

NETLINK NBN TRUST INCREASES DPU TO 2.56 SINGAPORE CENTS

- **Revenue up 3.6% to S\$187.9 million**
- **Residential connections increase approximately 1.0% to 1,450,730 connections**
- **EBITDA and PAT down due mainly to an accounting adjustment**

Summary of NetLink Group's Results

	Half Year Ended 30 Sep		
S\$'million	2021 ("H1 FY22")	2020 ("H1 FY21")	Variance (%)
Revenue	187.9	181.5	3.6
EBITDA	126.6	139.7	(9.4)
EBITDA Margin (%)	67.4	77.0	(9.6 pp)
Profit After Tax	40.1	44.8	(10.5)
Distribution Per Unit (Singapore cent)	2.56	2.53	1.2

SINGAPORE, 3 November 2021 – NetLink NBN Management Pte. Ltd., the Trustee-Manager of NetLink NBN Trust (网联宽频信托) (NetLink NBN Trust, together with its subsidiaries, the “**NetLink Group**”) announced today its financial results for the half year ended 30 September 2021 (“**H1 FY22**”), and is pleased to report a Distribution Per Unit (“**DPU**”) of 2.56 Singapore cents in H1 FY22, 1.2% higher than the previous corresponding period (“**H1 FY21**”)’s DPU.

NetLink Group’s revenue was up 3.6% to S\$187.9 million in H1 FY22, as compared to the S\$181.5 million recorded in H1 FY21. EBITDA and PAT were lower by 9.4% and 10.5% respectively. The decrease was due mainly to a remeasurement loss of S\$12.4 million relating to finance lease receivables arising from the reduction in rental rates upon the renewal of the Central Office lease agreements with the lessee from September 2021. In addition, there were lower government grants recorded in this period as compared to the amount received in prior corresponding period.

The reduction in rental rates is not expected to have a material cashflow impact for FY22 nor subsequent years. The accounting standards require the reduction in rental rate for FY22 and subsequent years (i.e. remaining lease term of the leasehold ranging from 47 to 67 years) to be recognised upfront as the remeasurement loss described above.

RESILIENT CORE FIBRE BUSINESS

The NetLink Group's revenue growth in H1 FY22 was mainly due to higher residential, NBAP and segment connections revenue, installation-related revenue and diversion revenue, which was partially offset by lower Central Office revenue and ducts and manholes service revenue.

Residential connections remained the NetLink Group's core revenue driver, with recurring revenue from residential connections increasing by S\$1.5 million or 1.3% to S\$120.0 million, supported by a higher number of connections in H1 FY22. As at 30 September 2021, there were 1,450,730 connections as compared to 1,437,360 connections as at 30 September 2020.

NBAP and segment connections revenue increased by S\$2.0 million or 51.1% to S\$6.0 million in H1 FY22 as a result of higher demand for point-to point connections and Central Office-diversity connections to support mobile network rollout and other projects requiring high resiliency.

The NetLink Group saw S\$2.7 million higher installation-related revenue to S\$9.6 million in H1 FY22, mainly due to higher residential service activations and non-residential termination point installation orders. Diversion revenue also increased by S\$1.2 million to S\$4.4 million, attributed to more projects completed mainly for government agencies as compared to H1 FY21 where fewer number of projects were completed due to stoppages in construction work nationwide.

Meanwhile, Central Office revenue decreased by S\$0.6 million to S\$8.9 million mainly due to spaces surrendered by the main lessee in NetLink Group's seven Central Offices. Ducts and manholes service revenue decreased by S\$0.5 million to S\$14.1 million mainly due to a reduction in service revenue from the leasing of NetLink Group's ducts.

In H1 FY22, the Group's net cash from operating activities was S\$138.4 million, S\$2.5 million lower than H1 FY21, mainly due to changes in working capital of S\$4.4 million contributed by the increase in trade and other receivables from higher billings, partially offset by income tax refund received from prior years' income tax.

DISTRIBUTIONS

The NetLink Group has a stated policy to make distributions on a semi-annual basis. Accordingly, Unitholders can expect to receive a distribution of 2.56 Singapore cents per unit for the six months ended 30 September 2021 on 1 December 2021.

The Unit Transfer Books and Register of Unitholders of NetLink NBN Trust will be closed at 5.00 p.m. on 17 November 2021 for the purposes of determining each Unitholder's entitlement to the Distribution.

OUTLOOK

Singapore is transiting towards being a COVID-19 resilient nation. More restrictions are expected to be lifted as the Government opens the economy progressively. NetLink will remain vigilant in this transition and has put in place measures to minimise any disruption should there be any adverse developments.

NetLink Group's business model is resilient and is well-supported by predictable revenue streams from: (a) fibre connections to residential and non-residential premises, non-building address points ("**NBAP**") locations, network segments and other point-to-point connections and (b) contracted revenues. The Group's balance sheet and liquidity remains strong, underpinned by stable cashflows and access to financial resources to support future capital expenditure. The Group expects to maintain its distributions to Unitholders.

NetLink Group is continuing to expand its network to reach new residential dwellings and commercial buildings. In support of Singapore's digital inclusion effort, NetLink plans to collaborate with the Requesting Licensees ("**RLs**") and Retail Service Providers to encourage first-time users to subscribe to fibre broadband services. In addition, NetLink will continue connecting the low-income households to the Nationwide Broadband Network via initiatives such as the Home Access Programme. The Group will also continue partnerships with the RLs and Retail Service Providers to support their efforts to acquire new enterprise and NBAP connections. In this regard, NetLink will (a) extend customised pricings to support RLs participating in projects involving multi-site and/or nation-wide connectivity; and (b) make available offerings to help digital transformations of SMEs. NetLink will continue enhancing its network capability to improve its presence at major data centres and support network roll-outs by mobile operators. NetLink will also be exploring opportunities to invest in telecommunication infrastructure businesses overseas.

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ABOUT NETLINK NBN TRUST

The NetLink Group's nationwide network is the foundation of Singapore's Next Generation Nationwide Broadband Network ("**Next Gen NBN**"), over which ultra-high-speed internet access is delivered throughout mainland Singapore and its connected islands.

The NetLink Group designs, builds, owns and operates the passive fibre network infrastructure (comprising ducts, manholes, fibre cables and Central Offices) of Singapore's Next Gen NBN. The NetLink Group's extensive network provides nationwide coverage to residential homes and non-residential premises in mainland Singapore and its connected islands.

NetLink NBN Trust was listed on the Main Board of the Singapore Exchange Securities Trading Limited (**SGX-ST**) on 19 July 2017, and is a constituent of the FTSE ST Large & Mid Cap Index, FTSE ST Singapore Shariah Index and the MSCI Global Small Cap – Singapore Index.

For more information about NetLink NBN Trust, please visit: www.netlinknbn.com

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