

NETLINK NBN TRUST'S FY22 DPU INCREASES TO 5.13 SINGAPORE CENTS

- Revenue rises 2.5% to S\$377.6 million, led mainly by the fibre business with NBAP and Segment connections recording 46.4% revenue growth
- Residential connections increase 1.2% to 1,464,217 connections

Summary of NetLink Group's Results

S\$' million	Half Year Ended 31 Mar			Financial Year Ended 31 Mar		
	2022 ("H2 FY22")	2021 ("H2 FY21")	Variance (%)	2022 ("FY22")	2021 ("FY21")	Variance (%)
Revenue	189.7	187.0	1.4	377.6	368.5	2.5
EBITDA	140.4	130.5	7.5	266.9	270.2	(1.2)
EBITDA Margin (%)	74.0	69.8	4.2pp	70.7	73.3	(2.6pp)
Profit After Tax	51.2	50.0	2.3	91.3	94.8	(3.7)
Distributions Attributable	100.2	99.4	0.8	199.9	198.0	1.0
Distribution Per Unit (Singapore cent)	2.57	2.55	0.8	5.13	5.08	1.0

SINGAPORE, 17 May 2022 – 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 that its revenue for the financial year ended 31 March 2022 (“**FY22**”) increased by 2.5% to S\$377.6 million, compared to the previous corresponding period (“**FY21**”).

Mr. Tong Yew Heng (唐耀兴), Chief Executive Officer of the Trustee-Manager, said, “Our resilient business model has enabled NetLink Group to continue delivering stable and growing returns to our unitholders in FY22. As the COVID-19 situation stabilises, we are well-positioned to work with our industry partners in the coming years to support Singapore’s Smart Nation initiatives and 5G deployment nationwide. Looking ahead, we

will continue to invest in our network to enhance our network capacity, flexibility and resilience to better serve our customers and end-users.”

RESILIENT CORE FIBRE BUSINESS

The NetLink Group recorded revenue of S\$377.6 million for FY22, 2.5% higher than FY21's S\$368.5 million, mainly due to higher residential, NBAP & segment connections revenue, installation-related revenue and ancillary project revenue, partially offset mainly by lower Central Office revenue.

Residential connections remained the key driver of the NetLink Group's revenue, contributing to 63.8% of total revenue. Residential connections revenue increased by S\$2.8 million to S\$240.7 million as a result of a higher number of connections in FY22. As at 31 March 2022, there were 1,464,217 connections as compared to 1,446,784 connections at 31 March 2021, representing an increase of 1.2%.

NBAP and segment connections revenue increased by 46.4% or S\$4.1 million in FY22 because of higher demand for point-to-point connections and Central Office-diversity connections to support mobile network rollout and other projects requiring high resiliency.

Installation-related revenue was up S\$2.7 million in FY22, mainly due to higher residential service activations and non-residential termination point installation orders. Higher ancillary project revenue of S\$1.3 million was due to more projects being completed in FY22 as compared to FY21 which was affected by stoppages in construction work nationwide. Central Office revenue in FY22 decreased by S\$1.8 million mainly due to spaces surrendered by the main lessee in NetLink's seven Central Offices and reduction in rental rates effective from September 2021.

FY22's EBITDA stood at S\$266.9 million while Profit After Tax was S\$91.3 million, 1.2% and 3.7% lower respectively when compared to FY21. These decreases were mainly due to a remeasurement loss of S\$12.4 million in FY22 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. The reduction in rental rates did not have a material cashflow impact for FY22 nor is it expected to have a material cashflow impact for each of the 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. The EBITDA variance was also due to S\$5.7 million lower net government grants received in FY22 and a S\$7.4 million write-off of capitalised project costs in FY21 in relation to the discontinuation of an IT contract.

NetLink Group's net cash from operating activities in FY22 was S\$258.7 million, S\$5.8 million lower than FY21. This was due to higher trade and other receivables from higher billings in ancillary project and contract assets, partially offset by lower interest and tax paid between the two corresponding periods.

DISTRIBUTIONS

The NetLink Group has a stated policy to distribute 100% of its cash available for distribution on a semi-annual basis. Accordingly, Unitholders can expect to receive a distribution of 2.57 Singapore cents per unit for the six months ended 31 March 2022 on 10 June 2022. This brings the total Distribution Per Unit for FY22 to 5.13 Singapore cents, representing a 1.0% increase from FY21.

The Unit Transfer Books and Register of Unitholders of NetLink NBN Trust will be closed at 5.00 p.m. on 27 May 2022 for the purposes of determining each Unitholder's entitlement to the distribution.

OUTLOOK

Singapore is progressing towards being a COVID-19 resilient nation and the lifting of restrictions is expected to open up the economy faster. However, the global environment is uncertain due to, among others, geopolitical issues, inflationary pressures, forecasted increases in interest rates and global supply chain constraints. NetLink will remain vigilant and monitor the developing macro environment, and respond appropriately should there be any adverse developments.

NetLink Group's business model is resilient and is well-supported by predictable revenue streams. 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 increase subscriptions of fibre broadband plans from first-time users. 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 businesses. 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 facilitate digital transformations of SMEs. NetLink will continue enhancing its network capability to provide point-to-point connectivity, which allows NetLink to better support network roll-outs by mobile operators. In addition, NetLink will continue improving its presence at data centres and will invest in a new Central Office in Singapore. NetLink will also be exploring opportunities to invest in telecommunication infrastructure businesses overseas.

NetLink has been investing in its network assets to cater to the growing end-user demand across residential, non-residential, non-building address points (“**NBAP**”) and segment connections. These investments in turn increase its Regulatory Asset Base. NetLink is poised to leverage on the growth opportunities arising from the digital economy, 5G rollout and Singapore’s commitment to implementing its Smart Nation initiatives and ecosystem.

NetLink is currently undergoing the review of NetLink Trust’s services (including prices) offered under its Interconnection Offer with the IMDA. The regulatory review is expected to be completed by early 2023.

-End-

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



For media queries, please contact:

Citigate Dewe Rogerson Singapore Pte Ltd

CHIA Hui Kheng / Justin TEH / Vaylor TAN

Tel: +65 6534 5122 (Office Hours)

E-Mail: netlink@citigatedewerogerson.com