rates. The preparation for this new proposal will be carried out by the European Commission alongside the Member States and the European Parliament and will give rise to consultations with the business sector and civil society groups. The Commission’s aim is to introduce BEFIT into EU legislation by the third quarter of 2023. Alongside BEFIT, the European Commission also announced, among other things, that it would (i) table a legislative proposal setting out union rules to neutralize the misuse of shell entities for tax purposes, (ii) adopt a recommendation on the

domestic treatment of losses and (iii) make a legislative proposal creating a Debt Equity Bias Reduction Allowance (“**DEBRA**”), being specified, however, that it has recently been indicated that the examination of the proposal of this last DEBRA directive was suspended at this stage.

In 2021, it was announced that many countries agreed to an outline for new tax rules (the “**Two-Pillar Solution**”) comprised of Pillar One and Pillar Two that would provide for, with respect to the largest multinational enterprises, (i) a re-allocation of taxing rights among countries and (ii) a global minimum tax rate of 15% (the “**GloBE Rules**”). To date 140 countries have adopted the Two-Pillar Solution. On 20 December 2021, the OECD published the pillar two model rules (the “**Model Rules**”) for the domestic implementation of the 15% global minimum tax rate agreed upon in October 2021. The new Model Rules aim to assist countries to bring the GloBE rules into domestic legislation. They provide for a coordinated system of interlocking rules that (i) define the MNEs within the scope of the minimum tax; (ii) set out a mechanism for calculating an MNE’s effective tax rate on a jurisdictional basis, and for determining the amount of top-up tax payable under the rules; and (iii) determine the member of the MNE group which will be required to pay the top-up tax. Further guidance on the interpretation and administration of the Pillar 2 rules are expected to be released in early in order for the Two-Pillar Solution to be effective on or after 31 December 2023.

On December 22, 2021, the European Commission published a legislative proposal for a directive setting forth rules to ensure a global minimum level of taxation for multinational groups. The draft directive aims at consistently implementing among all 27 Member States the Model Rules that include an Income Inclusion rule (“**IIR**”) and an Under Taxed Payment Rule (“**UTPR**”). However, it also extends its scope to large-scale purely domestic groups, in order to ensure compliance with the European Union fundamental freedoms. In addition, the draft directive makes use of an option contemplated by the Inclusive Framework whereby the Member State of a low-taxed income entity (referred as constituent entity) applying the IIR is required to ensure effective taxation at the minimum agreed level not only for foreign subsidiaries but also for all constituent entities residents in that Member State.

On 15 December 2022, the Council of the European Union unanimously adopted the directive implementing Pillar Two. The Member States shall transpose the directive into their national laws by 31 December 2023 for the rules to be applicable for fiscal years starting on or after 31 December 2023 (with the exception of the UTPR, which is to be applicable for fiscal years starting on or after 31 December 2024).

On 17 January 2023, the European Parliament approved almost by unanimity the directive proposal to neutralize the misuse of shell entities for improper tax purposes within the European Union (the “**ATAD III Proposal**”), which was released by the European Commission on 22 December 2021. In order to be definitively adopted, the text will need to be approved by the Council of the European Union. If adopted, Member States will be required to implement this directive by 30 June 2023 for an application as from 1 January 2024.

Significant judgment is required in determining the worldwide tax liabilities and obligations of the WFS Group. Although the WFS Group believes that it has adequately assessed and accounted for its potential tax liabilities (with the support of external counsel where required), and that its tax estimates including its transfer pricing estimates and methodology are reasonable, there can be no certainty that additional taxes will not be due upon an audit of the WFS Group’s tax returns or as a result of changes to applicable tax laws (including case law) and interpretations thereof. In addition, several of the governments in which the WFS Group conducts its operations, including the Netherlands, France and the United Kingdom, are actively considering changes to their respective taxation regimes, which may impact the recognition and taxation of worldwide income. The nature and timing of any amendments to tax laws of the jurisdictions in which the WFS Group operates and the impact on the WFS Group’s future tax liabilities cannot be predicted with any certainty, however any such amendments or changes could materially and adversely impact its

results of operations and financial position including cash flows. The WFS Group often relies on generally available interpretations of applicable tax laws and regulations in the jurisdictions in which the WFS Group operates. These positions may relate to (among others) tax compliance, disclosure obligations, classification of income, transfer prices, treaty relief on withholding tax, gross receipts, payroll, property and income tax issues. There cannot be certainty that the relevant tax authorities are in agreement with the WFS Group's interpretation of these laws. If the WFS Group's tax positions are challenged by relevant tax authorities, the assessment of additional taxes could require the WFS Group to pay taxes that it currently does not collect or pay or increase the costs of its services to track and collect such taxes, which could increase its costs of operations or our effective tax rate and have a negative effect on its business, financial condition and results of operations. The occurrence of any of the foregoing tax risks could have a material adverse effect on the WFS Group's business, financial condition and results of operations.

***Certain pro forma financial and other information included herein needs to be carefully considered.***

This offering memorandum includes certain unaudited pro forma consolidated financial information, and certain unaudited condensed consolidated financial information, in each case to give effect to the acquisitions of Pinnacle and Mercury. Such financial information has not been prepared in accordance with the requirements of Regulation S-X under the U.S. Exchange Act, the EU Prospectus Regulation or any generally accepted accounting principles and has not been audited nor reviewed in accordance with any auditing standards and is presented for informational purposes only to enable comparisons between the periods under review. Investors are cautioned not to place undue reliance on such information. Our actual results may differ significantly from those reflected in foregoing for a number of reasons, including, but not limited to, differences in assumptions or estimates used to prepare such financial information. Such information should be considered in addition to, as opposed to a substitution for, the audited consolidated financial statements presented elsewhere in this offering memorandum.

#### **Risks Related to the Notes and our Indebtedness**

***The Issuer is a holding company that has no material assets or sources of revenue of its own and will depend on cash from its operating subsidiaries to make payments on the Notes.***

The Issuer is a holding company with no independent business or revenue-generating operations of its own and its only material assets are the equity interest it holds in its subsidiaries and certain intercompany loans. The capacity of the Issuer to make payments under the Notes depends on the ability of its subsidiaries to distribute cash. If our subsidiaries do not distribute cash to the Issuer which it can use to make scheduled payments on the Notes, the Issuer will not have any other source of funds that would allow it to make payments to the holders of the Notes. The amount of dividends and distributions available to the Issuer will depend on the profitability and cash flows of its subsidiaries. The ability of these subsidiaries to make distributions, loans or advances to their respective parent companies may be limited by the laws of the relevant jurisdictions in which such subsidiaries are organized or located. In addition, the members of the Group that do not guarantee the Notes have no obligation to make payments with respect to the Notes.

Each of our subsidiaries is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. Applicable tax laws may also subject such payments to further taxation. In particular, our ability to pay dividends to the Issuer will generally be limited to the amount of distributable reserves available to us. In addition, none of the Issuer's subsidiaries will initially guarantee the Notes and therefore will have no obligation to make payments with respect to any of the Notes. While the Indenture and the Revolving Credit Facility limit the ability of our subsidiaries to incur contractual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject

to certain significant qualifications and exceptions. We cannot assure you that arrangements with our subsidiaries, the funding permitted by the agreements governing existing and future indebtedness of our subsidiaries and our results of operations and cash flow generally will provide us with sufficient dividends, distributions or loans to fund payments on the Notes. In the event that we do not receive distributions or other payments from our subsidiaries, we may be unable to make required payments, including with respect to principal, interest and additional amounts, if any, on the Notes.

***Our substantial indebtedness and debt service obligations could materially adversely affect our business, financial condition and results of operations.***

We currently are and, after the issuance of the Notes, we will continue to be highly leveraged and will have significant debt service obligations.

We anticipate that our high leverage will continue to be in place for the foreseeable future. Our high leverage could have significant consequences for our business and operations, including, but not limited to:

- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, business opportunities and other corporate requirements;
- restricting us from pursuing strategic acquisitions or exploiting certain business opportunities;
- negatively impacting credit terms with our creditors;
- increasing our vulnerability to a downturn in our business or economic and market conditions;
- requiring the dedication of a substantial portion of our cash flow from operations to the payment of principal of, and interest on, our indebtedness, which means that this cash flow will not be available to fund our operations, capital expenditures or for other corporate purposes;
- limiting our flexibility in planning for, or reacting to, changes in our business, the competitive environment and the fashion market; and
- placing us at a competitive disadvantage compared to our competitors who are not as highly leveraged or have greater financial resources than we have.

Any of these, or other, consequences or events could have a material adverse effect on our ability to satisfy our debt obligations or a material adverse effect on our ability to satisfy our obligations under the Notes.

***We require a significant amount of cash to service our debt and fund our operations. Our ability to generate sufficient cash depends on factors beyond our control.***

We are significantly leveraged and have significant debt service obligations. Our ability to make payments on and to refinance our debt, and to fund working capital, lease payments and capital expenditures, will depend on our future operating performance and ability to generate sufficient cash. This depends, to some extent, on general economic, financial, competitive, market, legislative, regulatory and other factors, many of which are beyond our control, as well as the other factors discussed in these “Risk Factors” and elsewhere in this offering memorandum. Our

significant leverage may also make it more difficult for us to satisfy our obligations with respect to any or all of the Notes and exposes us to interest rate increases to the extent any of our variable rate debt, including under the Revolving Credit Facility and the Floating Rate Notes, is not hedged.

The Revolving Credit Facility will mature on the date falling six months prior to the maturity date of the Notes. We cannot assure you that our business will generate sufficient cash flow from operations, that the cost savings, revenue growth and operating improvements currently anticipated will be realized or that future debt and equity financing will be available to us on satisfactory terms or at all in an amount sufficient to enable us to pay our debts when due, or to refinance such debts, including the Notes, or to fund our other liquidity needs.

If our future cash flow from operations and other capital resources (including borrowings under the Revolving Credit Facility) are insufficient to pay our obligations as they mature or to fund our liquidity needs, we may be forced to:

- reduce or delay our business activities and capital expenditures;
- sell assets;
- obtain additional debt or equity capital; or
- restructure or refinance all or a portion of our debt, including the Notes, on or before maturity.

We may not be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. In addition, the terms of our debt limit, and any future debt may limit, our ability to pursue any of these alternatives.

In particular, our ability to restructure or refinance our debt will depend in part on our financial condition at such time. Any refinancing of our debt could be at higher interest rates than our current debt and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments and the Indenture may restrict us from adopting some of these alternatives.

Furthermore, we may be unable to find alternative financing, and even if we could obtain alternative financing, it might not be on terms that are favorable or acceptable to us. If we are not able to refinance any of our debt, obtain additional financing or sell assets on commercially reasonable terms or at all, we may not be able to satisfy our debt obligations, including our obligations under any or all of the Notes. In that event, borrowings under other debt agreement or instruments that contain cross-default or cross-acceleration provisions may become payable on demand, and we may not have sufficient funds to repay all our debts, including any or all of the Notes.

In addition, any failure to make payments of interest or principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. The terms of our indebtedness, including under the Indenture, restrict our ability to transfer or sell assets and to use the proceeds from any such disposition. We may not be able to consummate certain dispositions or to obtain the funds that we could have realized from the proceeds of such dispositions, and any proceeds we do realize from asset dispositions may not be adequate to meet any of our debt service obligations then due.

***Despite our current levels of indebtedness, we may still be able to incur substantially more debt, which could further exacerbate the risks associated with our substantial indebtedness.***

We may incur substantial additional indebtedness in the future. Some of this debt could rank *pari passu* with the Notes, be structurally senior to the Notes and the Guarantees, benefit from “super priority” status (including indebtedness under the Revolving Credit Facility and certain hedging obligations) in the distribution of certain enforcement proceeds or proceeds resulting from certain distressed disposals or be secured on assets which do not form part of the Collateral for the Notes and the Guarantees. Additional debt could also mature prior to the Notes. The agreements governing our debt limit our ability to incur additional indebtedness, but do not prohibit us from doing so. Borrowings under debt instruments that contain cross-acceleration or cross-default provisions may as a result also be accelerated and become due and payable. We may be unable to pay these debts in such circumstances. The incurrence of additional indebtedness would increase the leverage-related risks described in this offering memorandum.

***The loans under our Revolving Credit Facility and the Floating Rate Notes bear interest at floating rates that could rise significantly, increasing our costs and reducing our cash flow.***

The loans under our Revolving Credit Facility and the Floating Rate Notes bear interest at the Euro Interbank Offered Rate (“**EURIBOR**”) for Euro borrowings (SOFR for borrowings in U.S. dollars), plus a margin, as adjusted periodically. Furthermore, we may incur additional indebtedness that bears interest at a floating rate. EURIBOR, SOFR and/or any other floating interest rate applicable to such indebtedness could rise significantly in the future. To the extent that interest rates were to increase significantly, our interest expense would correspondingly increase, thereby reducing our cash flow. Any such increase could have a material adverse effect on our ability to service our debt obligations, including our obligations under the Notes.

***Certain of our indebtedness bears interest at a variable rate, which could rise significantly, increasing our costs and reducing our cash flow, or could otherwise be adverse to the interests of holders of the Notes.***

We are, and following the Transactions will be, exposed to the risks of fluctuations in interest rates. The Existing Revolving Credit Facility and a portion of the Existing Floating Rate Notes are, and the Revolving Credit Facility will be, subject to variable interest rates indexed to EURIBOR. We may also enter into additional indebtedness bearing floating rates of interest in the future, including by issuing additional Floating Rate Notes. EURIBOR, LIBOR and/or any other floating interest rate applicable to such indebtedness could rise significantly in the future. To the extent that interest rates were to increase significantly, our interest expense would correspondingly increase to the extent of the drawings under, or issuances of, such debt bearing floating rates of interest, thereby reducing our cash flow. We may enter into certain interest rate hedging obligations designed to fix a portion of these rates but are not required to do so. In addition, there can be no assurance that hedging will continue to be available on commercially reasonable terms or, if available, will be successful in mitigating the risks related to increasing interest rates.

Following allegations of manipulation of LIBOR, a measure of interbank lending rates, regulators and law enforcement agencies from a number of governments and the European Union are conducting investigations into whether the banks that contribute data in connection with the calculation of EURIBOR or LIBOR may have been manipulating or attempting to manipulate EURIBOR and LIBOR. As a result, EURIBOR, LIBOR and other interest rates are indices which are deemed to be “benchmarks” are the subject of recent and ongoing national, international and other regulatory guidance and proposals for reform, including the implementation of the IOSCO Principles for Financial Market Benchmarks (July 2013) and Regulation (EU) 2016/1011 (the “**Benchmarks Regulation**”) which was published in the Official Journal of the EU on 29 June 2016, and applies since 1 January 2018. Some of these reforms are already effective while others



are still to be implemented. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. It will, among other things (i) require benchmark administrators to be authorized or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognized or endorsed) and (ii) prevent certain uses by EU supervised entities of benchmarks of administrators that are not authorized or registered (or, if non-EU based, not deemed equivalent or recognized or endorsed).

These reforms, including the Benchmarks Regulation, may cause such benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on our debt linked to such a benchmark, including our Revolving Credit Facility and Floating Rate Notes, in particular, if the methodology or other terms of the EURIBOR benchmark are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the EURIBOR benchmark. In addition, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark, including EURIBOR and LIBOR, and complying with any such regulations or requirements.

Such factors may have the following effects on certain benchmarks such as EURIBOR: (i) discourage market participants from continuing to administer or contribute to such benchmark; (ii) trigger changes in the rules or methodologies used in the benchmarks or (iii) lead to the disappearance of the benchmark. On 27 July 2017, and in subsequent speeches (including the speech by its chief executive on 12 July 2018) the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the “**FCA Announcements**”). The FCA Announcements indicate that the continuation of LIBOR on the current basis, or at all, cannot and will not be guaranteed after 2021. The potential elimination of the LIBOR benchmark or any other benchmark, changes in the manner of administration of any benchmark, or actions by regulators or law enforcement agencies could result in changes to the manner in which LIBOR is determined, which could require an adjustment to the terms and conditions, or result in other consequences, in respect of any debt linked to such benchmark. Any of the above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, as well as manipulative practices or the cessation thereof, may result in a sudden or prolonged increase in reported LIBOR, which could have a material adverse effect on the value of and return on any floating rate debt linked to LIBOR (including our Revolving Credit Facility) and on our ability to service debt that bears interest at floating rates of interest.

Any elimination of the EURIBOR benchmark, or changes in the manner of administration of EURIBOR, could require an adjustment to the terms and conditions of our floating rate debt (including our Revolving Credit Facility and the Floating Rate Notes) or hedging. Any such adjustment, as well as manipulative practices or the cessation thereof, may result in a sudden or prolonged increase in reported EURIBOR or LIBOR, which could have an adverse impact on our ability to service debt that bears interest at floating rates of interest. Any such consequence could have a material adverse impact on the value of and return on our floating rate debt (including our Revolving Credit Facility and the Floating Rate Notes). In addition, the development of alternatives to EURIBOR or LIBOR may result in our floating rate debt (including our Revolving Credit Facility and the Floating Rate Notes) performing differently than would otherwise have been the case if the alternatives to EURIBOR or LIBOR had not developed.

In addition, due to the uncertainty concerning the availability of an appropriate successor rate and the involvement of an independent financial institution, the Indenture's successor rate mechanism may not operate as intended at the relevant time. If EURIBOR were discontinued or otherwise unavailable, the rate of interest on our floating rate debt (including our Revolving Credit Facility and the Floating Rate Notes) will be determined for the relevant period by the fallback provisions applicable to such debt.

***We are subject to significant restrictive debt covenants, which limit our operating flexibility.***

The Indenture and the Revolving Credit Facility Agreement will contain covenants significantly restricting the ability of the Issuer and its restricted subsidiaries, among other things, to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- create or incur certain liens;
- make certain payments, including dividends or other distributions;
- make certain investments;
- sell, lease or transfer certain assets, including capital stock of restricted subsidiaries;
- enter into certain transactions with affiliates;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to and on the transfer of assets to the Issuer or any restricted subsidiary;
- consolidate or merge with other entities, or sell all or substantially all of the assets of the Issuer and its restricted subsidiaries; and
- impair the security interests in the Collateral securing the Notes.

All of these limitations will be subject to a number of important qualifications and exceptions and will be suspended with respect to the Notes if and when, and for so long as, the Notes are rated investment grade. These covenants could limit our ability to finance our future operations and capital needs and our ability to pursue acquisitions and other business activities that may be in our interest.

In addition, the Revolving Credit Facility Agreement will require us and some of our subsidiaries to comply with certain affirmative covenants. Our ability to comply with these covenants may be affected by events beyond our control. A breach of any of those covenants, ratios, tests or restrictions could result in a restriction on the ability to make new drawings under the Revolving Credit Facility or an event of default under our Revolving Credit Facility. Upon the occurrence of any event of default under our Revolving Credit Facility, subject to applicable cure periods and other limitations on acceleration or enforcement, the relevant creditors could cancel the availability of the facilities and elect to declare all amounts outstanding under the Revolving Credit Facility, together with accrued interest, immediately due and payable. In addition, any default under the Revolving Credit Facility could lead to an event of default and acceleration under other debt instruments that contain cross default or cross-acceleration provisions, including the Indenture. If our creditors, including the creditors under our Revolving Credit Facility, accelerate the payment of those amounts, we cannot assure you that our assets and the assets of our subsidiaries would be sufficient to repay in full those amounts, to satisfy all other liabilities of our

subsidiaries which would be due and payable and to make payments to enable us to repay the Notes, in full or in part. In addition, if we are unable to repay those amounts, our creditors could enforce against any Collateral granted to them to secure repayment of those amounts.

***Our hedging agreements may expose us to potential losses if our hedging counterparties fall into bankruptcy.***

We seek to minimize the exposure to foreign exchange risk for each entity in our group, principally through natural hedges (i.e. by aligning the revenue and operating costs of our subsidiaries that have a functional currency other than the euro). However, we may enter into interest hedging agreements to hedge our exposure to fluctuations in interest rates or currency exchange rates, under the Notes, the Revolving Credit Facility or any other indebtedness we may incur in the future. As of the date of this offering memorandum, the Company has not entered into any foreign exchange rate swaps or options. If one or more of our counterparties falls into bankruptcy, claims we have under any such hedging arrangements may become worthless. In addition, in the event that we refinance our debt or otherwise terminate hedging agreements, we may be required to make termination payments, which would result in a loss.

***The Notes and each Guarantee will be structurally subordinated to the liabilities of non-Guarantor subsidiaries.***

None of the Issuer's subsidiaries will initially guarantee the Notes, which means that holders of the Notes will have no direct claims against the assets or the earnings of the subsidiaries to satisfy obligations due under the Notes. Within 120 days following the Issue Date and subject to certain agreed security principles, some, but not all, of our subsidiaries will guarantee the Notes. Although some of our subsidiaries will guarantee the Notes, certain of these guarantees are limited. See “– Enforcing your rights as a holder of the Notes or under the Guarantees or the Collateral across multiple jurisdictions or against several individuals or entities may be difficult”, “– The Issuer is a holding company that has no material assets or sources of revenue of its own and will depend on cash from its operating subsidiaries to make payment on the Notes” and “– Corporate benefit, financial assistance, capital maintenance and liquidity protection laws and other limitations on the Guarantees and security may adversely affect the validity and enforceability of the Guarantees and security granted by the Guarantors.”

Unless a subsidiary is a Guarantor of the Notes, our subsidiaries do not have any obligation to pay amounts due on the Notes or to make funds available for that purpose. Accordingly, you and the holders should only rely on the Guarantees of the Notes to provide credit support in respect of payments of principal or interest on the Notes.

Generally, holders of indebtedness of, and trade creditors of, non-Guarantor subsidiaries, including lenders under bank financing agreements, are entitled to payments of their claims from the assets of such subsidiaries before these assets are made available for distribution to any direct or indirect shareholder of any such subsidiary, including the Issuer and the Guarantors. Accordingly, in the event that any of the non-Guarantor subsidiaries becomes insolvent, liquidates or otherwise reorganizes:

- the creditors of the Guarantors or the Issuer (including the holders of the Notes) will have no right to proceed against such subsidiary's assets; and
- creditors of such non-Guarantor subsidiary, including trade creditors, will generally be entitled to payment in full from the sale or other disposal of the assets of such subsidiary before any direct or indirect shareholder, including the Issuer and the Guarantors, will be entitled to receive any distributions from such subsidiary.

As such, the Notes and each Guarantee will be structurally subordinated to creditors (including trade creditors) and any preferred stockholders of our non-guarantor subsidiaries.

The granting of guarantees by subsidiaries and other affiliates to the Issuer may impact the deduction of interest under the Notes at the level of the Issuer. See “– *French tax legislation may restrict the deductibility, for French tax purposes, of indebtedness incurred in France, thus reducing the cash flow available to service our indebtedness.*”

***The Notes will be secured only to the extent of the value of the assets that have been granted as Collateral, and in the event that the security interests in the Collateral are enforced, the holders of the Notes will only be paid once the lenders under the Revolving Credit Facility and any other holders of additional super priority secured debt are repaid in full.***

The Notes will be secured only by the Collateral described in this offering memorandum. If we default on the Notes, the holders of the Notes will be secured only to the extent of the value of the assets underlying their security interest. Not all of our assets secure the Notes, and we, the Security Agent and the Trustee will not be obligated to take action to perfect all liens on assets that do secure the Notes. See “– *It may be difficult to realize the value of the Collateral.*” In the future, the obligations to provide additional guarantees and grant additional security over assets, or a particular type or class of assets, whether as a result of the acquisition or creation of future assets or subsidiaries, the designation of a previously unrestricted subsidiary as a restricted subsidiary or otherwise, is subject to certain security principles. The Agreed Security Principles set out a number of limitations on the rights of the holders of Notes to require granting of, or payment or enforcement under, a guarantee or security in certain circumstances. The operation of the Agreed Security Principles may result in, among other things, the amount recoverable under any guarantee or security provided by any subsidiary being limited or security not being granted over a particular type or class of assets. Accordingly, the Agreed Security Principles may affect the value of the guarantees and security. The validity and enforceability of the guarantees and security may also be affected by local law limitations. See “– *Corporate benefit, financial assistance, capital maintenance and liquidity protection laws and other limitations on the Guarantees and security may adversely affect the validity and enforceability of the Guarantees and security granted by the Guarantors.*”

Furthermore, the Intercreditor Agreement requires proceeds from the enforcement of the security interests in the Collateral and certain distressed disposals to be applied to repay the claims of the lenders under the Revolving Credit Facility, counterparties to certain hedging obligations and other holders of additional super priority indebtedness in priority to the Notes. Under the terms of the Indenture, the amount of additional indebtedness that can be secured in priority to the Notes could be substantial. As a result, holders of Notes will receive less from the proceeds of security in an enforcement or insolvency scenario than if they were not required to share proceeds.

***Certain Collateral will not initially secure the Notes.***

As of the Issue Date, the Notes will be secured only by the Initial Collateral. Pursuant to the terms of the Indenture, on or within 120 days of the Issue Date, we will be required to secure the Notes with the Post-Issue Date Collateral. There can, however, be no assurance that we will be successful in procuring such liens within the time period specified.

Additionally, the execution of the Collateral will be subject to certain agreed security principles that could relieve certain Guarantors or other subsidiaries of the obligation to grant security interests in assets otherwise expected to form part of the Collateral, which could have a material adverse impact on the credit support available to you in connection with your investment in the Notes.

***The grant of Collateral to secure the Notes might be challenged or voidable in an insolvency proceeding.***

The grant of Collateral in favor of the Security Agent may be voidable by the grantor or by an insolvency trustee, liquidator, receiver or administrator or by other creditors, or may be otherwise set aside by a court, or be unenforceable if certain events or circumstances exist or occur, including, among others, if the grantor is deemed to be insolvent at the time of the grant, or if the grant permits the secured parties to receive a greater recovery than if the grant had not been given and an insolvency proceeding in respect of the grantor is commenced within a legally specified “clawback” period following the grant.

For example, if certain collateral was granted after the Issue Date and such collateral secures indebtedness incurred by such grantor prior to such date and the grantor of such security interest were to become subject to a bankruptcy or winding up proceeding after such date, then any mortgage or security interest in collateral delivered after the Issue Date would face a greater risk than security interests in place on the Issue Date of being avoided by the grantor or by its trustee, receiver, liquidator, administrator or similar authority, or otherwise set aside by a court, as a preference under insolvency law. To the extent that the grant of any security interest is voided, you would lose the benefit of the security interest. In particular, as the majority of security interests to be created for the Notes will be provided by French companies, such security interests will also be created for pre-existing indebtedness; if any such security interest is deemed, in the judicial reorganization or liquidation proceedings of the grantor of the security interest, to have been granted during the “hardening period” (*période suspecte*) of such grantor, such security will be set aside by the court in the relevant insolvency proceedings.

***The Collateral may not be sufficient to secure the obligations under the Notes.***

The Notes will be secured by security interests in the Collateral described in this offering memorandum, which Collateral will also secure the obligations under the Revolving Credit Facility Agreement and certain hedging obligations. Upon a refinancing of the Revolving Credit Facility Agreement, or if the lenders under the Revolving Credit Facility Agreement consent to an increase of the commitments under the Revolving Credit Facility Agreement, or if we exercise our right to incur additional priority debt (including under the Revolving Credit Facility Agreement) and/or hedging arrangements, the amount that will benefit from super priority interests in the Collateral may be increased, subject to the limits imposed under the Indenture. The Collateral may also secure additional debt ranking *pari passu* with the Notes to the extent permitted by the terms of the Indenture, the Revolving Credit Facility Agreement and the Intercreditor Agreement. The rights of the holders of the Notes to the Collateral may therefore be diluted by any increase in the super-priority debt secured by the Collateral, an increase in obligations secured on a *pari passu* basis with the Notes, or a reduction of the Collateral securing the Notes.

The book value of the Collateral should not be relied on as a measure of realizable value for such assets. No appraisals of any of the Collateral have been prepared by us or on our behalf in connection with the Offering. The fair market value of the Collateral is subject to fluctuations based on factors that include, among others, our ability to implement our business strategy, whether or not the business is sold as a going concern, the ability to sell the Collateral in an orderly sale, general economic conditions, the availability of buyers, whether any approvals required to purchase the business would be available to a potential buyer and similar factors. Hence, the amount to be received upon a sale of any Collateral would be dependent on numerous factors, including but not limited to the actual fair market value of the Collateral at such time, general market and economic conditions and the timing and the manner of the sale.

There also can be no assurance that the Collateral will be saleable and, even if saleable, the timing of any liquidation or foreclosure is uncertain. To the extent that liens, rights or easements granted to third parties encumber assets located on property owned by us, such third parties have or may exercise rights and remedies with respect to the property subject to such liens that could adversely affect the value of the Collateral and the ability of the Security Agent to realize or foreclose on the Collateral. By the nature of our business, some or all of the Collateral may be illiquid and may have no readily ascertainable market value. Also, certain of our contracts and licenses include change of control clauses, which may be triggered by enforcement of Collateral and limit the value of the Collateral. Furthermore, the multi-jurisdictional nature of any foreclosure on the Collateral may limit the realizable value of such Collateral. For example, the bankruptcy, insolvency, administrative and other laws of the various jurisdictions may be materially different from, or conflict with, each other, including in the areas of rights of creditors, priority of government and other creditors, ability to obtain post-petition interest and duration of the proceedings.

In the event that a bankruptcy case is commenced by or against us, if the value of the Collateral is less than the amount of principal and accrued and unpaid interest on the Notes and other senior secured obligations, interest may cease to accrue on the Notes from and after the date the bankruptcy petition is filed. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, we cannot assure you that the proceeds from any sale or liquidation of the Collateral will be sufficient to pay the obligations due under the Notes.

***Corporate benefit, financial assistance, capital maintenance and liquidity protection laws and other limitations on the Guarantees and security may adversely affect the validity and enforceability of the Guarantees and security granted by the Guarantors.***

The Guarantors' obligations and the security interests granted in respect of the Notes are subject to certain restrictions to comply with laws of the Netherlands, France, England and Wales, Spain and the United States and the laws of the jurisdiction of any additional entity which becomes a guarantor and provides security interests in respect of the Notes. Each Guarantee will provide the holders of the Notes with a direct claim against the relevant Guarantor. In addition, the Issuer and certain of the Guarantors will secure the payment of the Notes by granting security under the relevant security documents. However, each security interest granted under a security document will be limited in scope to the value of the relevant assets expressed to be subject to that security interest and the Indenture will provide that each Guarantee will be limited to the maximum amount that can be guaranteed by the relevant Guarantor, without rendering the relevant Guarantee/security interest voidable or otherwise ineffective under the applicable law or without resulting in a breach of any applicable law, and enforcement of each Guarantee and security document would be subject to certain generally available defenses. These laws and defenses include those that relate to corporate benefit, financial assistance, capital maintenance, liquidity protection, fraudulent conveyance or transfer, voidable preference, or similar laws, regulations or defenses affecting the rights of creditors generally. For example and among other applicable limitations, due to corporate benefit rules in France as described below, Guarantees by French Guarantors will be limited to the amount of the proceeds of the Notes that have been directly or indirectly made available to such French Guarantor (or any of its subsidiaries) via intercompany loans (or by way of similar arrangement) that are outstanding and owed by such Guarantor (or any of its subsidiaries) under such intercompany loans (or similar arrangements), or to refinance any on-loans or arrangements used to finance any such previously granted direct or indirect on-loan made available to such French Guarantor (or any of its subsidiaries), on the date a payment is requested to be made by such Guarantor under the Guarantee. Hence, the portion of the proceeds of the Notes that will be used to refinance the Existing Notes (to the extent the proceeds of the Existing Notes had not been on-lent directly or indirectly to the relevant French Guarantor or a subsidiary of the relevant French Guarantor) or (to the extent drawn by a company which is not a subsidiary of the relevant French Guarantor and not on-lent directly or indirectly to the relevant French Guarantor or a subsidiary of the relevant French Guarantor) the Bridge Facility, will not be guaranteed by such French Guarantors. We cannot assure you that any part of the intercompany

loans will be funded by the Notes proceeds and in the absence of such funding (or if it is not possible to sufficiently identify that Notes proceeds have funded such loans) the amount of the guarantee for such Notes and the value of the security granted for this guarantee would be zero and therefore may not be enforceable under French law. Additionally, to the extent that the relevant intercompany loans are subsequently repaid or cancelled, including pursuant to the Intercreditor Agreement upon an enforcement, such French Guarantee will be reduced or fall away accordingly and the security interests over such receivables will fall away. The Dutch Guarantor has established a works council in November 2021. Under the Dutch Works Councils Act (*Wet op de ondernemingsraden*), a works council has a right to give advice on contemplated board resolutions to, inter alia, the company's providing security for important debts of another company. The Dutch Guarantor's ability to provide a guarantee for the Notes is subject to discussions with the works council. Enforcement of the obligations under a Guarantee against a Guarantor will be subject to certain laws applicable, and defences available, to the Issuer or the relevant Guarantor, as the case may be. These laws and defenses may include those that relate to fraudulent conveyance, financial assistance, corporate benefit and regulations or defences affecting the rights of creditors generally. See "*Enforcing your rights as a holder of the Notes or under the Guarantees or the Collateral across multiple jurisdictions or against several individuals or entities may be difficult.*"

The Indenture will provide for general limitation language to the effect that each Guarantee granted therein and each security interest granted as well as any other obligation, liability or indemnification under a security document will be limited to the maximum amount that can be guaranteed/secured by the relevant guarantor/security provider with respect to the aggregate obligations and exposure of the guarantor/security provider without rendering the relevant guarantee/security interest voidable or otherwise ineffective under the applicable law.

If one or more of these laws and defenses are applicable, a Guarantor may have no liability or decreased liability under its guarantee or the security documents to which it is a party. It is possible that a Guarantor, or a creditor of a Guarantor, the grantor of security interests, or the creditor thereof, or the bankruptcy trustee in the case of a bankruptcy of a Guarantor or grantor of such security interests, may contest the validity and enforceability of the Guarantor's Guarantee and that the applicable court may determine that the Guarantee or the security interests should be limited or voided. To the extent that agreed limitations on the guarantee obligation apply, the relevant Notes would be to that extent effectively subordinated to all liabilities of the applicable Guarantor and/or grantor, including trade payables of such Guarantor and/or grantor, as applicable. Future Guarantees and/or security interests may be subject to similar limitations.

Furthermore, the payment of dividends to the Issuer will reduce the distributable profits and reserves available to satisfy the obligations under the Guarantees and security documents. There can be no assurances that we will have distributable profits and reserves available to satisfy the obligations under the Guarantees and security documents, whether or not we pay dividends. In addition, the payment under the Guarantees and the enforcement of security interests under the relevant security documents may require certain prior corporate formalities to be completed, including, but not limited to, obtaining an audit report, shareholders' resolutions and board resolutions.

***It may be difficult to realize the value of the Collateral.***

To the extent that the claims against the Issuer exceed the value of the assets securing the Notes and other liabilities, those claims will rank equally with the claims of the holders of any of our other senior unsecured indebtedness and those claims may not be satisfied in full before the claims of our unsecured creditors are paid.

The Collateral securing the Notes will be subject to any and all exceptions, defects, encumbrances, liens and other imperfections permitted under the Indenture, the Revolving Credit Facility Agreement and the Intercreditor Agreement and accepted by other creditors that have the benefit of security interests in the Collateral securing the Notes from time to time, whether on or after the date the Notes are first issued. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Collateral securing the Notes, as well as the ability of the Security Agent to realize or foreclose on such Collateral. Furthermore, the ranking of security interests can be affected by a variety of factors, including the timely satisfaction of perfection requirements, statutory liens, certain statutory preferences or recharacterization under the laws of certain jurisdictions.

The ability of the Security Agent to enforce on the Collateral located in a particular jurisdiction or governed by the law of a particular jurisdiction is subject to mandatory provisions of the law of such jurisdiction. Enforcement of the Collateral may also be subject to certain statutory limitations and defenses or to limitations contained in the terms of the security documents designed to ensure compliance with applicable statutory requirements.

In addition, the security interest of the Security Agent will be subject to practical problems generally associated with the realization of security interests. For example, the Security Agent may need to obtain the consent or approval of a third party or governmental authority to obtain or enforce a security interest in a contract or permit or transfer or sell certain assets. The Security Agent may not be able to obtain any such consent or approval. In addition, the consents and approval of third parties and governmental authorities may not be given when required to facilitate a foreclosure on such assets. Accordingly, the Security Agent may not have the ability to foreclose upon those assets and the value of the security may significantly decrease.

***Your rights in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral.***

Under applicable law, a security interest in certain tangible and intangible assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party and/or the grantor of the security. The security interests in the Collateral securing the Notes may not be perfected with respect to the claims of the Notes if we, or the Security Agent, fail or are unable to take the actions required to perfect any of these security interests. Any failure to perfect any security interest in the Collateral may result in the invalidity of the relevant security interest or the holder of the security interest having difficulty enforcing such holder's rights in the Collateral with regard to third parties, including a trustee in bankruptcy and other creditors who claim a security interest in the same Collateral. In addition, applicable law requires that certain property and rights acquired after the grant of a general security interest, such as real property and equipment, only be perfected at or promptly following the time such property and rights are acquired and identified. None of the Trustee or the Security Agent has any obligation to monitor the acquisition of additional property or rights that constitute Collateral or the perfection of, or to take steps to perfect, any security interest in the Notes against third parties.

***The Issuer and the Guarantors will have control over the Collateral securing the Notes, and the sale of particular assets could reduce the pool of assets securing the Notes.***

The security documents relating to the Notes will, subject to the terms of the Revolving Credit Facility Agreement and the Indenture, allow the Issuer, the Guarantors and the other Collateral providers to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from the Collateral securing the Notes to the extent it relates to their assets. So long as no enforcement event has occurred or would result therefrom, the Issuer, the Guarantors and the other Collateral providers may, among other things, without any release or consent by the Security Agent, conduct ordinary course activities with respect to the Collateral, such as selling, factoring, abandoning or otherwise disposing of the Collateral and making ordinary course cash payments, including repayments of indebtedness.



***Holders of the Notes may not control certain decisions regarding the Collateral.***

The Notes will be secured by the same Collateral securing the obligations under the Revolving Credit Facility Agreement, except that the Revolving Credit Facility may be secured by certain assets that cannot secure the Notes due to local law limitations. In addition, under the terms of the Indenture, we will be permitted to incur significant additional indebtedness and other obligations that may be secured by the Collateral.

Pursuant to the Intercreditor Agreement, lenders under the Revolving Credit Facility Agreement, providers of certain additional super priority indebtedness, certain hedging obligations, the Security Agent, any receiver and certain creditor representatives, including the Trustee, are entitled to be repaid with the proceeds of the Collateral sold in any enforcement sale and all amounts received by the Security Agent pursuant to the turnover provisions of the Intercreditor Agreement in priority to the Notes. As such, in the event of a foreclosure of the Collateral or any other distressed disposal, you may not be able to recover on the Collateral if the aggregate of the then outstanding claims under super priority indebtedness are greater than or equal to the proceeds realized. Any proceeds from an enforcement sale of the Collateral by any creditor and all amounts received by the Security Agent pursuant to the turnover provisions of the Intercreditor Agreement will, after all obligations under super priority indebtedness have been discharged from such recoveries, be applied pro rata in repayment of the Notes, any other obligations secured by the Collateral which are permitted to rank *pari passu* with the Notes and certain non-priority hedging obligations.

The Intercreditor Agreement regulates the ability of the Trustee or the holders of the Notes to instruct the Security Agent to take enforcement action. The Security Agent may act upon the instructions of the class of secured creditors that first delivers a notice to enforce the Collateral to the Security Agent, provided that it receives written consent to do so or the same enforcement instructions from: (i) creditors holding more than 50% of the indebtedness and commitments under the Revolving Credit Facility, any certain other credit facilities permitted under the Intercreditor Agreement and certain priority hedging obligations (the “**Majority Super Senior Creditors**”); and (ii) creditors holding more than 50% of the indebtedness under the Notes and indebtedness ranking *pari passu* with the Notes (the “**Majority Senior Secured Creditors**”) (in each case acting through their respective creditor representative). The Intercreditor Agreement further provides that in the event that the Majority Super Senior Creditors and the Majority Senior Secured Creditors have not consented to the relevant enforcement instructions or if conflicting enforcement instructions are received from any creditor representative prior to the Credit Facility Lender Discharge Date (as defined in the Intercreditor Agreement) (and subject to certain circumstances specified in the Intercreditor Agreement), the creditor representatives must consult with each other in good faith for a period of 15 days with a view to agreeing on an enforcement strategy. Although enforcement instructions given by holders of the Notes and certain other creditors may prevail after such 15-day consultation period, under certain circumstances, enforcement instructions by the lenders under our Revolving Credit Facility and certain other creditors will prevail.

If the creditor representatives are not able to agree on joint enforcement instructions by the end of the consultation period, the Security Agent shall enforce the Collateral in accordance with the terms of the enforcement instructions (if any) given by the Majority Senior Secured Creditors, provided that if: (i) the super senior creditors (comprised of the creditors in respect of our Revolving Credit Facility and any other credit facilities permitted under the Intercreditor Agreement and the counterparties to certain of our priority hedging arrangements) have not been fully repaid within six months of the end of the consultation period; (ii) the Security Agent has not commenced any enforcement action following receipt of enforcement instructions from the Majority Senior Secured Creditors within three months of the end of the consultation period; or (iii) the Issuer or any of its subsidiaries becomes subject to insolvency or similar proceedings and the Security Agent has not commenced any enforcement action at that time then the instructions given

by the Majority Super Senior Creditors will prevail. To the extent that we incur indebtedness that is secured by the Collateral on a pari passu basis with the Notes, your voting interest in the Majority Senior Secured Creditors will be diluted commensurate with the amount of indebtedness we incur.

As these other creditors and counterparties may have interests that are different from the interests of holders of the Notes and may elect to pursue their remedies in respect of the Collateral at a time when it would be disadvantageous for the holders of the Notes to do so, these arrangements could result in the enforcement of the Collateral in a manner that results in lower recoveries by holders of the Notes. Furthermore, other creditors not subject to the Intercreditor Agreement could commence enforcement action against the Issuer or its subsidiaries during such period, the Issuer or one or more of its subsidiaries could seek protection under applicable bankruptcy laws, or the value of certain Collateral could otherwise be impaired or reduced in value.

In addition, if the Security Agent sells Collateral comprising the shares of any of our subsidiaries as a result of an enforcement action in accordance with the Intercreditor Agreement, claims under the Notes and the Guarantees and the liens over any other assets securing the Notes and the Guarantees may be released.

***The security interests in the Collateral will be granted to the Security Agent rather than directly to the holders of the Notes. The ability of the Security Agent to enforce the security interests in certain of the Collateral may be restricted by local law.***

The security interests in the Collateral that will secure our obligations under the Notes and the obligations of the Guarantors under the Guarantees will not be granted directly to the holders of the Notes but will be granted only in favor of the Security Agent and, in relation to Collateral over French assets, will also be granted in favor of the Security Agent through a parallel debt covenant as further described below. The Indenture will provide (along with the Intercreditor Agreement) that only the Security Agent has the right to enforce the security interests. As a consequence, holders of the Notes will not have direct security interests, and in any case will not be entitled to take enforcement action in respect of the Collateral securing the Notes, except through the Trustee, which will (subject to the applicable provisions of the Indenture) provide instructions to the Security Agent in respect of the Collateral.

The pledge over the securities of the French Guarantors (the “**French Securities Account Pledges**”), the pledge of the material operating bank accounts held by the French Guarantors (the “**French Bank Account Pledges**”) and the receivables pledge over the rights over certain intercompany receivables owed to the French Guarantors (the “**Receivables Pledges**”) and together with the French Securities Account Pledges and the French Bank Account Pledges, the “**French Pledges**”), will be governed by French law. Under French law, certain “accessory” security interests such as pledges require that the pledgee and the creditor be the same person. Such security interests cannot be held on behalf of third parties who do not hold the secured claim, unless they act as fiduciaries (*fiduciaires*) under Article 2011 of the French Civil Code or as security agents (*agents des sûretés*) under Articles 2488-6 *et seq.* of the French Civil Code.

In order to permit the beneficial holders of the Notes to benefit from a secured claim, the Intercreditor Agreement will provide for the creation of “parallel debt” obligations in favor of the Security Agent (the “**Parallel Debt**”) mirroring the obligations of the Issuer and the Guarantors (as principal obligors) towards the holders of the Notes under or in connection with the indenture (the “**Principal Obligations**”). The Parallel Debt will at all times be in the same amount and payable at the same time as the Principal Obligations. Any payment in respect of the Principal Obligations shall discharge the corresponding Parallel Debt and any payment in respect of the Parallel Debt shall discharge the corresponding Principal Obligations. Pursuant to the Parallel Debt, the Security Agent becomes the holder of a claim equal to each amount payable by an obligor under the Notes (subject to applicable limitation language). The French Pledges will directly secure the

Parallel Debt, and will not directly secure the obligations under the Notes under the Parallel Debt construct. The holders of the Notes will not be entitled to take enforcement actions in respect of such security interests except through the Security Agent.

None of the Parallel Debt and trust mechanism constructs have been generally recognized by French courts and to the extent that the Notes or security interests granted under French law created under the Parallel Debt construct are successfully challenged by other parties, holders of the Notes will not receive any proceeds from an enforcement of such guarantees or security interests granted under French law.

There is one published decision of the French Supreme Court (*Cour de cassation*) on Parallel Debt mechanisms (Cass.com. 13 September 2011 n°10-25533 Belvedere) relating to a bond documentation governed by the laws of the State of New York. Such a decision recognized the enforceability in France of certain rights (especially the filing of claims in safeguard proceedings) of a security agent benefiting from a Parallel Debt. In particular, the French Supreme Court upheld the proof of claim of the legal holders of a Parallel Debt claim, considering that it did not contravene French international public policy (*ordre public international*) rules. The ruling was made on the basis that the French debtor was not exposed to the risk of double payment obligations or artificial liability as a result of the Parallel Debt mechanism. Although this court decision is generally viewed by legal practitioners and academics as a recognition by French courts of Parallel Debt structures in such circumstances, there can be no assurance that such a structure will be effective in all cases before French courts. Indeed, it should be noted that the legal issue addressed by it is limited to the proof of claims. The French court was not asked to generally uphold French security interests securing a Parallel Debt. It is also fair to say that case law on this matter is scarce and based on a case-by-case analysis. Such a decision should not be considered as a general recognition of the enforceability in France of the rights of a security agent benefiting from a Parallel Debt claim. There is no certainty that the Parallel Debt construct will eliminate the risk of unenforceability under French law.

To the extent that the security interests granted under French law created under the Parallel Debt construct are successfully challenged by other parties, holders of the Notes will not be entitled to receive on this basis any proceeds from an enforcement of the security interests granted under French law. Also, the holders of the Notes will bear the risks associated with the possible insolvency or bankruptcy of the Security Agent as the creditor of the Parallel Debt.

The concept of “trust” has been recognized by the French Tax Code and the French Supreme Court (*Cour de cassation*), which has held, in the same published decision referred to above (Cass.com. 13 September 2011 n°10-25533 Belvedere) that a trustee validly appointed under a trust governed by the laws of the State of New York could validly be regarded as a creditor in safeguard proceedings commenced in France. However, while substantial comfort may be derived from the above, France has not ratified the Hague Convention of 1 July 1985 on the law applicable to trusts and on their recognition, so that the concept of “trust” has not been generally recognized under French law.

In France, no lien searches are available for security interests which are not publicly registered. As a result, no assurance can be given on the priority of a French Pledge if it is not publicly registered.

Security interests governed by French law may only secure a creditor up to the secured amount that is due and unpaid to it. Pledges over securities (whether in the form of a pledge over securities account or in the form of a pledge over shareholding interests (*parts sociales*)) may generally be enforced at the option of the secured creditors either (i) by way of a sale of the pledged securities in a public auction (the proceeds of the sale being paid to the secured creditors) or (ii) by way of judicial foreclosure (*attribution judiciaire*) or (iii) contractual foreclosure (*pacte comissoire*) of the pledged securities to the secured creditors, following which the

secured creditors become the legal owner of the pledged securities. If the secured creditors choose to enforce by way of foreclosure (whether a judicial foreclosure or contractual foreclosure), the secured liabilities would be deemed extinguished up to the value of the foreclosed securities. Such value is determined either by the court in the context of a judicial attribution or by a pre-contractually agreed expert in the context of a contractual foreclosure. If the value of the Collateral exceeds the amount of secured debt, the secured creditor may be required to pay the pledgor a cash amount (*soulte*) equal to the difference between the value of the securities as so determined and the amount of the secured debt. This is true regardless of the actual amount of proceeds ultimately received by the secured creditor from a subsequent on-sale of the Collateral.

Consequently, in the event the lenders under the Revolving Credit Facility or the holders of the Notes decide to, and are entitled to, enforce the assets pledges through a judicial foreclosure (*attribution judiciaire*) or contractual foreclosure (*pacte comissoire*) and if the value of such assets exceeds the amount of the secured debt, the lenders under the Revolving Credit Facility and the holders of the Notes may be required to pay to the relevant pledgors a *soulte* equal to the difference between the value of such assets and the amount of secured debt. The right to defer or subordinate the payment to the pledgor of the *soulte*, such as provided in the provisions in the Intercreditor Agreement, has not been tested in French courts.

If the value of such securities is less than the amount of the secured debt, the relevant amount owed to the relevant creditors will be reduced by an amount equal to the value of such securities, and the remaining amount owed to such creditors will be unsecured in that respect.

Alternatively, should the relevant beneficiaries under the French Securities Account Pledges decline to request the judicial or contractual foreclosure of the assets, such beneficiaries could decide to undertake the sale of the pledged securities by public auction in accordance with applicable law. It is possible that the sale price received in any such auction might not reflect the value of the securities, since the latter will not be sold pursuant to a competitive bid process and/or a private sale organized by an investment bank and controlled by the vendor on the basis of a value determined pursuant to the methods usually used for the purpose of the acquisition of companies or groups of companies.

The enforcement of security may give rise to certain subrogation or similar recourse rights by the security grantor up to the value of the debt discharged as a result of such enforcement. Although the Intercreditor Agreement includes assignment of all present and future recourse rights provisions, clauses providing for the assignment of the right of recourse have not been tested before the French Courts and their enforceability is therefore uncertain.

***There are circumstances other than repayment or discharge of the Notes under which the Collateral securing the Notes and the Guarantees will be released automatically, without your consent or the consent of the Trustee.***

Under various circumstances, the Guarantees and the Collateral securing the Notes will be released automatically. In addition, if the Security Agent sells Collateral comprising the shares of the Issuer or certain of our subsidiaries as a result of an enforcement action in accordance with the Intercreditor Agreement, then claims under the Notes and the Guarantees may be released or transferred. Your ability to recover on the Notes could be materially impaired in such circumstances.

The Intercreditor Agreement also provides that the Collateral securing the Notes may be released and retaken in connection with certain corporate reorganizations or the incurrence at additional secured indebtedness, including the refinancing of certain indebtedness (including the Notes) or certain corporate reorganizations. In certain jurisdictions, such a release and retaking of Collateral may give rise to the start of a new “hardening period” in respect of such Collateral. Under certain

circumstances, other creditors, insolvency administrators or representatives or courts could challenge the validity and enforceability of the grant of such Collateral. Any such challenge, if successful, could potentially limit your recovery in respect of such Collateral and thus reduce your recovery under the Notes. The Intercreditor Agreement also provides that the Guarantees and the Collateral will be subject to release in connection with a distressed disposal.

Additionally, even though the holders of Notes will share in the Collateral with the creditors under the Revolving Credit Facility Agreement, the creditors under the Revolving Credit Facility Agreement will receive the proceeds of the enforcement of the Collateral in priority to the holders of the Notes and, under certain circumstances, the creditors under the Revolving Credit Facility Agreement and certain of our hedging arrangements will control enforcement actions with respect to the Collateral through the Security Agent, whether or not the holders of the Notes agree with those actions. See “– *Holders of the Notes may not control certain decisions regarding the Collateral.*”

***The insolvency laws of the Netherlands, the respective jurisdictions of incorporation of the Guarantors and other local insolvency laws may not be as favorable to you as the U.S. bankruptcy laws and may preclude holders of the Notes from recovering payments due on the Notes.***

The Issuer is incorporated under the Laws of the Netherlands, and the Guarantors are incorporated under the laws of various jurisdictions, including the laws of the Netherlands, France, England and Wales, Spain and the United States. The insolvency laws of a number of these jurisdictions may not be as favorable to holders as insolvency laws of jurisdictions with which investors may be familiar. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction’s law should apply, adversely affect your ability to enforce your rights under the Notes and the Guarantees and the relevant Collateral in those jurisdictions or limit any amounts that you may receive.

There are a number of factors that are taken into account to ascertain the center of main interests, which should correspond to the place where the relevant debtor conducts the administration of its interests on a regular basis and which is therefore ascertainable by third parties. The point at which this issue will be determined is at the time when the relevant insolvency proceedings are opened. The determination of where the Issuer or any of the Guarantors has its “center of main interests” would be a question of fact on which the courts of the different EU Member States may have and had in the past differing and even conflicting views. Furthermore, “center of main interests” is not a static concept and may change from time to time.

Although laws differ among these jurisdictions, in general, applicable fraudulent transfer and conveyance laws, equitable principles and insolvency laws and limitations on the enforceability of judgments in such jurisdictions could limit the enforceability of the Guarantees and any security granted by a Guarantor or collateral provider. Courts may also in certain circumstances avoid the security or the Guarantees where the Collateral provider is close to or in the vicinity of insolvency. The following discussion of fraudulent transfer, conveyance and insolvency law, although an overview, describes generally applicable terms and principles, which are defined under the relevant jurisdiction’s fraudulent transfer and insolvency statutes.

In insolvency proceedings, it is possible that creditors of the Guarantors, the collateral providers or any appointed insolvency administrator may challenge the Guarantees and security, and intercompany obligations generally, as fraudulent transfers or conveyances or on other grounds. If so, such laws may permit a court, if it makes certain findings, to:

- avoid or invalidate all or a portion of a Guarantor’s obligations under its Guarantee or the security provided by us or such Guarantor;

- direct that the Issuer and/or the holders of the Notes return any amounts paid under a Guarantee or any security document to the relevant Guarantor or to the respective collateral provider or to a fund for the benefit of the Guarantor's creditors or the collateral provider; and
- take other action that is detrimental to you.

If we cannot satisfy our obligations under the Notes and any Guarantee or security is found to be a fraudulent transfer or conveyance or is otherwise set aside, we cannot assure you that we can ever repay in full any amounts outstanding under the Notes. In addition, the liability of each Guarantor under its Guarantees of the Notes and the liability of each collateral provider will be limited to the amount in respect of the Guarantee or security that does not constitute a fraudulent conveyance or improper corporate distribution or otherwise result in such Guarantee or security being set aside. The amount recoverable from a Guarantor or a collateral provider under the security documents will also be limited. However, there can be no assurance as to what methodology a court would apply in making a determination of the maximum liability of each Guarantor or each collateral provider and whether a court would give effect to such attempted limitation. Also, there is a possibility that the entire Guarantee or security may be set aside, in which case, the Guarantor's or collateral provider's entire liability may be extinguished.

Different jurisdictions evaluate insolvency on various criteria, but a Guarantor or collateral provider generally may in different jurisdictions be considered insolvent at the time it issued a guarantee or created any security if:

- its liabilities, including contingent and prospective liabilities, exceed the fair market value of its assets;
- it cannot pay its debts as and when they become due (and it is unable to get further credit); or
- the present saleable value of its assets is less than the amount required to pay its total existing debts and liabilities, including contingent and prospective liabilities, as they mature or become absolute.

We cannot assure you which standard a court would apply in determining whether a Guarantor or a collateral provider was "insolvent" as of the date the Guarantees were issued or security was created or that, regardless of the method of valuation, a court would not determine that we or a Guarantor were insolvent on that date, or that a court would not determine, regardless of whether or not a Guarantor or a collateral provider was insolvent on the date the respective guarantee was issued or security was created, that payments to holders of the Notes constituted fraudulent transfers on other grounds.

An overview of the enforceability issues as they relate to the Guarantees and security documents is set forth under "Limitations on Validity and Enforceability of the Guarantees and the Security Interests and Certain Insolvency Law Considerations."

***Enforcing your rights as a holder of the Notes or under the Guarantees or the Collateral across multiple jurisdictions or against several individuals or entities may be difficult.***

The Issuer is incorporated under the Laws of the Netherlands, and the Notes will be guaranteed by the Guarantors on or within 120 days of the Issue Date. The Guarantors are incorporated under the laws of various jurisdictions, including the laws of the Netherlands, France, England and Wales, Spain and the United States. Although laws differ among various jurisdictions, in general, under fraudulent conveyance and other laws, a court could subordinate or void any Guarantee or security interest provided by such Guarantor or collateral provider and, if payment has already been made under the relevant Guarantee or security interest, require that the recipient return the payment to the relevant Guarantor, if the court found that:

- the Guarantee was granted or the security interest created with actual intent to hinder, delay or defraud creditors or shareholders of the Guarantor or other person or, in certain jurisdictions, even when the recipient was simply aware that the Guarantor or the collateral provider was insolvent when it granted the Guarantee or security interest;
- the Guarantee was entered into or, as the case may be, the security interest was created without a legal obligation to do so, is prejudicial to the interests of the other creditors and both the Guarantor or collateral provider and the beneficiary of the Guarantee were aware of or should have been aware of the fact that it was prejudicial to the other creditors;
- the Guarantor or, as the case may be, the collateral provider did not receive fair consideration or reasonably equivalent value for the Guarantee or the granting of the security and/or the Guarantor or collateral provider: (i) became insolvent before the granting of the security or was insolvent or rendered insolvent because of the issuance of the Guarantee or the creation of the security interest; (ii) was undercapitalized or became undercapitalized because of the issuance of the Guarantee or the creation of the security interest; (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity; or (iv) issued the Guarantee or created the security interest to or for the benefit of an insider, or incurred such obligation to or for the benefit of an insider, under an employment contract and not in the ordinary course of business under U.S. bankruptcy law;
- the Guarantee or security interest was held to exceed the objects of the Guarantor or not to be in the best interests or for the corporate benefit of the Guarantor;
- the Guarantee or security interest was entered into within a certain time period prior to the opening date of insolvency proceedings of the Guarantor; or
- the amount paid or payable was in excess of the maximum amount permitted under applicable law.

If a court or a creditor were to find that the granting of a Guarantee and/or the security interest was a fraudulent conveyance or can otherwise be challenged, the court, a creditor or an insolvency administrator appointed over the assets of the Guarantor or the collateral provider could void or declare unenforceable the payment obligations under such Guarantee or security interest, or subordinate such Guarantee to any presently existing and future indebtedness of such Guarantor or require the holders of the Notes to repay any amounts received with respect to such Guarantee or security interest. In some of these events, you may cease to have any claim in respect of the Guarantor and would be a creditor solely of the Issuer and any remaining Guarantors. An overview of the enforcement issues and other limitations as they relate to the Guarantees and the security interests is set forth under “*Limitations on Validity and Enforceability of the Guarantees and the Security Interests and Certain Insolvency Law Considerations.*”

In addition, the granting or enforcement of Guarantees and security is subject to restrictions in several jurisdictions in which Guarantors are organized or incorporated. Proceedings could be initiated in any of these jurisdictions. The rights under the Collateral will thus be subject to the laws of the applicable jurisdiction, and it may be difficult to effectively enforce such rights in multiple bankruptcies, insolvency and other similar proceedings. Moreover, such multi-jurisdictional proceedings are typically complex and costly for creditors and often result in substantial uncertainty and delay in the enforcement of creditors' rights. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdictions' law should apply and could adversely affect the ability to enforce the security and to realize any recovery under the Notes and the Guarantees.

Finally, pursuant to the Regulation (EU) 2015/848 of 20 May 2015 of the European Parliament and of the Council on insolvency proceedings (recast), the court which shall have jurisdiction to open insolvency proceedings in relation to a company is the court of the EU Member State (other than Denmark) where the company has its "center of main interests." Therefore, to the extent that the "center of main interests" of the Issuer or any Guarantor is deemed to be in France, French courts may have jurisdiction over the insolvency proceedings with respect to it.

***The issuance of the Notes could be wholly or partially voided in an insolvency proceeding.***

If we become the subject of bankruptcy proceedings within a certain period after we consummate the Offering and the court determines that we were insolvent at the time of the Offering, a court could find that the issue of the Notes involved a preferential transfer by altering the status of participants from unsecured to secured creditors. As secured creditors, holders of the Notes could be entitled to receive a greater recovery in liquidation than the same holders would have been entitled to if those holders had not participated in the Offering. If the court determines that the granting of the security interest was therefore a preferential transfer that did not qualify for any defense under bankruptcy laws, then holders of the Notes would be unsecured creditors. In addition, under such circumstances, the value of any consideration holders received with respect to the Notes, including upon foreclosure of the security, could be subject to recovery from such holders and possibly from subsequent transferees.

***The value of the Collateral securing the Notes may not be sufficient to secure post-petition interest in the United States.***

In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding against us in the United States, holders of the Notes will only be entitled to post-petition interest under the United States Bankruptcy Code to the extent that the value of their security interest in the Collateral is greater than their pre-bankruptcy claim. Holders of the Notes that have a security interest in Collateral with a value equal or less than their pre-bankruptcy claim will not be entitled to post-petition interest under the United States Bankruptcy Code. No appraisal of the fair market value of the Collateral has been prepared in connection with this Offering and therefore the value of the noteholders' interest in the Collateral may not equal or exceed the principal amount of the Notes.

***The granting of the security interests in the Collateral may create hardening periods for such security interests in certain jurisdictions.***

The granting of new security interests in connection with the issuance of the Notes and the Revolving Credit Facility may create hardening periods for such security interests. The applicable hardening period for these new security interests will run as from the moment each new security interest has been granted, perfected or recreated. At each time, if the security interests granted, perfected or recreated were to be enforced before the end of the respective applicable hardening period, it may be declared void and/or it may not be possible to enforce it. In addition, the granting of a shared security interest to secure future indebtedness may restart or reopen hardening



periods. The applicable hardening period may run from the moment such new security is amended, granted or perfected. If the security interests granted were to be enforced before the end of the respective applicable hardening period, it may be declared void or ineffective and/or it may not be possible to enforce it.

***You may not be able to recover in civil proceedings for U.S. securities law violations.***

We and most of the Guarantors are companies incorporated outside the United States. Most of our directors and executive officers (including those of the Guarantors) are non-residents of the United States. Although we have submitted to the jurisdiction of certain New York courts in connection with any action under U.S. securities laws, you may be unable to effect service of process within the United States on our directors and executive officers (including those of the Guarantors). In addition, as most of our assets and those of our directors and executive officers are located outside of the United States, you may be unable to enforce judgments against them obtained in the U.S. courts. In addition, we have been informed that it is uncertain whether a French court would accept jurisdiction and apply U.S. laws if proceedings were commenced in France.

***We have not included IFRS financial information in this offering memorandum, and there may be significant differences between our financial position and results of operations prepared in accordance with French GAAP, US GAAP and IFRS.***

The consolidated financial statements of the Company and the Issuer included in this offering memorandum are based on French GAAP, which differs in certain significant respects from IFRS and US GAAP. We have not presented in this offering memorandum a full reconciliation of the Company's, or of the Issuer's, French GAAP consolidated financial statements to IFRS or US GAAP, or a full reconciliation of Mercury or Pinnacle financial statements into French GAAP or IFRS. Because there are significant differences between French GAAP, US GAAP and IFRS, if we were to publish IFRS or US GAAP consolidated financial statements instead of those based on French GAAP, there could be substantial differences in our results of operations, cash flows and financial position, including levels of indebtedness.

We will be allowed under the Indenture to elect to report exclusively in IFRS and if we do so, the covenant calculations under the Indenture will be based on IFRS. There could be significant differences in our reported results between IFRS, US GAAP and French GAAP. In addition, our covenants may become more or less restrictive from time to time, depending upon the effect of the standards we adopt. This could result in our being able to take actions that might be to your detriment, such as incurring greater amounts of debt than would otherwise have been possible, or not being able to take actions that would otherwise be to your benefit, such as making investments.

***Investors may face foreign exchange risks by investing in the Notes.***

The Euro Notes will be denominated and payable in euros and the Dollar Notes will be denominated and payable in U.S. dollars. If investors measure their investment returns by reference to a currency other than euros or U.S. dollars, respectively, an investment in the Notes will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the euro or U.S. dollar relative to the currency by reference to which investors measure the return on their investments because of economic, political and other factors over which we have no control. Depreciation of the euro or U.S. dollar against the currency by reference to which investors measure the return on their investments could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to investors when the return on the Notes is translated into the currency by reference to which the investors measure the return on their investments. Investments in the Euro Notes, which are

denominated in a currency other than U.S. dollars, by U.S. Holders (as defined in “*Tax Considerations—Certain United States Federal Income Tax Considerations*”) may have tax consequences as a result of foreign exchange gains or losses, if any.

***We may not be able to fulfill our repurchase obligations in the event of a change of control, and certain events will not constitute a change of control.***

The Indenture will contain provisions relating to certain events constituting a “change of control.” Upon the occurrence of a change of control, we will be required to offer to repurchase all outstanding Notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest and additional amounts, if any, to the date of repurchase. If a change of control were to occur, we cannot assure you that we would have sufficient funds available at such time, or that we would have sufficient funds to pay the purchase price of the outstanding Notes or that the restrictions in our other existing contractual obligations would allow us to make such required repurchases. A change of control would, if so requested by a lender, result in the cancellation of such lender’s commitments and require the repayment of amounts outstanding under such lender’s commitments under the Revolving Credit Facility Agreement and a change of control may result in an event of default under, or acceleration of, other indebtedness. The repurchase of the Notes pursuant to such an offer could cause a default under such indebtedness, even if the change of control itself does not. We may be required to repay a proportionate amount of debt under our Revolving Credit Facility Agreement if we repay all or a portion of the principal under the Notes.

The ability of the Issuer to receive cash from their subsidiaries to allow them to pay cash to the holders of the Notes following the occurrence of a change of control may be limited by our then existing financial resources (see “– *The Issuer is a holding company that has no material assets or sources of revenue of its own and will depend on cash from its operating subsidiaries to make payments on the Notes*”). If an event constituting a change of control occurs at a time when we are prohibited from providing funds to the Issuer for the purpose of repurchasing the Notes, we may seek the consent of the lenders under such indebtedness to the purchase of the Notes or may attempt to refinance the borrowings that contain such prohibition. If such a consent to repay such borrowings is not obtained, the Issuer will remain prohibited from repurchasing any Notes. In addition, we expect that we would require third-party financing to make an offer to repurchase the Notes upon a change of control but we cannot assure you that we would be able to obtain such financing. Any failure by the Issuer to offer to purchase its Notes would constitute a default under the Indenture, and by extension the Revolving Credit Facility Agreement as an event of default under the Indenture would constitute an event of default under the Revolving Credit Facility Agreement.

The change of control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events, including a reorganization, restructuring, merger or other similar transaction involving us that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a “Change of Control” as defined in the Indenture. In addition, the occurrence of certain events that might otherwise constitute a change of control under the Indenture will be deemed not to be a change of control if a specified consolidated leverage ratio is not exceeded immediately prior to and after giving pro forma effect to such event. Except as described under “*Description of the Senior Secured Notes – Change of Control*,” the Indenture will not contain provisions that would require us to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, merger, recapitalization or similar transaction.

The definition of “Change of Control” in the Indenture will include a disposition of all or substantially all of the assets of the Issuer and its restricted subsidiaries, taken as a whole, to any person. Although there is a limited body of case law interpreting the phrase “all or substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, in

certain circumstances, there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of “all or substantially all” of the assets of the Issuer and its restricted subsidiaries, taken as a whole. As a result, it may be unclear as to whether a change of control has occurred and whether we will be required to make an offer to repurchase the Notes.

***You are restricted in your ability to transfer or resell the Notes without registration under applicable securities laws.***

The Notes are being offered and sold pursuant to an exemption from registration under the Securities Act and applicable state securities laws of the U.S. and have not, will not be, and are not required to be, registered under the Securities Act or the securities laws of any other jurisdiction. Therefore, you may transfer or sell the Notes in the U.S. only in a transaction registered under or exempted from the registration requirements of the Securities Act and applicable state securities laws. These restrictions may limit your ability to resell the Notes and you may be required to bear the risk of your investment for an indefinite period of time. It is the obligation of investors in the Notes to ensure that all offers and sales of the Notes, within the United States and other countries, comply with applicable securities laws. We have not agreed to grant registration rights to the Notes under the Securities Act or conduct an exchange offer for registered notes.

An active trading market may not develop for the Notes or may have particularly limited liquidity. We cannot assure you as to:

- the liquidity of any market in the Notes;
- your ability to sell your Notes; or
- the prices at which you would be able to sell your Notes.

Future trading prices for the Notes will depend on many factors, including, among other things, prevailing interest rates, our operating results and the market for similar securities. Historically, the market for noninvestment grade securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The liquidity of a trading market for the Notes may be adversely affected by a general decline in the market for similar securities and is subject to disruptions that may cause volatility in prices. The trading market for the Notes may attract different investors and this may affect the extent to which the Notes may trade. It is possible that the market for the Notes will be subject to disruptions. Any such disruption may have a negative effect on you, as a holder of the Notes, regardless of our prospects and financial performance. As a result, there is no assurance that there will be an active trading market for the Notes. If no active trading market develops, you may not be able to resell your holding of the Notes at a fair value, if at all.

Although an application will be made to the Authority for the listing of and permission to deal in the Notes on the Official List of the Exchange, we cannot assure you that the Notes will be or remain listed. Although no assurance can be made as to the liquidity of the Notes as a result of the admission to the Official List of the Exchange, failure to be approved for listing or the delisting (whether or not for an alternative admission to listing on another stock exchange) of the Notes from the Official List of the Exchange may have a material effect on a holder’s ability to resell the Notes in the secondary market.

In addition, the Indenture will allow us to issue additional Notes in the future, which could adversely impact the liquidity of the relevant Notes.

***Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.***

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed herein and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of our financings and could adversely affect the value and trading of the Notes.

***The Notes will initially be held in book-entry form and therefore you must rely on the procedures of the relevant clearing system to exercise any rights and remedies.***

The Notes will be issued in fully registered form. The Global Notes will be deposited, on the closing date, with, or on behalf of, a common depository for the accounts of Euroclear and Clearstream (with respect to the Euro Notes) and registered in the name of the nominee of the common depository, or with a custodian for DTC (with respect to the Dollar Notes) and registered in the name of Cede & Co. as nominee of DTC.

Ownership of beneficial interests in the Global Notes (the “**Book-Entry Interests**”) will be limited to persons that have accounts with Euroclear and/or Clearstream or DTC, or persons that hold interests through such participants. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear, Clearstream and DTC, as applicable, and their participants. Owners of beneficial interests in the Global Notes will not be entitled to receive definitive notes in registered form, except under limited circumstances. So long as the Notes are held in global form, holders of Book-Entry Interests will not be considered the owners or “holders” of Global Notes. The common depository for Euroclear and/or Clearstream, or its nominee, or DTC or its nominee, as applicable, will be considered the sole holders of Global Notes.

Payments of any amounts owing in respect of the Global Notes (including principal, premium, interest and additional amounts, if any) will be made by the Issuer to the relevant Paying Agent. The relevant Paying Agent will, in turn, make such payments to the common depository or its nominee for Euroclear and/or Clearstream, or DTC or its nominee, as applicable. The common depository or DTC, or their nominees, will in turn distribute such payments to participants in accordance with its procedures. After payment to the common depository or its nominee for Euroclear and/or Clearstream, or DTC or its nominee, we will have no responsibility or liability for the payment of interest, principal or other amounts to the holders of Book-Entry Interests. Accordingly, if you hold a Book-Entry Interest, you must rely on the procedures of Euroclear and Clearstream, or DTC, as applicable, and, if you are not a participant Euroclear and/or Clearstream, or DTC, as applicable, on the procedures of the participant through which you hold your interest, to exercise any rights and obligations of a holder of Notes under the Indenture.

Unlike the holders of the Notes themselves, holders of Book-Entry Interests will not have the direct right to act upon the Issuer’s solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if you hold a Book-Entry Interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear, Clearstream or DTC, as applicable. The procedures implemented for the granting of such proxies may not be sufficient to enable you to vote on a timely basis.

Similarly, upon the occurrence of an event of default under the Indenture, unless and until Definitive Registered Notes are issued in respect of all Book-Entry Interests, if you hold a Book-Entry Interest, you will be restricted to acting through Euroclear, Clearstream or DTC, as applicable. The procedures to be implemented through Euroclear, Clearstream or DTC, as applicable, may not be adequate to ensure the timely exercise of rights under the Notes.

***There may be significant differences between preliminary financial information included in this offering memorandum and our actual results.***

This offering memorandum presents certain estimated selected financial data for the three months ended 31 December 2021 for the Issuer and Mercury, which is preliminary in nature and represents the most current information available to management as of the date of this offering memorandum. The financial data for the three months ended 31 December 2021 has not been audited or reviewed in accordance with any generally accepted auditing standards. Therefore, our actual results for this period may differ materially from the preliminary results presented in this offering memorandum due to the completion of our financial closing procedures, final adjustments and other developments which may arise between now and the time our financial statements for the three months ended 31 December 2021 are finalized and our financial statement for the year ended 31 December 2021 are audited.

***Certain jurisdictions may impose withholding taxes on payments under the Notes or impose foreign exchange restrictions which may alter or reduce the amount recoverable by holders of the Notes.***

Payments made under the Notes by the Issuer or any Guarantor in certain jurisdictions may be subject to withholding tax, the amount of which may vary depending on the residency of the recipient, the availability of double-tax treaty relief and the recipient's legal relationship with the Issuer and/or the Guarantors. In relation to payments with a United Kingdom source made by a Guarantor under the terms of a Guarantee in respect of interest on the Notes (or other amounts due under the Notes other than the repayment of amounts subscribed for the Notes), given the uncertainty around the United Kingdom withholding tax treatment of payments of this kind, such payments may be subject to United Kingdom withholding tax at the basic rate (currently 20 percent). In certain circumstances, holders of the Notes may be entitled to receive additional amounts in respect of such withholding tax.

***The interests of our principal shareholders may conflict with your interests as a holder of the Notes.***

Cerberus and certain of our management indirectly own the entire share capital of the Group. As a result, our shareholders have and will continue to have, directly or indirectly, the power to affect our legal and capital structure as well as the ability to elect and change our management and to approve other changes to our operations and to influence the outcome of matters requiring action by our shareholders. Our shareholders' interests in certain circumstances may conflict with your interests as noteholders, particularly if we encounter financial difficulties or are unable to pay our debts when due. For example, the shareholders could vote to cause us to incur additional indebtedness. Certain of our shareholders are in the business of making investments in companies and may acquire and hold interests in businesses that compete directly or indirectly with us. Our shareholders may also pursue acquisition opportunities that are complementary to our business and, as a result, those acquisition opportunities may not be available to us. In addition, our shareholders have held, hold or may hold interests in suppliers or customers of the Group. Our shareholders and their affiliates could also have an interest in pursuing acquisitions, divestitures (including one or more divestitures of all or part of our business or sales of our shares which would result in changes to our shareholding structure), financings, dividend distributions or other transactions that, in their judgment, could enhance their equity investments, although such transactions might involve risks to you as a holder of Notes.

***French tax legislation may restrict the deductibility, for French tax purposes, of indebtedness incurred in France, thus increasing our taxable basis and reducing the cash flow available to service our indebtedness.***

The French Finance Law for 2019 (Law 2018-1317 of 28 December 2018) includes specific provisions which introduce into French tax legislation the provisions of the ATAD regarding interest deductibility limitations in respect of fiscal years opened as from 1 January 2019.

In relation to such introduction, (i) the former provisions of (x) Articles 212 bis and 223 B bis of the FTC (i.e., the former 25% general limitation of deductibility of financial expenses (“rabot fiscal”)) and (y) Article 209-IX of the FTC (the “Amendement Carrez” limitation) have been repealed and (ii) the provisions of Article 212-II of the French Tax Code (i.e., existing thin-capitalization rules) have been substantially amended, as developed in more detail below.

The other rules relating to the maximum rate for interest paid to direct minority shareholders or to related parties (Articles 39.1.3° and 212-I-(a) of the FTC) have remained unchanged.

Under Article 39.1.3° of the FTC, the deduction of interest paid by a French company to lenders who are direct shareholders of such company but are not related parties to such company within the meaning of Article 39.12 of the FTC, is subject to the conditions that (i) the share capital of the borrowing company is fully paid-in and (ii) the interest rate on the corresponding loans does not exceed a rate equal to the annual average rate of floating rate loans granted by financial establishments for a minimum term of two years (1.17% for 12-month financial years ended from 30 November 2021 to 30 December 2021). Non-deductible interest pursuant to such limitation will be treated as deemed dividend under French tax law and may in particular be subject to withholding tax, subject to applicable tax treaties. By exception, Article 212, I-(a) of the FTC provides that, in respect of a given tax year, interest incurred on loans granted by a related party within the meaning of Article 39.12 of the FTC is deductible up to the rate referred to in Article 39.1.3° of the FTC or, if higher, up to the rate that the borrowing entity could have obtained from independent financial credit institutions in similar circumstances.

In addition, the French Finance Law for 2019 (Law 2018-1317 of 28 December 2018) includes specific provisions which introduce into French tax legislation the **ATAD** regarding interest deductibility limitations in respect of fiscal years opened as from 1 January 2019. Pursuant to Article 34 of the French Finance Law for 2019 (codified under Article 212 *bis* of the FTC), the deductibility of net financial expenses incurred by an entity in respect of a given fiscal year is now limited to the higher of (i) €3 million and (ii) 30% of its tax adjusted EBITDA in the same fiscal year (corresponding to its taxable income before offset of carry forward tax losses and without taking into consideration net financial expenses and, to some extent, depreciation, provisions and capital gains/losses) generated by such entity (the “**30% Limitation**”). Such limitation applies to both related-party and third-party financings regardless of the purpose of these financings, subject to certain limited exceptions.

Furthermore, for entities being part of a group that establishes eligible consolidated financial statements for accounting purposes, a safeguard clause has been implemented in order to allow additional deduction of net financial expenses for companies that are able to demonstrate that the ratio of their equity (*fonds propres*) over their total assets is equal to or higher than the same ratio computed at the level of the accounting consolidated group to which they belong for accounting purposes (the “**Financial Autonomy Safe Harbor**”). In this specific case, net financial expenses exceeding the 30% Limitation are deductible up to 75% of their amount (the “**75% Additional Deduction**”).

French thin-capitalization rules have also been amended and apply cumulatively to the 30% Limitation, but only to loans granted by related parties within the meaning of Article 39-12 of the FTC and no longer to third-party debts guaranteed by such related parties. In this respect, where the amount of the related party debt of a company exceeds 1.5 times the company's equity (*fonds propres*) during a financial year, measured, at the company's option, at the opening or the close of such financial year, the company is regarded as thinly capitalized and the net financial expenses borne by such entity related to (i) financing granted by unrelated parties and (ii) financing granted by related parties up to 1.5 times the company's equity (*fonds propres*) will be deductible up to a maximum amount equal to the higher of (i) 30% of the company's tax-adjusted EBITDA and (ii) €3 million per fiscal year multiplied by a ratio equal to (A) the average amount of sums borrowed from or made available by non-related parties within the meaning of Article 39-12 of the FTC plus 1.5 times the company's equity (assessed either at the beginning or at the closing date of the fiscal year), divided by (B) the average amount of all sums borrowed by or made available to the company during said year. The net financial expenses borne by such companies and corresponding to financing granted by related parties exceeding 1.5 times the company's equity (*fonds propres*) will be deductible up to a maximum amount equal to the higher of (i) 10% of the entity's tax adjusted EBITDA and (ii) €1 million per fiscal year multiplied by a ratio equal to (A) the average amount of sums borrowed from or made available by related parties within the meaning of Article 39-12 of the FTC exceeding 1.5x the company's equity (assessed either at the beginning or at the closing date of the fiscal year) by (B) the average amount of all sums borrowed by or made available to the company during said fiscal year. Nevertheless, the interest deductibility restriction provided for by these amended thin-capitalization rules is not applicable if the borrowing company is able to demonstrate that the overall debt-to-equity ratio of the accounting group (as determined under accounting consolidation rules) to which it belongs is higher than its own debt-to-equity ratio (assessed either at the beginning or at the closing date of the fiscal year) (the "**Indebtedness Safe Harbor**"). In addition, when a company falls within the scope of French thin-capitalization rules, it is not allowed to benefit from the 75% Additional Deduction, except if it benefits from both the Indebtedness Safe Harbor and the Financial Autonomy Safe Harbor.

Financial expenses that are disallowed by virtue of the application of the 30% Limitation (and, as the case may be, after application of the 75% Additional Amount) can be carried forward indefinitely and deducted in the future under the same conditions. On the other hand, the portion disallowed as a result of the application of the 10% limitation will only be eligible for carry forward for one third of its amount. The unused interest deduction capacity of a current fiscal year might also be used over the following five tax years, but only against financial expenses incurred in those fiscal years, it being noted that this measure is not available to thinly capitalized entities. Specific rules apply to companies that belong to French tax-consolidated groups.

Specific rules apply to companies that belong to French tax consolidated groups, in particular the following: (i) the 30% Limitation is computed on the basis of the consolidated adjusted EBITDA generated by such companies and (ii) the debt-to-equity ratio is analyzed (x) on a consolidated basis pursuant to French accounting rules applying for purposes of establishing consolidated financial statements and (y) in respect of loans granted by related parties within the meaning of Article 39,12 of the FTC which do not belong to the same tax consolidated group.

Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-IS-BASE-35-40-10-20, § 20, dated 13 May 2020 and BOI-IS-BASE-35-40-20, § 240, dated 13 May 2020, the portion of interest that is not deductible by virtue of (i) Article 212 *bis*, I of the French Tax Code under the "30% adjusted tax EBITDA limitation" and/or (ii) Article 212 *bis*, VII of the French Tax Code under the thin-capitalization rules is not to be recharacterized as a "deemed distribution" pursuant to Articles 119 *et seq.* of the French Tax Code and, therefore, is not subject to the withholding tax set out under Article 119 *bis* 2 of the French Tax Code applicable to dividend distributions.

In addition, the new anti-hybrid limitation resulting from the **ATAD 2** has been implemented into French tax law by the French Finance Law for 2020 under Articles 205 B, 205 C and 205 D of the FTC and, in counterpart, the existing French anti-hybrid rules, as set forth in Article 212-I-b of the FTC, have been repealed. The relevant mismatches are those arising, *inter alia*, from (i) hybrid instruments and entities (including permanent establishments), (ii) reverse hybrid entities and (iii) situations of dual residency. Such new provisions are applicable as from 1 January 2020, it being noted that the application of provisions relating to reverse hybrid entities (Article 205 C of the FTC) are deferred to 1 January 2022.

Articles 205 B *et seq.* of the FTC implementing ATAD 2 provide limitations on interest deductions in the event of (i) a deduction of a payment at the level of a paying entity without a corresponding inclusion of such payment in the taxable income of the receiving entity (referred to as a “**deduction without inclusion**”) or (ii) a deduction of the same payment, operational expenses or losses in the taxable income of both the paying and receiving entity (referred to as a “**double deduction**”). Such limitations only apply to payments taking place between “associated enterprises,” except for the so-called “structured arrangements” (*i.e.*, an arrangement pricing the relevant mismatch or an arrangement designed to produce the mismatch, subject to certain conditions). If the hybrid mismatch results in a deduction without inclusion, the deduction from taxable income will generally be denied to the French paying entity. Alternatively, the payment to a French receiving entity will be included in its taxable income if deduction is not denied in the jurisdiction of the paying entity. If the hybrid mismatch results in a double deduction, the deduction will either be denied at the level of the receiving entity or at the level of the paying entity. In respect of fiscal years opened as from 1 January 2022, the new provisions also cover, *inter alia*, reverse hybrid entities, referring to situations where an entity is deemed to be tax transparent in its country of establishment but the jurisdiction of its “associated enterprises” holding directly or indirectly an aggregate of more than 50% of the voting rights, capital interests or rights to share profit, qualify the entity as non-transparent. In this situation, the entity would be treated as taxable in its jurisdiction of establishment (either at the level of the entity or at the level of its shareholders or partners).

The above-mentioned tax rules, as well as generally applicable tax principles, may limit our ability to deduct interest from our French taxable results and, as a consequence, may increase our tax burden, which could adversely affect our business in France, results of operations and financial condition and reduce the cash flow available to service our indebtedness.



## FINANCIAL INFORMATION OF THE WFS GROUP

The financial information in this section, which was also previously presented in Appendix B of the Circular, has been extracted from the WFS Bondholder Reports and WFS Bondholder Report Presentations, with the inclusion of certain additional line items reflecting subtotals and/or differences in the underlying financial information for purposes of clarity, as well as the inclusion of certain limited corrections (including typographical corrections) and/or supplemental information. The financial information of the WFS Group as contained in the WFS Bondholder Reports and WFS Bondholder Report Presentations are prepared in accordance with French GAAP and have not been converted to SFRS(I). The financial information of the WFS Group has not been audited by the Company and there can be no assurance that if such financial information had been audited that there would be no change in the financial information and that such changes would not be material.

EUR (in million)	LTM Mar 21	LTM Jun 21	LTM Sep 21	LTM Dec 21	LTM Mar 22	LTM Jun 22	LTM Sep 22
<b>Reported EBITDA</b>	<b>97.0</b>	<b>189.8</b>	<b>196.8</b>	<b>207.9</b>	<b>201.7</b>	<b>178.4</b>	<b>175.0</b>
<i>Add: acquisitions</i>	25.3	28.2	30.7	36.9	31.0	22.1	12.9
<b>EBITDA (scope in Chapter 10/Investor Presentation)</b>	<b>122.3</b>	<b>218.0</b>	<b>227.5</b>	<b>244.8</b>	<b>232.7<sup>8</sup></b>	<b>200.5</b>	<b>187.9</b>
EUR (in million)	LTM Mar 21	LTM Jun 21	LTM Sep 21	LTM Dec 21	LTM Mar 22	LTM Jun 22	LTM Sep 22
<b>Reported EBITDA</b>	<b>97.0</b>	<b>189.8</b>	<b>196.8</b>	<b>207.9</b>	<b>201.7</b>	<b>178.4</b>	<b>175.0</b>
Business tax expense (CVAE) <sup>9</sup>	2.0	1.8	1.5	1.3	1.4	1.5	1.5
Non-cash provision for pensions <sup>10</sup>	1.2	1.4	7.1	7.7	8.0	8.2	2.8
Transaction-related costs	0.3	0.2	0.1	0.1	0.1	0.1	0.0
Non-recurring charges <i>Restructuring, closing and severance costs<sup>11</sup></i>	20.3	18.1	17.9	5.9	7.4	8.7	9.0
<i>Other non-recurring items</i>	23.6	6.0	0.8	(0.2)	1.0	1.1	2.2
PSP grant/CARES Act (income)	(89.5)	(124.6)	(109.3)	(84.3)	(61.8)	(20.4)	–

8 Slight difference to €232M as disclosed in Chapter 10 announcement as figure here is calculated based on rounded figures from the report to bondholders issued by Promontoria Holding 264 B.V. setting out its financial results for the period ended 31 March 2022.

9 Business tax expense (CVAE) can be classified as income tax under IFRS. Under French GAAP, which is the standard used in WFS Bondholder Reports, it is classified as an operating expense, hence the recurring adjustment to EBITDA above.

10 In France, retirement indemnities are only due in case of actual retirements and not when a person leaves for any other reason. Actual pay-outs are included in EBITDA as they occur. Pension costs also include non-cash actuarial provisions. The WFS Group consistently adjusts EBITDA for the non-cash portion of pension expenses.

11 Non-recurring restructuring costs, such as discontinued activities, acquisitions integration and human resources related costs.

EUR (in million)	LTM Mar 21	LTM Jun 21	LTM Sep 21	LTM Dec 21	LTM Mar 22	LTM Jun 22	LTM Sep 22
<b>Adjustments to EBITDA</b>	<b>(42.1)</b>	<b>(97.1)</b>	<b>(81.9)</b>	<b>(69.5)</b>	<b>(44.1)</b>	<b>(0.9)</b>	<b>15.5</b>
<b>Adjusted EBITDA</b>	<b>54.9</b>	<b>92.8</b>	<b>114.9</b>	<b>138.4</b>	<b>157.6</b>	<b>177.6</b>	<b>190.5</b>
<i>Add: acquisitions</i>	<i>25.3</i>	<i>28.2</i>	<i>30.7</i>	<i>36.9</i>	<i>31.0</i>	<i>22.1</i>	<i>12.9</i>
<i>Add: discontinued operations' loss</i>	<i>2.8</i>	<i>2.4</i>	<i>1.0</i>	<i>1.2</i>	<i>0.7</i>	<i>0.1</i>	<i>0.0</i>
<b>Pro Forma Adjusted EBITDA (WFS Bondholder Reports)</b>	<b>83.0</b>	<b>123.4</b>	<b>146.6</b>	<b>176.5</b>	<b>189.3</b>	<b>199.8</b>	<b>203.4</b>

#### Ebitda to Adjusted EBITDA – Quarterly<sup>12</sup>

EUR (in million)	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
<b>Reported EBITDA</b>	<b>36.7</b>	<b>40.9</b>	<b>70.3</b>	<b>48.9</b>	<b>47.8</b>	<b>34.7</b>	<b>47.0</b>	<b>45.5</b>
Business tax expense (CVAE) <sup>13</sup>	0.6	0.3	0.3	0.3	0.5	0.3	0.5	0.3
Non-cash provision for pensions <sup>14</sup>	0.9	0.2	0.2	5.8	1.4	0.5	0.4	0.4
Transaction-related costs	–	–	–	0.0	0.0	0.0	0.0	0.0
Non-recurring charges								
<i>Restructuring, closing and severance costs</i> <sup>15</sup>	<i>12.4</i>	<i>0.5</i>	<i>2.3</i>	<i>2.7</i>	<i>0.3</i>	<i>2.1</i>	<i>3.5</i>	<i>3.0</i>
<i>Other non-recurring items</i>	<i>2.2</i>	<i>(0.1)</i>	<i>2.1</i>	<i>(3.5)</i>	<i>1.4</i>	<i>1.0</i>	<i>2.3</i>	<i>(1.5)</i>
PSP grant/CARES Act (income)	(26.0)	(22.4)	(41.4)	(19.5)	(1.0)	–	–	–
<b>Adjustments to EBITDA</b>	<b>(9.8)</b>	<b>(21.5)</b>	<b>(36.5)</b>	<b>(14.1)</b>	<b>2.6</b>	<b>3.9</b>	<b>6.7</b>	<b>2.3</b>
<b>Adjusted EBITDA</b>	<b>26.9</b>	<b>19.4</b>	<b>33.7</b>	<b>34.8</b>	<b>50.4</b>	<b>38.7</b>	<b>53.7</b>	<b>47.8</b>

12 Figures are not adjusted for the full year *pro forma* effects of Pinnacle and Mercury acquisitions.

13 Business tax expense (CVAE) can be classified as income tax under IFRS. Under French GAAP, which is the standard used in WFS Bondholder Reports, it is classified as an operating expense, hence the recurring adjustment to EBITDA above.

14 In France, retirement indemnities are only due in case of actual retirements and not when a person leaves for any other reason. Actual pay-outs are included in EBITDA as they occur. Pension costs also include non-cash actuarial provisions. The WFS Group consistently adjusts EBITDA for the non-cash portion of pension expenses.

15 Non-recurring restructuring costs, such as discontinued activities, acquisitions integration and human resources related costs.

## Quarterly Income Statement Overview<sup>16</sup>

EUR (in million)	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
<b>Revenue<sup>17</sup></b>	<b>291.7</b>	<b>281.5</b>	<b>317.5</b>	<b>354.4</b>	<b>429.0</b>	<b>452.9</b>	<b>491.7</b>	<b>511.3</b>
Field expenses & operating overheads	(237.4)	(233.0)	(233.5)	(285.1)	(370.3)	(399.7)	(419.8)	(449.9)
<b>Gross margin</b>	<b>54.4</b>	<b>48.6</b>	<b>84.0</b>	<b>69.4</b>	<b>58.7</b>	<b>53.2</b>	<b>71.9</b>	<b>61.3</b>
<i>Gross margin %</i>	<i>18.6%</i>	<i>17.3%</i>	<i>26.5%</i>	<i>19.6%</i>	<i>13.7%</i>	<i>11.7%</i>	<i>14.6%</i>	<i>12.0%</i>
General & administration expenses and others	(30.6)	(23.9)	(28.1)	(28.6)	(33.9)	(34.4)	(40.5)	(37.2)
<b>Operating income</b>	<b>23.7</b>	<b>24.7</b>	<b>55.9</b>	<b>40.8</b>	<b>24.8</b>	<b>18.9</b>	<b>31.4</b>	<b>24.1</b>
Net financial income/(expenses)	(12.7)	(12.9)	(17.9)	(14.8)	(19.1)	(44.0)	(55.2)	(51.6)
<i>Financial expenses on borrowings</i>	<i>(13.7)</i>	<i>(13.4)</i>	<i>(13.1)</i>	<i>(13.2)</i>	<i>(13.5)</i>	<i>(18.0)</i>	<i>(23.4)</i>	<i>(17.7)</i>
<i>Impairment of current and non-current financial assets</i>	<i>(2.0)</i>	<i>–</i>	<i>0.0</i>	<i>(0.7)</i>	<i>(0.3)</i>	<i>(0.3)</i>	<i>(37.2)</i>	<i>(26.2)</i>
<i>Other financial expenses</i>	<i>(3.5)</i>	<i>(3.3)</i>	<i>(3.6)</i>	<i>(3.8)</i>	<i>(5.9)</i>	<i>(29.1)</i>	<i>0.6</i>	<i>(5.2)</i>
<i>Impact of FX, share disposal, and others<sup>18</sup></i>	<i>6.5</i>	<i>3.8</i>	<i>(1.2)</i>	<i>2.9</i>	<i>0.7</i>	<i>3.5</i>	<i>4.8</i>	<i>(2.5)</i>
Goodwill impairment	(72.3)	–	–	–	–	–	–	–
Extraordinary items income/(expense)	(17.3)	1.5	0.2	(0.1)	1.8	(0.2)	(0.0)	0.1
<b>Profit before tax</b>	<b>(78.6)</b>	<b>13.3</b>	<b>38.2</b>	<b>25.9</b>	<b>7.5</b>	<b>(25.3)</b>	<b>(23.8)</b>	<b>(27.4)</b>
Income tax expense	6.9	(2.0)	(23.5)	0.9	9.4	(3.9)	(7.0)	(3.5)
<b>Reported net profit (as per WFS Bondholder Reports)</b>	<b>(71.7)</b>	<b>11.3</b>	<b>14.7</b>	<b>26.8</b>	<b>17.0</b>	<b>(29.2)</b>	<b>(30.8)</b>	<b>(30.9)</b>
<i>Net profit margin %</i>	<i>(24.6%)</i>	<i>4.0%</i>	<i>4.6%</i>	<i>7.6%</i>	<i>4.0%</i>	<i>(6.4%)</i>	<i>(6.3%)</i>	<i>(6.0%)</i>

16 Figures are not adjusted for the full year *pro forma* effects of Pinnacle and Mercury acquisitions.

17 Revenue is as presented in WFS Bondholder Reports and WFS Bondholder Report Presentations, and does not include income from airport fees. In order to comply with French GAAP and for statutory accounting purposes, WFS Group booked airport fees incurred (and recharged to customers) in connection with its North American business as revenue and costs. Airport fees are offset between revenue and field expenses, and exclusion of airport fees from revenue has no effect on EBITDA or net income.

18 Include foreign exchange gains/losses, other financial income, capital gains/loss on share disposal.

**UNAUDITED KEY FINANCIAL HIGHLIGHTS OF THE WFS GROUP FOR ITS  
FINANCIAL YEAR ENDED 31 DECEMBER 2022**

*The financial information in this section has been extracted from the WFS Flash Report. The financial information of the WFS Group as contained in the WFS Flash Report are prepared in accordance with French GAAP and have not been converted to SFRS(I). The financial information of the WFS Group has not been audited by the Company and there can be no assurance that if such financial information had been audited that there would be no change in the financial information and that such changes would not be material.*



## Promontoria Holding 264 B.V.

Preliminary Financial Highlights for the three and twelve months  
ended  
31 December 2022

*€340 million 6.375% Senior Secured Notes due 2027*

*\$400 million 7.875% Senior Secured Notes due 2027*

*€250 million Floating Rate (Euribor +6.125%) Senior Secured Notes due 2027*



## Important disclaimer

### ***Summary Update to Holders (the 'WFS Bondholders') of the Euro and US Dollar Fixed Rate Notes due 2027 and Euro Floating Rate Notes due 2027 (together, the 'Notes') issued by Promontoria Holding 264 B.V. (the 'Issuer').***

*The following summary report presents summary preliminary and unaudited consolidated financial information prepared for the Issuer and its subsidiaries ('WFS Group'). Note that a full report pursuant to the indenture dated 9 February 2022 in respect of the Notes will be communicated at a later date.*

The summary financial results for the three month and the twelve month periods ended 31 December 2022 (Q4 2022 and FY 2022, respectively) are derived from preliminary management accounts and have not been audited, reviewed or verified by our independent auditors. During the course of our financial statement closing and audit process for the year ended 31 December 2022, we could identify items that would require adjustments to be made and that could affect the results of operations for the periods presented. Those procedures for such period have not been completed and the operating results for such period may be different than the performance and trends indicated by the financial results for the three and twelve months ended 31 December 2022 and such changes may be material. The financial information set out in this summary report should not be regarded as an indication, forecast or representation by us or any other person regarding our financial performance for the three and twelve months ended 31 December 2022.

This summary report has been prepared by the Issuer. By reviewing this summary report, you agree to be bound by the following conditions: this summary report is for information purposes only and does not constitute an offer or invitation to sell or purchase or the solicitation of an offer to purchase securities in the Issuer. Furthermore, it does not constitute a recommendation by the Issuer or any other party to sell or purchase securities in the Issuer or any other securities.

This summary report may include forward-looking statements. Forward-looking statements are statements regarding or based upon management's current intentions, beliefs or expectations relating to, among other things the WFS Group's future results of operations, financial condition, liquidity, prospects, growth, strategies or developments in the industry in which it operates. All written or verbal "forward looking" statements attributable to the Issuer, or persons acting on its behalf, are qualified in their entirety by the cautionary statements contained in the summary report.

By their nature, forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results or future events to differ materially from those expressed or implied thereby. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein.

Forward-looking statements contained in this summary report regarding trends or current activities should not be taken as a representation that such trends or activities will continue in the future. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on any such forward-looking statements, which speak only as of the date of this summary report.

The information contained in this summary report is subject to change without notice. No representation or warranty, express or implied, is made as to the fairness, accuracy, reasonableness or completeness of the information contained herein and no reliance should be placed on it.

Most of the figures in this summary report are shown in millions of euros. This may give rise to rounding differences.

## 2022 Pre View – A Resilient and Above Market Performance

### FY 2022 Trading Performance Highlights

- WFS FY 2022 Revenue was €1,970.3 million, an increase of +24.5% or +€388million vs. €1,582.4 million pro forma revenue in FY 2021. Revenue growth was driven broadly equally by Cargo and Ground and Ancillary and benefitted from positive FX impact mainly due to USD/EUR conversion. Cargo delivered a solid revenue growth despite a small volume decline in total WFS handled tonnage which compares favourably to IATA cargo metrics for full year 2022, as the market softened in second half of 2022. Good commercial momentum has supported the resilience of the top line. Ground Handling and Ancillary activity was fuelled by strong rebound in volumes in the continuity of post Covid recovery.
- FY 2022 Field Contribution was €337.6 million, an increase of €53 million vs. €284.6 million pro forma Field Contribution in FY 2021. Ground and Ancillary businesses drove the majority of year-on-year underlying growth in Field Contribution as the Cargo business was impacted by costs increases overall and a less favourable mix revenues in North America, while Field Contribution also benefited from positive FX impact vs 2021, again consistent with prior periods.
- FY 2022 Adjusted EBITDA was €198.8 million, an increase of €24 million vs. €174.8 million pro forma Adjusted EBITDA in FY 2021, resulting in an Adjusted EBITDA margin of 10.1% compared to 11.0% in FY2021.

### Q4 2022 year-on-year performance

- Q4 2022 Revenue was €514.4 million, a €42 million increase vs. €472.6 million pro forma revenue in Q4 2021. The year-on-year variance included positive FX impact and a limited underlying growth led by Ground & Ancillary strong performance while Cargo revenues were slightly down – compared to a record Q4 2021 – despite continuing progress in the EMEAA Region.
- Q4 2022 Field Contribution remained near constant at €94.8 million vs. €94.7 million pro forma Field Contribution in Q4 2021. The slowdown of the Cargo market combined with cost increases and mix revenue impact in North America was partially offset by the solid recovery of Ground & Ancillary business.
- Q4 2022 Adjusted EBITDA was €58.7 million vs. €63.4 million pro forma Adjusted EBITDA in Q4 2021 as the Group continued to invest in its strategic priorities notably digitalization and operational efficiency.

WFS Liquidity as of 31 December 2022 was approx. € 296 million, including € 139 million of available RCF, leaving the Group in a strong financial situation.

## Financial Overview

The table below presents reported Revenue and Field Contribution for the periods under consideration, with a breakdown by business line (Cargo and Ground handling/Ancillary services):

(in millions of euros)	Reported Q4 2021	Q4 2022	Change (€)	Change (%)	Reported FY 2021	FY 2022	Change (€)	Change (%)
<b>Revenue</b>								
Cargo	339.3	385.4	46.0	13.6%	1,108.9	1,491.7	382.8	34.5%
Ground & Ancillary	89.7	129.1	39.4	43.9%	273.6	478.6	205.0	74.9%
<b>Total</b>	<b>429.0</b>	<b>514.4</b>	<b>85.5</b>	<b>19.9%</b>	<b>1,382.5</b>	<b>1,970.3</b>	<b>587.8</b>	<b>42.5%</b>
<b>Field Contribution</b>								
Cargo	74.8	80.1	5.3	7.1%	233.0	288.7	55.7	23.9%
Ground & Ancillary	6.9	14.7	7.8	n/m	12.1	48.9	36.8	n/m
<b>Total</b>	<b>81.7</b>	<b>94.8</b>	<b>13.1</b>	<b>16.1%</b>	<b>245.1</b>	<b>337.6</b>	<b>92.5</b>	<b>37.7%</b>
<b>Adjusted EBITDA</b>	<b>50.4</b>	<b>58.7</b>	<b>8.3</b>	<b>16.5%</b>	<b>138.4</b>	<b>198.8</b>	<b>60.5</b>	<b>43.7%</b>

*n/m: not meaningful*

The Group's US Cargo acquisitions (Pinnacle Logistics and Mercury Cargo) are now fully integrated into existing WFS Cargo business.

For clarity and relevance purposes, the table below presents reported Revenue and Field Contribution for the three- and twelve-month periods ended 31 December 2022 compared to pro forma 2021 results, calculated as if the US acquisitions made in 2021 (Pinnacle Logistics, Mercury / Maytag) had been fully consolidated since 1 January 2021.

(in millions of euros)	Pro forma Q4 2021	Q4 2022	Change (€)	Change (%)	Pro forma FY 2021	FY 2022	Change (€)	Change (%)
<b>Revenue</b>								
Cargo	370.8	385.4	14.5	3.9%	1,265.5	1,491.7	226.1	17.9%
Ground & Ancillary	101.7	129.1	27.3	26.9%	316.9	478.6	161.7	51.0%
<b>Total</b>	<b>472.6</b>	<b>514.4</b>	<b>41.9</b>	<b>8.9%</b>	<b>1,582.4</b>	<b>1,970.3</b>	<b>387.9</b>	<b>24.5%</b>
<b>Field Contribution</b>								
Cargo	85.6	80.1	(5.4)	(6.4%)	264.1	288.7	24.6	9.3%
Ground & Ancillary	9.1	14.7	5.6	61.0%	20.5	48.9	28.4	n/m
<b>Total</b>	<b>94.7</b>	<b>94.8</b>	<b>0.1</b>	<b>0.1%</b>	<b>284.6</b>	<b>337.6</b>	<b>53.0</b>	<b>18.6%</b>
<b>Adjusted EBITDA</b>	<b>63.4</b>	<b>58.7</b>	<b>(4.7)</b>	<b>(7.4%)</b>	<b>174.8</b>	<b>198.8</b>	<b>24.0</b>	<b>13.7%</b>

*n/m: not meaningful*



## COMBINED *PRO FORMA* FINANCIAL EFFECTS OF THE WFS ACQUISITION ON THE GROUP

*The financial information in this section has been extracted from Paragraph 11 of the Circular and updated as at the date of this Offer Information Statement in accordance with the terms of the Rights Issue. Capitalised terms used which are not otherwise defined in this Appendix K shall have the same meanings as ascribed to them in the Circular.*

1. **Bases.** The combined *pro forma* financial effects of the WFS Acquisition on the Group as set out in this Appendix K is based on:
  - 1.1. the audited consolidated financial statements of the Group for FY2022, prepared in accordance with SFRS(I); and
  - 1.2. the unaudited financial information of the Target Group for the 12 months ended 31 March 2022, prepared in accordance with French GAAP for the WFS Group and Dutch GAAP for the Dutch Holding Companies, and which:
    - (i) with respect to the information provided in Column (2) of each of the tables in paragraph 4 of this Appendix K, have not been converted to SFRS(I); and
    - (ii) with respect to the information provided in Column (3) of each of the tables in paragraph 4 of this Appendix K, have been converted to SFRS(I) by the Company on a best-efforts basis in consultation with an external consultant engaged by the Company:
      - based on information made available by the WFS Group to the Group;
      - taking into account the financial reporting implications under SFRS(I) that are derived from the consolidation of the Target Group for the 12 months ended 31 March 2022; and
      - taking into account the Company's best-efforts estimation of the major GAAP differences identified between current Target Group financial reporting under French GAAP, Dutch GAAP and SFRS(I).

The four major GAAP differences considered for these adjustments relate to the application of: (i) SFRS(I) 16 *Leases*; (ii) SFRS(I) 1-28 *Investment in Associates and Joint Ventures*; (iii) SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates*; and (iv) SFRS(I) 9 *Financial Instruments* (only with regards to recognition of on-balance sheet of recourse factoring arrangements).

The transition to SFRS(I) for the purpose of showing the combined *pro forma* financial effects in this Appendix K is a major undertaking. The information provided in Column (3) of each of the tables in paragraph 4 of this Appendix K is not intended to reflect all the implications derived from a full SFRS(I) conversion exercise (which can only be undertaken post-SPA Closing) and cannot be relied upon to have identified all the differences which exist between current accounting policies and SFRS(I) compliant policies, all the adjustments which may be required, or all the issues which could arise on modifying systems as part of a SFRS(I) implementation exercise of the Target Group. Accordingly, other adjustments could be identified, and the Company's best-efforts estimates could prove to be inaccurate and the implications could be material.

2. **Assumptions.** For the purposes of illustrating the financial effects of the WFS Acquisition, the financial effects have been prepared based on, *inter alia*, the above bases and the following assumptions:
- 2.1. the total acquisition cost, which includes the estimated aggregate consideration<sup>19</sup> of €1,257 million (approximately equivalent to S\$1,736 million) and the Lender Pay-Off Amount<sup>20</sup> of €56 million (approximately equivalent to S\$84 million), is €1,313 million (approximately equivalent to S\$1,820 million);
  - 2.2. the financial effects of the WFS Acquisition on the Group's NTA, NAV and aggregate leverage are computed assuming that the WFS Acquisition was completed on 31 March 2022;
  - 2.3. the financial effects of the WFS Acquisition on the Group's EPS are computed assuming that the WFS Acquisition was completed on 1 April 2021;
  - 2.4. the total acquisition cost in paragraph 2.1 of this Appendix K is assumed to be funded in the following manner: (i) approximately S\$798.8 million by way of this Rights Issue; (ii) the Euro equivalent of approximately S\$700 million by way of the Term Loan; and (iii) the remaining balance from internal cash reserves. These financial effects have been calculated based on the Issue Price of S\$2.20 and 363,111,486 Rights Shares being issued under this Rights Issue to raise total Gross Proceeds of approximately S\$798.8 million.
  - 2.5. the exclusion of financial effects of purchase price allocation under SFRS(I) 3 *Business Combinations*, for illustrating the financial effects on the consolidated NTA of the Group;
  - 2.6. the exclusion of transaction costs for the WFS Acquisition and the Rights Issue;
  - 2.7. the inclusion of the financial effects for the Target Group's material acquisitions of Mercury and Pinnacle, assuming these acquisitions were completed on 1 April 2021, for illustrating the financial effects on the consolidated earnings of the Group;
  - 2.8. the exclusion of contingent liabilities of a maximum of £4.9 million (approximately equivalent to S\$7.5 million)<sup>21</sup> that may potentially arise as a result of the WFS Acquisition due to the change of control at the Target Group;
  - 2.9. the Target Group's financial information in € has been translated based on an exchange rate of €1.000:S\$1.508, and foreign exchange effects have been excluded; and

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19 For purposes of the combined *pro forma* financial effects as set out in this Appendix K, the estimated aggregate consideration applies a rate of 2.5 per cent. to the Adjusted Base Consideration and Released Deposits as if the transaction were to close on 31 March 2023 and applies a €:S\$ exchange rate of 1:1.3809.

20 For the purposes of the combined *pro forma* financial effects as set out in this Appendix K, the Lender Pay-Off Amount differs from paragraph 8.1.2 of the Circular in that it assumes: (i) the Brazil loans and U.S. PSP notes balances are as of 31 March 2022; and (ii) the U.K. grants are not required to be repaid, and is based on a €:S\$ exchange rate of 1:1.5077 as at 31 March 2022. Further, as set out in paragraph 7.6.1 of the Circular, for the purposes of the combined *pro forma* financial effects as set out in this Appendix K: (a) the €160 million revolving credit facility made available to the Target Group is assumed to be undrawn; and (b) the €7.5 million overdraft facility made available to a subsidiary under the Target Group in France is assumed to be undrawn.

21 Based on a £ to S\$ exchange rate of 1:1.55.

- 2.10. the purchase consideration for illustrating the financial effects on the consolidated NTA and NAV of the Group comprises the following:
- (i) Base Consideration of €1,187 million (approximately equivalent to S\$1,639 million)<sup>22</sup>; plus
  - (ii) an amount equal to the aggregate amount of: (a) any Released Deposits; and (b) an amount equal to €1 million (approximately equivalent to S\$1 million) calculated by applying the rate of 2.5 per cent. per annum on each such Released Deposit from (and including) the date on which such Released Deposit is refunded to the Target Group in cash to (and including) the assumed Closing Date of 31 March 2023, such amount accrued daily based on 365 days per annum; minus (c) in respect of any Released Deposit for which a letter of credit is issued as the replacement, an amount equal to the cost of such replacement letter of credit which is in excess of the fees and/or cost of a letter of credit as contemplated in the €160 million revolving credit facility made available to the Target Group; plus
  - (iii) an amount equal to €30 million (approximately equivalent to S\$41 million), calculated by applying the rate of 2.5 per cent. per annum to the amount equal to the Adjusted Base Consideration (being the Base Consideration less the Disclosed Transaction Costs), over the period from (and excluding) 31 March 2022 to (and including) the assumed Closing Date of 31 March 2023, such amount accrued daily based on 365 days per annum.

3. **Pro Forma Financial Effects.** The *pro forma* financial effects of the WFS Acquisition as set out below are strictly for illustrative purposes and do not necessarily reflect the actual financial position and performance of the Company or the Group, prepared according to the relevant accounting standards, following the WFS Acquisition.

Following Closing, the accounts of the Target Group will have to be converted from French GAAP for the WFS Group and Dutch GAAP for the Dutch Holding Companies, to SFRS(I), on which basis the audited consolidated financial statement of the Group need to be prepared. Such conversion will require adjustments to be made to the reported numbers of the Target Group and there could be substantial differences in our results of operations, cash flows and financial positions from what is presented in this Offer Information Statement. See paragraph 1.2(ii) of this Appendix K for certain identified adjustments at this stage.

In addition, the financial statements of the Target Group will have to be translated into Singapore Dollars (which is the Company's reporting currency) for consolidation into the Group's financial statements following the completion of the WFS Acquisition. Exchange rate gains or losses may arise when the assets and liabilities in the foreign currencies used by the Target Group are translated or exchanged into Singapore Dollars for financial reporting.

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<sup>22</sup> Based on a € to S\$ exchange rate of 1:1.3809.

#### 4. Combined *Pro Forma* Financial Effects

##### 4.1. NTA

	<b>As at 31 March 2022 (1)</b>	<b>Immediately following Closing (before SFRS(I) adjustments) (2)</b>	<b>Immediately following Closing (after SFRS(I) adjustments) (3)</b>
NTA (net of minority interest) of the SATS Group (S\$ million)	1,049	(1,138)	(1,133)
Number of Shares excluding treasury shares (million)	1,122	1,485	1,485
NTA (net of minority interest) per Share (Singapore cents)	93.5	(76.6)	(76.3)

**Note:** The negative NTA position immediately following SPA Closing is owing largely to the Target Group's goodwill balance of €770 million (approximately equivalent to S\$1,161 million), the Target Group's intangible assets of €325 million (approximately equivalent to S\$490 million) which comprises mainly customer relationships, trademarks, and intangible rights under concession contracts, and goodwill arising from the Group's acquisition of the Target Group.

##### 4.2. NAV

	<b>As at 31 March 2022 (1)</b>	<b>Immediately following Closing (before SFRS(I) adjustments) (2)</b>	<b>Immediately following Closing (after SFRS(I) adjustments) (3)</b>
NAV (net of minority interest) of the SATS Group (S\$ million)	1,603	2,408	2,408
Number of Shares excluding treasury shares (million)	1,122	1,485	1,485
NAV (net of minority interest) per Share (Singapore cents)	142.8	162.1	162.1

### 4.3. EPS

	FY2022 (1)	Immediately following Closing (before SFRS(I) adjustments) <sup>(A)</sup> (2)		Immediately following Closing (after SFRS(I) adjustments) <sup>(B)</sup> (3)	
		Including Amortisation of Intangible Assets <sup>23</sup> (A)	Excluding Amortisation of Intangible Assets (B)	Including Amortisation of Intangible Assets <sup>23</sup> (A)	Excluding Amortisation of Intangible Assets (B)
Net profit attributable to the owners of the Company for FY2022 (S\$ million)	20	28	66	(16)	22
Weighted average number of Shares in issue used for computing basic EPS (million)	1,121	1,484	1,484	1,484	1,484
Weighted average number of Shares in issue used for computing diluted EPS (million)	1,125	1,489	1,489	1,489	1,489
Net profit per Share (Singapore cents) – basic	1.8	1.9	4.4	(1.1)	1.5
Net profit per Share (Singapore cents) – diluted	1.8	1.9	4.4	(1.1)	1.4

**Notes:**

- (A) **Before SFRS(I) adjustments:** The impact of the WFS acquisition on EPS is positive, based on the Target Group's financial results for the 12 months ended 31 March 2022 reported under French GAAP for the WFS Group and Dutch GAAP for the Dutch Holding Companies. The basic net profit per Share (Singapore cents) improves (i) from 1.8 cents to 1.9 cents if we include amortisation of intangible assets; and (ii) from 1.8 cents to 4.4 cents if we exclude amortisation of intangible assets.

<sup>23</sup> The inclusion of financial effects for the amortisation of intangible assets (net of tax effects) arising from the provisional purchase price allocation under SFRS(I) 3 *Business Combinations* assuming the WFS acquisition was completed on 1 April 2021.

**(B) After SFRS(I) adjustments:** The SATS Group presents its financial results in accordance with SFRS(I). The following SFRS(I) adjustments have been applied to align the financial results of the Target Group with those of the Company:

(i) **SFRS(I) 16 Leases:** The WFS Group adopts an asset-light strategy and leases most of its premises and equipment. Adoption of SFRS(I) resulted in:

- the recognition of operating leases, rights-of-use assets and lease liabilities which are on-balance sheet (these are disclosed off-balance sheet under French GAAP); and
- the depreciation of lease assets and interest on lease liabilities recorded over the lease term in the income statement (rental expenses paid recognised as operating expenses under French GAAP). Interest expense is front loaded. The total expenses, which is the sum of depreciation expense and interest expense, incurred on the leases over the contractual period remain unchanged under both accounting standards, French GAAP and SFRS(I).

The resulting adjustment is non-cash in nature and does not affect the cash flow of the Target Group. However, it does reduce the resulting EPS when calculated using SFRS(I) requirements for the period ended 31 March 2022.

(ii) **SFRS(I) 1-21 The Effects of Changes in Foreign Exchange Rates:** Unlike French GAAP, SFRS(I) 1-21 requires the recognition of unrealised foreign exchange gains and losses in the income statement (recorded in balance sheet under French GAAP). The resulting adjustment is non-cash in nature and does not affect the cash flow of the Target Group. However, it does affect the resulting EPS when calculated using SFRS(I) requirements.

Based on the unaudited financial information of the Target Group for the 12 months ended 31 March 2022, prepared in accordance with French GAAP for the WFS Group and Dutch GAAP for the Dutch Holding Companies, the WFS acquisition would be immediately accretive from an EPS perspective. However, when the financial effects of a GAAP conversion from French GAAP for the WFS Group and from Dutch GAAP for the Dutch Holding Companies into SFRS(I) are accounted for, the WFS acquisition would be dilutive for FY2022 from an EPS perspective.

#### 4.4. Aggregate Leverage – Debt to Equity<sup>24</sup>

	<b>As at 31 March 2022 (1)</b>	<b>Immediately following Closing (before SFRS(I) adjustments) (2)</b>	<b>Immediately following Closing (after SFRS(I) adjustments) (3)</b>
Equity (S\$ million)	1,834	2,633	2,633
Debt (S\$ million)	838	3,176 <sup>25</sup>	4,208 <sup>26</sup>
Debt to Equity Ratio	46%	121%	160%

The Group's estimated gross debt maturity profile immediately following SPA Closing is expected to be as follows:

- 2025: S\$300 million
- 2026: EUR500 million and JPY7.8 billion
- 2027: US\$400 million and EUR590 million

<sup>24</sup> Columns (1) and (2) of the table in this paragraph include the Company's lease liabilities. The Company's financial statements were prepared under SFRS(I).

<sup>25</sup> This includes the debt of the Target Group with an aggregate amount of €1,142 million (based on a € to US\$ exchange rate of 1:1.1101 as at 31 March 2022) (including bank overdrafts and excluding letters of credit) and a Lender Pay-Off Amount of €56 million (approximately equivalent to S\$84 million).

<sup>26</sup> See footnote 25 above.

For the avoidance of doubt, the debt maturity profile stated above takes into account the debt that the Company is taking on in connection with the WFS Acquisition.

#### 4.5. Aggregate Leverage – Net Debt to EBITDA<sup>27</sup>

	<b>As at 31 March 2022 (1)</b>	<b>Immediately following Closing (before SFRS(I) adjustments) (2)</b>	<b>Immediately following Closing (after SFRS(I) adjustments) (3)</b>
Net Debt (S\$ million)	52	2,421 <sup>28</sup>	3,493 <sup>29</sup>
EBITDA (S\$ million)	94	445 <sup>30</sup>	697 <sup>31</sup>
Net Debt to EBITDA	0.5x	5.4x	5.0x

**Note:** When the financial results of the Target Group are aligned with those of the Group using the SFRS(I) adjustments described in paragraph 1.2(ii) of this Appendix K, EBITDA increases from S\$445 million to S\$697 million.

<sup>27</sup> See footnote 24 above.

<sup>28</sup> See footnote 25 above.

<sup>29</sup> See footnote 25 above.

<sup>30</sup> The Company's EBITDA refers to earnings (including share of results of associates/joint ventures) before interest, tax, depreciation and amortisation, and excludes other non-operating gain/loss.

<sup>31</sup> See footnote 30 above.



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