



## Clarification

SATS Ltd (“**SATS**” or “**the Group**”) wishes to provide clarifications in response to media articles following recent SGX announcements by the Group which include:

- a) 19 November 2023 - “Establishment of a US\$3 Billion Multicurrency Debt Issuance Programme” (the “**Programme**”).
- b) 26 November 2023 - “Notice of 3 Consecutive Years’ Losses”; and
- c) 1 December 2023 - “Uncommitted Bilateral Facilities Obtained by SATS Group”

### **Clarifications on funding programmes**

On 19 November 2023, SATS announced the Establishment of a US\$3 Billion Multicurrency Debt Issuance Programme” (the “**Programme**”). This evergreen programme is in line with SATS’ financial management strategy, providing the flexibility to access global debt markets with the aim of optimising the Group’s borrowing cost through appropriate maturity tenure. Hence, SATS remains laser-focused on paring down its total debt. On the back of global travel recovery and the good progress made on its integration with WFS, SATS continues to generate positive net operating cash flow.

In addition, SATS announced the “Uncommitted Bilateral Facilities Obtained by SATS Group” on 1 December 2023. This will enable further cost-effective debt refinancing which is one of the key steps to unlocking value in the integration efforts with WFS.

WFS’s existing revolving credit facilities have certain restrictive covenants in place. The Group had restructured these facilities with ING Bank, N.V., MUFG Bank, Ltd, Bank of America, N.A., and HSBC Bank so as to remove these restrictive covenants, thereby providing SATS with greater funding flexibility.

### **Clarifications on SATS financial results**

On 26 November 2023, SATS made an SGX filing that the company reported losses for the three consecutive financial years ended 31 March 2023. This filing was a regulatory requirement, but investors should note that given the Group’s latest 6-month average daily market capitalisation of



S\$3.9 billion (which is well above the S\$40 million threshold), there is no risk of SATS being placed on the SGX watch list. The financial performance reported over the past three years reflect the unprecedented impact of COVID-19 on the Group's business.

**SATS wishes to assure investors that it remains on track to restoring profitability on the back of travel recovery, new contract wins, operational efficiencies and synergies achieved through the integration with WFS.** In its recent 2QFY24 results announcement, SATS reported positive earnings of S\$22.2 million compared to a loss of S\$29.9 million in 1QFY24, and a loss of S\$9.9 million over the same quarter last year.

SATS reinforces its commitment to the 3 Rs namely - Repayment of debt, Reinvesting in operational CAPEX and the Resumption of dividend payments. SATS will continue to maintain a prudent financial management strategy and focus on delivering stable financial performance and increasing shareholder value.

**Manfred Seah**

**Chief Financial Officer**

**5 December 2023**