SINGAPORE TELECOMMUNICATIONS LIMITED
(Company Registration No. 199201624D)

34th Annual General Meeting to be held on 29 July 2026
Responses to substantial and relevant questions

Singapore Telecommunications Limited ("Singtel") would like to thank shareholders and the Securities Investors Association (Singapore) ("SIAS") who submitted their questions in advance of our Annual General Meeting ("AGM") which will be convened and held in a wholly physical format, at the Cassia Main Ballroom, Level 3, Sands Expo & Convention Centre, 10 Bayfront Avenue, Singapore 018956 on Wednesday, 29 July 2026 at 10.00 a.m. (Singapore time).

Due to some overlaps in the questions received, we have grouped related and similar questions together and will not be responding to every question individually. Please refer to our responses in Appendix 1.

Mr Yuen Kuan Moon, Group CEO, will also be covering some of these questions/topics in greater depth in his presentation during the AGM. The presentation slides will be made available on Singtel's website at the URL https://www.singtel.com/about-us/investor-relations/stock-exchange-announcements and the SGX website at the URL https://www.sgx.com/securities/company-announcements on 29 July 2026.

Dated: 24 July 2026

Group

1. **Can you provide more colour on the impact of the Iran war, Straits of Hormuz blockade and the rise in energy prices on the company?**

- With no operations in the Middle East, the Group's direct exposure to the region's crisis is limited. However, most of our key markets are net energy importers and susceptible to global energy price volatility. While existing long term power contracts should help mitigate this exposure, there could be second-order implications in the form of inflationary pressure resulting in higher operating costs, softer consumer and business spending and slower economic growth. This will affect the Group's foreign exchange risk stemming from volatility in the regional currencies where it operates, further impacting translated earnings.

- So far, we have not experienced any material operational impact from the conflict and it remains too early to reliably quantify any potential financial effects. Any impact would ultimately depend on factors such as the duration of the conflict, the extent of any disruption to global energy supplies and the broader macroeconomic response. We continue to monitor developments closely.

2. **Singtel operates in many geographies, such as in Singapore, Australia, Malaysia, Thailand, Indonesia, Philippines and India etc. How does the company manage currency risks?**

- Singtel operates a diversified portfolio of businesses across Asia Pacific, and foreign exchange movements are a normal part of our operating environment. We manage currency risks through a combination of natural hedges, prudent treasury policies and selective hedging where appropriate.

- Our geographically diversified earnings provide a degree of natural resilience, while our operating companies and regional associates generally fund their operations and investments in their local currencies, reducing transaction currency risk.

- At the Group level, we actively monitor foreign exchange exposures and substantially hedge foreign currency cashflow exposures, including the current year projected dividends from regional associates. This helps reduce the impact of currency volatility on the Group's cash flows.

- While exchange rate movements may affect the translation of overseas earnings into Singapore dollars, our diversified portfolio, disciplined financial management and strong balance sheet position us well to manage currency volatility over the long term.

3. **With significant investments being made in digital infrastructure and services, could management share when these investments are expected to become meaningful contributors to earnings?**

- Our Singtel28 strategy is delivering tangible results, with consecutive years of double digit growth in operating company EBIT and underlying net profit. This has been supported by the continued scaling of Digital InfraCo and NCS businesses.

- Nxera opened its new 58MW Tuas data centre in Singapore and a new data centre in Thailand this year, while its RE:AI sovereign AI cloud platform has won $600 million of contracts. At the same time, NCS continues to benefit from strong demand for digital transformation, cloud, cybersecurity and AI services, hitting record bookings of S$3.8 billion in FY26.

- We expect our growth engines to contribute around 30–35% of Group EBITDA over the medium term, from 17% today. In particular, we expect Nxera's EBITDA to more than double to over S$300 million by CY2028. Together with the continued growth of NCS and the planned acquisition of STT GDC with KKR, we believe these businesses will increasingly become meaningful contributors to the Group's earnings and long-term growth.

4. **What is your economic moat as compared to other companies?**

- Leading Asian communication services group serving over 800 million and 30 million mobile and broadband customers respectively through interests in either the #1 or #2 telcos in Australia, India, Indonesia, Singapore, Thailand and Philippines.

- Extensive suite of digital infrastructure assets built over the years. This includes AI ready data centres, standalone 5G networks, RE:AI cloud platform, as well as a sweeping regional and domestic terrestrial dark fibre network.

- Uniquely positioned to thrive in AI era. Our blend of digital infrastructure assets provides the backbone for the computational power, cloud adoption and high-speed connectivity needed to support AI workloads. Our connectivity businesses are integrating AI to drive efficiency and improve customer experience, while NCS is delivering AI solutions that deliver real business outcomes for its enterprise customers.

<u>Capital management & shareholder returns</u>

5. **Can management explain how the Group determined its medium-term recycling target of S$9 billion? Given the progress achieved to date, changes in market conditions and the group's evolving investment priorities, has the board reviewed either the pace or the size of the capital recycling program?**

- Our S$9 billion asset recycling target reflects our continued focus on active capital management and disciplined capital allocation. It is intended to provide financial flexibility to invest in future growth opportunities while supporting sustainable shareholder returns.

- The asset recycling target is dynamic rather than a fixed cap. For example, we increased our mid-term asset recycling target from S$6 billion to S$9 billion as opportunities evolved. The Board regularly reviews the Group's portfolio, capital allocation priorities and strategic investments in light of the macro, market and operating environment. Our overall approach remains unchanged—we will continue to recycle capital where it creates long-term value for shareholders, while maintaining a strong balance sheet, investing in future growth opportunities and delivering sustainable shareholder returns.

- Of the S$9 billion asset recycling target, ~S$5 billion has been set aside to support the Value Realisation Dividend (VRD) over the five years to FY30, comprising annual VRDs of 3–6 cents per share. A further S$2 billion has been allocated to the Value Realisation Share Buyback (VRSB) programme through FY28, while the remaining S$2 billion will be invested in growth opportunities to support the Group's long-term strategy.

6. **Rationale of large share buyback from market. If the treasury shares are not cancelled, it doesn't increase shareholder value. Why not buyback directly from all shareholders and cancelling these shares immediately? Why not pay a higher dividend to existing shareholders for a good return?**

- As announced last year, we launched the S$2 billion VRSB programme, to be executed over three years. To date, we have completed ~S$760 million, or around 40% of the programme.

- Shares purchased under the S$2 billion Value Realisation Share Buyback (VRSB) programme are bought from the open market and cancelled.

- Cancelling the shares reduces the total number of shares outstanding, which enhances earnings per share (EPS) and allowing all remaining shareholders to benefit from a larger ownership interest in the Company.

- Upon full execution of the S$2 billion buyback, on a pro-forma basis, using FY26 underlying net profit, this would lead to a permanent c.3% accretion in underlying earnings per share and puts Singtel on a higher EPS and DPS trajectory.

- Open market share buybacks are conducted in accordance with SGX Listing Rules, with purchases capped at not more than 5% above the average closing market price over the last 5 market days.

7. Granting awards from outstanding Performance Share Plan (PSP) share quantity is quite large. This will reduce overall shareholders value, so how will the interests of small shareholders be protected?

- The Singtel Performance Share Plan 2012 is an umbrella plan for all our equity-based incentives and is designed to align management and employees with the long-term interests of shareholders.

- Annual PSP grants are capped at 0.5% of Singtel's total issued shares. Total outstanding PSP awards over the last 3 years represent ~0.3% of Singtel's issued shares.

- Singtel has historically settled vested PSP awards using treasury shares acquired through share buybacks, rather than issuing new shares. As a result, PSP vesting has not diluted existing shareholders' ownership.

8. Any upcoming acquisition and/or divestment?

- We are unable to comment on potential transactions. Any material developments will be announced in accordance with our SGX disclosure obligations.

- We continually review our portfolio and assess opportunities to strengthen the Group's businesses, optimise our portfolio and allocate capital in a disciplined manner to create long-term shareholder value. This may include acquisitions and divestments where strategically and financially compelling.

- As announced in May 2026, we are open to working with like-minded Australian partners interested in a minority stake in Optus. There is no certainty that any transaction will materialise, and we will provide updates if and when there are any material developments.

9. ST28 emphasizes capital efficiency and shareholder returns. The proposed Digital Infrastructure Bill materially raises the cost of major network outages. Has the Board changed its capital allocation framework in response? If so, what trade-offs between operational resilience and shareholder returns should we expect?

- The proposed Digital Infrastructure Bill primarily relates to designated digital infrastructure, such as data centres, rather than mobile networks. Based on our preliminary assessment, our existing security, resilience and governance practices are already broadly aligned with the proposed requirements.

- Maintaining resilient, secure and sustainable digital infrastructure has always been a core priority for Singtel and is fundamental to the long-term sustainability of our business. As such, we do not view the proposed Bill as fundamentally changing our capital allocation framework. We have always invested to meet stringent service standards and regulatory requirements while maintaining a high level of operational resilience.

- Moreover, we do not view operational resilience and shareholder returns as competing priorities. Investments in resilience strengthen customer trust, support long-term competitiveness and create sustainable shareholder value. Any incremental investments arising from future regulatory requirements will continue to be assessed within our disciplined capital allocation framework.

<u>AI</u>

10. How is the company using artificial intelligence to improve the operational and business performance of the company?

- Our Group AI strategy positions Singtel in three roles: as an adopter of AI within our own operations, a provider of AI solutions to customers, and an enabler of AI through our connectivity and infrastructure offerings.

- As an AI adopter, our operating companies across the Group are embedding AI across customer interactions, network and IT operations, and employee experience. This includes redesigning customer journeys with AI-powered autonomous services that provide seamless 24/7 support, as well as leveraging AI-driven voice agents and intelligent automation to improve customer issue resolution times, increase productivity, and deliver efficiencies at scale.

- As an AI provider, NCS combines AI technology with deep industry expertise and systems integration to create value for customers. Through its Sunshine.AI suite of enterprise AI platforms and products, NCS helps organisations improve productivity, automate workflows and modernise operations at scale. By providing reusable and secure enterprise-grade AI capabilities, NCS enables customers to accelerate AI adoption and improve operational efficiencies and cost management.

- As an AI enabler, Digital InfraCo is developing AI-ready data centres through Nxera, and sovereign AI cloud through RE:AI. These offerings allow enterprises to access high-performance GPUs and sovereign AI infrastructure seamlessly and at scale to enable mission critical AI use cases for government agencies and Enterprises. These offerings also create opportunities for recurring revenue to Digital InfraCo as demand and utilisation grows over time.

11. Artificial intelligence is increasingly costly. How does the company use AI in a cost-efficient manner? How does the company ensure that AI spending commensurate with the returns that is generated by AI, and that AI spending does not blow the budget?

- We take a disciplined approach to AI investments and apply the same capital allocation principles that govern all our growth investments, prioritising high-value AI use cases with clear business outcomes and measurable returns.

- To maximise efficiency and avoid duplication, we build reusable AI capabilities that can be leveraged across multiple business applications. We also select the most appropriate and cost-efficient AI tools and models for each use case, based on performance, cost and expected business value.

12. As investment in AI-ready digital infrastructure accelerates globally:

a) What structural advantage gives the Board confidence these investments can continue to earn returns above the Group's cost of capital? How does the Board expect that advantage to translate into sustained economic returns, rather than simply operational capability?

b) More broadly, what developments would cause the Board to reassess the pace or scale of further investment in this area?

- We believe the long-term opportunity is underpinned by structural demand rather than a short-term AI cycle. AI adoption, cloud migration and digital transformation continue to drive demand for high-quality digital infrastructure, while many markets in Asia remain constrained by the availability of land and power.

- Our competitive advantage extends beyond owning data centres. We combine AI-ready data centres, sovereign AI cloud capabilities, advanced connectivity and AI orchestration platforms into an integrated digital infrastructure ecosystem. This allows us to provide customers with end-to-end solutions that are difficult to replicate, allowing us to provide secure end-to-end AI infrastructure solutions that differentiate our offerings and support long-term growth.

- The Board regularly reviews our investment priorities as part of our capital allocation framework. In evaluating future investments, we consider customer demand, technology developments, competitive dynamics, regulatory developments and the broader macroeconomic environment.

- Our investment approach is disciplined and phased. For example, RE:AI investments are underpinned by secured customer contracts, helping reduce GPU inventory risk while supporting future recurring revenue. We also continue to expand our AI-ready infrastructure in a measured manner while maintaining financial flexibility through strategic partnerships and prudent capital management.

<u>**Singtel SG**</u>

13. From a recent news article, it appears that Singtel is seeking clarity from regulators to participate in market consolidation. Has Singtel sought permission from the regulators? Any updates on the current status of its discussions with the regulators?

- We remain open to participating in market consolidation should the regulator allow. That said, our strategy is not dependent on any single market outcome.

- Our focus remains on the disciplined execution of our strategy—continuing to differentiate through network quality, 5G+ premiumisation and innovation, while executing across our tri-brand strategy of premium, mass market and value categories to serve different customer segments.

- We also continue to strengthen our enterprise business and international connectivity capabilities which has grown to over 50% of revenue.

14. What strategies does Singtel TV have to compete with Netflix for subscribers?

- Pay TV revenues contribute less than 5% of Singtel SG's revenues. We recognise that consumers today have access to a wide range of streaming platforms, and our strategy is not simply to compete with any single content provider. Instead, we focus on delivering greater value through an integrated entertainment and connectivity experience.

- Singtel TV forms part of our broader digital lifestyle offering alongside mobile and broadband services. Its range of offerings include ethnic content (Astro, TVB, e-Le, Jia Le, Sun TV etc.) as well as sports, news, education (Animal Planet, Discovery etc.), lifestyle and entertainment (AXN, KBS World etc.).

- By bundling entertainment with our connectivity services, customers enjoy greater convenience, attractive value and a seamless experience through a single provider. This also strengthens customer engagement and encourages multi-product adoption, which contributes to higher customer loyalty and lower churn.

15. Does management view 5G as having generated the commercial and financial returns originally envisaged, or has it become a strategic investment that is necessary to enable the Group's broader AI, enterprise and digital infrastructure strategy?

- 5G delivers significantly faster speed than 4G with ultra-low latency and vastly increased bandwidth. It delivers the foundational connectivity needed to transform operations and is generating commercial benefits today, while also serving as critical infrastructure for Singtel's broader enterprise, AI and digital infrastructure strategy.

- Whilst 5G is now offered by all telcos, we are focused on monetising our differentiated network capabilities which deliver superior performance. Since launching our world-first 5G Priority+ slicing service last May, customers on higher-value 5G+ plans with access to superior 2x and 4x speed plans grew 37% last year, demonstrating that our differentiated network capabilities support premiumisation.

- In enterprise, our nationwide 5G standalone network and network-slicing capabilities allow us to support AI workloads, autonomous operations and robotics at scale. This includes real-time, mission-critical applications requiring low latency and high uplink performance, high-precision indoor location and pathfinding.

- We will continue to monetise our 5G capabilities while applying disciplined capital allocation and evaluating returns.

- Our investments in Singtel Singapore continue to generate healthy returns, with ROIC remaining at healthy levels above our cost of capital.

<u>Optus</u>

16. You have announced that you are open to working with an Australian minority partner to strengthen Optus:

a) What is latest update? How many parties have you spoken to? Have you appointed a strategic advisor?

b) Why does Singtel not sell Optus off to invest in more profitable businesses?

c) Should shareholders view this as a strategic partnership designed to strengthen Optus or as a capital recycling initiative?

- Optus has been an integral and strategic part of the Singtel Group for over 25 years, and we remain committed to Australia for the long term. While Optus has faced challenges in recent years, it has made good progress in strengthening its operational resilience, improving customer experience and rebuilding trust. In FY26, Optus delivered improved financial performance, with EBITDA increasing 6%, EBIT rising 23% and operating revenue growing 2%, reflecting continued progress in its transformation.

- Singtel is open to working with like-minded Australian long-term partner for Optus that would own a meaningful minority stake in Optus, as part of our ongoing portfolio management approach. The objective is to strengthen Optus by bringing in a strategic local partner with complementary capabilities and expertise, while ensuring Optus continues to be a strong alternative telecommunications operator and a reliable and trusted critical services provider for Australians.

- This approach is consistent with our portfolio strategy of partnering with strong local operators while remaining invested in attractive long-term growth opportunities.

- We are taking a considered and disciplined approach and there is no deadline nor certainty that any transaction will occur. There are currently **no material developments to announce**. Should there be any material developments requiring disclosure, we will update the market in due course.

17. The Group has committed substantial additional investment in operational resilience following major operational incidents in Australia and Singapore.

a) What did the Board identify as the most significant underlying weakness that justified this investment?

b) If the Board did not identify a most significant underlying weakness, how did it determine the priorities for allocating this investment?

- Following the operational incidents in Australia and Singapore, the Board reviewed the findings of the relevant independent reviews and management assessments. Rather than identifying a single underlying weakness, these reviews highlighted opportunities to strengthen operational resilience across governance, processes, systems and organisational culture. The Optus Board accepted all 21 recommendations from the Schott independent review report and has been overseeing their implementation.

- These findings have guided our investment priorities, given that telco networks have evolved from traditional communications networks into a complex, software-defined digital infrastructure. While this transformation delivers faster innovation and better customer experiences, it also requires significantly greater operational sophistication, resilience and cybersecurity than ever before.

- As such, we have strengthened network resilience, enhanced real-time monitoring and incident detection, improved governance and risk management, strengthened change management and incident response processes, expanded onshore operational capabilities, and reinforced a culture of accountability and customer focus.

- In Singapore, following the March 2026 incident, we also implemented measures to improve network design, hardware configuration and monitoring processes to further enhance the resilience of our network.

- Operational resilience remains a strategic priority for the Group. The Board continues to oversee these investments as part of our disciplined capital allocation framework, recognising that reliable and secure networks are fundamental to maintaining customer trust and supporting sustainable long-term value creation.

<u>Digital InfraCo</u>

18. When do you expect the data centre business to turn profitable?

- Digital InfraCo's data centre business, Nxera, is already contributing positively to the Group's earnings. In FY26, Nxera's EBIT grew 49% to S$72 million, driven by strong customer demand.

- Looking ahead, we expect earnings to continue growing in FY27 as DC Tuas ramps up, with customers progressively completing their fit-out and commencing operations. This will help support the continuous growth of Nxera's EBITDA to more than S$300 million by CY2028.

19. Any data centre tenant defaulting on payment or do not renew lease after expiry?

- No, we have not experienced any tenant defaults on payment across our data centre portfolio. Customer collections have remained healthy, supported by our diversified customer base, prudent credit management, disciplined customer onboarding and long-term contractual relationships. Our customer agreements also contain appropriate contractual and financial protections, including remedies available in the event of a breach of contractual obligations.

- As with any colocation business, customer renewals are influenced by factors such as infrastructure strategies, capacity. Our diversified customer base helps mitigate concentration risk, and renewal rates remain healthy. Excluding our newer facilities (DC Tuas and Phase 1 of Thai DC), where customers are still progressively moving in, utilisation across our data centre portfolio remains high.

STT GDC

20. When completed, the Group will hold a 25% stake in STT GDC, which will operate independently of Nxera. Should investors regard this investment primarily as a passive financial investment or does management expect to realise substantial synergy from it? Is the investment expected to be immediately accretive?

- Investing through a consortium with KKR enables us to manage the capital intensity and financial risk inherent in data centre development. We will also be able to tap on KKR's global expertise in scaling digital infrastructure platforms and accelerating STT GDC's growth ambitions.

- When completed, this will be a strategic investment rather than a passive financial holding. By investing into STT GDC, we gain exposure to the global - not just regional - digital infrastructure value pool.

- Singtel's minority stake is a strategic choice as GDC has a substantial development pipeline. With the investment equity-accounted, Singtel is able to participate in the platform's value creation without consolidating STT GDC's debt or financials. This limits EPS impact while retaining meaningful upside.

- This structure also preserves strategic optionality for future portfolio actions as the data centre sector continues to evolve. We are supportive of a potential local listing of STT GDC's India business to capitalize on strong public market demand for digital infrastructure, unlocking immediate valuation upside and funding for further expansion digital infrastructure growth.

Regional associates

21. Of the key markets you operate in, which country are you most positive about?

- One of Singtel's key strengths is our regionally diversified portfolio, spanning markets in SEA, Australia, India and Africa. Our invested entities are either #1 or #2 in these sizable markets.

- This diversified portfolio has benefited the Group over the years, with each market contributing to the Group's growth. We continue to be focused on capturing opportunities across our portfolio while maintaining a disciplined approach to capital allocation.

- Singapore and Australia remain our core operating markets, where we continue to strengthen our leadership positions through investments in network resilience, AI, digital infrastructure and enterprise services. At the same time, our regional associates in India, Thailand, Indonesia and the Philippines continue to provide attractive long-term growth opportunities, supported by increasing demand for mobile data, broadband, enterprise, digital infrastructure and digital financial services.

- We continue to invest across our portfolio based on where we see the right opportunities and where we believe we can create the greatest value for our shareholders.

22. What are the implications of the Mynt IPO on Singtel? What stake will Globe hold post-IPO? How much do we expect to gain from the IPO of Mynt?

- As a shareholder of Globe, Singtel stands to benefit from the long-term value created by Mynt through Globe's investment, and we will continue to support Mynt as it develops this business.

- Globe believes its ownership level is optimal and consistent with its strategy. The company intends to remain the largest minority shareholder in Mynt post-IPO, as the service is integral to its core business distribution strategy.

- The performance of the IPO will depend on a variety of factors including the final offer structure and terms and market conditions at the time of the IPO.

Sustainability

23. Singtel has stated its intent to expand its data centre portfolio. Is the company concerned about backlash against data centre development from local communities? How does the company manage these concerns from local communities about the negative externalities brought about by data centre development, including but not limited to, increased utility costs and power strain, water scarcity and increased water costs, pollution and noise etc?

- We recognise the concerns that have been raised globally around the impact of data centres on electricity networks, water resources and local communities. These are important issues that must be addressed, and we believe the long-term success of AI infrastructure depends on ensuring that people benefit from its development, not simply from the digital services it enables.

- Where appropriate, we work with governments, utilities and local partners from the earliest stages of development to identify the most appropriate energy and water solutions for each project, ensuring they align with local infrastructure plans and community needs.

- We are also investing in the workforce needed to support the AI economy by building AI and digital capabilities across the Group through continuous upskilling, reskilling and workforce transformation, helping our people move into higher-value roles as AI adoption accelerates.

- Alongside highly efficient facilities such as our new 58MW DC Tuas campus, which has a design PUE of 1.25 and incorporates Singapore's largest deployment of direct-to-chip liquid cooling, we are also transforming how our facilities are powered. We are proactively seeking opportunities to invest in dedicated and lower-carbon energy solutions that complement existing energy infrastructure, expand overall system capacity and improve resilience.

- Our objective is to ensure the infrastructure we develop creates value beyond digital capacity alone. That means supporting stronger energy and water systems, creating skilled employment and contributing to broader economic growth in the regions where we operate. We believe this is how AI infrastructure must contribute to society as it continues to grow.

24. You have indicated that you are considering launching a real estate investment trust (REIT) to fund data centre investments.

a) What execution challenges remain and what would be the key catalysts?

b) Is the present market environment providing an attractive opportunity?

c) What type of assets will you inject? How big will the REIT be?

- As disclosed in our annual report, permanent capital pools including a public REIT listing could be one of our many capital management levers. No decision has been made on structure, timing or scale and any potential REIT will be evaluated based on market conditions and its ability to enhance long-term shareholder value.

- We will announce any material developments in accordance with our disclosure obligations.

Others

25. Given SGX RegCo's encouragement of forward guidance and its view that such disclosures can enhance investor confidence and credibility. Has the board considered the adoption of a structured forward guidance framework?

- We are supportive of SGX RegCo's efforts to encourage forward guidance and agree that it improves transparency and builds investor confidence.

- Singtel has been providing forward guidance on its financials for more than a decade. Our guidance has evolved over the years to take into account the evolution of the business and feedback we have received from investors.

- Currently, we provide one year forward guidance on the EBIT of our operating companies, dividends from our regional associates' and capital expenditure spend. Where meaningful, we provide guidance for some of our growth engines to give investors a sense of how fast they will scale.

- We also provide medium term guidance to aid investors in tracking our performance against our strategic growth plans. This includes multi-year cost savings, asset recycling and return on invested capital (ROIC) targets. Shareholders investing in us for our dividends can also look to our multi year Value Realisation Dividend (VRD) and Value Realisation Share Buyback (VRSB).