

NETLINK NBN TRUST'S INCREASES DPU TO 2.62 SINGAPORE CENTS

- Revenue and EBITDA increase 6.2% to \$199.6 million and 15.0% to \$145.6 million respectively

Summary of NetLink Group's Results

| \$'million | Half Year Ended 30 Sep | | |
|---|------------------------|---------------------|--------------|
| | 2022 ("H1 FY23") | 2021 ("H1 FY22") | Variance (%) |
| Revenue | 199.6 | 187.9 | 6.2 |
| EBITDA | 145.6 | 126.6 | 15.0 |
| EBITDA Margin (%) | 72.9 | 67.4 | 5.5 pp |
| Profit After Tax | 54.6 | 40.1 | 36.1 |
| Distribution Per Unit (Singapore cent) | 2.62 | 2.56 | 2.3 |

SINGAPORE, 2 November 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 its financial results for the half year ended 30 September 2022 (“**H1 FY23**”) and is pleased to report a Distribution Per Unit (DPU) of 2.62 Singapore cents for H1 FY23, 2.3% higher than the previous corresponding period's DPU.

NetLink Group's revenue and EBITDA increased 6.2% to \$199.6 million and 15.0% to \$145.6 million respectively in H1 FY23.

RESILIENT CORE FIBRE BUSINESS

Revenue for H1 FY23 increased 6.2% to \$199.6 million mainly due to higher ancillary project revenue, connections revenue (residential, non-residential, NBAP and segment),

co-location and installation-related revenue. This was partially offset by lower Central Office (CO) revenue.

Ancillary project revenue of \$7.2 million contributed most significantly to the increase due to more diversion projects being completed in H1 FY23 as compared to H1 FY22.

Residential connections remained the key contributor to of the NetLink Group's overall revenue, contributing to 61.0% of total revenue. Residential connections revenue increased by \$1.7 million to \$121.7 million as a result of a higher number of connections. As at 30 September 2022, there were 1,474,243 connections as compared to 1,450,730 connections as at 30 September 2021, representing an increase of 1.6%.

NBAP and segment connections revenue increased by \$1.7 million mainly from higher demand for point-to-point connections to support mobile network rollout and other projects requiring high resiliency.

Co-location and other revenue increased by \$1.0 million mainly due to increased rates for power charges charged to Requesting Licensees ("RLs"), in line with the increase in power costs. Higher installation-related revenue of \$0.6 million was mainly due to higher NBAP and segment installation orders coupled with higher residential service activations. CO revenue decreased by \$1.2 million mainly due to spaces surrendered by the main lessee in NetLink's seven COs and reduction in rental rates effective from September 2021.

H1 FY23's EBITDA stood at \$145.6 million while Profit After Tax (PAT) was \$54.6 million, 15.0% and 36.1% higher compared to H1 FY22. The higher EBITDA was mainly due to lower other operating expenses, and higher revenue net of its related costs. Operating expenses in H1 FY23 was significantly lower in comparison to H1 FY22 because of the \$12.4 million remeasurement loss recorded in H1 FY22 due to the change in rental rates upon the renewal of the CO lease agreements. PAT for H1 FY23 was higher than H1 FY22 mainly due to higher EBITDA, partially offset by higher finance costs and lower income tax credit.

NetLink Group's net cash from operating activities in H1 FY23 was \$157.6 million, \$19.2 million higher than H1 FY22. This was due to higher profits and the decrease in trade and other receivables, partially offset by higher interest and taxes paid, as compared the prior corresponding period, where the Group received tax refunds.

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 2.62 Singapore cents per unit for the six months ended 30 September 2022 on 30 November 2022.

The Unit Transfer Books and Register of Unitholders of NetLink NBN Trust will be closed at 5.00 p.m. on 16 November 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 has opened up the economy faster. However, the global environment is still uncertain due to, among others, geopolitical issues, inflationary pressures, increases in interest rates and global supply chain constraints. NetLink will remain vigilant, 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 the expansion of its network to reach new residential dwellings and commercial buildings. In support of Singapore's digital inclusion effort, NetLink plans to collaborate with the RLs and Retail Service Providers to increase subscriptions of fibre broadband plans from first-time users. 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 nationwide connectivity; and (b) make available offerings to facilitate digital transformations of SMEs.

NetLink has been improving network assets to enhance the capability to meet the growing end-user demands. These investments in turn increase the Regulatory Asset Base and position NetLink to leverage on the growth opportunities. We see these opportunities to arise from the digital economy, 5G rollout, connectivity into data centres to support cloud-based services and Singapore's commitment to implement Smart Nation initiatives.

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 the first half of 2023.

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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 CO) 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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