



## ACQUISITION OF MONTY'S BAKEHOUSE UK LIMITED

### 1. Introduction

- 1.1 The Board of Directors (the "**Board**") of SATS Ltd. ("**SATS**" or the "**Company**") wishes to announce pursuant to Rule 703(4)(a) of the Listing Manual that the Company's wholly owned subsidiary, SATS Investments Pte. Ltd. ("**SIPL**") has on 29 February 2020 entered into a Sale and Purchase Agreement (the "**SPA**") to acquire 100% of the existing shares ("**Sale Shares**") in the capital of Monty's Bakehouse UK Limited ("**Monty's Bakehouse UK**") from existing shareholders ("**Acquisition**").
- 1.2 Completion of the Acquisition took place concurrently with the signing of the SPA on 29 February 2020 ("**Completion**").

### 2. Business Activities of Monty's Bakehouse UK

- 2.1 Monty's Bakehouse UK is a company incorporated in the United Kingdom in 2003, and is in the business of providing hand-held meals and snacks to leading airline customers globally. It has two wholly-owned subsidiaries incorporated in the United Arab Emirates and the Netherlands, Monty's Bakehouse GCC and Asia General Trading FZE and Monty's Bakehouse NL B.V., respectively. Monty's Bakehouse UK and its subsidiaries shall collectively hereinafter be referred to as the "**Monty's Bakehouse Group**".
- 2.2 The Monty's Bakehouse Group operates an asset-light business model where it designs and develops concepts in-house and outsources the packaging, manufacturing and supply chain functions. It has in-house expertise in brand and packaging design, culinary excellence, and the commissioning of food manufacturing facilities.

### 3. Consideration

The total consideration (subject to post-completion adjustments as provided in the SPA) payable for the Sale Shares is approximately GBP26.74M (approximately SGD48.40M)<sup>1</sup> which includes a deferred earn-out consideration of up to GBP10.12M (approximately SGD18.32M) payable over 3 years (the "**Deferred Consideration**") (collectively, the "**Purchase Consideration**").

### 4. Rationale

SATS intends to bring products and capabilities from Monty's Bakehouse Group to its customers in Asia in order to meet the growing demand for buy-on-board meals and snacks.

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<sup>1</sup> The exchange rate used in this announcement is GBP1: SGD 1.81 which is solely for illustrative purposes and should not be construed as a representation that the relevant amounts have been or could be converted at this rate or at any other rate.

**5. Financial Effects of the Acquisition**

- 5.1 The Purchase Consideration was arrived at after arms' length negotiations between the parties on a willing buyer and willing seller basis, taking into account, inter alia, the past revenue and profit of the Monty's Bakehouse Group. The Purchase Consideration will be funded through internal resources and paid in cash.
- 5.2 Based on the Monty's Bakehouse Group's unaudited consolidated management accounts as at 31 January 2020, the book value and net tangible asset value of Monty's Bakehouse Group are approximately GBP9.76M (approximately SGD17.67M) and GBP9.75M (approximately SGD17.65M) respectively.
- 5.3 The Acquisition is not expected to have any material impact on the Company's net tangible assets per share and consolidated earnings per share for the current financial year.

**6. Interest of Directors and Controlling Shareholders**

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

**7. Documents for inspection**

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

**BY ORDER OF THE BOARD**

S. Prema  
Company Secretary

2 March 2020  
Singapore